



**Washington Suburban
Sanitary Commission**

PROPOSED BUDGET

FY 2014

July 1, 2013 – June 30, 2014

Washington Suburban Sanitary Commission

Fiscal Year 2014 Proposed Budget

Chris Lawson, Chair

Gene W. Counihan, Vice Chair

Melanie Hartwig-Davis, Commissioner

Antonio L. Jones, Commissioner

Adrienne A. Mandel, Commissioner

Dr. Roscoe M. Moore, Jr., Commissioner

ATTEST: Charlett Bundy, Corporate Secretary

BUDGET - LEGAL STATUS

Section 17-202 of the Public Utilities Article, 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 2014 BUDGET

Public Hearings by the Commission	February 6, 7, 13, 2013 (held as scheduled)
Submission to County Executives	March 1, 2013
Approval by the County Councils	June 1, 2013
Budget Effective Date	July 1, 2013

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

CONTAINED HEREIN IS WSSC'S FY'14 PROPOSED BUDGET DATED MARCH 1, 2013, WHICH REPLACES AND SUPERSEDES THE PREVIOUS JANUARY 15, 2013, EDITION.



**Washington Suburban
Sanitary Commission**

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, 2012

Christopher P. Morrill

President

Jeffrey R. Egan

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, 2012. This is the eighteenth 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 2014 PROPOSED BUDGET**

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Washington Suburban Sanitary Commission

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March 1, 2013

To The Honorable:

County Executives of Prince George's
and Montgomery Counties

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

Valued Customers and Interested Citizens:

We are hereby transmitting the Fiscal Year 2014 (FY'14) Proposed Capital and Operating Budget Document for the Washington Suburban Sanitary Commission (WSSC). In January, a preliminary FY'14 budget was published and distributed for review by interested customers, citizens, and officials. Public Hearings were held on Wednesday, February 6, Thursday, February 7, and Wednesday, February 13, 2013. The FY'14 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, Annotated Code of Maryland, before a final budget is adopted for the next fiscal year, beginning July 1, 2013.

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.

We continue to face the challenge of meeting our fiscal responsibilities in a manner our customers can afford. The combined average 7.25% rate increase in the FY'14 budget is below the Spending Affordability Guidelines established by each County. This increase will add approximately \$5.05 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 VI (page 14).

Water and Sewer Infrastructure

The state of WSSC's infrastructure remains a significant issue. The provision of adequate, reliable infrastructure is essential for maintaining levels of service, complying with environmental mandates, and supporting new development. This emphasis on infrastructure is evident in that new debt service to be issued in FY'14 accounts for approximately two-thirds (4.73%) of the proposed combined rate increase.

The Commission continues to make significant reinvestments in our critical water and sewer infrastructure. At the end of the current fiscal year, all 77 miles of 48 inch and larger diameter Prestressed Concrete Cylinder Pipe (PCCP) water lines will have been inspected and Acoustic Fiber Optic (AFO) monitoring equipment installed. The proposed budget includes funds to safeguard these investments by beginning regular, continuous re-inspections of these pipes. The large water pipe rehabilitation program will be extended in FY'14 to begin inspection of the 68 miles of 36 and 42 inch PCCP. The budget also proposes the rehabilitation/replacement of 51 miles of smaller water main (less than 16 inches in diameter), house connections, large meters and vaults.

In FY'14, the Commission will begin the rehabilitation of 122 miles of trunk sewer lines to meet the requirements of the Sanitary Sewer Overflow (SSO) Consent Decree. The delivery process for these projects has been accelerated by the advance procurement of several Indefinite Delivery Indefinite Quantity (IDIQ) construction contracts. Once the design of the trunk sewer lines is complete, construction may begin without the need to wait for several, separate procurement processes. The Commission will also complete the final two Sewer Basin Repair, Replacement, and Rehabilitation (SR³) plans. The FY'14 budget also includes reconstruction of 12 miles of small-sized sewer pipe less than 15 inches in diameter. Initially, the cost of the Consent Decree was estimated to be \$400 million. As we have implemented the Decree's Articles, our total estimated cost has grown to \$1.5 billion. While these improvements will protect the environment, the magnitude of these costs place a greater emphasis on the need for the strategic allocation of financial resources for capital improvements. The Commission is utilizing a multi-year Asset Management Program (AMP) which identifies infrastructure needs for the entire organization over the next 30 years. This information serves as the basis for future investment decision making and management of infrastructure.

The Commission's share of capital improvements at the regional Blue Plains Advanced Wastewater Treatment Plant total \$178.6 million in FY'14, which is approximately 28% of WSSC's FY'14 Proposed Capital Improvement Program. WSSC is also in the process of making a series of environmental improvements to improve the health of the Chesapeake Bay at its Damascus, Parkway, Piscataway, Seneca, and Western Branch Wastewater Treatment Plants. These improvements are to comply with the Maryland Department of the Environment (MDE) Enhanced Nutrient Removal (ENR) Program. ENR projects total \$20.4 million in FY'14 in addition to WSSC's share of ENR projects at Blue Plains.

The Bi-County Infrastructure Funding Working Group has made considerable progress over the past year to develop affordable, long-term funding solutions to meet WSSC's infrastructure needs. Beginning in FY'14, in accordance with the Group's recommendations, new debt issues will be for 30 years instead of the current practice of 20 years. A portion of the debt service

savings will be used for Pay-As-You GO (PAYGO) financing of capital projects so that the amount of future rate increases will be reduced. This change also ensures the Commission’s ratio of debt service to operating budget stays below 40% which keeps rate increases stable and reasonable.

FY'14 Proposed Capital and Operating Budgets

Our Proposed Budget for FY'14 includes a 7.25% rate increase. The budget includes funds for an additional 24 workyears to support critical programs and enhanced customer service. These additional workyears account for 0.67% of the proposed rate increase. These additional and reinstated positions will provide quicker response times to customer questions and requests, more efficient operations, and enhanced preventative maintenance of the Commission’s infrastructure. The FY'14 Proposed Budget includes funds to secure the long-term fiscal sustainability of the Commission including a contribution to continue the process of increasing the operating reserve to 10% of water and sewer rate revenues and funding the phase-in of full funding of the annual required contribution for non-retirement post-employment benefits. At this point in our budget process, we are including a pool of \$3.4 million for salary enhancements. The specific use of these funds will be determined during the budget approval process as the two Counties decide how they will address salary enhancements for their employees.

Comparative Expenditures by Fund

	FY'13 Approved	FY'14 Proposed	FY'14 Over / (Under) FY'13	% Change
<u>Capital Funds</u>				
Water Supply	\$240,107,000	\$246,702,000	\$6,595,000	2.7 %
Sewage Disposal	527,914,000	488,106,000	(39,808,000)	(7.5)%
General Construction	19,984,000	20,133,000	149,000	0.7 %
Total Capital	788,005,000	754,941,000	(33,064,000)	(4.2)%
<u>Operating Funds</u>				
Water Operating	269,337,000	280,166,000	10,829,000	4.0 %
Sewer Operating	350,941,000	378,752,000	27,811,000	7.9 %
General Bond Debt Service	41,455,000	40,355,000	(1,100,000)	(2.7) %
Total Operating	661,733,000	699,273,000	37,540,000	5.7 %
GRAND TOTAL	\$1,449,738,000	\$1,454,214,000	\$4,476,000	0.3 %

The FY'14 Proposed Capital Budget of \$754.9 million represents a decrease of \$33.1 million (-4.2%) from the FY'13 Approved Budget. The changes can be primarily attributed to decreases in the small diameter Sewer Reconstruction Program and two major sewer projects winding down construction in FY'14 (the Blue Plains Advanced Wastewater Treatment Plant Digester and Enhanced Nutrient Removal projects).

In summary, the FY'14 estimated expenditures for all operating and capital funds total \$1.5 billion or \$4.5 million (0.3%) more than the FY'13 Approved Budget. The FY'14 Proposed Operating Budget of \$699.3 million represents an increase of \$37.5 million (5.7%) from the FY'13 Approved Operating Budget. The primary drivers of this increase are debt service associated with the increased Capital Budget and PAYGO financing of capital projects as recommended by the Bi-County Infrastructure Funding Working Group. Water and sewer operating debt service costs are expected to exceed FY'13 budgeted debt service by \$14.7 million. Other drivers include cost increases for regional sewage disposal, reduced revenue from passive conservation, expansion of the PCCP and Corrosion Management Programs, an increase in the operating reserve, and new workyears in 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 2012, the Montgomery County Council and Prince George's County Council approved resolutions establishing four limits on the WSSC's FY'14 budget. As indicated in the following table, the proposed FY'14 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, but requires a water and sewer rate increase that is less than the Counties' spending affordability limit.

WSSC FY'14 Proposed Budget vs. Spending Affordability Limits (\$ in Millions)

	<u>FY'14 Proposed Budget</u>	<u>Prince George's County Limit</u>	<u>Montgomery County Limit</u>
New Water and Sewer Debt	\$506.4	\$506.4	\$506.4
Total Water and Sewer Debt Service	\$226.6	\$226.6	\$226.6
Total Water/Sewer Operating Expenses	\$658.9	\$659.7	\$662.3
Water/Sewer Bill Increase	7.25%	7.5%	8.0%


The proposed budget provides for:

- Funding the first year of the FYs 2014-2019 Capital Improvements Program;
- Increased funding for the large and small 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 \$265.4 million in debt service on \$2.2 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 employee salary enhancements in a manner coordinated with the Counties;
- Operating and maintaining a system of 3 reservoirs impounding 14 billion gallons of water, 2 water filtration plants, 6 wastewater treatment plants, 5,600 miles of water main, and 5,500 miles of sewer main 24 hours a day, 7 days a week;
- Continue making recommended safety and access improvements in our watershed;
- Continuing to increase the operating reserve toward our goal of 10% of water and sewer rate revenues; and
- Funding the seventh year of an eight-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 IX (page 17).

Budget Review Process

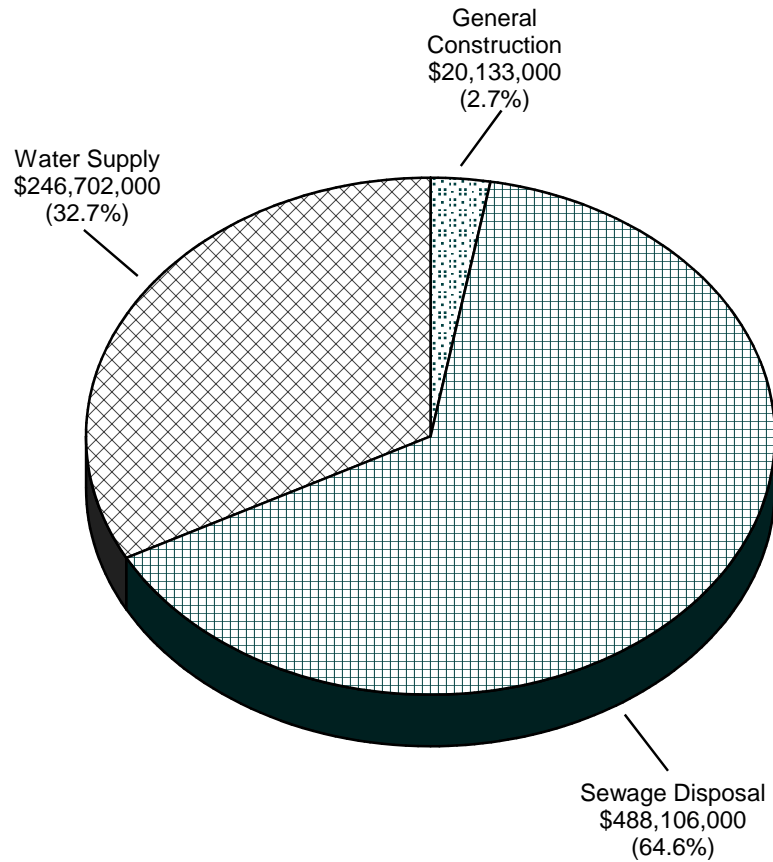
The Proposed Budget is subject to the Counties' hearings, procedures, and decisions, as provided under Section 17-202 of the Public Utilities Article, Annotated Code of Maryland, before the final budget is adopted for the fiscal year beginning July 1, 2013.



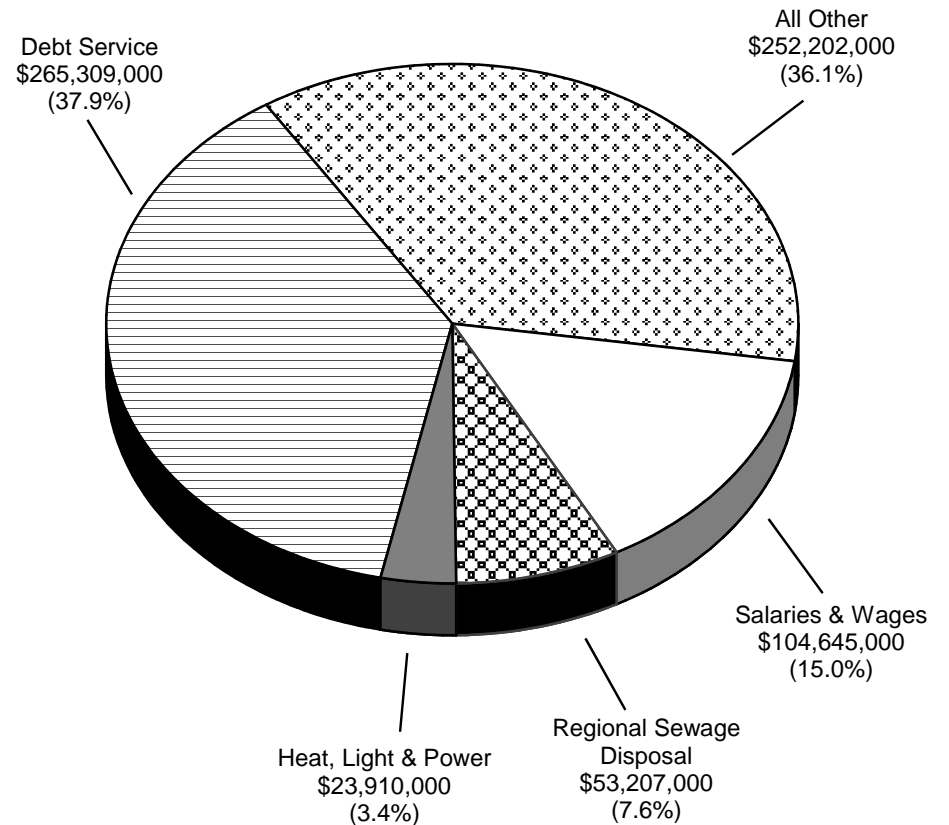
Chris Lawson, Chair
Washington Suburban Sanitary Commission

FY 2014 PROPOSED BUDGET

CAPITAL = \$754,941,000



OPERATING = \$699,273,000

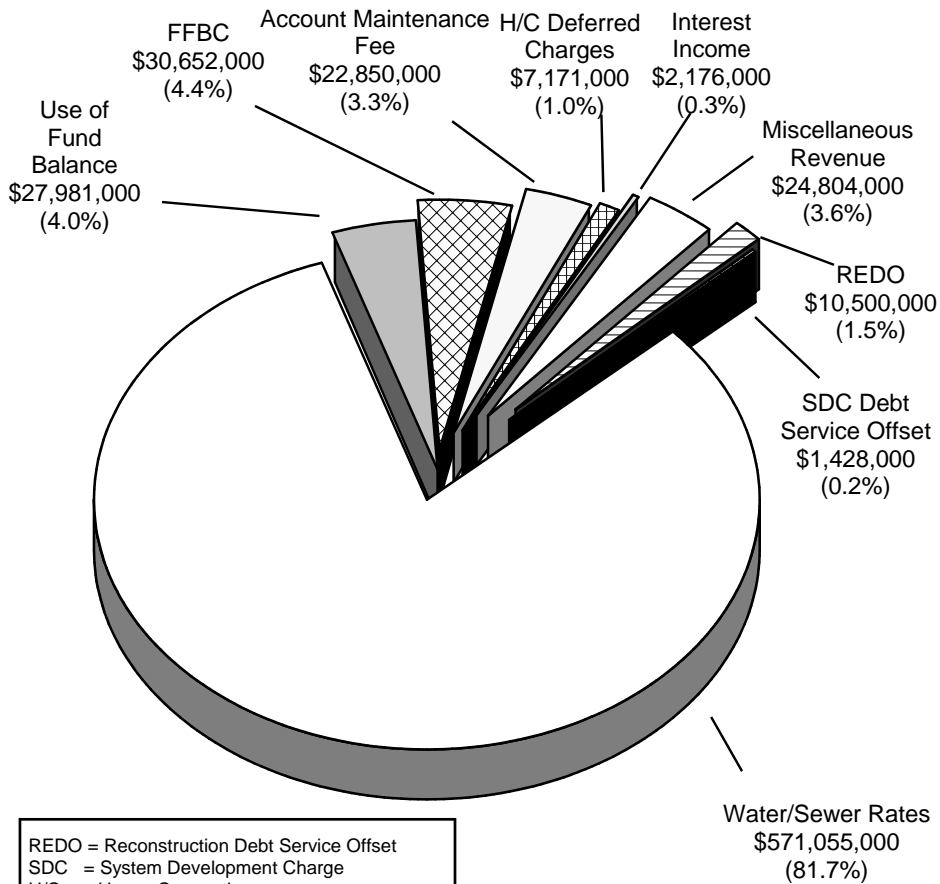


GRAND TOTAL = \$1,454,214,000

FY 2014 PROPOSED BUDGET

OPERATING

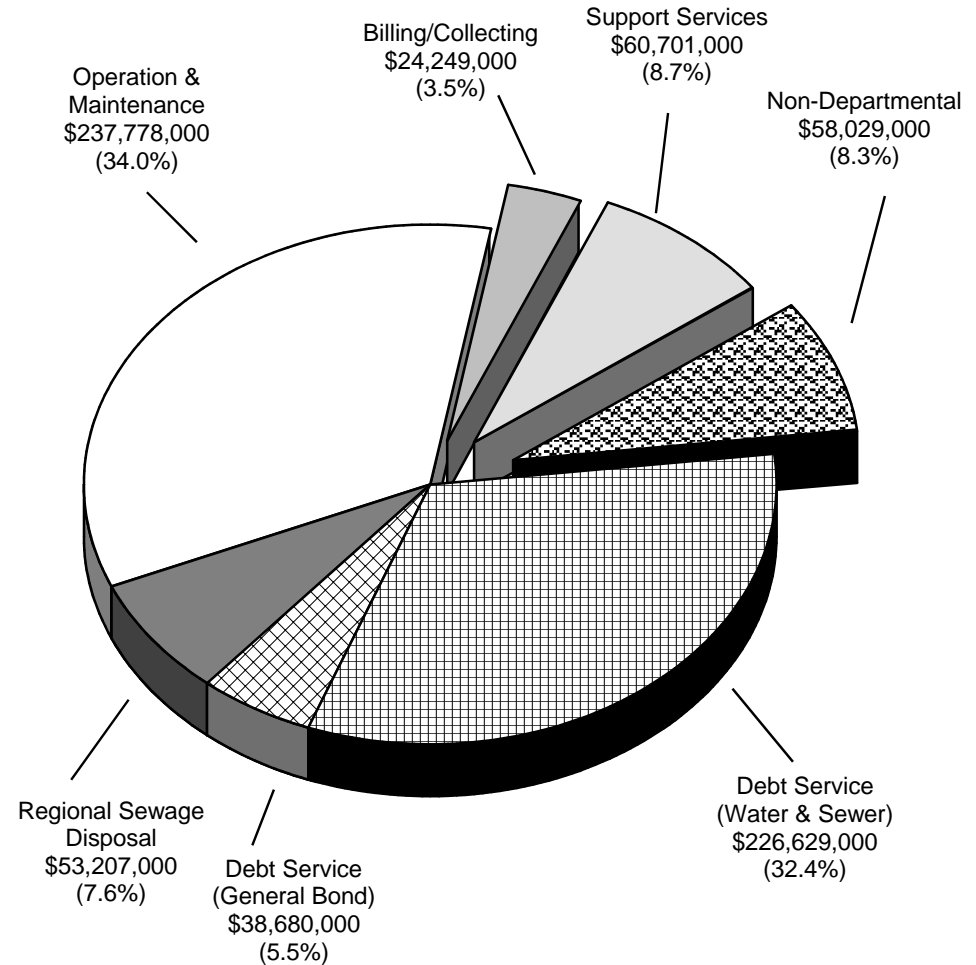
FUNDING SOURCES



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

TOTAL SOURCES = \$698,617,000

FUNDING USES



TOTAL USES = \$699,273,000

TABLE I

Comparative Expenditures by Fund

	FY'11 Actual	FY'12 Actual	FY'13 Approved	FY'14 Proposed	FY'14 Over / (Under) FY'13
Capital Funds					
Water Supply	\$ 104,278,000	\$ 158,078,000	\$ 240,107,000	\$ 246,702,000	\$ 6,595,000
Sewage Disposal	94,308,000	262,507,000	527,914,000	488,106,000	(39,808,000)
General Construction	41,664,000	14,912,000	19,984,000	20,133,000	149,000
Total Capital	<u>240,250,000</u>	<u>435,497,000</u>	<u>788,005,000</u>	<u>754,941,000</u>	<u>(33,064,000)</u>
Operating Funds					
Water Operating	220,332,000	229,538,000	269,337,000	280,166,000	10,829,000
Sewer Operating	264,355,000	289,022,000	350,941,000	378,752,000	27,811,000
General Bond Debt Service	88,417,000	48,424,000	41,455,000	40,355,000	(1,100,000)
Total Operating	<u>573,104,000</u>	<u>566,984,000</u>	<u>661,733,000</u>	<u>699,273,000</u>	<u>37,540,000</u>
GRAND TOTAL	<u>\$ 813,354,000</u>	<u>\$ 1,002,481,000</u>	<u>\$ 1,449,738,000</u>	<u>\$ 1,454,214,000</u>	<u>\$ 4,476,000</u>

TABLE II

Comparative Expenditures by Major Expense Category

(\$ in Thousands)

<u>Expense Categories</u>	<u>FY'12 Actual</u>			<u>FY'13 Approved</u>			<u>FY'14 Proposed</u>		
	<u>Capital</u>	<u>Operating</u>	<u>Total</u>	<u>Capital</u>	<u>Operating</u>	<u>Total</u>	<u>Capital</u>	<u>Operating</u>	<u>Total</u>
Salaries & Wages	\$ 23,575	\$ 89,144	112,719	\$ 23,651	\$ 101,233	\$ 124,884	\$ 23,541	\$ 104,645	\$ 128,186
Heat, Light & Power	-	24,658	24,658	-	24,223	24,223	-	23,910	23,910
Regional Sewage Disposal	-	49,483	49,483	-	51,309	51,309	-	53,207	53,207
Contract Work	190,925	-	190,925	396,985	-	396,985	378,860	-	378,860
Consulting Engineers	51,848	-	51,848	83,267	-	83,267	113,002	-	113,002
All Other	169,149	180,689	349,838	284,002	233,095	517,097	239,438	252,202	491,640
Debt Service	-	223,010	223,010	100	251,873	251,973	100	265,309	265,409
TOTAL	<u>\$ 435,497</u>	<u>\$ 566,984</u>	<u>\$ 1,002,481</u>	<u>\$ 788,005</u>	<u>\$ 661,733</u>	<u>\$ 1,449,738</u>	<u>\$ 754,941</u>	<u>\$ 699,273</u>	<u>\$ 1,454,214</u>

TABLE III

FY 2013 - FY 2014 Summary of Revenue & Expenses

(\$ in Thousands)

	Water Operating Fund		Sewer Operating Fund		General Bond Debt Service Fund		Capital Funds	
	2013	2014	2013	2014	2013	2014	2013	2014
	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed
REVENUES								
Water Consumption Charges	\$ 240,320	\$ 241,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Use Charges	-	-	300,241	329,943	-	-	-	-
Front Foot Benefit & House Connection Charges (Deferred)	-	-	-	-	46,696	37,823	-	-
Account Maintenance Fees	11,425	11,425	11,425	11,425	-	-	-	-
Interest Income	1,500	300	2,500	700	2,424	1,176	-	-
Miscellaneous	9,213	13,380	11,934	10,724	700	700	-	-
Use of Fund Balance								
Reserve Contribution	3,900	5,967	6,300	5,733	-	-	-	-
Other	2,528	7,692	5,800	8,589	11,000	10,500	-	-
Reconstruction Debt Service Offset	-	-	11,000	10,500	(11,000)	(10,500)	-	-
SDC Debt Service Offset	451	290	1,741	1,138	-	-	-	-
Bonds & Notes	-	-	-	-	-	-	576,148	582,875
Anticipated Contributions:								
Federal & State Grants	-	-	-	-	-	-	77,228	60,461
System Development Charge	-	-	-	-	-	-	119,140	90,274
Other	-	-	-	-	-	-	15,489	21,331
TOTAL REVENUES	\$ 269,337	\$ 280,166	\$ 350,941	\$ 378,752	\$ 49,820	\$ 39,699	\$ 788,005	\$ 754,941
EXPENSES								
Salaries & Wages	\$ 52,157	\$ 54,125	\$ 48,472	\$ 49,931	\$ 604	\$ 589	\$ 23,651	\$ 23,541
Heat, Light & Power	12,875	12,718	11,348	11,192	-	-	-	-
Regional Sewage Disposal	-	-	51,309	53,207	-	-	-	-
Contract Work	-	-	-	-	-	-	396,985	378,860
Consulting Engineers	-	-	-	-	-	-	83,267	113,002
Contribution to Required Reserve	3,900	5,967	6,300	5,733	-	-	-	-
All Other	103,848	103,946	118,102	121,688	945	1,086	284,002	239,438
Debt Service	96,557	96,519	115,410	130,110	39,906	38,680	100	100
PAYGO	-	6,891	-	6,891	-	-	-	-
TOTAL EXPENSES	\$ 269,337	\$ 280,166	\$ 350,941	\$ 378,752	\$ 41,455	\$ 40,355	\$ 788,005	\$ 754,941
Net Increase (Decrease) in Fund Balance	-	-	-	-	8,365	(656)	-	-
Fund Balance - July 1	\$ 43,963	\$ 41,435	\$ 67,897	\$ 62,097	\$ 82,706	\$ 80,071	\$ 64,343	\$ 69,333
Net Increase (Decrease) in Fund Balance	-	-	-	-	8,365	(656)	-	-
Use of Fund Balance	(2,528)	(7,692)	(5,800)	(8,589)	(11,000)	(10,500)	(64,343)	(69,333)
Fund Balance - June 30	\$ 41,435	\$ 33,743	\$ 62,097	\$ 53,508	\$ 80,071	\$ 68,915	\$ -	\$ -

TABLE IV

**Change in Ending Fund Balance
FY 2013 Approved Budget Compared to FY 2014 Proposed**
(\$ In Thousands)

	FY 2013 Projected Ending Fund Balance	FY 2014 Projected Ending Fund Balance	Change in Fund Balance	% Change
Water Operating Fund	\$ 41,435	\$ 33,743	\$ (7,692)	-18.6%
Sewer Operating Fund	62,097	53,508	(8,589)	-13.8
General Bond Debt Service Fund	80,071	68,915	(11,156)	-13.9
Capital Fund	-	-	-	-
	\$ 183,603	\$ 156,166	\$ (27,437)	-14.9%

Explanation of Changes in Fund Balance Greater Than 10%

Water and Sewer Operating Funds – The FY 2014 approved ending fund balances are lower than the projected FY 2013 ending fund balances for the Water and Sewer Operating funds. A majority of 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. Other drivers of the decrease are planned uses of fund balance to finance one-time projects and expenses so that these costs are not permanently built into water and sewer rates.

General Bond Debt Service Fund – The FY 2014 approved ending fund balance is 13.9% lower than the projected FY 2013 ending fund balance for the General Bond Debt Service fund. Revenues for this are derived from Front Foot Benefit and House Connection Charges. These types of mains and lines are now built by developers. The revenues that are currently collected are from prior assessments that are paid over a multi-year period. Paid in full assessments have caused revenues to decrease and, combined with lower interest income expectations, a small portion of fund expenses are not covered.

TABLE V

Combined Water/Sewer Operating Funds - FY'14 Proposed Rate Impact

(\$ in Thousands)

(7.25% AVERAGE RATE INCREASE PROPOSED FOR FY'14)

Funding Sources	FY'14 Proposed
<u>Revenues at Current Rates</u>	
Consumption Charges at 170.0 MGD	\$ 532,453
Account Maintenance Fee	22,850
Interest Income	1,000
Miscellaneous Revenues	24,104
Sub-Total	580,407
Reconstruction Debt Service Offset	10,500
SDC Debt Service Offset	1,428
Use of Fund Balance	27,981
Total Funding Sources	620,316
<u>Requirements</u>	
Operating, Maintenance & Support Services Expenses	406,807
Debt Service	226,629
PAYGO	13,782
Operating Reserve Contribution	11,700
Total Requirements	658,918
Shortfall to be Covered by Rate Increase	\$ (38,602)
PROPOSED AVERAGE WATER AND SEWER RATE INCREASE	7.25%

TABLE VI

Annual Customer Bills At Various Consumption Levels

Average Daily Consumption (ADC) Gallons Per Day	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
100 (36,500 GAL/YR) Residential Meter	\$ 290.74	\$ 310.82	\$ 333.45	\$ 354.98	\$ 377.61
210 (76,650 GAL/YR) Residential Meter	705.49	760.68	821.23	879.49	940.04
500 (182,500 GAL/YR) Residential Meter	2,093.48	2,263.20	2,451.18	2,631.85	2,819.83
1,000 (365,000 GAL/YR) 2" Meter	4,536.55	4,890.60	5,288.45	5,675.35	6,073.20
5,000 (1,825,000 GAL/YR) 3" Meter	22,523.50	24,348.50	26,392.50	28,363.50	30,389.25
10,000 (3,650,000 GAL/YR) 6" Meter	46,901.50	50,661.00	54,895.00	58,983.00	63,180.50

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

TABLE VII

WSSC Water/Sewer Rate Schedules Effective July 1, 2012 & Proposed for Implementation July 1, 2013

(Rates per Thousand Gallons)

(7.25% AVERAGE RATE INCREASE PROPOSED FOR FY'14)

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	\$ 2.90	\$ 2.95	\$ 3.64	\$ 4.06	\$6.54	\$ 7.01
50-99	3.24	3.29	4.25	4.74	7.49	8.03
100-149	3.55	3.61	4.97	5.53	8.52	9.14
150-199	3.99	4.05	5.73	6.37	9.72	10.42
200-249	4.65	4.73	6.25	6.96	10.90	11.69
250-299	5.04	5.13	6.76	7.53	11.80	12.66
300-349	5.33	5.42	7.22	8.04	12.55	13.46
350-399	5.57	5.66	7.56	8.42	13.13	14.08
400-449	5.78	5.88	7.73	8.61	13.51	14.49
450-499	5.93	6.03	7.98	8.89	13.91	14.92
500-749	6.04	6.14	8.14	9.07	14.18	15.21
750-999	6.19	6.29	8.32	9.27	14.51	15.56
1,000-3,999	6.31	6.41	8.68	9.67	14.99	16.08
4,000-6,999	6.46	6.56	8.88	9.89	15.34	16.45
7,000-8,999	6.53	6.64	9.01	10.03	15.54	16.67
9,000 & Greater	6.66	6.76	9.24	10.29	15.90	17.05

Current Flat Rate Sewer Charge - \$90.00 per quarter

Proposed Flat Rate Sewer Charge - \$100.00 per quarter

TABLE VIII

Account Maintenance Fees Proposed for Implementation July 1, 2013

<u>Meter Size</u>	<u>Current FY'13 Quarterly Charges</u>	<u>Proposed FY'14 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 IX

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, 2013.

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2013</u>
1. Inspection Fees - Water/Sewer Connection Hookup, Well/Septic Hookup, Plumbing and Gasfitting Inspections		
New Single Family Detached Dwellings	\$550	\$550
New Attached Dwellings (townhouse/multiplex excluding apartments)	550	550
All Other Residential:		
Water/Well Hookup	75	75
Meter Yoke Inspection (meter only installation)	75	75
Water Hookup Converting from Well (includes 2 inspections)	155	** 150
Sewer/Septic Hookup	75	75
First Plumbing Fixture	75	75
Each Additional Fixture	25	25
SDC Credit Fixture Inspection (per fixture)	20	20
Minimum Permit Fee	170	170
Permit Reprocessing Fee	50	50
Long Form Permit Refund Fee	-	* 170
All Non-Residential:		
Plan Review (without Permit Application)		
50 Fixtures or Less	360	360
51-200 Fixtures	1,220	1,220
Over 200 Fixtures	2,430	2,430
2 nd or 3 rd Review (with or without Permit Application)		
50 Fixtures or Less	145	145
51-200 Fixtures	275	275
Over 200 Fixtures	580	580
Water/Well Hookup	140	140
Meter Yoke Inspection (meter only installation)	140	140
Sewer/Septic Hookup	140	140
FOG Interceptor	140	140
First Plumbing Fixture	140	140
Each Additional Fixture	35	35
SDC Credit Fixture Inspection (per fixture)	20	20
Minimum Permit Fee	210	210
Permit Reprocessing Fee	50	50
Long Form Permit Refund Fee	-	* 210

* New Fee

** Changed Fee

TABLE IX

Miscellaneous Fees and Charges – Proposed Changes

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2013</u>
2. Site Utility (On-Site) Review Fee		
Base Fee \$2,900	\$2,900	
Additional Fee per 100 feet	230	** 250
Re-Review Fee (per review)	1,200	** Delete
Minor (Waived) Site Utility (On-Site) Fee	600	** 660
Minor (Waived) Site Utility (On-Site) Re-Review Fee (per review)	275	** Delete
3. Short Form Permit Fee (up to 3 fixtures) – Non-Refundable	\$55	** \$60
4. Septic Hauler Discharge Permit Sticker		
<u>Category I</u>		
<u>Residential & Septic Waste & Grease</u>		
1 - 49 gallons	\$170/vehicle	** \$190/vehicle
50 - 799 gallons	2,490/vehicle	** 2,740/vehicle
800 - 2,999 gallons	7,096/vehicle	** 7,805/vehicle
3,000 - gallons and up	16,840/vehicle	** 18,525/vehicle
January through June	50% of fee	50% of fee
Transfer and/or Replacement Permit Sticker	55	** 60
Industrial/Special Waste Disposal Fee	220/1,000 gallons	** 240/1,000 gallons
Zero Discharge Permit Fee	55	** 60
Temporary Discharge Permit Fee	55 + Sewer Rate/1,000 gallons	** 60 + Sewer Rate/1,000 gallons
Sewer Rate – Domestic Low Strength Wastewater	7.79/1,000 gallons of truck capacity	7.79/1,000 gallons of truck capacity
Sewer Rate – Domestic High Strength Wastewater	37.31/1,000 gallons of truck capacity	37.31/1,000 gallons of truck capacity
5. Long Form Permit Transfer Fee	\$105	** \$115
6. Meter Testing Fees		
5/8" to 1"	\$175	** \$190
1-1/2"	300	** 330
2" and up	350	** 385
7. Feasibility Review Fee (Non-SEP)		
Feasibility Review & Report Fee Deposit (can be deferred as deficit when extension is completed)	\$7,750	\$7,750
Feasibility Submission Fee (Non-Refundable)	1,250	1,250
Change in Applicant of Record	150	** Delete

* New Fee

** Changed Fee

TABLE IX

Miscellaneous Fees and Charges – Proposed Changes

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2013</u>
8. Industrial Discharge Control Program Fees by Category		
Industrial users subject to Categorical Pretreatment Standards (less than 5,000 gpd) (single visit)	\$3,020	** \$3,170
Industrial users subject to Categorical Pretreatment Standards (greater than 5,000 gpd) (double visit)	4,620	** 4,850
Non-Discharging Categorical Industries (zero discharge)	815	** 855
Significant Industrial User (less than 25,000 gpd) (single visit - priority pollutant sampling)	3,020	** 3,170
Significant Industrial User (greater than 25,000 gpd) (double visit - priority pollutant sampling)	4,620	** 4,850
Penalty Charge for Late Fee Payment	5% of fee	5% of fee
9. Missed Appointment Fee		
First Missed Appointment or Turn-On	\$55	** \$60
Each Additional Missed Appointment	80	** 85
10. Connection Redemption Fee	\$30	** \$35
11. Utility Erosion and Sediment Control Permit Fee		
Minor Projects	\$.12 per linear ft.	** \$.13 per linear ft.
Major Projects	.15 per linear ft.	** .16 per linear ft.
Minimum for Major Projects	110	** 120
12. Erosion and Sediment Control Training Certification Session Fee	\$40/session, per participant	** \$55/session, per participant
13. Dishonored Check Fee & Electronic Payment Fee (applies to all dishonored checks and all dishonored electronic payments) (previously called Dishonored Check Fee)	\$30	** \$35
14. Right-of-Way Release Review Fee	\$750/document	** \$825/document
15. Sewer Meter Maintenance Fee	\$6,400/year	** \$7,500/year
Quarterly Calibrations	1,800/year	** 1,880/year
16. Meter Reinstallation Correction Fee	\$250	** \$275
17. Discharge Authorization Permit Fee		
Significant Industrial User – Initial Permit	\$3,250/4 years	** \$3,575/4 years
Significant Industrial User – Renewal	1,600/4 years	** 1,760/4 years
Temporary Discharge Permit (Non – SIU)	3,250	** 3,575

* New Fee

** Changed Fee

TABLE IX

Miscellaneous Fees and Charges – Proposed Changes

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2013</u>
18. Sale of Plumbing Clinic Video	\$16.95	** Delete
19. Extra Review Fee		
Additional Reviews of Unsigned Plans (per review)	\$2,000	\$2,000
Minor Revisions of Signed Plans (per review)	950	950
Major Revision/Splitting Signed Plans (per review)	2,000	2,000
Per Site Utility/Minor Utility Additional Signed or Unsigned Plan Review		
Site Utility **	1,200	1,200
Minor Utility **	275	** 300
Per Hydraulic Planning Analysis/Systems Planning Forecast Application		
Additional Review of Required Data (per application)	-	* 650
20. Hydraulic Planning Analysis and System Planning Forecast ** (previously called Hydraulic Planning Analysis)		
Water & Sewer Modeling	\$1,045	\$1,045
Water or Sewer Only Modeling	590	590
Development Parts Over 3	455/part	455/part
Pressure Sewer Review Fee (per system)	240	240
21. Environmental Site Review Fee ** (previously called Database Search and Initial Assessment for Possible Contamination)		
With Database Search Conducted by WSSC	\$300	** \$330
With Database Search Submitted by Applicant	-	* 250
22. Partial Release Fee	\$750	** \$825
23. Project Amendment Fee	\$325	** \$360
Amendments without Hydraulics Modeling	-	* 360
Amendments with Hydraulics Modeling	-	* 360 + same fee as Hydraulic Planning Analysis & System Planning Forecast
24. Service Connection Application and Inspection Fee (per permit)	\$1,750/water and/or sewer connection	** \$1,800/water and/or sewer connection
25. Property Inspection Fee	\$65	** \$70

* New Fee

** Changed Fee

TABLE IX

Miscellaneous Fees and Charges – Proposed Changes

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2013</u>
26. Government Referred Plan Review Fee		
Major Development – Over 10 Units	\$1,100	\$1,100
Minor Development – 10 or Less Units	550	550
Re-Review Fee for Major Development	-	* 550
Re-Review Fee for Minor Development	-	* 275
27. Change Fee for Open Hydraulic Planning Analysis & Amendments		
Basic (Both Water & Sewer)	\$300	** \$330
Moderate (Both Water & Sewer)	1,000	** 1,100
Complex (Both Water & Sewer)	2,600	** 2,860
Basic (Water or Sewer Only)	150	** 165
Moderate (Water or Sewer Only)	500	** 550
Complex (Water or Sewer Only)	1,300	** 1,430
28. Pre-Screen Re-Submission Fee** (previously called Submission Fee for Design Review)	\$275	\$275
29. Site Utility Inspection Fee		
Basic Fee	\$1,000	\$1,000
Pipeline (per foot)	3.00	** 5.60
30. Name/Transfer of Ownership Fee (previously called Change in Applicant of Record)	\$150	** \$165
* New Fee		
** Changed Fee		

TABLE IX

Miscellaneous Fees and Charges – Proposed Changes

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2013</u>	<u>CURRENT MAXIMUM ALLOWABLE CHARGE</u>	<u>PROPOSED MAXIMUM ALLOWABLE CHARGE</u>
31. *** System Development Charge				
Apartment				
Water	\$896	\$896	\$1,212	\$1,240
Sewer	1,140	1,140	1,544	1,580
1-2 toilets/residential				
Water	1,344	1,344	1,819	1,861
Sewer	1,710	1,710	2,312	2,365
3-4 toilets/residential				
Water	2,240	2,240	3,032	3,102
Sewer	2,850	2,850	3,856	3,945
5 toilets/residential				
Water	3,135	3,135	4,242	4,340
Sewer	3,991	3,991	5,402	5,526
6+ toilets/residential (per fixture unit)				
Water	88	88	119	122
Sewer	115	115	156	160
Non-residential (per fixture unit)				
Water	88	88	119	122
Sewer	115	115	156	160

*** No increase is proposed for the System Development Charge for FY'14 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 2.3% 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 2011 to November 2012.

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'14 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 and later 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 encompassing a service area of nearly 1,000 square miles.

To fulfill its primary mission of providing safe and reliable water and returning clean water to the environment, WSSC operates and maintains an extensive array of highly automated facilities. Our two water filtration plants, drawing raw water from the Potomac and Patuxent rivers, are projected to produce an average of 170 million gallons of water per day in FY' 14 and deliver that water to homes and businesses in Montgomery and Prince George's Counties, serving nearly 448,000 customer accounts through a system of nearly 5,600 miles of water mains. To ensure a reliable water supply for all seasons and conditions, WSSC operates three reservoirs with a total capacity exceeding 14 billion gallons.

Sewage treatment is provided by six wastewater treatment plants operated by the WSSC, and the Blue Plains Wastewater Treatment Plant operated by the District of Columbia Water and Sewer Authority. (In FY' 13 the Marlboro Meadows wastewater treatment plant was taken out of service. The plant's flow is now pumped to our Western Branch wastewater treatment plant.) In FY' 14 it is projected that an average of 211 million gallons of wastewater per day from Montgomery and Prince George's Counties will move to these facilities through nearly 5,500 miles of sewer lines maintained by WSSC. The six wastewater treatment plants owned by WSSC 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 one of these facilities (the Hyattstown plant) go beyond conventional wastewater treatment 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 reasonable 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.
- In accordance with a Bi-County Working Group recommendation, utilize a portion of the debt service differential associated with a change from 20-year to 30-year debt for PAYGO financing of capital projects.

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'14 Budget.

- Forecast FY'14 water production conservatively at 170.0 million gallons per day.
- Propose a 7.25 percent average increase in water and sewer rates for FY'14.
- Increase the budget by 24 workyears to support critical programs and enhance customer service.
- Continue to address the WSSC's aging infrastructure by proposing the following:
 - ▶ Rehabilitation of 51 miles (269,000 feet) of water main.
 - ▶ Inspection and repair of 18 miles (95,000 feet) of Prestressed Concrete Cylinder Pipe (PCCP).
 - ▶ Acoustical fiber optic monitoring of 81 miles (427,700 feet) of PCCP.
 - ▶ Expansion of the Trunk Sewer Reconstruction Program.
 - ▶ Inspection of 5 miles (26,400 feet) of large diameter sewer mains.
- Commence implementation of Continuity of Operations Plans.
- Ensure adequate funding for regulatory compliance requirements.
- Utilize \$11.7 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'14 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 governments, 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.

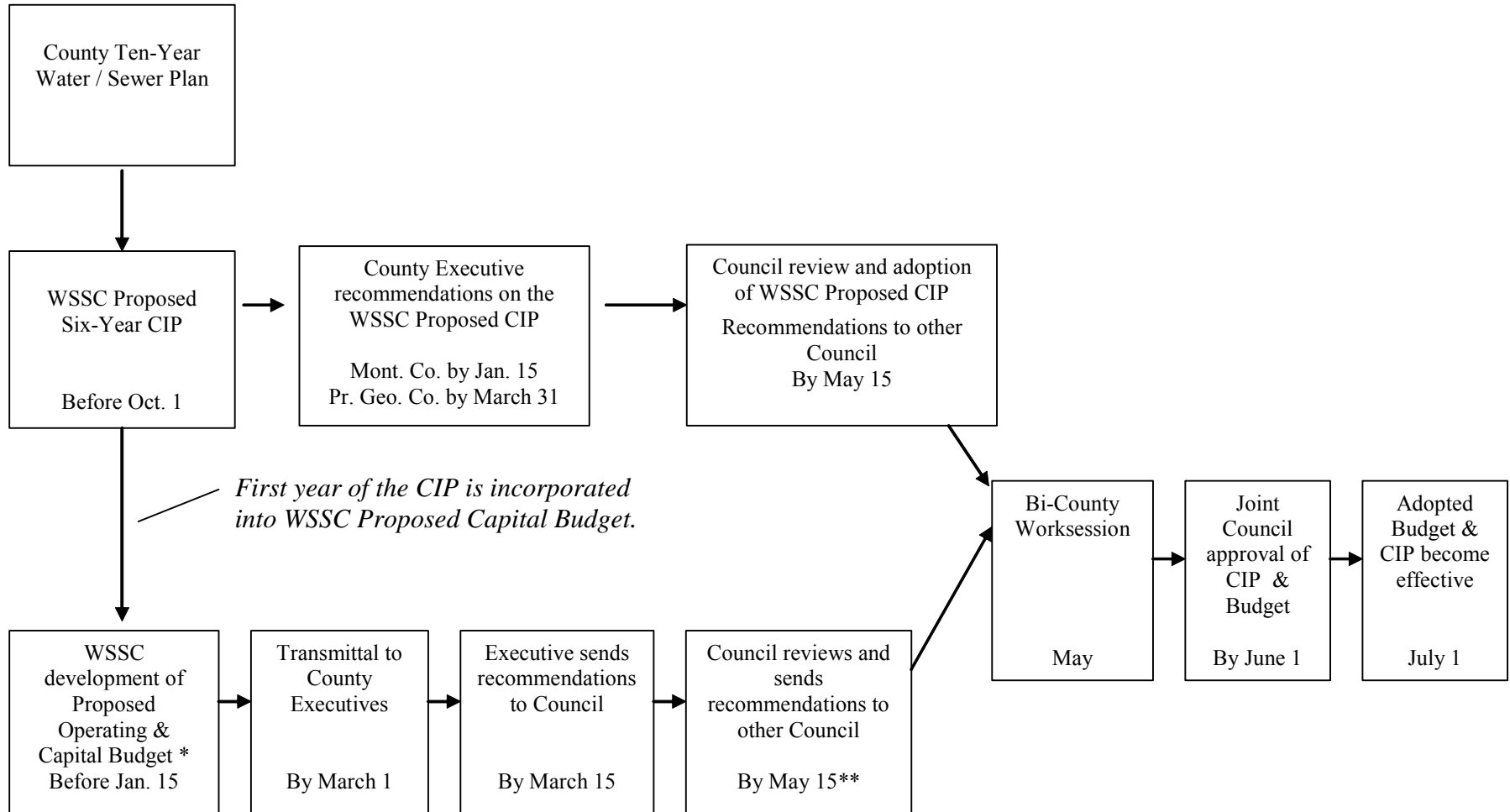
Preparation of the proposed Operating Budget requires integrating several other planning efforts with the budget formulation process. The annual spending affordability review, undertaken jointly with Montgomery and Prince George's Counties, uses a six-year financial model to examine the impacts and affordability 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'14 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'14 Proposed Budget.

1. Water Consumption and Sewer Use Revenues - The estimated FY'14 revenues from water consumption and sewer use charges (before the proposed rate increase) are \$236.7 million and \$295.7 million, respectively. The water production estimate for FY'14 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'13 billing factor of \$8.71 is \$8.58 (before the rate increase). The billing factor for FY'14 is reduced based on actual revenues.
2. Reconstruction Debt Service Offset (REDO) - For FY'14, \$10.5 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'14 Proposed Budget that, at the end of FY'13, accumulated net revenues for the water and sewer operating funds would total \$103.5 million. For FY'14, approximately \$53.3 million would be held in net revenues in adherence to the Commission's reserve policy (see Long-Term Fiscal Policies, page 1-4) and \$8.1 million would be used to offset a reduction in the billing factor. An additional \$21.6 million is earmarked for future operating reserve contributions. Fund balance will also be used to fund FY'14 one-time expenses as well as to help finance the Advanced Metering Infrastructure (AMI)/Billing System replacement in the near future. This leaves an unallocated reserve of approximately \$2.4 million.
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'14 will be approximately \$637.3 million, of the \$754.9 million Capital Budget.

EXPLANATION OF THE BUDGET

(Continued)

5. New Debt - The debt service estimates for FY'14 assume that \$175.0 million in Water bonds, \$286.2 million in Sewer bonds, and \$20.0 million in General Construction bonds will be issued in FY'14, in addition to repayment of existing debt. An estimated \$45.2 million in 20-year sewer loans will be borrowed from the Maryland Department of the Environment (MDE). The WSSC water and sewer issues will be 29-year bonds with an estimated 5.5 percent net interest rate. The General Construction bonds will be 30-year bonds.

6. Salary and Wage Increase – Funding for employee salary enhancements in a manner coordinated with the Counties is included in the budget.

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

WORKLOAD DATA	ACTUAL					ESTIMATED						
	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19
Water to be supplied (MGD)	168.2	162.3	168.7	175.0	165.7	170.0	170.0	170.5	171.0	171.5	172.0	172.5
Sewage to be treated (MGD)	177.8	178.6	200.3	182.4	182.9	209.3	211.0	214.2	215.9	217.5	219.3	221.0
Water lines to be added by the WSSC (miles)	.2	.5	1.5	0	.3	5	5	5	5	5	5	5
Sewer lines to be added by the WSSC (miles)	1	1.8	0	0	0	5	5	5	5	5	5	5
Water lines to be added – contributed (miles)*	38	23.3	9.9	12.5	20.5	45	45	45	45	45	45	45
Sewer lines to be added – contributed (miles)*	34	26.7	10.4	19.7	19.4	45	45	45	45	45	45	45
Population to be served (thousands)	1,693	1,710	1,727	1,734	1,742	1,749	1,757	1,764	1,778	1,791	1,805	1,818
House connections to be added												
Water	3,884	2,293	1,126	1,574	2,591	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Sewer	3,463	2,006	909	1,417	2,374	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.

EXPLANATION OF THE BUDGET

(Continued)

VII. KEY PROVISIONS OF THE FY'14 BUDGET

The total proposed budget for all funds is \$1.5 billion—\$754.9 million in capital and \$699.3 million in operating. A 7.25 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 2014-2019 Capital Improvements Program;
- Treating and delivering 170.0 MGD of water to over 447,000 customer accounts in a manner that meets or exceeds the Safe Drinking Water Act standards;
- Treating 211.0 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, 6 wastewater treatment plants, 5,600 miles of water main, and 5,500 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 \$265.4 million—of which \$226.6 million is in the Water and Sewer Operating Funds;
- Increasing the Water and Trunk Sewer Reconstruction Programs;
- Funding the seventh year of an eight-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 947 vehicles, maintaining approximately 676 pieces of large field equipment, and operating 6 repair facilities;

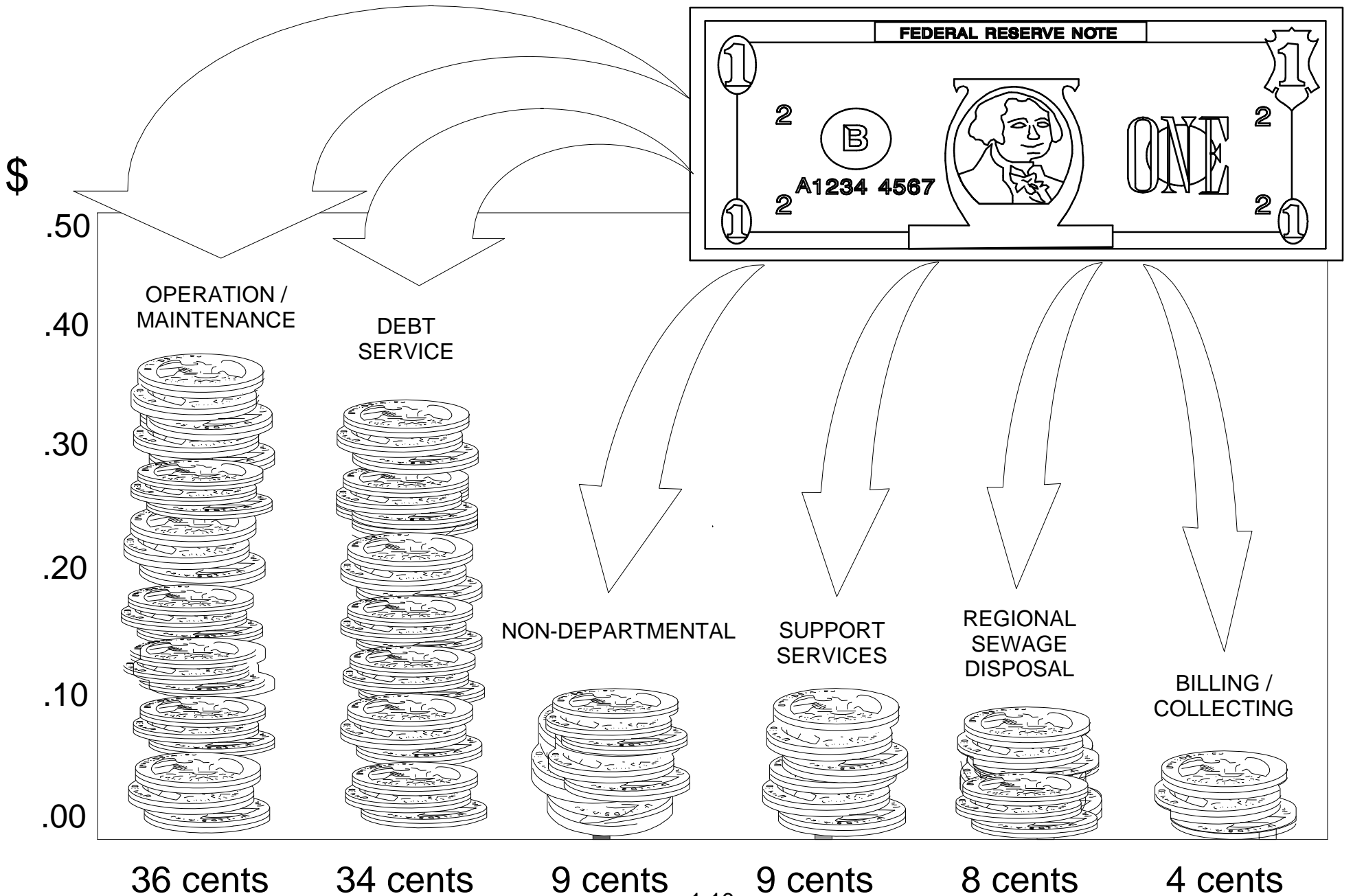
EXPLANATION OF THE BUDGET

(Continued)

- Replacing 15 pieces of major equipment which are needed to support construction, operations, and maintenance activities;
- Replacing 124 and purchasing an additional 10 vehicles which are needed to support construction, operations, and maintenance activities; and
- Funding employee salary enhancements in a manner coordinated with the Counties, and continuing other benefits.

FY'14 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

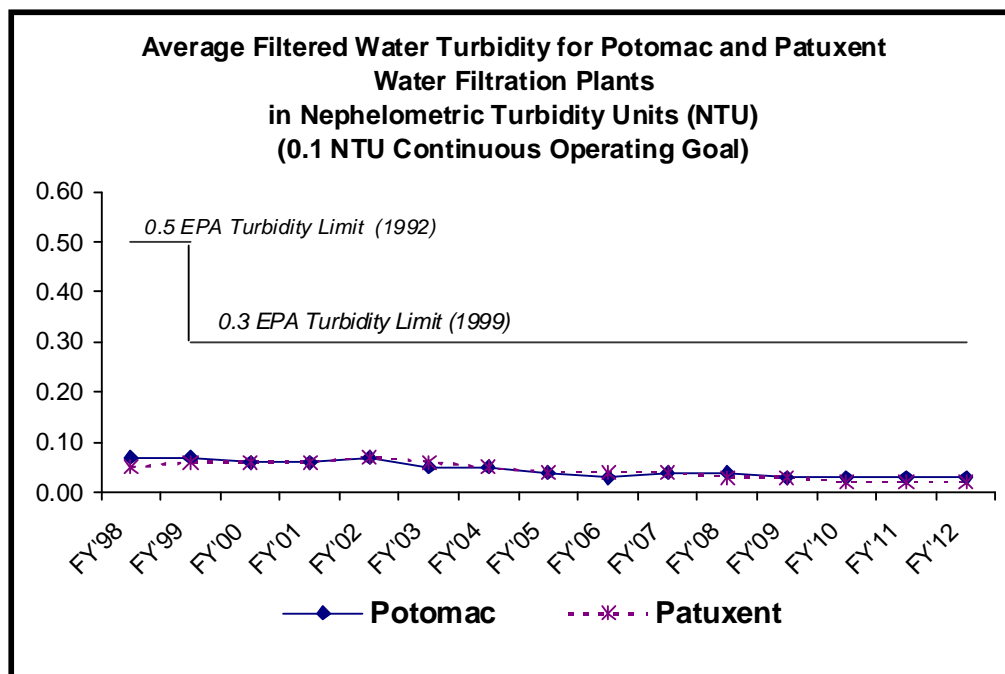
Water Filtration and Treatment

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.

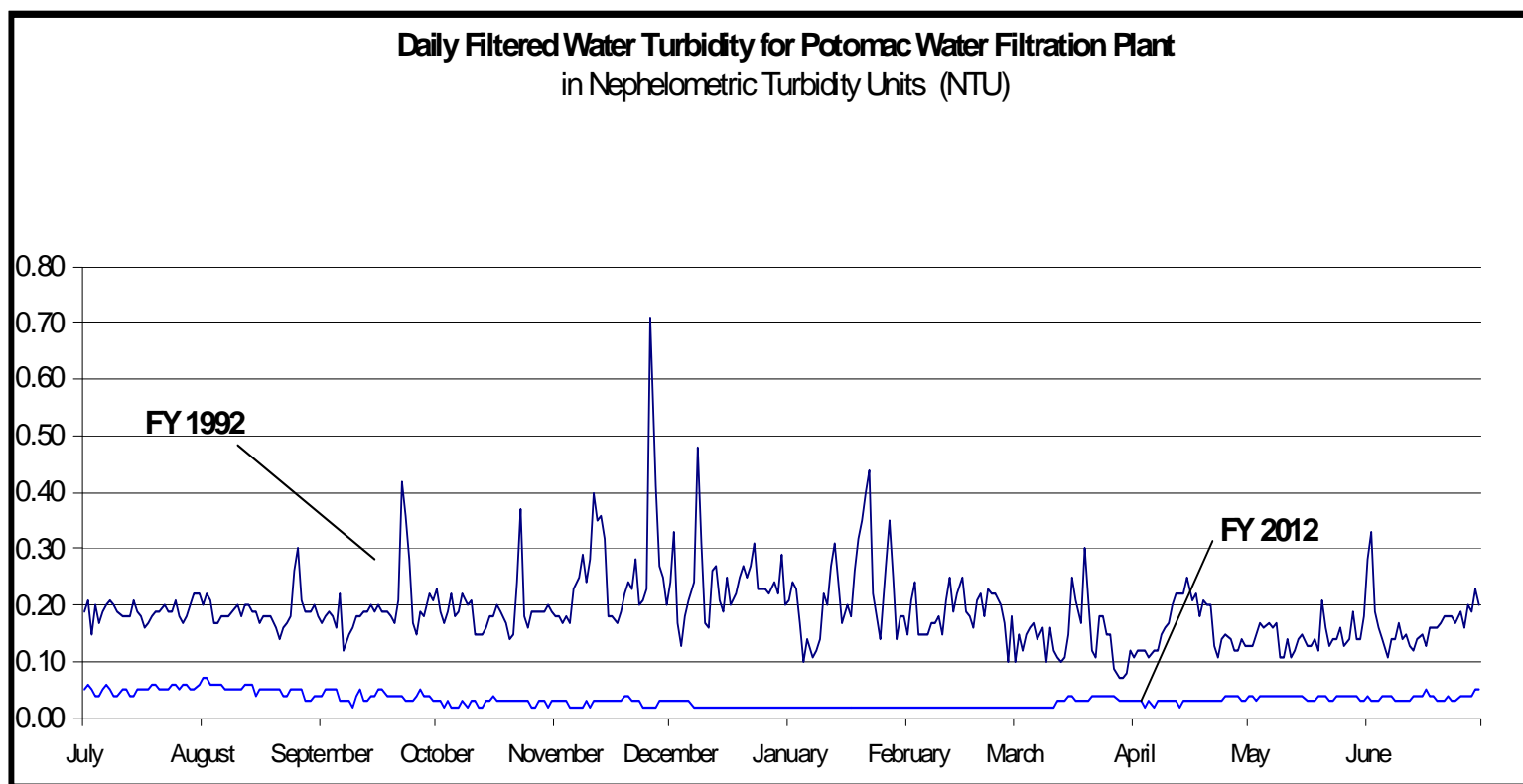
The WSSC's continued participation in the Partnership for Safe Water Program is indicative of our commitment. A primary goal of this program is to maintain filtered water turbidity below EPA established limits to effectively guard against cryptosporidium. In FY'92, although the WSSC was already meeting 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'12. 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)

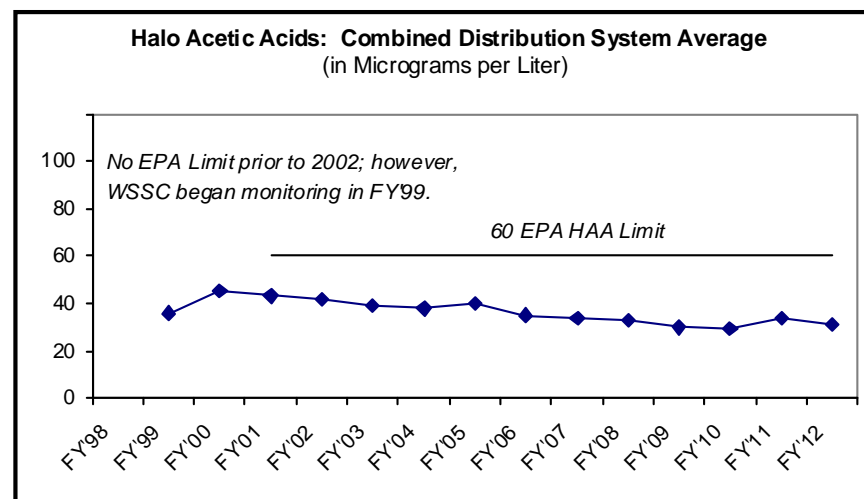
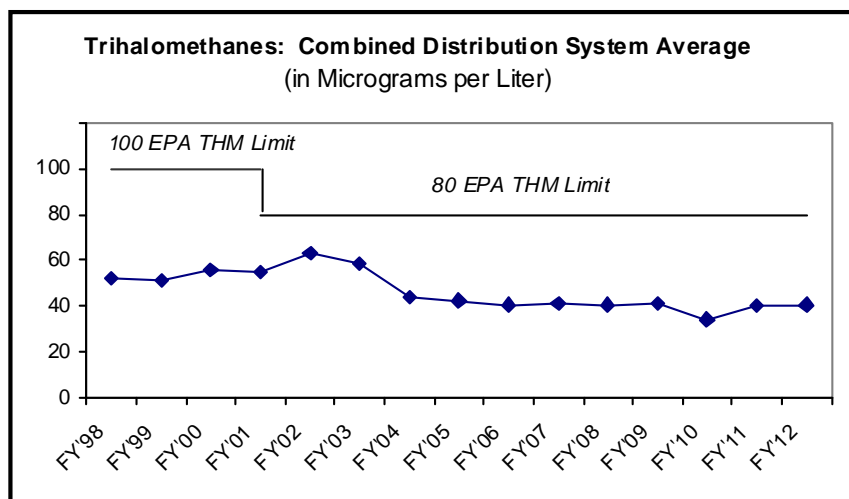
Not only has average turbidity been reduced, but also, as shown in the graph below for the Potomac Water Filtration Plant, the magnitudes of the daily peaks associated with variable raw water quality have been substantially reduced from FY'92 peak levels. This latter measure is of particular importance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



PERFORMANCE OF KEY SERVICES

(Continued)

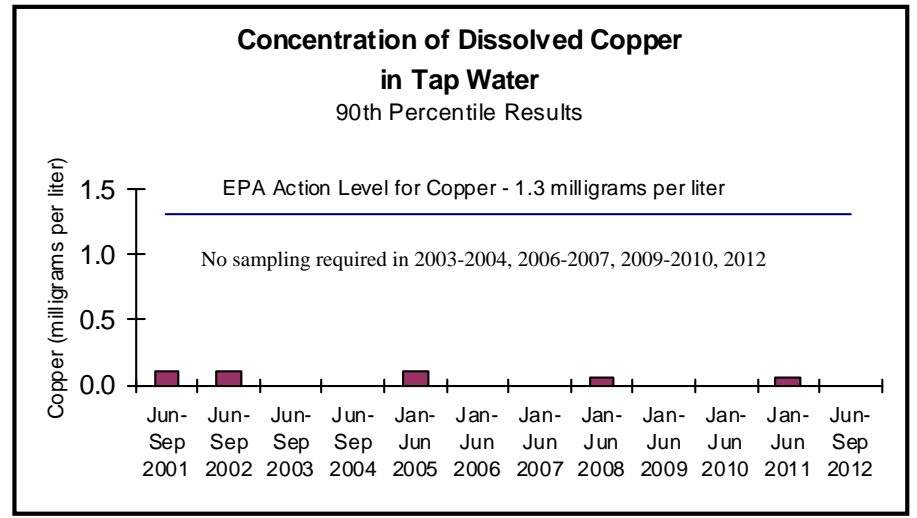
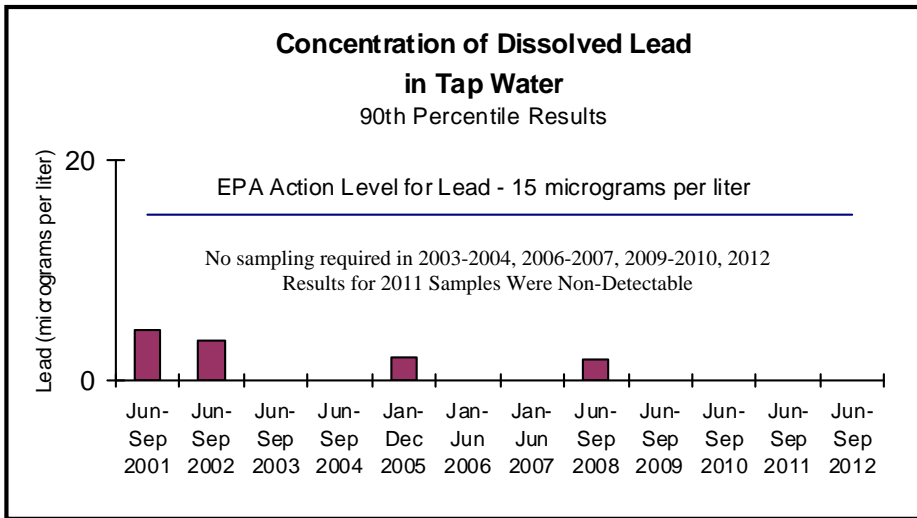
The WSSC has also been aggressively pursuing enhanced coagulation to improve organic contaminant removal, thereby lessening the level of potential carcinogens in the finished water (optimization of coagulant doses and pH levels to improve total organic carbon removal). Effective January 2001, the EPA 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. The Stage 2 Disinfection Byproducts (DBP) rule took effect near the end of FY'12, and builds upon earlier rules that addressed disinfection byproducts to improve drinking water quality and provide additional public health protection from disinfection byproducts. The rule changes strengthen public health protection for customers of systems that deliver disinfected water by requiring such systems to meet maximum contaminant levels as an average at each compliance monitoring location (instead of as a system-wide average as in previous rules).



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. During the period from FY'03 to FY'12, the number of samples required was reduced from 100 to 50 due to distribution system optimization. Results from these tests continue to indicate lead levels are well below regulatory requirements. The EPA required testing in FY'05, FY'08, and FY'11 also confirmed that lead and copper levels remained below the tap water action level. Lead testing was performed in FY'11; however, the lead residuals were non-detectable. Testing was not required for FY'12.



PERFORMANCE OF KEY SERVICES

(Continued)

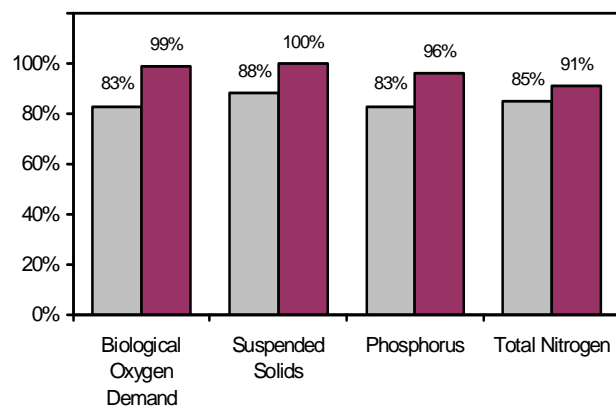
Wastewater Treatment

The following graphs present actual FY'12 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'14, 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.

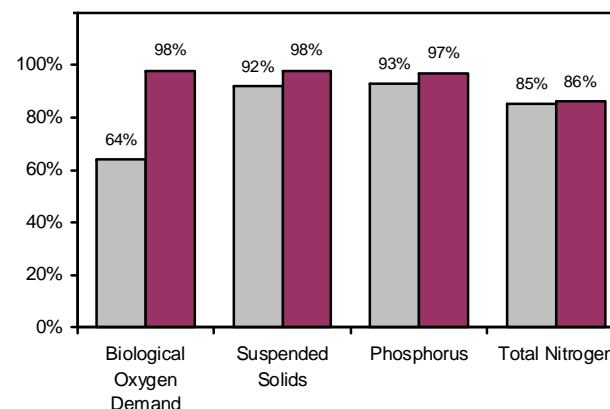
Wastewater Treatment Plant Performance – FY'12 Percentage Removal of Substances Regulated by Discharge Permits

Permit Requirement
 Plant Performance

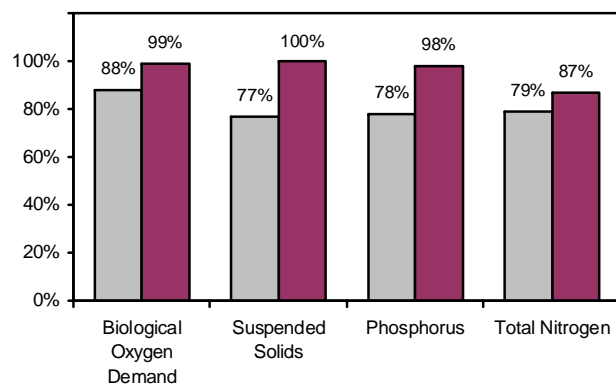
Damascus Wastewater Treatment Plant



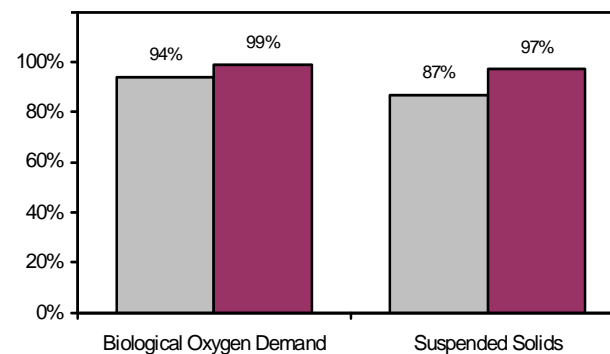
Piscataway Wastewater Treatment Plant



Seneca Wastewater Treatment Plant



Hyattstown Wastewater Treatment Plant

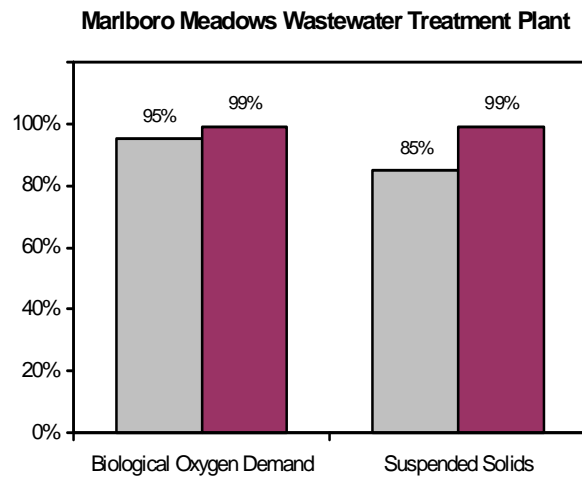
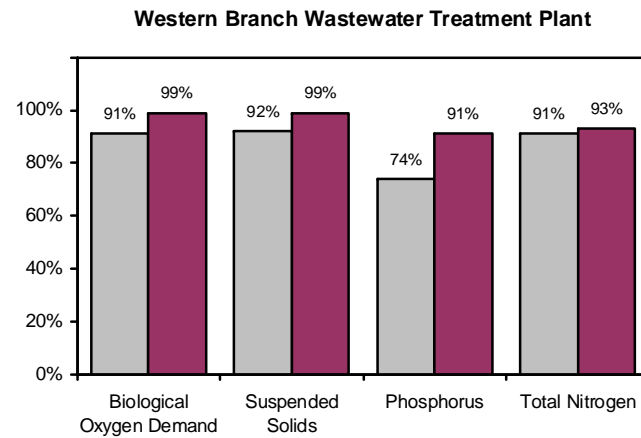
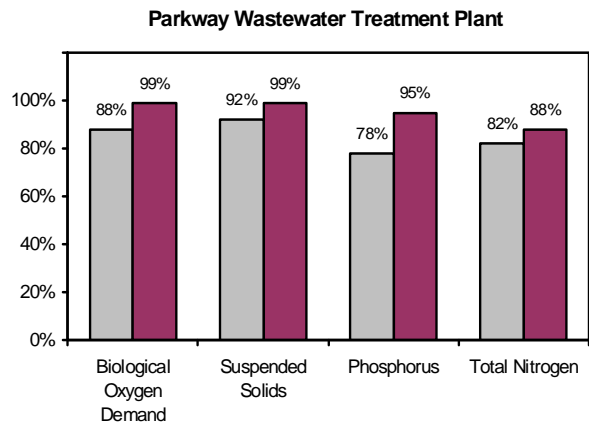


PERFORMANCE OF KEY SERVICES

(Continued)

Wastewater Treatment Plant Performance – FY'12 Percentage Removal of Substances Regulated by Discharge Permits

Permit Requirement
 Plant Performance



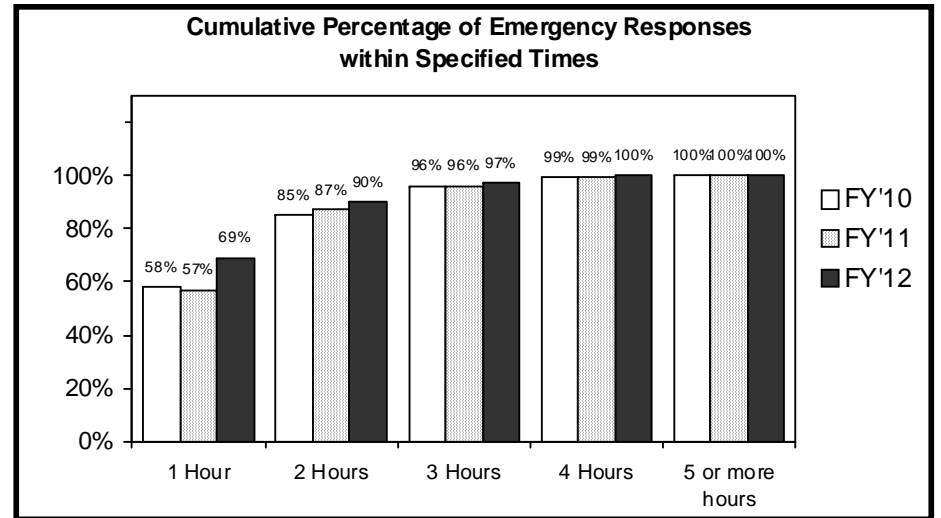
PERFORMANCE OF KEY SERVICES

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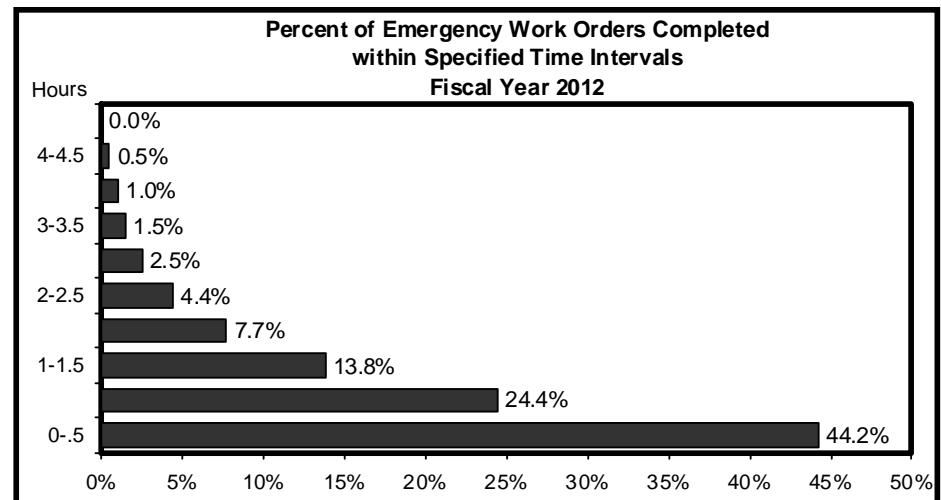
Emergency Response

During FY'12, 27,755 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'12 we responded to 69% of our emergency calls in less than 1 hour, and to 90% in less than our 2-hour goal with an average response time of 1.1 hours. In FY'11 the average response time was also 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'12. Most emergency work orders required less than 2.0 hours to complete.

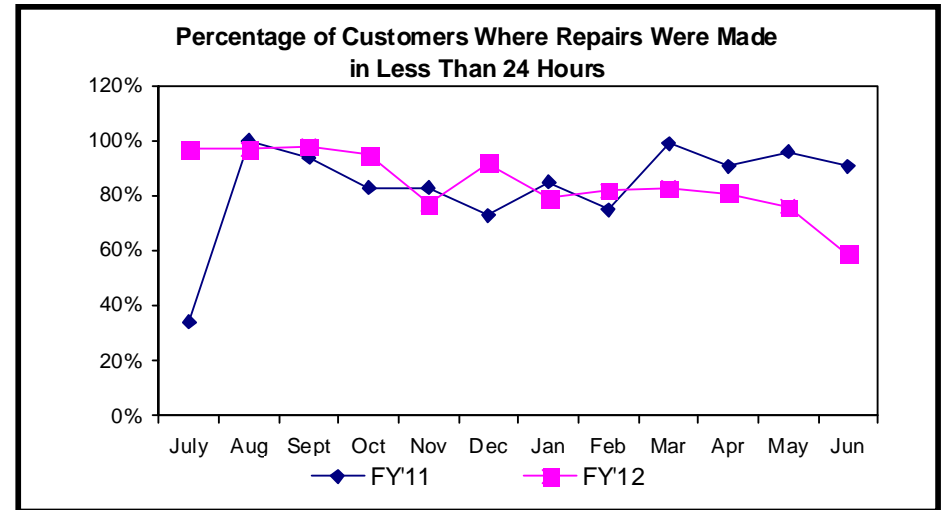
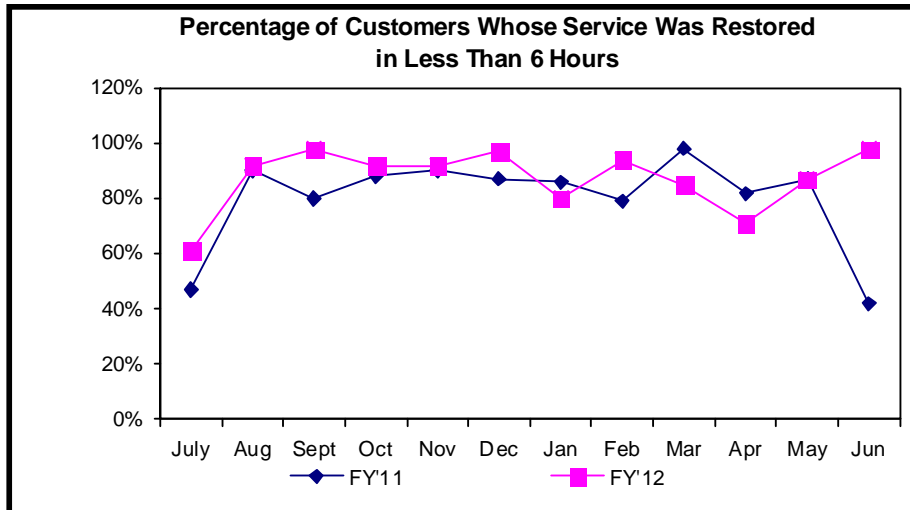


PERFORMANCE OF KEY SERVICES

(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'12, 64,568 customers, or approximately 15% 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. For the year FY'12, the average time that customers were without water service was 3.7 hours, with 92.2% 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 15.9 hours for the year FY'12, with 90.2% of customers having normal water service restored in less than the 24-hour goal.



PERFORMANCE OF KEY SERVICES

(Continued)

Discolored Water

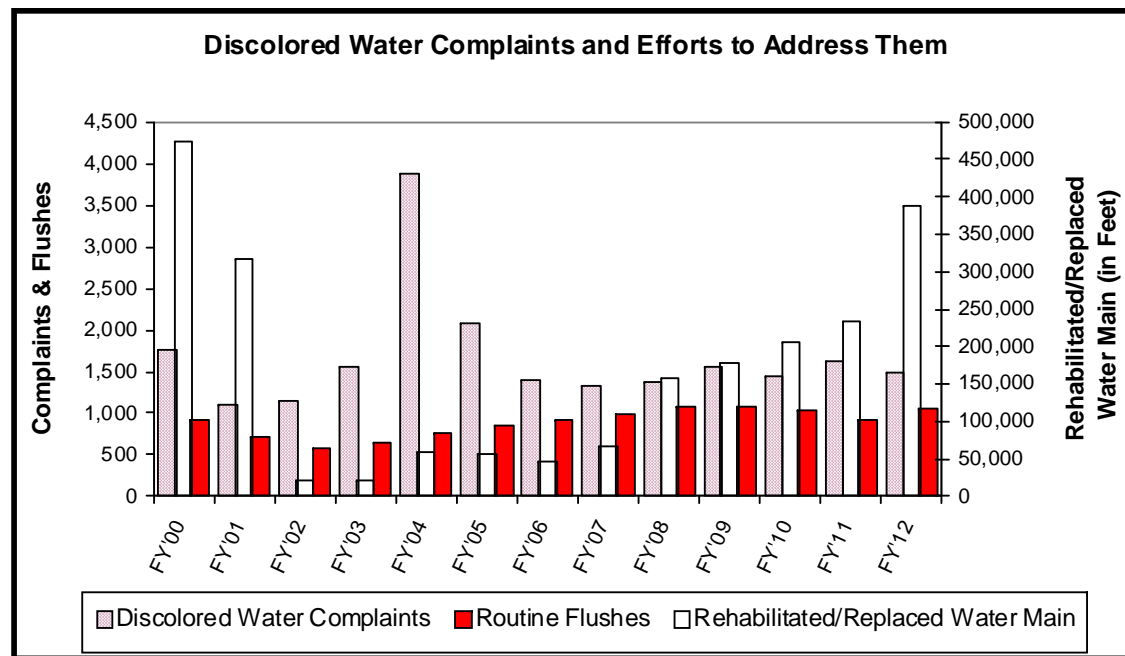
Unlined cast iron pipe eventually leads to discolored water in the distribution system as the water chemically reacts with the pipe to form iron oxides (rust) and accumulates deposits of iron and manganese that can become dislodged. This is a serious inconvenience for the affected customers, limiting 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 over the 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.

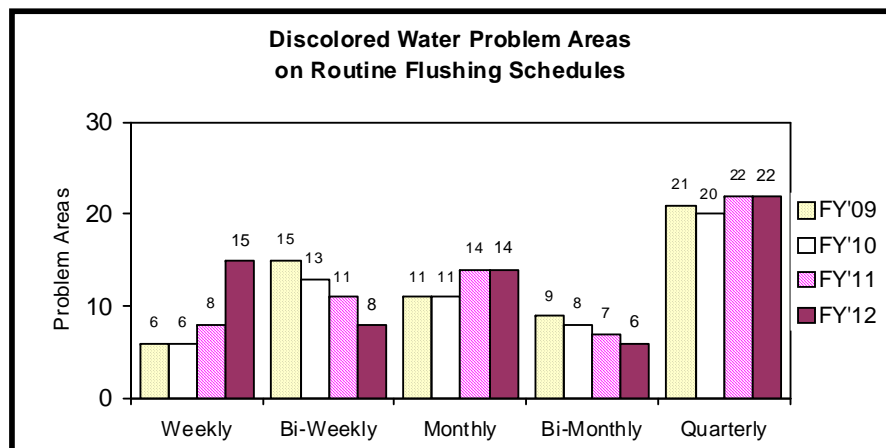
During FY'04, even though rehabilitation and replacement efforts more than doubled, discolored water complaints increased as a result of the volume of water main breaks associated with winter weather and service changes resulting from the Patuxent Water Filtration Plant Upgrade. New lines serviced by 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 60 miles during FY'12. In order to maintain the high level of water quality our customers expect, it is important to continue acceleration of 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'09. The number of areas with chronic discolored water problems has remained relatively constant over the years. Weekly flushings have increased in problem areas, whereas bi-weekly, monthly, bi-monthly, and quarterly flushings have decreased or remained the same.

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'12, the Commission was successful in preventing a second backup in 85.0% 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

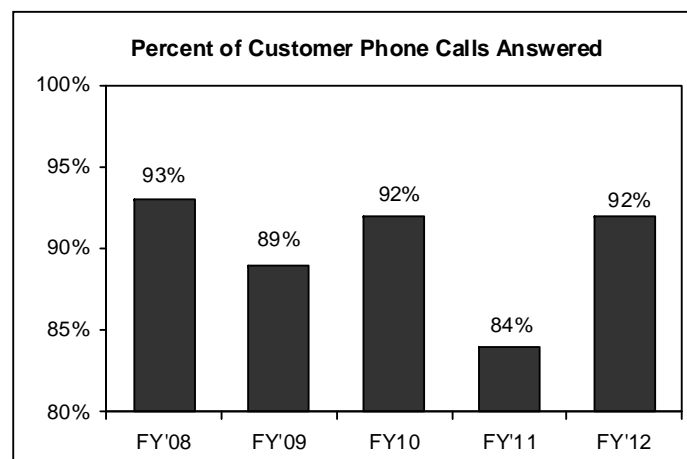
(Continued)

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'12, the Commission replaced 1,673 connections. At the beginning of FY'13, 398 house connections met the criteria for renewal.

Customer Calls for Maintenance Assistance

During FY'12, the Commission answered 92% of customer calls for maintenance assistance, as shown in the graph to the right. The increase is due to management addressing staffing issues and focusing on customer availability. Our goal continues to be a 95% response rate. We continue to work through several measures in furtherance of 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 Geographic Information System (GIS) application was launched last year to enable customers to report emergencies using their smart phones. The 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. 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'08.

Average Customer Ratings of Maintenance Personnel					
Category	FY'08	FY'09	FY'10	FY'11	FY'12
Polite	4.3	4.4	4.3	4.3	4.3
Knowledgeable	4.3	4.4	4.2	4.3	4.3
Helpful	4.3	4.4	4.2	4.3	4.3
Courteous	4.4	4.4	4.3	4.4	4.3
Explained Actions	4.4	4.4	4.4	4.3	4.3
Quality of Work	4.4	4.4	4.2	4.3	4.3
Efficiency	4.5	4.3	4.2	4.2	4.3
Overall Impression	4.3	4.3	4.1	4.2	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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	60%	61%	90%	90%
Complete Phase II of the SEP process within 8 weeks.	Percentage of Phase II plan review packages processed in 8 weeks or less.	90%	97%	90%	95%

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

Group: Development Services

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	99%	99%	95%	98%

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 wastewater capacity.

Group: Planning

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Complete facility plans, concept designs and engineering designs as scheduled in the CIP.	Number of planning and design phase projects completed vs. planned.	15/5	5/8	6/6	8/8
Complete facility construction as scheduled in the CIP.	Number of construction phase projects completed vs. planned.	3/3	3/7	9/9	6/6

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

Groups: Infrastructure-Systems,
Systems Inspection

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Design the number of miles for the Water Reconstruction Program as planned.	Miles of water mains designed vs. planned.	43/40	44/40	45/45	50/50
Design the number of large service meter vaults as planned.	Number of meter vaults designed vs. planned.	36/40	38/30	50/50	50/50
Design the number of miles for the Sewer Reconstruction Program as planned.	Miles of sewer mains designed vs. planned.	39/37	78/37	65/65	122/122
Design the number of sewer manholes as planned.	Number of sewer manholes designed vs. planned.	522/500	370/600	600/600	1,142/1,142
Rehabilitate the number of miles for the Water Reconstruction Program as planned.	Miles of water mains rehabilitated vs. planned.	37/30	45/29	34/34	39/39
Rehabilitate the number of miles of sewer mains and lateral lines for the Sewer Reconstruction and Trunk Sewer Reconstruction Programs as planned.	Miles of sewer mains and lateral lines rehabilitated vs. planned.	39/35	54/40	65/65	25/25

Goal: Improve facility operations by updating industrial automation systems.

Group: Process Control

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Upgrade planned number of Programmable Logic Controllers (PLC).	Number of PLC upgraded vs. planned.	4/3	5/3	3/3	3/3
Upgrade or install new Uninterruptable Power Supplies (UPS) to improve electrical reliability for the PLC Systems.	Number of UPS upgraded vs. planned.	6/3	4/3	3/3	3/3
Install operator interfacing terminals at plants and facilities.	Number of operator interfacing terminals installed vs. planned.	1/1	2/2	2/2	2/2

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

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

Group: Regulatory Services

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	49/49	62/49	50/50	49/49
	Number of follow up inspections of Significant Industrial Users.	31	18	25	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	300/300	300/300
	Number of additional samples taken of Significant Industrial Users.	1,184	813	1,000	750

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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Complete 1 st review of site utility plans within eight weeks of submission.	Percentage of 1 st reviews completed within eight weeks.	87%	92%	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.	100.00%	100.00%	99.96%	99.96%

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

Group: Regulatory Services

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Conduct 100% of all mandatory Consent Decree FOG initial inspections.	Percentage of initial FOG inspections completed vs. planned.	100%	100%	100%	100%

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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
On State highways, the paving contractor shall complete paving repairs within 14 calendar	Percentage of paving repairs that are completed within 14 calendar days.	34%	29%	75%	80%
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.	89%	68%	92%	90%

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

Group: Systems Inspection

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Manage change orders to ensure minimum amount of contract increases.	Dollar value of change orders as a percentage of bid amount for Systems Inspection contracts completed.	0.3%	-0.3%	0.5%	0.5%

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

Group: Technical Services

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	14/16	19/15	13/13	19/19
Install acoustical fiber optic line to monitor PCCP water transmission mains as planned.	Miles of acoustical fiber optic line installed vs. planned.	14/14	12/15	7/7	10/10
Provide corrosion design and repair recommendations based upon corrosion test readings.	Number of corrosion test stations read vs. planned.	296/296	482/244	300/300	300/300

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

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

Group: Environmental

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	95%	90%	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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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).	40.4	40.6	<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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Maintain compliance with NPDES permit requirements at the WSSC's 6 wastewater treatment plants.	Number of process-related non-compliances for the WSSC's 6 wastewater treatment plants.	2	1	4	4

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

LOGISTICS OFFICE

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

Group: Fleet Services

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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).	55	55	55	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).	\$70/\$114	\$88/\$116	\$88/\$130	\$88/\$116

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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	2.5	2.8	2.0	2.0
	Number of times the vehicle parts inventory turns over annually.	4.0	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).	96.8%	98.0%	95.0%	95.0%
	Accuracy of vehicle parts inventory (from established cycle counts).	99.8%	99.8%	99.8%	99.9%

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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Limit the occurrence of crime on WSSC property to < 250 incidents.	Number of crimes reported on WSSC property.	241	245	200	250

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

Group: Security and Safety Services

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Limit the occurrence of on-the-job injuries to WSSC employees to ≤ 130 and lost-time injuries to ≤ 65.	Number of injuries reported by WSSC employees:				
	On-the-job injuries	114	125	120	125
	Lost-time injuries	30	38	30	30
Reduce the number of on-the-job vehicular accidents involving WSSC employees to ≤ 150.	Number of vehicular accidents involving WSSC employees.	140	140	150	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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	4.7	4.8	4.8	4.8

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

FINANCE OFFICE

Goal: Minimize borrowing costs.

Group: Finance Office

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	132 basis points	104 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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	11 basis points above	7 basis points above	Even	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.	5.4%	5.8%	5.7%	5.4%

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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	100%	100%	100%	100%
Avoid the need for any prior period adjustments to financial reports.	Number of prior period financial adjustments required.	0	3	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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Utilize at least 95.0% of available vendor discounts.	Percentage of available vendor discounts taken.	99.3%	99.2%	97.0%	98.0%
Post at least 95.5% of customer remittances on the day received.	Percentage of customer remittances posted on the same day.	99.6%	99.5%	99.5%	99.5%
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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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 revenue.	\$83.7/ 18.2%	\$111.9/ 21.9%	\$103.5/ 19.1%	\$87.3/ 15.3%
Maintain FitchRatings, Moody's, and/or Standard and Poor's bond ratings of	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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Accurately forecast annual water production.	Difference (in millions of gallons per day) between actual and budgeted water production.	5.0	-4.3	-4.0	0.0
	Percentage difference between actual and budgeted water production.	2.9%	-2.5%	-2.4%	0.0%
Accurately forecast revenues from water and sewer use charges.	Difference between actual and budgeted revenues from water and sewer use charges (\$ millions).	-\$18.4	-\$28.4	-\$19.6	\$0.0
	Percentage difference between actual and budgeted water and sewer use charges.	-3.8%	-5.6%	-3.6%	0.0%

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Accurately forecast Commission revenues and expenditures.

Group: Budget

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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).	-\$37.7	-\$56.4	-\$7.7	\$0.0
	Percentage difference between actual and budgeted water and sewer operating expenditures (excluding debt service).	-10.2%	-10.0%	-1.9%	0.0%

Goal: Produce a sound, affordable capital spending program.

Group: Budget

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	31.5%	33.9%	34.1%	34.2%

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

Group: Budget

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Attain a 95% success rate for answering non-emergency calls.	Percentage of non-emergency calls answered.	88.0%	85.0%	95.0%	95.0%
Maintain a 95% success rate for answering all emergency calls.	Percentage of emergency calls answered.	84.0%	92.0%	95.0%	95.0%

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

Groups: Support Services, Customer Relations

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Accurately record and report all meter readings.	Percentage of meter readings reported and recorded accurately.	99.8%	99.9%	99.9%	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).	92.9%	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.	9.2%	9.3%	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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Respond within 2 hours to customers' emergency telephone calls.	Percentage of emergencies responded to within 2 hours of receipt of customer calls.	87.0%	90.0%	89.0%	89.0%
	Average response time to emergency calls (in hours).	1.1	1.1	1.1	1.1
Respond within 10 days to all written correspondence received.	Percentage of customer correspondence responded to within 10 days.	95.0%	91.0%	95.0%	95.0%
Achieve 100% closure of open claims.	Percentage of claims closed to the number of claims opened.	93.0%	99.0%	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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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	4.3	4.3	4.7	4.7
	Courtesy	4.4	4.3	4.7	4.7
	Efficiency	4.2	4.3	4.7	4.7
	Quality of Work	4.3	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%	94.0%	95.0%	95.0%

Goal: Minimize inconvenience caused by disruptions in service.

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

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Restore normal water service within 24 hours.	Percentage of customers whose water service was restored within 24 hours.	85.0%	90.2%	80.0%	80.0%
	Average time from notification of system problem to restoration of water service (in hours).	16.5	15.9	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.	86.5%	92.2%	95.0%	95.0%
	Average time without water (in hours).	3.6	3.7	3.0	3.0
Reduce the number of discolored water complaints.	Number of discolored water complaints.	1,616	1,499	1,400	1,400
	Areas with chronic discolored water problems which are on a routine flushing schedule.	62	65	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.	85.2%	85.0%	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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Reduce service interruptions due to water main breaks.	Number of breaks per 100 miles of water main.	34.7	24.9	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 2 weeks and, if necessary, repair large meters whose average daily registration has significantly declined.	Percentage of large meters tested within 2 weeks of a noticeable decline in average daily registration.	90.0%	85.0%	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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	7.1/6.5	14.0/12.0	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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	175/325	159/325	315/315	380/380
Inspect, via smoke test, the number of miles of sewer main planned.	Miles of sewer main inspected via smoke test vs. planned.	2.6/10.0	35.6/10.0	5.0/5.0	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, IT Implementations

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Deliver Enterprise Technology Initiatives to support the Commission's business needs, on-time and within budget, 90% of the time. (* Enterprise Technology Initiatives are defined as multi-year, enterprise system implementation initiatives covered under the IT Strategic Plan).	Percentage of Enterprise Technology Initiatives implemented on-time.	N/A	100%	90%	90%
	Percentage of Enterprise Technology Initiatives implemented within budget.	N/A	100%	90%	90%
Deliver IT projects to support the Commission's business needs, on-time and within budget, 90% of the time. (* IT projects are defined as short-term business, infrastructure, or on-going platform projects).	Percentage of IT projects implemented on-time.	N/A	96%	90%	90%
	Percentage of IT projects implemented within budget.	N/A	91%	90%	90%

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

Group: IT Operations

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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).	76%	85%	90%	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.	75%	85%	90%	90%
	Percentage of service requests delivered within 5 days.	75%	85%	90%	90%

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

INFORMATION TECHNOLOGY TEAM

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

Groups: Network Infrastructure and Data Center Operations

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Ensure the uptime and availability of critical business systems, 97% of the time.	Percentage of time that the critical systems are available.	100%	99%	100%	100%
Ensure the uptime and availability of the network, 97% of the time.	Percentage of time that the network is available across all Commission sites.	100%	100%	100%	100%

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

STAFF OFFICES

Goal: Provide cost-effective internal audit services.

Group: Internal Audit

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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 Commissioners.	0:1	1:1	1:1	1:1
Ensure accurate reimbursements via performed audits.	<u>SDC:</u> Total audit-based adjustment in Developer-requested reimbursements for CIP construction.	\$8,430	\$0	\$500,000	\$500,000
	<u>Blue Plains:</u> Total audit-based adjustment in Blue Plains O&M and Capital Indirect Billing.	\$0	\$1,362,425	\$1,000,000	\$1,000,000

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

Group: Intergovernmental Relations Office

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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 Office

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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%	400%

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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Facilitate alignment of strategic initiatives and projects which support the Commission's Strategic Priorities.	Percentage of Team Initiatives linked to Enterprise Strategic Initiatives.	N/A	40%	60%	100%
	Percentage of Enterprise Strategic Initiatives linked to Strategic Priorities.	N/A	100%	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	20%	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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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	50%	75%	75%
	Percentage of KSM targets achieved within designated Strategic Priorities.	N/A	52%	50%	50%

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

Group: Strategic Systems Management Office

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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	0%	50%	50%

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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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)	67/35	30/35	40/40	35/35
	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)	25/30	23/20	20/20	20/20
	Partner with outside agencies to plan/execute events (e.g., stream/road cleanups, water festival, and campfire). (Executed/Planned)	6/4	9/6	6/6	9/9
	Number of community outreach events conducted (e.g., H2O Summit, Children's Water Festival, tree plantings, and invasive weed removals). (Executed/Planned)	40/40	40/40	25/25	25/25

Goal: Disseminate accurate and timely information to WSSC employees.

Group: Communications & Community Relations Office

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Inform employees about WSSC news.	Publish Fish Tales and distribute to Depots monthly (in addition to providing on-line). (Published/Planned)	3/4	6/12	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	5/5

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

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

Group: Communications & Community Relations Office

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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	4/3	2/3	3/3
	Provide FOG-related educational materials and promotional items to distribute to customers. (Actual/Planned)	20,000/5,000	10,000/5,000	10,000/15,000	15,000/15,000

Goal: Continuous improvement of Human Resources operations.

Group: Human Resources Office

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	20%	50%	100%	100%

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

Group: Human Resources Office

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Ensure all employees are aware of WSSC policies and employment regulatory requirements, through communication and education.	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 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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.	511/4.7%	766/49.9%	843/10.0%	927/10%
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.	234/-9.7%	301/28.6%	316/5.0%	332/5.0%
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.	72/-70.5%	361/401.4%	379/5.0%	398/5.0%
Increase the number of contracts awarded to approved SLBEs 5-10% annually.	Total number of contracts awarded to SLBEs/Annual percentage increase/decrease in contracts awarded to SLBEs.	29/123.1%	155/434.5%	171/10.0%	188/10.0%

**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)

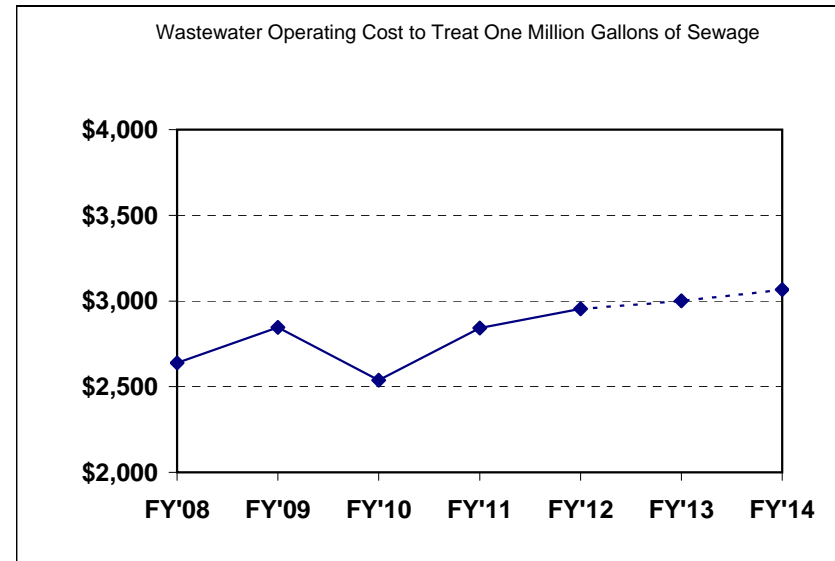
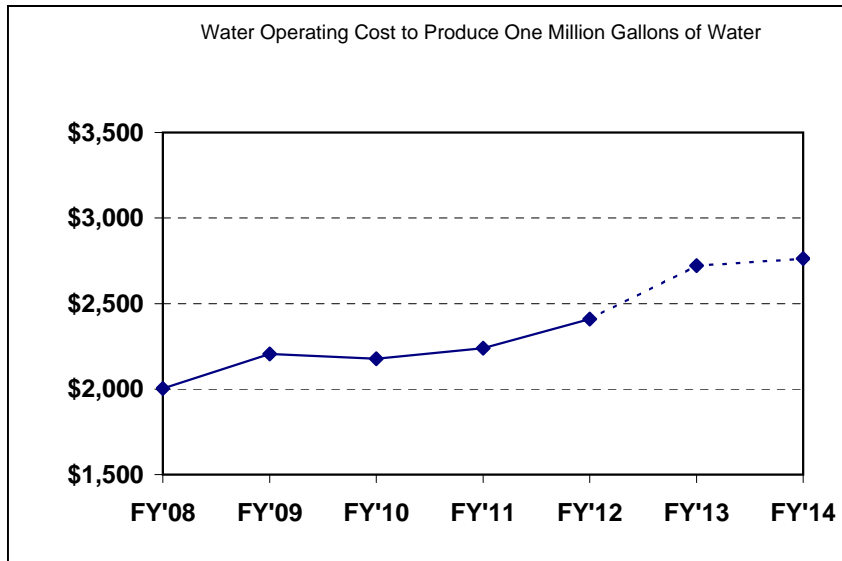
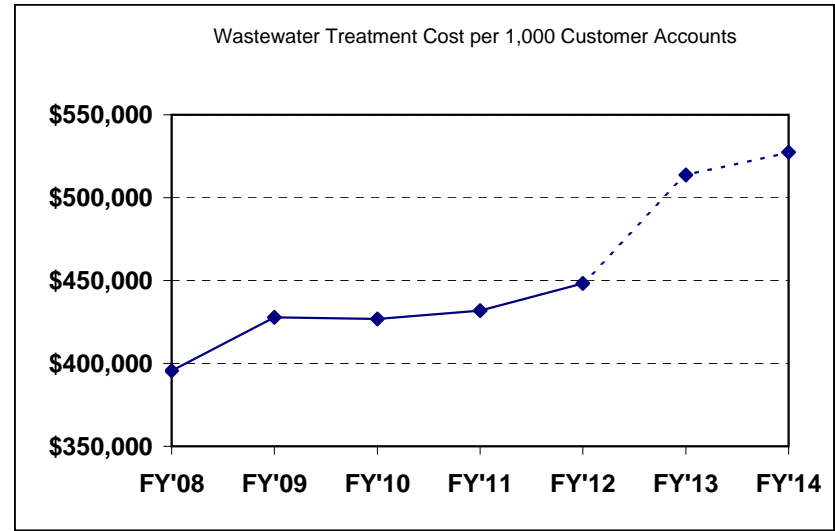
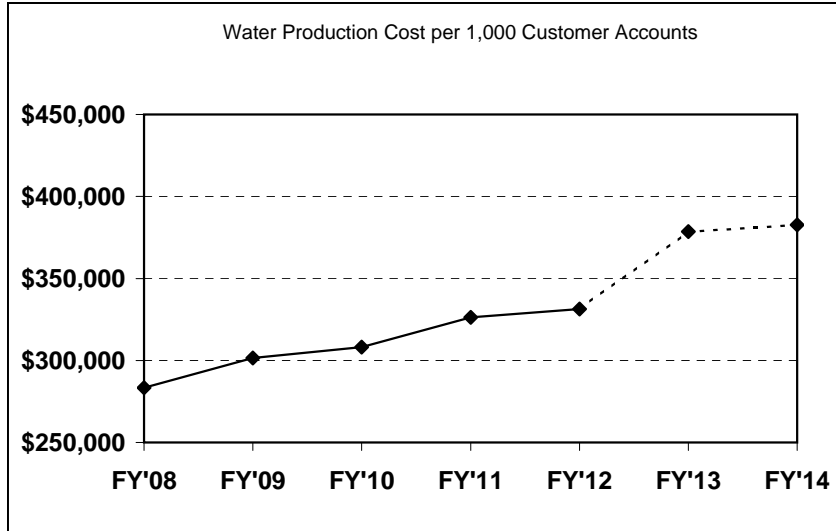
Goal: Provide timely procurement services.

Group: Procurement Office

Objective	Outcome Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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)	(Number of Days)
Miscellaneous (Small Purchases, Emergencies, etc.)	15 days	30	68	27	45
Sole Source	60 days	120	120	108	100
Requests for Qualifications (RFQ) and Requests for Information (RFI)	60 days	120	238	108	180
Invitations for Bids (IFB)	120 days	140	100	126	1085
Requests for Proposals (RFP)	180 days	360	122	324	120
A/E Solicitation Process via Consultant Selection Committee (CSC)	210 days	420	270	378	180

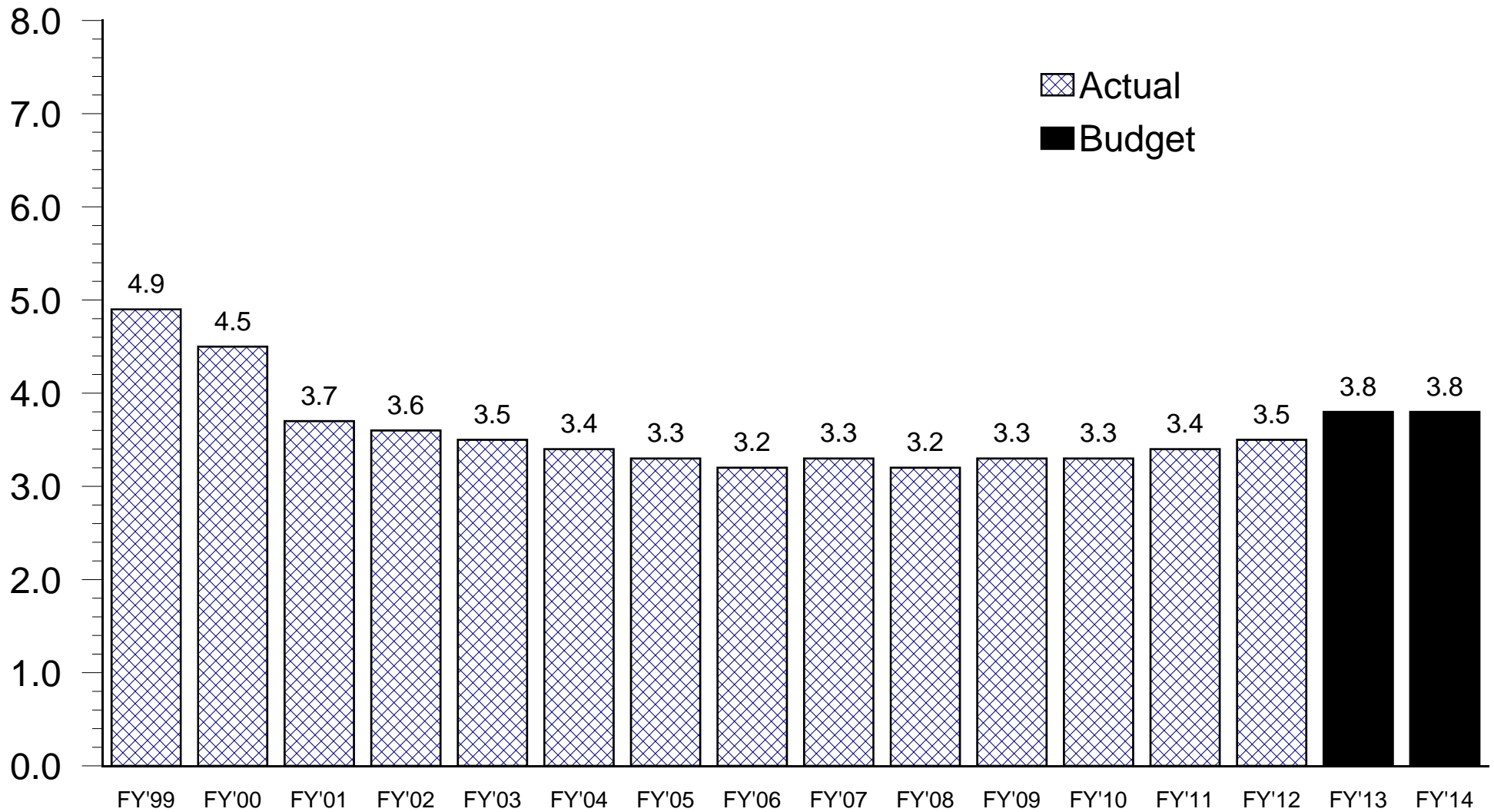
WSSC

OPERATING EFFICIENCY MEASURES

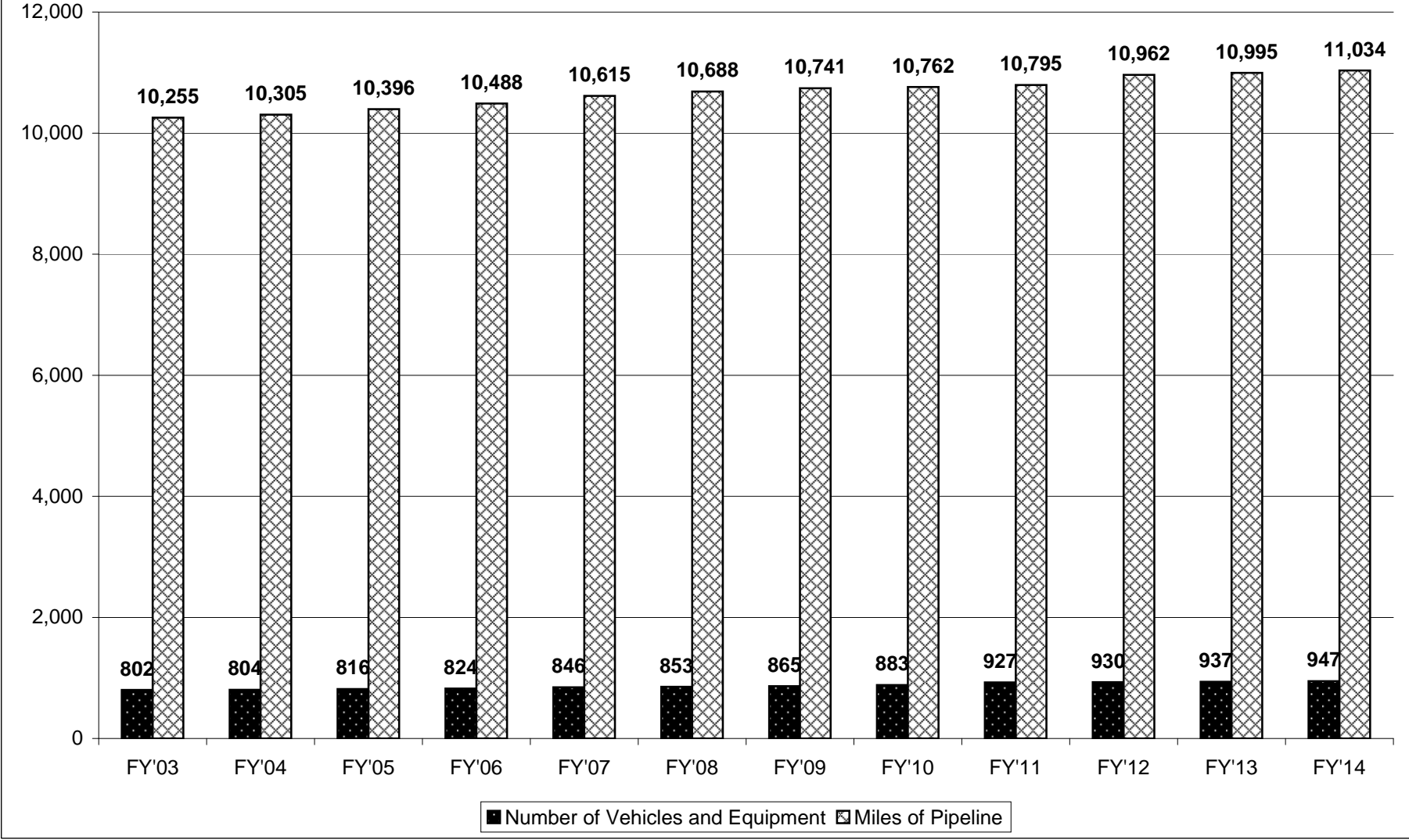


Note: FY'13 & FY'14 are budgeted, not actual.

WORKYEARS PER 1,000 CUSTOMER ACCOUNTS



VEHICLE FLEET SIZE VS. MILES OF PIPELINE MAINTAINED



Note: FY'13 and FY'14 are budgeted, not actual.

WSSC
COMPARATIVE STATISTICAL DATA

The following actual and budgeted data show the number of customer accounts increasing 3.0% and the population increasing 1.7% from FY'10 to FY'14, with the number of employee workyears increasing 18.5%. A portion of the increase in work years is due to the transfer of work from contractors to employees in situations where employee costs would be equal to or less than those of a contractor. The overall size of the system, measured in miles of water and sewer pipe, will have expanded 2.5% from FY'10 to FY'14.

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 17.1% and 12.8%, respectively, from FY'97 to FY'14, while workyears will have decreased 14.8% for the same period. The additional workyears in FY'14 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'10</u> <u>ACTUAL</u>	<u>FY'11</u> <u>ACTUAL</u>	<u>FY'12</u> <u>ACTUAL</u>	<u>FY'13</u> <u>APPROVED</u>	<u>FY'14</u> <u>PROPOSED</u>	<u>FY'10-FY'14</u> <u>PERCENT</u> <u>CHANGE</u>	<u>FY'97-FY'14</u> <u>PERCENT</u> <u>CHANGE</u>
Workyears	1,449	1,486	1,522	1,693	1,717	18.5%	-14.8%
Population	1,727,000	1,734,000	1,742,000	1,749,000	1,757,000	1.7%	19.8%
Customer Accounts	434,773	438,193	439,805	446,193	447,805	3.0%	17.1%
<u>Size of System</u>							
Miles to be Maintained							
Water	5,438	5,451	5,471	5,551	5,571	2.4%	12.3%
Sewer	5,324	5,344	5,363	5,444	5,463	2.6%	13.3%
TOTAL	10,762	10,795	10,834	10,995	11,034	2.5%	12.8%
Water Production (average MGD)	168.7	175.0	165.7	170.0	170.0	0.8%	6.5%
Sewage Flows (average MGD)	200.3	182.4	182.9	209.3	211.0	5.3%	9.9%

SELECTED MULTI-YEAR HISTORICAL DATA

SECTION 3

SELECTED STATISTICAL DATA

	<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>ACTUAL</u>	<u>FY'13</u> <u>APPROVED</u>	<u>FY'14</u> <u>PROPOSED</u>
Population Served **	1,693,000	1,710,000	1,727,000	1,734,000	1,742,000	1,749,000	1,757,000
Customer Accounts	433,967	433,579	434,773	438,193	439,805	446,193	447,805
Water Produced (average MGD)	168.2	162.3	168.7	175.0	165.7	170.0	170.0
Water Produced (millions of gallons)	61,572	59,255	61,590	63,861	60,648	62,050	62,050
Water Mains Maintained (miles)	5,403	5,427	5,438	5,451	5,471	5,551	5,571
Water Mains Constructed (miles added by WSSC)	0.2	0.5	1.5	-	0.3	5	5
Water Mains Constructed (miles added by developers)	38	23	10	13	20.5	45	45
Water House Connections Maintained	436,600	438,893	440,019	441,593	444,184	449,593	452,184
Water House Connections Installed	3,884	2,293	1,126	1,574	2,591	4,000	4,000
Water Meters Issued	16,457	13,458	8,769	13,696	11,594	14,212	15,662
Sewage Systems Total Flow (average MGD)	177.8	178.6	200.3	182.4	182.9	209.3	211.0
Sewage Systems Total Flow (millions of gallons)	65,068	65,201	73,089	66,581	66,950	78,293	77,015
Sewer Mains Maintained (miles)	5,285	5,314	5,324	5,344	5,363	5,444	5,463
Sewer Mains Constructed (miles added by WSSC)	1	1.8	-	-	-	5	5
Sewer Mains Constructed (miles added by developers)	34	27	10	20	19	45	45
Sewer House Connections Maintained	414,386	416,392	417,301	418,718	421,092	426,718	429,092
Sewer House Connections Installed	3,463	2,006	909	1,417	2,374	4,000	4,000
Maintenance Work Orders (Emergency and Routine)	93,570	87,942	75,253	84,473	84,906	81,500	83,500
Vehicles in Fleet	853	865	883	927	933	937	947
Miles Traveled by Fleet	5,498,376	5,399,040	5,563,414	5,514,312	5,866,778	5,845,170	5,890,245
Water Meter Readings Completed	1,853,520	1,876,796	1,933,411	1,937,265	2,006,837	1,951,250	2,006,700
Authorized Positions	1,525	1,555	1,561	1,632	1,681	1,693	1,717
Authorized Workyears	1,525	1,555	1,561	1,632	1,681	1,693	1,717
Actual Employment Level - Beginning	1,428	1,434	1,455	1,468	1,528	1,549	
Actual Employment Level - Ending	1,434	1,455	1,468	1,528	1,549		
Actual Workyears	1,407	1,428	1,449	1,486	1,522		

** Fiscal Year's 2008 to 2013 populations revised via MWCOG/M-NCP&PC Round 8.0 Population Demographics, updated in 2011.

SELECTED FINANCIAL DATA

	<u>FY'08 ACTUAL</u>	<u>FY'09 ACTUAL</u>	<u>FY'10 ACTUAL</u>	<u>FY'11 ACTUAL</u>	<u>FY'12 ACTUAL</u>	<u>FY'13 BUDGET</u>	<u>FY'14 PROPOSED</u>
1. Customer Water & Sewer Rate Percent Change							
<u>Consumption Charges</u>							
Water	7.2%	10.3%	12.1%	14.0%	11.6%	2.9%	1.9%
Sewer	6.0%	6.5%	6.8%	4.3%	5.9%	11.5%	11.6%
Combined	6.5%	8.0%	9.0%	8.5%	8.5%	7.5%	7.25%
2. Water & Sewer Bill Revenues (\$ in Thousands)							
Water Consumption Charges	\$155,897	\$159,480	\$178,349	\$211,734	\$226,286	\$240,320	\$241,112
Sewer Use Charges	216,340	218,910	234,019	248,725	255,842	300,241	329,943
Total Consumption Charges	<u>372,237</u>	<u>378,390</u>	<u>412,368</u>	<u>460,459</u>	<u>482,128</u>	<u>540,561</u>	<u>571,055</u>
Account Maintenance Fee	<u>21,888</u>	<u>21,789</u>	<u>22,886</u>	<u>22,377</u>	<u>22,386</u>	<u>22,850</u>	<u>22,850</u>
Total	<u>\$ 394,125</u>	<u>\$ 400,179</u>	<u>\$ 435,254</u>	<u>\$ 482,836</u>	<u>\$ 504,514</u>	<u>\$ 563,411</u>	<u>\$ 593,905</u>
3. Water Production (average MGD)	168.2	162.3	168.7	175.0	165.7	170.0	170.0

WATER & SEWER OPERATING FUNDS - COMBINED

(\$ In Thousands)

	<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>ACTUAL</u>	<u>FY'13</u> <u>APPROVED</u>	<u>FY'14</u> <u>PROPOSED</u>
<u>REVENUES</u>							
Water Consumption Charges	\$ 155,897	\$ 159,480	\$ 178,349	\$ 211,734	\$ 226,286	\$ 240,320	\$ 241,112
Sewer Use Charges	216,340	218,910	234,019	248,725	255,842	300,241	329,943
Interest Income	3,872	902	707	794	647	4,000	1,000
Miscellaneous	21,177	19,288	19,053	22,831	24,788	21,147	24,104
Account Maintenance Fee	21,888	21,789	22,886	22,377	22,386	22,850	22,850
Total Revenues	<u>419,174</u>	<u>420,369</u>	<u>455,014</u>	<u>506,461</u>	<u>529,949</u>	<u>588,558</u>	<u>619,009</u>
SDC Debt Service Offset	2,711	2,612	2,498	2,398	2,293	2,192	1,428
Reconstruction Debt Service Offset	12,000	12,000	11,500	11,500	11,000	11,000	10,500
Use of Fund Balance	10,890	16,284	11,995	2,909	3,400	18,528	27,981
Total Funds Available	<u>\$ 444,775</u>	<u>\$ 451,265</u>	<u>\$ 481,007</u>	<u>\$ 523,268</u>	<u>\$ 546,642</u>	<u>\$ 620,278</u>	<u>\$ 658,918</u>
<u>EXPENDITURES</u>							
Salaries & Wages	\$ 84,702	\$ 87,396	\$ 88,907	\$ 89,423	\$ 88,666	\$ 100,629	\$ 104,056
Heat, Light & Power	23,025	26,315	28,187	28,599	24,658	24,223	23,910
Regional Sewage Disposal	42,384	44,767	47,013	46,208	49,483	51,309	53,207
Debt Service							
Principal Payments	97,082	103,165	112,953	110,127	128,402	139,290	165,713
Interest Payments	39,405	37,931	36,260	42,355	47,269	72,677	60,916
Debt Reduction (PAYGO)	-	-	-	-	-	-	13,782
All Other	144,544	157,689	155,504	167,975	180,082	232,150	237,334
Total Expenditures	<u>\$ 431,142</u>	<u>\$ 457,263</u>	<u>\$ 468,824</u>	<u>\$ 484,687</u>	<u>\$ 518,560</u>	<u>\$ 620,278</u>	<u>\$ 658,918</u>
Water Production (average MGD)	168.2	162.3	168.7	175.0	165.7	170.0	170.0

CAPITAL BUDGET VS. ACTUAL EXPENSES
FY'90 - FY'12
(\$ 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
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
2012	198,844	158,078	332,424	262,507	34,654	14,912	-	-	565,922	435,497

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 \$2.90 to \$6.66 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'11</u> <u>Actual</u>	<u>FY'12</u> <u>Actual</u>	<u>FY'13</u> <u>Approved</u>	<u>FY'14</u> <u>Proposed</u>
Water Consumption Charges	\$211,734	\$226,286	\$240,320	\$241,112
Account Maintenance Fee	11,412	11,417	11,425	11,425
Plumbing & Inspection Fees	2,564	2,922	2,893	2,780
Interest	117	73	1,500	300
SDC Debt Service Offset	495	471	451	290
Miscellaneous	9,113	10,103	6,320	10,600

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 Water and Sewer Authority for our share of the Regional Sewage Disposal charges; 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 \$3.64 to \$9.24 per 1,000 gallons of metered water. Customers who receive sewage disposal services only are currently charged at a flat rate of \$90.00 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'11</u> <u>Actual</u>	<u>FY'12</u> <u>Actual</u>	<u>FY'13</u> <u>Approved</u>	<u>FY'14</u> <u>Proposed</u>
Sewer Use Charges	\$248,725	\$255,842	\$300,241	\$329,943
Account Maintenance Fee	10,965	10,969	11,425	11,425
Plumbing & Inspection Fees	2,564	2,922	2,930	2,780
Interest	677	574	2,500	700
Rockville Sewer Use	2,614	2,500	2,404	2,444
SDC Debt Service Offset	1,903	1,822	1,741	1,138
Miscellaneous	5,976	6,341	6,600	5,500

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>Water</u>	<u>Sewer</u>
<u>Subdivision</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. These connection charges may 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)

Interest on Investments - revenue derived from investments of cash available to the fund, General Bond Debt Service, 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'11</u> <u>Actual</u>	<u>FY'12</u> <u>Actual</u>	<u>FY'13</u> <u>Approved</u>	<u>FY'14</u> <u>Proposed</u>
Front Foot Benefit Charges and Deferred House Connection Charges	\$59,595	\$54,226	\$46,696	\$37,823
Interest	273	68	2,424	1,176
Miscellaneous	574	795	700	700

CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES, AND EXPENDITURES

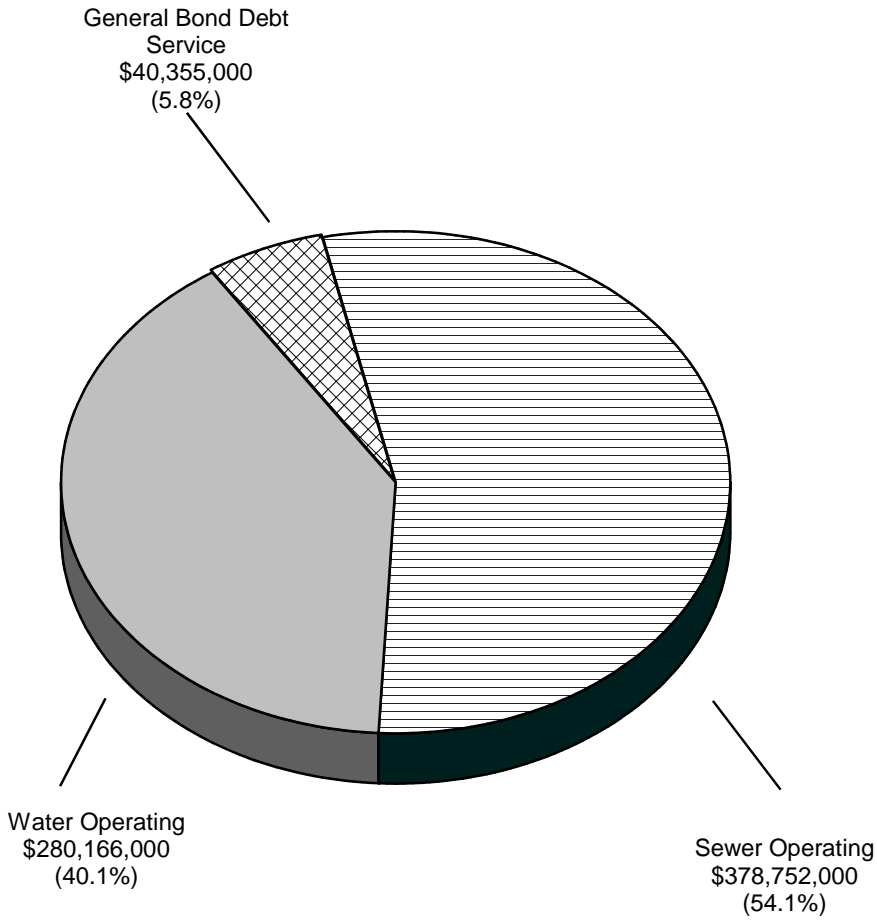
(\$ In Thousands)

	<u>FY'12 Actual</u>	<u>FY'13 Approved Budget</u>	<u>FY'14 Proposed Budget</u>
<u>REVENUES</u>			
Water Consumption Charges	\$226,286	\$240,320	\$241,112
Sewer Use Charges	255,842	300,241	329,943
Account Maintenance Fee	22,386	22,850	22,850
Front Foot Benefit & House Connection Charges (Deferred)	54,226	46,696	37,823
Plumbing & Inspection Fees	5,844	5,823	5,560
Interest Income	715	6,424	2,176
Rockville Sewer Use	2,500	2,404	2,444
Use of Fund Balance	3,400	18,528	27,981
Miscellaneous	<u>17,239</u>	<u>13,620</u>	<u>16,800</u>
TOTAL REVENUES	<u>588,438</u>	<u>656,906</u>	<u>686,689</u>
<u>EXPENSES</u>			
Salaries & Wages	89,144	101,233	104,645
Heat, Light & Power	24,658	24,223	23,910
Regional Sewage Disposal	49,483	51,309	53,207
All Other	180,689	233,095	238,420
Debt Reduction (PAYGO)	-	-	13,782
Debt Service			
Principal Payments	163,679	166,611	194,537
Interest Payments	<u>59,331</u>	<u>85,262</u>	<u>70,772</u>
GROSS EXPENSES	<u>566,984</u>	<u>661,733</u>	<u>699,273</u>
Less: Reconstruction Debt Service Offset	(11,000)	(11,000)	(10,500)
SDC Debt Service Offset	<u>(2,293)</u>	<u>(2,192)</u>	<u>(1,428)</u>
NET EXPENSES	<u>553,691</u>	<u>648,541</u>	<u>687,345</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$ 34,747</u>	<u>\$ 8,365</u>	<u>\$ (656)</u>

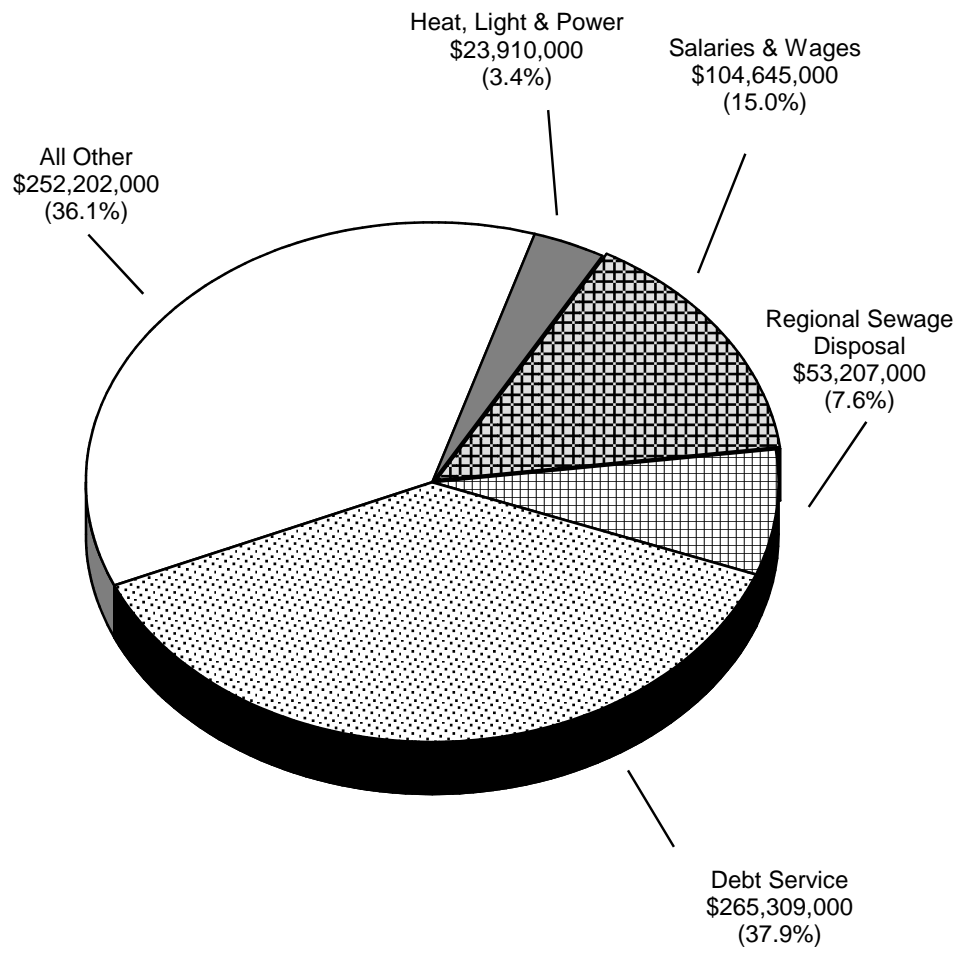
FY 2014 PROPOSED BUDGET

OPERATING EXPENDITURES

BY FUND



BY MAJOR EXPENSE CATEGORY



TOTAL OPERATING = \$699,273,000

WATER OPERATING

(\$ In Thousands)

	<u>FY'12 Actual</u>	<u>FY'13 Approved Budget</u>	<u>FY'14 Proposed Budget</u>
<u>REVENUES</u>			
Water Consumption Charges	\$ 226,286	\$ 240,320	\$ 241,112
Account Maintenance Fee	11,417	11,425	11,425
Plumbing & Inspection Fees	2,922	2,893	2,780
Interest Income	73	1,500	300
Use of Fund Balance	-	6,428	13,659
Miscellaneous	10,103	6,320	10,600
Reserve Requirement	<u>(8,000)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>242,801</u>	<u>268,886</u>	<u>279,876</u>
<u>EXPENSES</u>			
Salaries & Wages	46,236	52,157	54,125
Heat, Light & Power	15,100	12,875	12,718
All Other	84,388	107,748	109,913
Debt Reduction (PAYGO)	-	-	6,891
Debt Service			
Principal Payments	61,019	63,500	70,269
Interest Payments	<u>22,795</u>	<u>33,057</u>	<u>26,250</u>
GROSS EXPENSES	<u>229,538</u>	<u>269,337</u>	<u>280,166</u>
Less: Reconstruction Debt Service Offset	-	-	-
SDC Debt Service Offset	<u>(471)</u>	<u>(451)</u>	<u>(290)</u>
NET EXPENSES	<u>229,067</u>	<u>268,886</u>	<u>279,876</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$ 13,734</u>	<u>\$ -</u>	<u>\$ -</u>

SEWER OPERATING

(\$ In Thousands)

	<u>FY'12 Actual</u>	<u>FY'13 Approved Budget</u>	<u>FY'14 Proposed Budget</u>
<u>REVENUES</u>			
Sewer Use Charges	\$ 255,842	\$ 300,241	\$ 329,943
Account Maintenance Fee	10,969	11,425	11,425
Plumbing & Inspection Fees	2,922	2,930	2,780
Interest Income	574	2,500	700
Rockville Sewer Use	2,500	2,404	2,444
Use of Fund Balance	3,400	12,100	14,322
Miscellaneous	6,341	6,600	5,500
Reserve Requirement	8,000	-	-
TOTAL REVENUES	<u>290,548</u>	<u>338,200</u>	<u>367,114</u>
<u>EXPENSES</u>			
Salaries & Wages	42,430	48,472	49,931
Heat, Light & Power	9,558	11,348	11,192
Regional Sewage Disposal	49,483	51,309	53,207
All Other	95,694	124,402	127,421
Debt Reduction (PAYGO)	-	-	6,891
Debt Service			
Principal Payments	67,383	75,790	95,444
Interest Payments	24,474	39,620	34,666
GROSS EXPENSES	<u>289,022</u>	<u>350,941</u>	<u>378,752</u>
Less: Reconstruction Debt Service Offset	(11,000)	(11,000)	(10,500)
SDC Debt Service Offset	(1,822)	(1,741)	(1,138)
NET EXPENSES	<u>276,200</u>	<u>338,200</u>	<u>367,114</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$ 14,348</u>	<u>\$ -</u>	<u>\$ -</u>

GENERAL BOND DEBT SERVICE

(\$ In Thousands)

	<u>FY'12 Actual</u>	<u>FY'13 Approved Budget</u>	<u>FY'14 Proposed Budget</u>
<u>REVENUES</u>			
Front Foot Benefit & House Connection Charges (Deferred)	\$ 54,226	\$ 46,696	\$ 37,823
Interest Income	68	2,424	1,176
Miscellaneous	795	700	700
Use of Fund Balance	11,000	11,000	10,500
Reconstruction Debt Service Offset	<u>(11,000)</u>	<u>(11,000)</u>	<u>(10,500)</u>
TOTAL REVENUES	<u>55,089</u>	<u>49,820</u>	<u>39,699</u>
<u>EXPENSES</u>			
Salaries & Wages	478	604	589
All Other	607	945	1,086
Debt Service			
Principal Payments	35,277	27,321	28,824
Interest Payments	<u>12,062</u>	<u>12,585</u>	<u>9,856</u>
TOTAL EXPENSES	<u>48,424</u>	<u>41,455</u>	<u>40,355</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$ 6,665</u>	<u>\$ 8,365</u>	<u>\$ (656)</u>

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'14 Proposed Budget for debt service is \$265,409,000, an increase of \$13,436,000 or 5.3% more than the FY'13 Approved Budget of \$251,973,000. The proposed debt service is based upon paying the FY'14 principal and interest payments on current outstanding debt, and issuing \$526,427,000 in new Water Supply, Sewage Disposal, General Construction Bonds and MDE Loans. The new debt issues are necessary to implement the first year of the Commission's Proposed FYs 2014-2019 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, 2012, is as follows:

General Construction Bonds	\$316,690,000
Maryland Water Quality Bonds	64,222,140
Water Supply Bonds	497,925,000
Sewage Disposal Bonds	528,460,000
Water, Sewer and General Notes	<u>149,500,000</u>
TOTAL	<u>\$1,556,797,140</u>

FISCAL YEARS 2012-2014
ACTUAL AND ESTIMATED OUTSTANDING DEBT

Debt as of June 30, 2012 (Includes Maryland Water Quality Loans)	\$1,556,797,140
<u>FY'13 NEW ISSUES</u>	
General Construction	20,000,000
Water and Sewer	481,764,000
<u>FY'13 PRINCIPAL PAYMENTS</u>	
Principal from Debt Outstanding as of June 30, 2012	<u>(143,421,000)</u>
Estimated Debt Outstanding as of June 30, 2013	<u>1,915,140,140</u>
<u>NEW FY'14 PROPOSED ISSUES</u>	
General Construction	20,000,000
Water	175,009,000
Sewer	286,244,000
MDE Loans	45,174,000
<u>FY'14 PRINCIPAL PAYMENTS</u>	
Principal from Debt Outstanding as of June 30, 2012	(136,284,876)
Principal from FY'13 Water & Sewer Bonds	<u>(24,088,000)</u>
Estimated Debt Outstanding as of June 30, 2014	<u>\$2,281,194,264</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 29 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 *		\$227,730,398,000
Debt Limit: 7.0% of total assessable personal & operating real property		135,498,628
3.8% of total assessable tax base of all real property		8,580,198,733
Debt applicable to limitation:		
Total applicable debt	1,556,797,140	
Less amount available from		
Repayment of debt - FY'13	(143,421,000)	
Repayment of debt - FY'14	(136,284,876)	
Plus amount available from		
New issues - FY'13	501,764,000	
Planned issues - FY'14	<u>481,253,000</u>	
Total debt applicable to limitation		<u>2,260,108,264</u>
Legal Debt Margin		<u>\$6,455,589,097</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>
2012	\$227,730,398	\$1,556,797	\$8,715,697
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

* 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 Systems Reconstruction Program, the Engineering Support Program, Other Capital Projects, and General Construction of Local Lines. 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

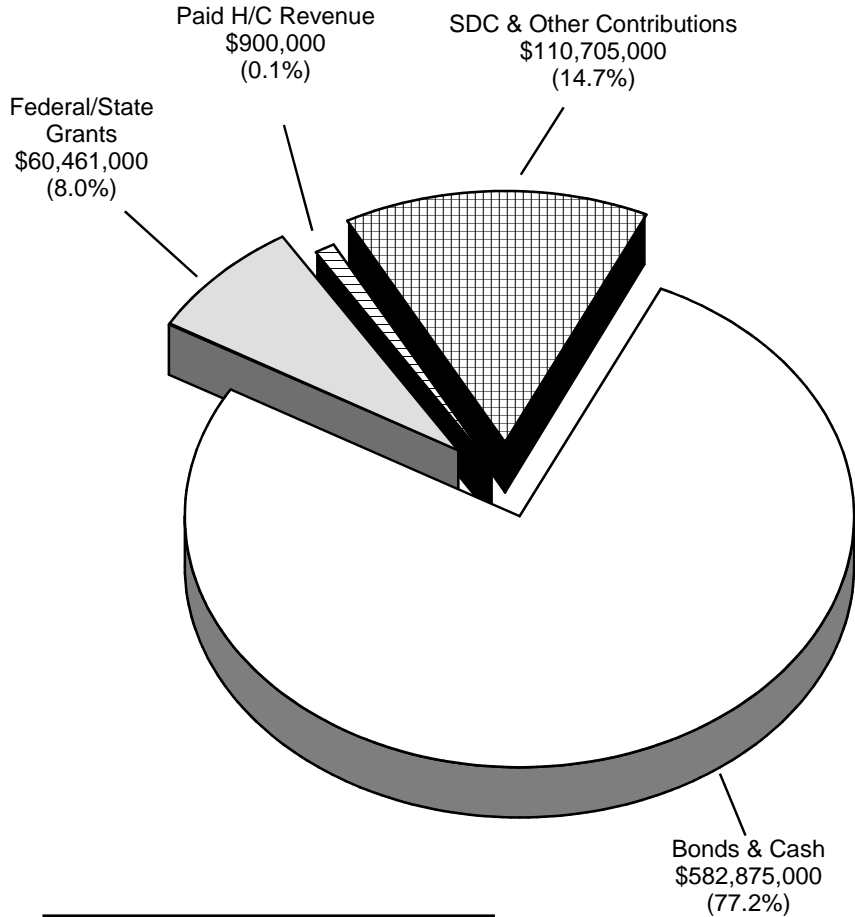
Bonds Issued and Cash On Hand - proceeds from the sale of General Construction Bonds and cash on hand at the beginning of the fiscal year.

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 2014 PROPOSED BUDGET

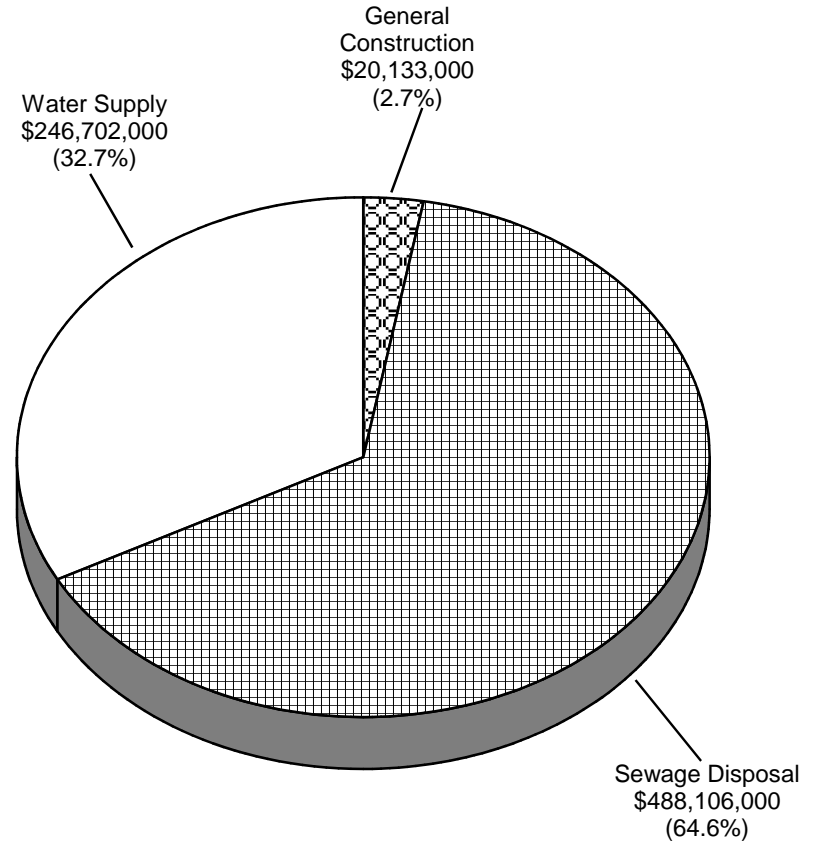
CAPITAL

BY SOURCE



SDC = System Development Charge
H/C = House Connection

BY FUND



TOTAL CAPITAL = \$754,941,000

STATEMENT OF CAPITAL FUNDS, INCOME, AND EXPENDITURES

CAPITAL FUNDS TOTAL

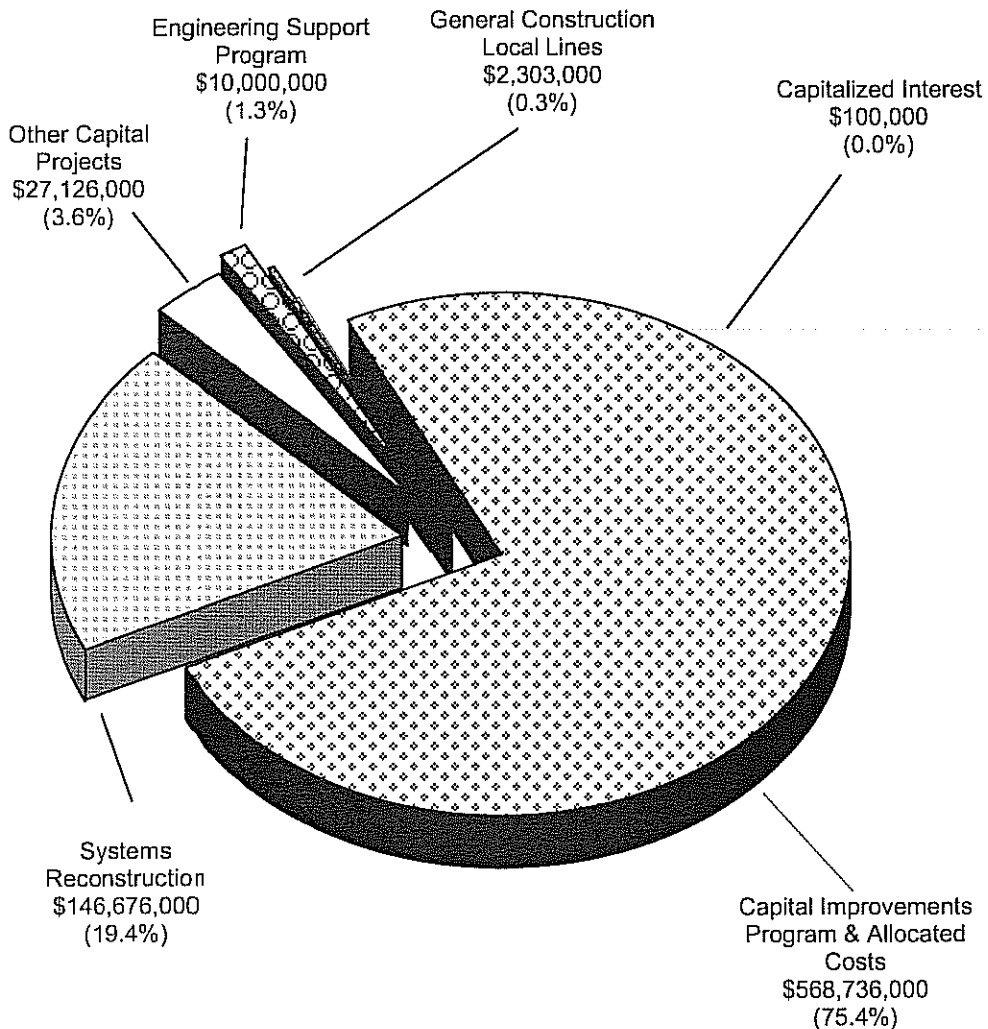
(\$ In Thousands)

	<u>FY'12 Actual</u>	<u>FY'13 Approved Budget</u>	<u>FY'14 Proposed Budget</u>
<u>GROSS FUNDS AVAILABLE</u>			
Bonds Issued and Cash on Hand	\$ 325,023	\$ 576,148	\$ 582,874
Anticipated Contributions:			
Federal and State Grants	50,444	77,228	60,461
System Development Charge (SDC)	48,400	119,140	90,274
Other	16,620	15,489	21,332
Available for Current Construction	<u>440,487</u>	<u>788,005</u>	<u>754,941</u>
<u>CAPITAL COSTS</u>			
Salaries & Wages	23,575	23,651	23,541
Contract Work	190,925	396,985	378,860
Consulting Engineers	51,848	83,267	113,002
Debt Service (Capitalized Interest)	-	100	100
All Other	169,149	284,002	239,438
TOTAL COSTS	<u>435,497</u>	<u>788,005</u>	<u>754,941</u>
Funds Available After Current Construction	<u><u>\$ 4,990</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

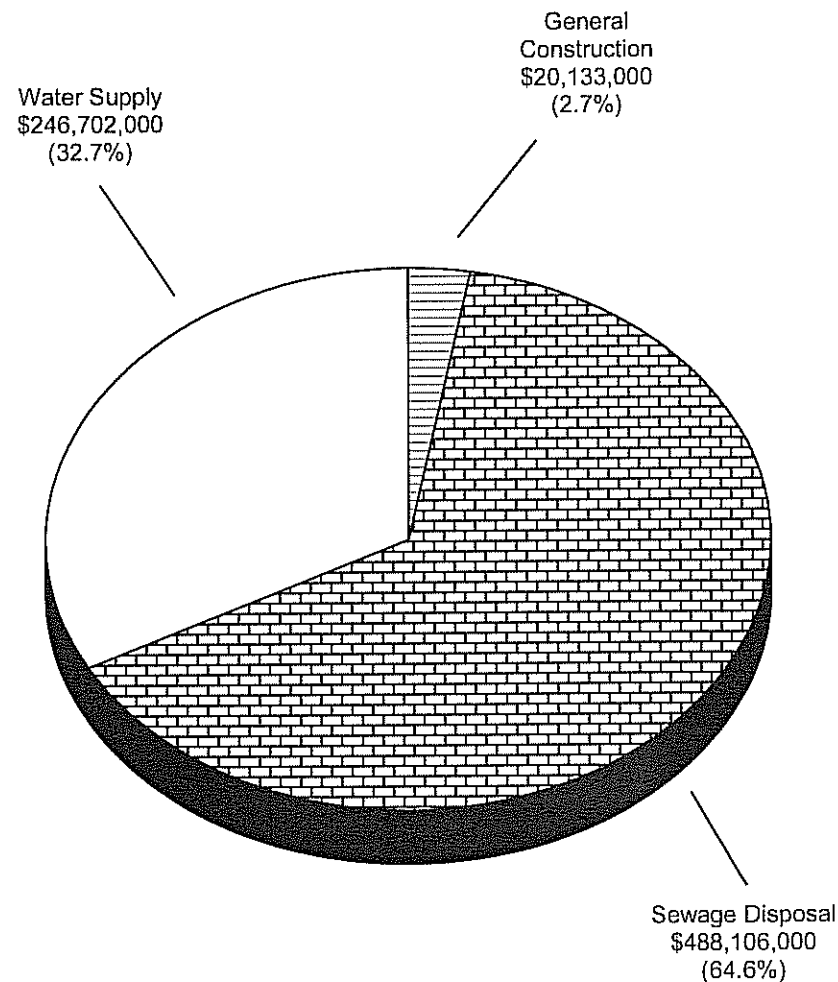
FY 2014 PROPOSED BUDGET

CAPITAL EXPENDITURES

BY PROGRAM



BY FUND



TOTAL CAPITAL = \$754,941,000

**FY'14 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	\$ 568,736	\$ 130,257	\$ 424,021	\$ 14,458
Systems Reconstruction Program	146,676	96,774	49,902	-
Engineering Support Program	10,000	4,400	5,600	-
Other Capital Projects	27,126	15,271	8,583	3,272
General Construction - Local Lines	2,303	-	-	2,303
Capitalized Interest	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
TOTAL	<u><u>\$ 754,941</u></u>	<u><u>\$ 246,702</u></u>	<u><u>\$ 488,106</u></u>	<u><u>\$ 20,133</u></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 protecting our source water, 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'14) 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 to 30-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 2014-2019, CIP expenditures total approximately \$2.1 billion over the six-year program period, representing a \$399.1 million increase compared to last year's CIP. Increases in our Trunk Sewer Reconstruction and Large Diameter Water Pipe Rehabilitation Programs more than offset the decreases in the Blue Plains WWTP Digester and Enhanced Nutrient Removal projects as those projects move through construction.

Of the almost \$2.1 billion in the six-year program period, approximately \$271 million is for growth, \$351 million is to meet environmental mandates, and \$1.4 billion is for system improvements. Approximately \$35.5 million of the growth cost in the six-year program period is attributable to water and sewer developer projects, with approximately \$17.5 million programmed in FY'14. A summary of six-year program expenditures is displayed on the next page.

The estimated total expenditures for the first year of the FYs 2014-2019 CIP—the budget year—are included in this FY'14 Proposed Budget for approval. Expenditures for FY'14 are estimated to be \$642 million, which is approximately \$78 million greater than last year. The increase is primarily due to the Trunk Sewer Reconstruction Program ramping up construction to meet the Consent Decree requirements. A table of FY'14 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 2014-2019 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'14	Year 2 FY'15	Year 3 FY'16	Year 4 FY'17	Year 5 FY'18	Year 6 FY'19	Total Six Years FY'14-'19
<u>Water Projects</u>							
Montgomery County	\$ 10,955	\$ 9,008	\$ 5,427	\$ 1,880	\$ -	\$ -	\$ 27,270
Prince George's County	37,136	40,065	34,245	23,118	3,381	-	137,945
Bi-County	103,339	67,417	58,676	62,397	41,631	37,031	370,491
Total Water Projects	<u>151,430</u>	<u>116,490</u>	<u>98,348</u>	<u>87,395</u>	<u>45,012</u>	<u>37,031</u>	<u>535,706</u>
<u>Sewer Projects</u>							
Montgomery County	15,691	8,110	894	35	-	-	24,730
Prince George's County	107,553	87,938	37,706	25,611	23,018	9,598	291,424
Bi-County	367,600	324,469	160,089	141,535	116,065	97,386	1,207,144
Total Sewer Projects	<u>490,844</u>	<u>420,517</u>	<u>198,689</u>	<u>167,181</u>	<u>139,083</u>	<u>106,984</u>	<u>1,523,298</u>
GRAND TOTAL	<u><u>\$642,274</u></u>	<u><u>\$537,007</u></u>	<u><u>\$297,037</u></u>	<u><u>\$254,576</u></u>	<u><u>\$184,095</u></u>	<u><u>\$144,015</u></u>	<u><u>\$2,059,004</u></u>

*FY'14 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'14 TOTAL</u>
<u>MONTGOMERY COUNTY</u>						
W-3.02	Olney Standpipe Replacement	\$ -	\$ 70	\$ 2,200	\$ 341	\$ 2,611
W-46.14	Clarksburg Area Stage 3 Water Main, Parts 1, 2, & 3	-	368	1,661	304	2,333
W-46.15	Clarksburg Elevated Water Storage Facility	-	200	-	30	230
W-46.18	Newcut Road Water Main, Part 2	-	10	212	33	255
W-46.24	Clarksburg Area Stage 3 Water Main, Part 4	-	233	1,935	325	2,493
W-90.04	Brink Zone Reliability Improvements	-	300	-	45	345
W-138.02	Shady Grove Standpipe Replacement	-	61	1,750	272	2,083
W-153.00	Laytonsville Elevated Tank & Pumping Station	-	76	450	79	605
<i>MONTGOMERY COUNTY SUBTOTALS</i>		\$ -	\$ 1,318	\$ 8,208	\$ 1,429	\$ 10,955
<u>BI-COUNTY</u>						
W-73.16	Potomac WFP Improvements	\$ -	\$ -	\$ 189	\$ 19	\$ 208
W-73.18	Power Reliability and Arc Flash Implementation	-	780	-	117	897
W-73.19	Potomac WFP Outdoor Substation No. 2 Replacement	-	600	1,500	210	2,310
W-73.20	Potomac WFP Stage 2 Disinfection Byproducts Rule Implementation	-	889	2,000	433	3,322
W-73.21	Potomac WFP Corrosion Mitigation	-	120	3,918	606	4,644
W-73.22	Potomac WFP Pre-Filter Chlorination & Air Scour Improvements	-	660	-	99	759
W-73.30	Potomac WFP Submerged Channel Intake	-	1,115	-	112	1,227
W-73.32	Potomac WFP Main Zone Pipeline	-	159	-	24	183
W-127.01	Bi-County Water Tunnel	-	2,800	10,329	1,313	14,442
W-139.02	Duckett & Brighton Dam Upgrades	-	524	4,952	548	6,024
W-161.01	Large Diameter Water Pipe Rehabilitation Program	-	1,680	31,982	3,366	37,028
W-172.05	Patuxent WFP Phase II Expansion	-	2,596	21,012	2,361	25,969
W-172.07	Patuxent Raw Water Pipeline	-	210	2,607	282	3,099

*FY'14 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'14 TOTAL</u>
<u>BI-COUNTY CONTINUED</u>						
W-172.08	Rocky Gorge Pump Station Upgrade	\$ -	\$ 286	\$ 2,631	\$ 292	\$ 3,209
W-202.00	Land & Rights-of-Way Acquisition - Bi-County	18	-	-	-	18
	<i>BI-COUNTY SUBTOTALS</i>	<u>\$ 18</u>	<u>\$ 12,419</u>	<u>\$ 81,120</u>	<u>\$ 9,782</u>	<u>\$ 103,339</u>
<u>PRINCE GEORGE'S COUNTY</u>						
W-12.02	Prince George's County HG415 Zone Water Main	\$ -	\$ 155	\$ 1,320	\$ 221	\$ 1,696
W-34.02	Old Branch Avenue Water Main	-	261	-	27	288
W-34.03	Water Transmission Improvements 385B Pressure Zone	-	550	4,700	525	5,775
W-34.04	Branch Avenue Water Transmission Improvements	-	500	-	50	550
W-34.05	Marlboro Zone Reinforcement Main	-	400	-	60	460
W-62.05	Clinton Zone Water Storage Facility Implementation	-	738	-	74	812
W-65.10	Prince George's High Zone Elevated Tank	-	170	250	62	482
W-84.05	Prince George's County 450A Zone Water Main	-	160	-	24	184
W-111.05	Hillmeade Road Water Main	-	66	2,775	426	3,267
W-119.01	John Hanson Highway Water Main, Part 1	-	155	1,100	188	1,443
W-123.20	Oak Grove/Leeland Roads Water Main, Part 2	-	40	5,057	509	5,606
W-129.12	Church Road Water Main & PRV, Part 2	-	44	-	7	51
W-137.02	South Potomac Supply Improvement	-	334	3,400	560	4,294
W-147.00	Collington Elevated Water Storage Facility	-	400	7,800	820	9,020
W-147.01	Marlboro Zone Water Storage Facility	-	-	-	-	-
W-197.00	DSP & Conceptual Design Water Projects	-	470	1,585	308	2,363
W-204.00	Land & Rights-of-Way Acquisition - Prince George's	845	-	-	-	845
	<i>PRINCE GEORGE'S COUNTY SUBTOTALS</i>	<u>\$ 845</u>	<u>\$ 4,443</u>	<u>\$ 27,987</u>	<u>\$ 3,861</u>	<u>\$ 37,136</u>
	<u>GRAND TOTAL WATER PROJECTS</u>	<u>\$ 863</u>	<u>\$ 18,180</u>	<u>\$ 117,315</u>	<u>\$ 15,072</u>	<u>\$ 151,430</u>

*FY'14 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'14 TOTAL</u>
<u>MONTGOMERY COUNTY</u>						
S-25.03	Twinbrook Commons Sewer	\$ -	\$ 7	\$ 94	\$ 15	\$ 116
S-25.04	Mid-Pike Plaza Sewer Main, Phase 1	-	49	533	87	669
S-25.05	Mid-Pike Plaza Sewer Main, Phase 2	-	247	2,125	356	2,728
S-38.01	Preserve at Rock Creek Wastewater Pumping Station	-	30	200	35	265
S-38.02	Preserve at Rock Creek WWPS Force Main	-	5	59	10	74
S-53.21	Seneca WWTP Enhanced Nutrient Removal	-	610	1,600	332	2,542
S-53.22	Seneca WWTP Expansion, Part 2	-	1,067	5,265	633	6,965
S-82.21	Montgomery College Germantown Campus Sewer	-	81	35	17	133
S-84.47	Clarksburg Triangle Outfall Sewer, Part 2	-	134	1,021	173	1,328
S-84.60	Cabin Branch Wastewater Pumping Station	-	80	300	57	437
S-84.61	Cabin Branch WWPS Force Main	-	26	94	18	138
S-84.65	Tapestry Wastewater Pumping Station	-	33	154	29	216
S-84.66	Tapestry WWPS Force Main	-	5	34	6	45
S-94.12	Damascus WWTP Enhanced Nutrient Removal	-	10	10	3	23
S-201.00	Land & Rights-of-Way Acquisition - Montgomery	12	-	-	-	12
<i>MONTGOMERY COUNTY SUBTOTALS</i>		\$ 12	\$ 2,384	\$ 11,524	\$ 1,771	\$ 15,691
<u>BI-COUNTY</u>						
S-22.06	Blue Plains WWTP: Liquid Train Projects, Part 2	\$ -	\$ 2,383	\$ 4,773	\$ 72	\$ 7,228
S-22.07	Blue Plains WWTP: Biosolids Management, Part 2	-	7,380	62,719	701	70,800
S-22.08	Blue Plains WWTP: Biological Nutrient Removal	-	814	3,324	41	4,179
S-22.09	Blue Plains WWTP: Plant-wide Projects	-	835	4,700	55	5,590
S-22.10	Blue Plains WWTP: Enhanced Nutrient Removal	-	12,421	57,472	699	70,592
S-22.11	Blue Plains: Pipelines & Appurtenances	-	4,363	15,621	200	20,184

*FY'14 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'14 TOTAL</u>
<u>BI-COUNTY (CONTINUED)</u>						
S-89.22	Anacostia Storage Facility	\$ -	\$ 200	\$ 1,828	\$ 203	\$ 2,231
S-170.08	Septage Discharge Facility Planning & Implementation	-	500	-	50	550
S-170.09	Trunk Sewer Reconstruction Program	-	79,909	78,400	27,937	186,246
	<i>BI-COUNTY SUBTOTALS</i>	\$ -	\$ 108,805	\$ 228,837	\$ 29,958	\$ 367,600
<u>PRINCE GEORGE'S COUNTY</u>						
S-43.02	Broad Creek WWPS Augmentation	\$ -	\$ 4,400	\$ 44,000	\$ 4,840	\$ 53,240
S-57.92	Western Branch Facility Upgrade	-	2,200	13,980	1,618	17,798
S-57.93	Western Branch WWTP Enhanced Nutrient Removal	-	1,100	12,400	1,350	14,850
S-57.94	Western Branch WWTP Incinerator Emissions Control	-	1,580	-	158	1,738
S-75.21	Mattawoman WWTP Upgrades	-	363	1,231	16	1,610
S-77.18	Parkway WWTP Enhanced Nutrient Removal	-	118	847	97	1,062
S-77.19	Parkway WWTP Biosolids Facility Plan Implementation	-	1,513	10,088	1,160	12,761
S-96.14	Piscataway WWTP Facility Upgrades	-	200	-	20	220
S-131.10	Fort Washington Forest No. 1 WWPS Augmentation	-	90	600	104	794
S-187.00	DSP & Conceptual Design Sewer Projects	-	442	2,578	460	3,480
	<i>PRINCE GEORGE'S COUNTY SUBTOTALS</i>	\$ -	\$ 12,006	\$ 85,724	\$ 9,823	\$ 107,553
	<u>GRAND TOTAL SEWER PROJECTS</u>	\$ 12	\$ 123,195	\$ 326,085	\$ 41,552	\$ 490,844

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	September 2014
S-53.22	Seneca WWTP Expansion, Part 2	September 2014
S-57.92	Western Branch Facility Upgrade	August 2014
S-57.93	Western Branch WWTP Enhanced Nutrient Removal	August 2014
S-75.19	Brandywine Woods WWPS	Developer Dependent
S-77.18	Parkway WWTP Enhanced Nutrient Removal	July 2013
S-77.19	Parkway WWTP Biosolids Facility Plan Implementation	March 2015
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	January 2014
S-94.12	Damascus WWTP Enhanced Nutrient Removal	February 2013
S-96.14	Piscataway WWTP Facility Upgrades	FY 2019
S-131.08	Preserves at Piscataway WWPS	Developer Dependent
S-170.08	Septage Discharge Facility Planning & Implementation	March 2016

WATER

W-3.02	Olney Standpipe Replacement	FY 2017
W-46.15	Clarksburg Elevated Water Storage Facility	FY 2017
W-62.05	Clinton Zone Water Storage Facility Implementation	FY 2018
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	FY 2017
W-139.02	Duckett & Brighton Dam Upgrades	December 2014
W-147.00	Collington Elevated Water Storage Facility	FY 2016
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 2017
W-172.08	Rocky Gorge Pump Station Upgrade	December 2015

SYSTEMS RECONSTRUCTION PROGRAM

	FY'12	FY'13	FY'14
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
<ul style="list-style-type: none"> • <u>Systems Reconstruction Program</u> 	\$166,971,995	\$213,839,000	\$146,676,000

This program provides for the systematic replacement or rehabilitation of the Commission's aging small diameter water mains (less than 16-inches in diameter) and sewer lines (less than 15-inches in diameter), as well as associated house connections (from the main to the Commission maintained property line). Portions of the systems are replaced due to deterioration, failure, or to meet current customer demand. Through FY' 12, WSSC maintained approximately 5,500 miles of water main and 5,400 miles of sewer main, along with 444,200 water house connections and 421,100 sewer house connections. While the budget for small diameter pipe rehabilitation programs decreased in FY' 14, it increased for large diameter pipe rehabilitation projects found in the Capital Improvements Program (CIP budget). These projects are identified on page 5-11, the Large Diameter Water Pipe Rehabilitation Program (W-161.01) and page 5-14, the Trunk Sewer Reconstruction Program (S-170.09).

The Water Reconstruction Program consolidates several water main improvement activities designed to enhance water quality and reliability under one initiative. A majority of the 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 cathodic protection and pipeline appurtenances, including large meter and fire meter vaults. The FY' 14 proposed budget of \$96.8 million is \$19.4 million greater than the FY' 13 Approved Budget. It includes \$88 million for the design and replacement of 51 miles of water main and associated house connection renewals, \$5.4 million for large water service rehabilitation, and \$3.4 million for cathodic protection. In FY' 12, 59.5 miles of water main and associated house connection renewals were rehabilitated, along with 6 large water services, at a total cost of \$84 million dollars.

The Sewer Reconstruction Program provides for correcting structural deficiencies in sewer mains that may result from soil settlement, root penetration, or corrosion, and often contribute to sewage overflows and backups into homes. The FY' 14 proposed budget of \$49.9 million provides for the rehabilitation of 19 miles of main and lateral lines, as well as associated house connection renewals. The Sewer Rehabilitation Program decreased by \$86.5 million while the Trunk Sewer Reconstruction Program increased by \$133.9 million to \$186.2 million. The Trunk Sewer Reconstruction Program provides for the inspection, evaluation, planning, design and rehabilitation of both trunk sewer mains (15-inches in diameter and greater) and smaller sewer mains (less than 15-inches in diameter) located in environmentally sensitive areas. In FY' 12, 53.7 miles of sewer mains and laterals and associated house connections were rehabilitated at a total cost of \$83.0 million dollars.

ENGINEERING SUPPORT PROGRAM

	FY'12	FY'13	FY'14
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>Engineering Support Program</u>	\$11,750,000	\$14,000,000	\$14,000,000

The Engineering Support Program (ESP) represents the consolidation of a diverse group of multi-year projects and 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'14 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 provides for new planning processes including developing confidence level ratings, determining business risk exposure and performing business case analysis 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: fire alarm upgrades at facilities; underground fuel storage tank replacements; 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 2014-2019 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	\$665	\$665	\$ --	\$ --
Anaerobic Digestion/Combined Heat & Power	4,840	--	4,840	--
Entrepreneurial Projects	1,613	806	807	--
Water Storage Facility Rehabilitation Program	5,000	5,000	--	--
Asset Management Program	1,049	525	524	--
Specialty Valve Vault Rehabilitation Program	4,912	4,912	--	--
Advanced Metering Infrastructure	2,575	1,313	1,262	--
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	\$27,126	\$15,271	\$8,583	\$3,272

OTHER CAPITAL PROJECTS

	<u>FY'12</u> <u>Actual</u>	<u>FY'13</u> <u>Approved</u>	<u>FY'14</u> <u>Proposed</u>
• <u>Energy Performance Program</u>	\$4,085,242	\$1,765,000	\$1,105,000

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'14 proposed program is \$1,105,000: \$665,000 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 completed in 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 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.

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 2014-2019 Proposed Capital Improvements Program document.

OTHER CAPITAL PROJECTS

(Continued)

	<u>FY'12</u>	<u>FY'13</u>	<u>FY'14</u>
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>Anaerobic Digestion/Combined Heat & Power Program</u>	\$450,914	\$3,300,000	\$4,840,000

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'12</u>	<u>FY'13</u>	<u>FY'14</u>
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>Entrepreneurial Projects</u>	\$35,103	\$978,000	\$1,613,000

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'12	FY'13	FY'14
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>Water Storage Facility Rehabilitation Program</u>	\$2,065,069	\$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'14 proposed program is \$5,000,000 in the capital budget. By January 2013, there will be 20 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'14 will address the following water storage facilities: Air Park, Greenbelt, Pointer Ridge, Rogers Heights, St. Barnabas, Wall Lane and the Hill Road Reservoirs. Further details of the Program are included in the Information Only section of the FYs 2014-2019 Proposed Capital Improvements Program document.

	FY'12	FY'13	FY'14
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>Asset Management Program</u>	\$1,606,459	\$2,093,000	\$2,197,000

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'14 proposed program is \$2,197,000: \$1,049,000 in the capital budget and \$1,148,000 in the operating budget.

OTHER CAPITAL PROJECTS

(Continued)

	<u>FY'12</u>	<u>FY'13</u>	<u>FY'14</u>
• <u>Specialty Valve Vault Rehabilitation Program</u>	<u>Actual</u> \$673,905	<u>Approved</u> \$4,895,000	<u>Proposed</u> \$4,912,000

The Specialty Valve Vault Rehabilitation Program provides for the planning, design and construction of improvements and replacement of pressure reducing valves, altitude valves, metering valves, and other valves and their associated vaults throughout the water distribution system. The program includes valves ranging in size from 8-inches to 60-inches in diameter. The program systematically evaluates the condition of individual installations, some of which were constructed as early as the 1930's, and upgrades, rehabilitates, or relocates the structures and equipment as necessary. The Specialty Valve Vault Rehabilitation Program improves reliability and increases efficiency of system operation.

	<u>FY'12</u>	<u>FY'13</u>	<u>FY'14</u>
• <u>Advanced Metering Infrastructure</u>	<u>Actual</u> \$0	<u>Approved</u> \$2,500,000	<u>Proposed</u> \$2,575,000

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 \$89.5 million. Funding in FY' 14 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'12	FY'13	FY'14
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>New House Connections</u>	\$1,590,537	\$1,200,000	\$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 2,991 in FY'11 and 4,965 in FY'12. The estimated number of connections to be completed in FY'13 is 8,000 and FY'14 is projected at 8,000. Many of these house connections will be constructed by developers at their expense.

	FY'12	FY'13	FY'14
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>Relocations</u>	\$1,794,000	\$1,500,000	\$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)

	FY'12 <u>Actual</u>	FY'13 <u>Approved</u>	FY'14 <u>Proposed</u>
• <u>Basic Ordering Agreements (BOA)</u>	\$1,373,045	\$1,500,000	\$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.

	FY'12 <u>Actual</u>	FY'13 <u>Approved</u>	FY'14 <u>Proposed</u>
• <u>Purchase of Water Meters</u>	\$1,524,783	\$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'14, 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 434,700 small meters within the water distribution system and sees to preventive and emergency maintenance. During FY'14, Customer Care estimates that it will install approximately 3,350 new small meters and replace about 12,350 small meters.

The Large Meter Maintenance Program monitors approximately 12,000 large meters to ensure that they accurately register. This program also includes scheduled preventive maintenance, testing, and repair or replacement. During FY'14, Customer Care plans to test and, if necessary, repair an estimated 1,265 large meters.

GENERAL CONSTRUCTION - LOCAL LINES

	FY'12	FY'13	FY'14
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>General Construction – Local Lines</u>	\$5,536,953	\$2,423,900	\$2,302,900

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'14, expenditures of \$734.8 million are budgeted for the Water and Sewer Bond Funds to implement the Commission's water and sewer Capital Improvements Program, Systems Reconstruction Program, Engineering Support Program, and other Information Only Projects. The capital budget presents the spending level required to *fully implement* during FY'14 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'14 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'14 spending for the Water and Sewer Bond Funds, adjusted for completion, is estimated to be \$617.2 million. The requirement for new long-term Water and Sewer Bonds is estimated to be \$461.3 million.

FY'14 SOURCES AND USES OF WATER & SEWER FUNDS

(\$ in Thousands)

	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>
USES:			
Budgeted Capital Expenditures	\$246,702	\$488,106	\$734,808
Capital Expenditures adjusted for completion factor	216,716	400,465	617,181
SOURCES:			
Long-term Bonds (new)	175,009	286,244	461,253
Federal & State Grants	-	48,369	48,369
System Development Charge (SDC)	31,118	41,102	72,220
Other	<u>10,589</u>	<u>24,750</u>	<u>35,339</u>
TOTAL SOURCES	<u>\$216.716</u>	<u>\$400.465</u>	<u>\$617.181</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 25% of the funding. Rate-supported sources (long-term debt and construction notes) account for the remaining 75%. The new debt required to fund the capital program is reflected in the operating budget as debt service expense. Beginning in FY' 14, new debt issues will be for 30 years as opposed to the current practice of 20 years. The savings will be used to fund PAYGO capital projects. The table below presents the debt service associated with both existing debt and new debt proposed for FY'14.

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	\$80,860	\$104,499	\$185,359
Debt Service for Planned New Debt	<u>15,659</u>	<u>25,611</u>	<u>41,270</u>
Total Debt Service	<u>\$96,519</u>	<u>\$130,110</u>	<u>\$226,629</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

	Approved FY'13	Proposed FY'14
Debt Service	\$211,967,000	\$226,629,000

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 Programs for system-wide infrastructure improvements are funded through the capital budget and are focused on the aging portions of the Commission's extensive network of water transmission mains and sewage collection lines. These efforts include water main rehabilitation, 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'13 and FY'14 and will require operation and maintenance funding in the FY'14 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'14 Operating Budget

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 cost of purchasing power 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, 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, to replace and upgrade existing pumps at the Potomac Water Filtration Plant to improve operating efficiency, is currently underway. The project qualified for \$250,000 in Pepco energy efficient rebates. 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'14 budget reflects the energy savings associated with the Potomac WFP pump replacements.

Enhanced Nutrient Removal Projects: These five projects will provide for the improvements required at the Piscataway, Parkway, Western Branch, Seneca and Damascus WWTPs to meet the requirements of the Maryland Department of the Environment Enhanced Nutrient Removal Program. The FY'14 budget includes additional costs for ENR related process equipment maintenance and operation and additional chemical costs to provide a carbon source required for ENR level of treatment.

The following table summarizes the total estimated water and sewer operating budget impacts for the projects included in the FY'14 Capital Budget.

WATER AND SEWER OPERATING BUDGET IMPACTS OF CAPITAL PROJECTS

(Continued)

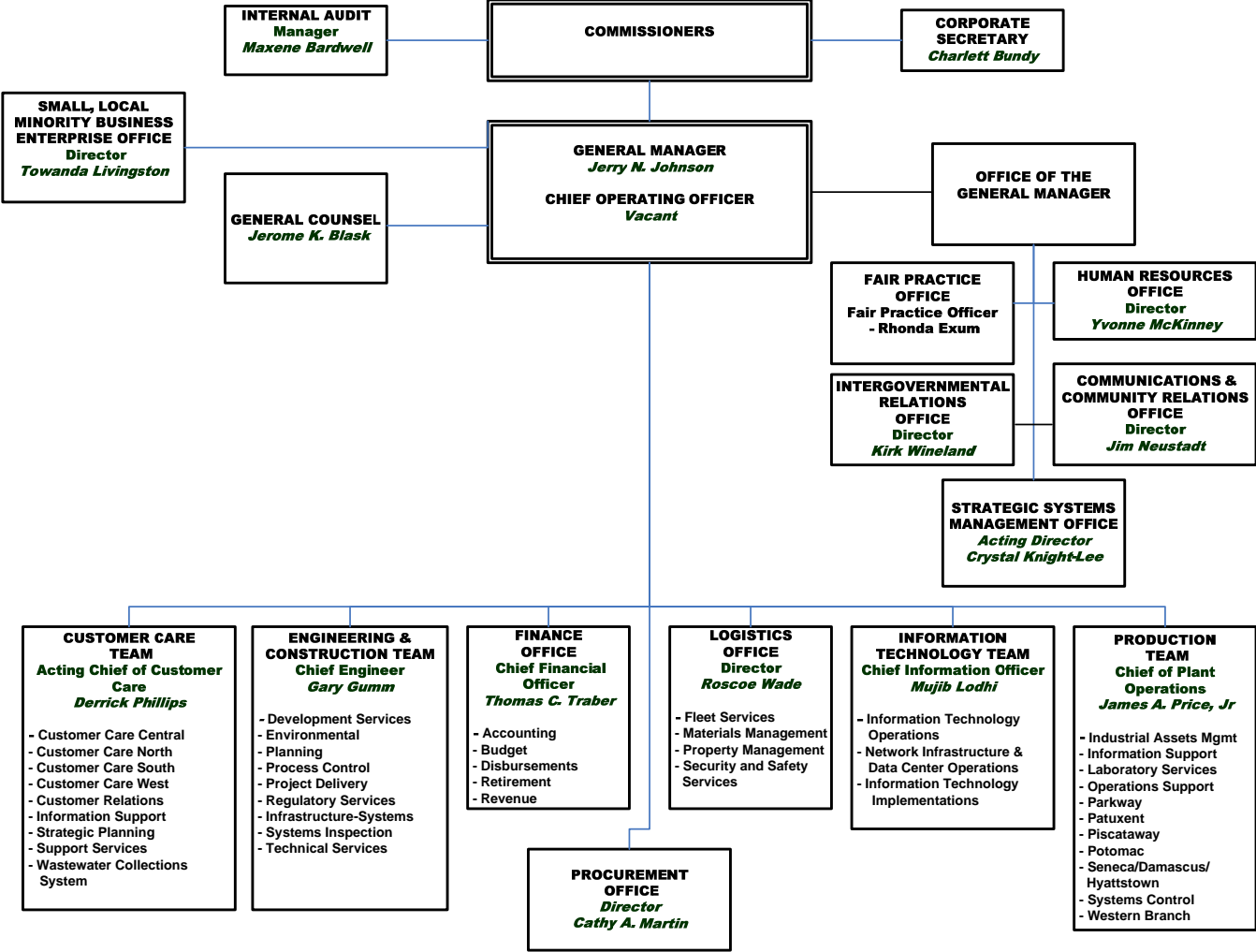
Water and Sewer Impact of the FY'14 Capital Budget

	<u>Approved FY'13</u>	<u>Proposed FY'14</u>	<u>Net Impact FY'14</u>
Operating Expenses			
Debt Service	\$211,967,000	\$226,629,000	\$14,662,000
Major Capital Projects	<u> -</u>	<u> (230,800)</u>	<u> (230,800)</u>
TOTAL	<u>\$211,967,000</u>	<u>\$226,398,200</u>	<u>\$14,431,200</u>

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

SECTION 6

WSSC ORGANIZATION CHART



Comparative Expenditures by Organizational Unit

	FY'13 Approved		FY'14 Proposed	
	Workyears	Amount	Workyears	Amount
<u>Commissioners Office/Corporate Secretary's Office</u>	2	\$ 350,100	2	\$ 352,900
Internal Audit	9	1,101,700	10	1,139,100
<u>General Manager</u>	5	979,000	6	1,050,900
Intergovernmental Relations Office	5	520,700	4	625,600
Strategic Systems Management Office	7	871,700	7	944,500
General Counsel's Office	16	3,896,200	16	4,008,200
Communications & Community Relations Office	17	2,117,700	17	2,188,700
Human Resources Office	23	3,369,900	23	3,440,600
Small, Local and Minority Business Enterprise Office	8	1,170,400	8	1,169,400
Fair Practice Office	2	187,700	1	110,900
Procurement Office (Previously Acquisition Office)	26	2,246,300	26	2,379,700
Engineering & Construction Team	359	772,087,900	370	745,059,500
Production Team	298	152,833,700	302	152,203,100
Logistics Office	177	29,029,500	177	28,862,200
Finance Office	61	5,505,600	61	5,657,600
Customer Care Team	583	99,623,100	592	96,353,700
Information Technology Team	95	30,116,900	95	29,951,000
Non-Departmental (Finance)	-	37,476,000	-	40,903,800
Non-Departmental (Human Resources)	-	32,272,600	-	29,982,000
Debt Service	-	251,973,000	-	265,409,000
PAYGO	-	-	-	13,782,000
Depreciation Expense	-	11,808,300	-	13,553,600
Operating Reserve Contribution	-	10,200,000	-	11,700,000
Salary Enhancements	-	-	-	3,386,000
SUMMARY-TOTAL	<u>1,693</u>	<u>\$ 1,449,738,000</u>	<u>1,717</u>	<u>\$ 1,454,214,000</u>

Comparative Personnel Complement by Organizational Unit

	<u>FY'12 Actual</u>		<u>FY'13 Approved</u>		<u>FY'14 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	8.3	9	9.0	10	10.0
<u>General Manager</u>	5	3.6	5	5.0	6	6.0
Intergovernmental Relations Office	5	3.8	5	5.0	4	4.0
Strategic Systems Management Office	7	5.0	7	7.0	7	7.0
General Counsel's Office	16	14.1	16	16.0	16	16.0
Communications & Community Relations Office	17	17.0	17	17.0	17	17.0
Human Resources Office	22	24.2	23	23.0	23	23.0
Small, Local and Minority Business Enterprise Office	8	7.2	8	8.0	8	8.0
Fair Practice Office	2	1.0	2	2.0	1	1.0
Procurement Office (Previously Acquisition Office)	26	21.3	26	26.0	26	26.0
Corporate Asset Management Office	16	4.9	-	-	-	-
Engineering & Construction Team	350	319.7	359	359.0	370	370.0
Production Team	293	278.8	298	298.0	302	302.0
Logistics Office	176	142.0	177	177.0	177	177.0
Finance Office	62	56.5	61	61.0	61	61.0
Customer Care Team	581	539.5	583	583.0	592	592.0
Information Technology Team	84	73.3	95	95.0	95	95.0
SUMMARY-TOTAL	<u>1,681</u>	<u>1,522.2</u>	<u>1,693</u>	<u>1,693.0</u>	<u>1,717</u>	<u>1,717.0</u>

* Commissioners (6) not included in total positions.

Salaries and Wages Summary

	FY'14 Proposed	
	<u>Workyears</u>	<u>Amount</u>
Base Positions Funded Full Year	1,717	\$ 123,422,800
Overtime		<u>6,224,100</u>
Subtotal		129,646,900
Lapse on Base Positions *		<u>(4,925,600)</u>
Subtotal		124,721,300
Salary Enhancements		3,386,000
Salary - 6 Commissioners		<u>78,500</u>
TOTAL	<u>1,717</u>	<u>\$ 128,185,800</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; and Procurement (formerly Acquisition). The Corporate Asset Management Office was disbanded in FY' 13, with staff supporting the Asset Management Program absorbed into the Planning Group in the Engineering & Construction Team, and remaining staff supporting Enterprise Resource Planning absorbed into the Information Technology Team.

- 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 as they relate to Equal Employment Opportunity practices.
- The *Procurement Office (formerly Acquisition Office)* is responsible for the procurement 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.

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

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 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	\$281,828	\$31,210	\$313,038	2.0	\$268,700	\$81,400	\$350,100	2.0	\$267,800	\$85,100	\$352,900	2.0
TOTAL	\$281,828	\$31,210	\$313,038	2.0	\$268,700	\$81,400	\$350,100	2.0	\$267,800	\$85,100	\$352,900	2.0

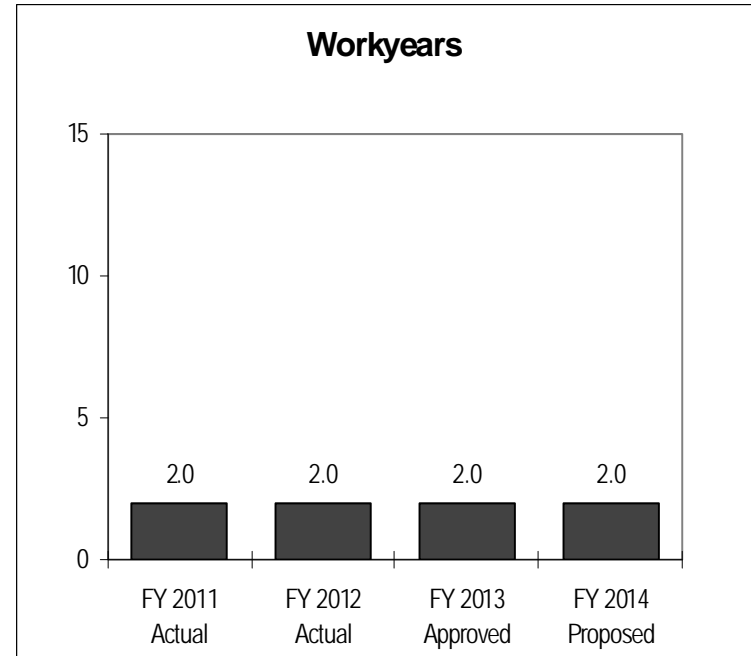
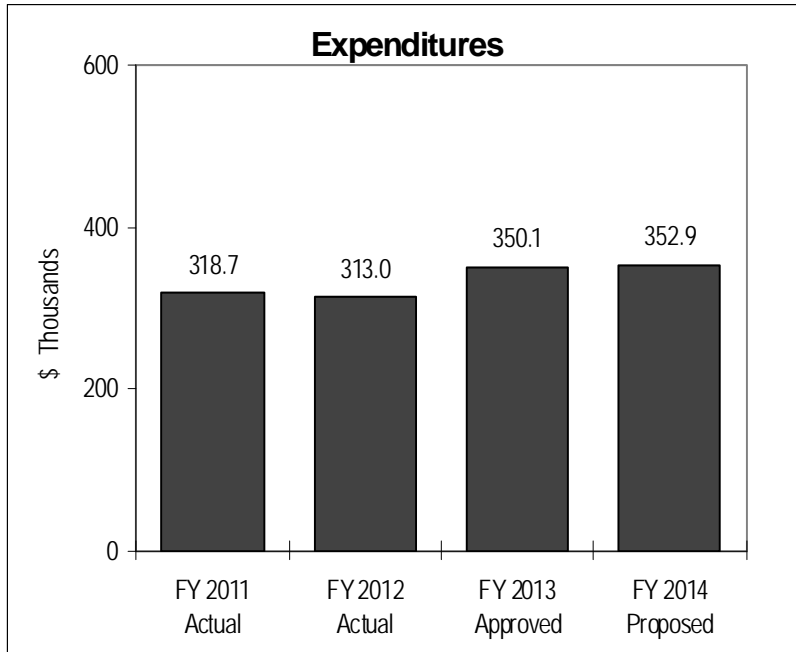
Mission Statement

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' 14 Proposed Budget is approximately the same as the FY' 13 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'12 Actual	\$100,807	0.0
FY'13 Approved	\$108,500	0.0
FY'14 Proposed	\$110,500	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'14 Major Recommended Changes: None

Corporate Secretary

	Expenditures	Workyears
FY'12 Actual	\$212,231	2.0
FY'13 Approved	\$241,600	2.0
FY'14 Proposed	\$242,400	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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERNAL AUDIT

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Internal Audit	\$798,915	\$196,000	\$994,915	8.3	\$857,000	\$244,700	\$1,101,700	9.0	\$893,200	\$245,900	\$1,139,100	10.0
TOTAL	\$798,915	\$196,000	\$994,915	8.3	\$857,000	\$244,700	\$1,101,700	9.0	\$893,200	\$245,900	\$1,139,100	10.0

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.

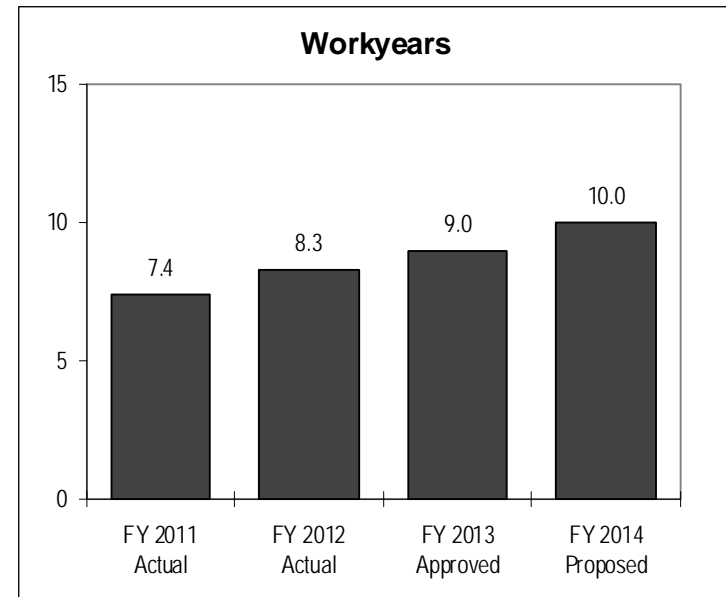
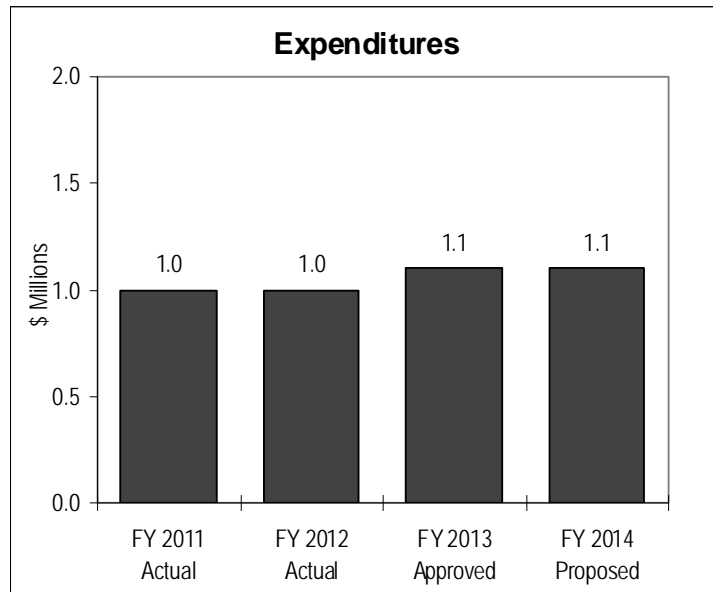
Budget Overview

The FY’ 14 Proposed Budget is approximately the same as the FY’13 Approved Budget. One workyear was transferred from the Intergovernmental Relations Office to support the Ethics Program.

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'12 Actual	\$161,100	1.3
FY'13 Approved	\$163,300	1.3
FY'14 Proposed	\$154,500	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'14 Major Recommended Changes: None

SDC Credit or Reimbursement Audits

	Expenditures	Workyears
FY'12 Actual	\$168,969	1.5
FY'13 Approved	\$171,500	1.5
FY'14 Proposed	\$163,000	1.4

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERNAL AUDIT

(Continued)

SUMMARY BY ACTIVITY

Other Audits

	Expenditures	Workyears
FY'12 Actual	\$313,991	2.7
FY'13 Approved	\$316,000	2.6
FY'14 Proposed	\$300,200	2.7

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'14 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'14 Major Recommended Changes: None

Advisory Services

	Expenditures	Workyears
FY'12 Actual	\$116,991	1.0
FY'13 Approved	\$118,600	1.0
FY'14 Proposed	\$112,600	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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERNAL AUDIT

(Continued)

SUMMARY BY ACTIVITY

Ethics Program Administration

	Expenditures	Workyears
FY'12 Actual	\$171,817	1.3
FY'13 Approved	\$243,400	1.9
FY'14 Proposed	\$322,000	2.9

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'14 Major Recommended Changes: The budgeted amount for this activity increased by \$78,600, or approximately 32%, due to the addition of a workyear to support the program.

Fraud, Waste, and Abuse Hotline

	Expenditures	Workyears
FY'12 Actual	\$62,047	0.5
FY'13 Approved	\$88,900	0.7
FY'14 Proposed	\$86,800	0.7

The Fraud, Waste, and Abuse Hotline provides a centralized reporting vehicle for WSSC employees, customers, and stakeholders of the Commission, 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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
GENERAL MANAGER’S OFFICE

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
General Manager	\$577,276	\$272,606	\$849,882	3.6	\$784,400	\$194,600	\$979,000	5.0	\$856,300	\$194,600	\$1,050,900	6.0
TOTAL	\$577,276	\$272,606	\$849,882	3.6	\$784,400	\$194,600	\$979,000	5.0	\$856,300	\$194,600	\$1,050,900	6.0

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.

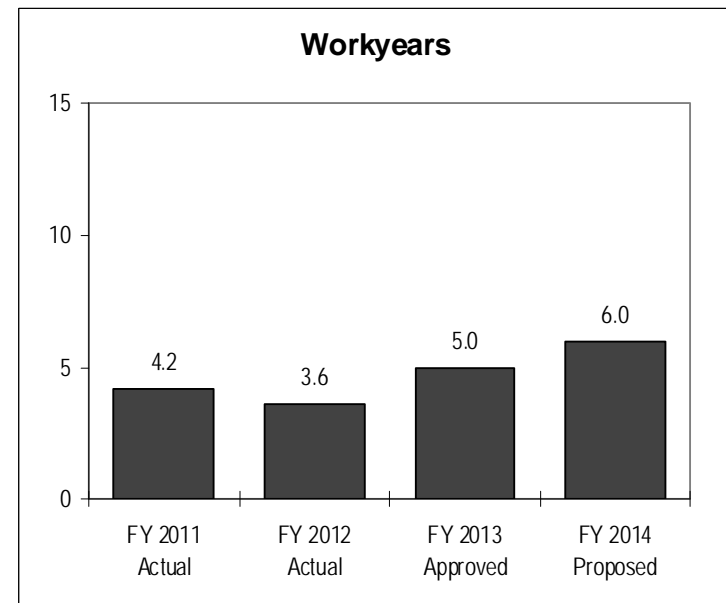
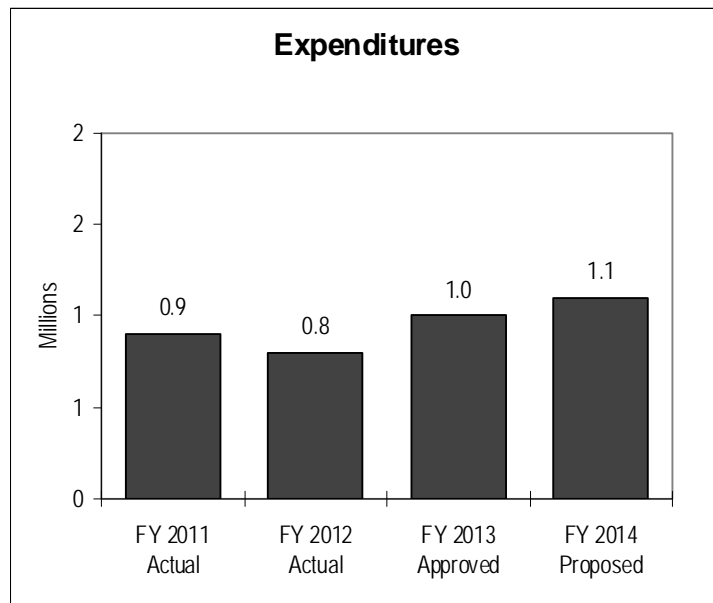
Budget Overview

The FY’ 14 Proposed Budget is \$71,900, or approximately 7%, more than the FY’ 13 Approved Budget. The increase is primarily due to the transfer of 1 workyear from the Fair Practice Office to act as an Employee Liaison.

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'12 Actual	\$849,882	3.6
FY'13 Approved	\$979,000	5.0
FY'14 Proposed	\$1,050,900	6.0

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. Included is an Employee Liaison whose responsibility is to provide input to management, supervisory, and non-supervisory personnel by fostering open communications and increasing morale.

FY'14 Major Recommended Changes: The budgeted amount for this activity increased by \$71,900, or approximately 7%, primarily due to the addition of 1 workyear to provide input and open communication as an Employee Liaison.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
INTERGOVERNMENTAL RELATIONS OFFICE

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Intergovernmental Relations	\$340,140	\$257,816	\$597,956	3.8	\$360,700	\$160,000	\$520,700	5.0	\$355,100	\$270,500	\$625,600	4.0
TOTAL	\$340,140	\$257,816	\$597,956	3.8	\$360,700	\$160,000	\$520,700	5.0	\$355,100	\$270,500	\$625,600	4.0

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.

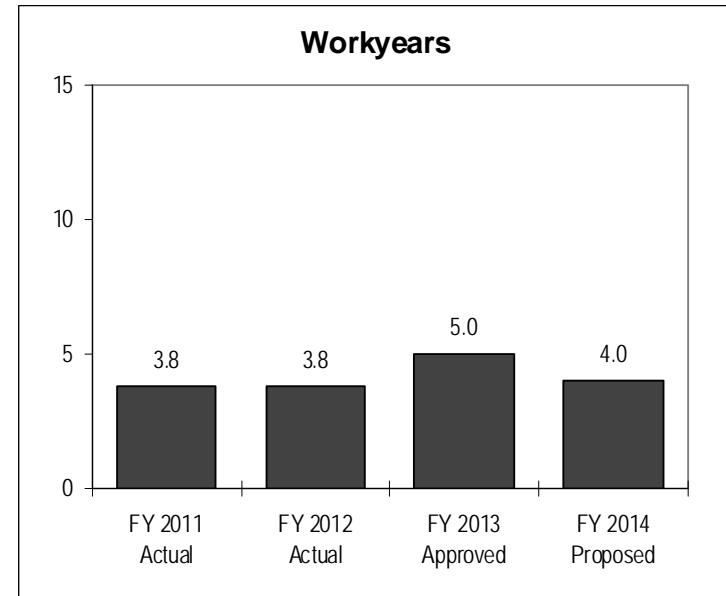
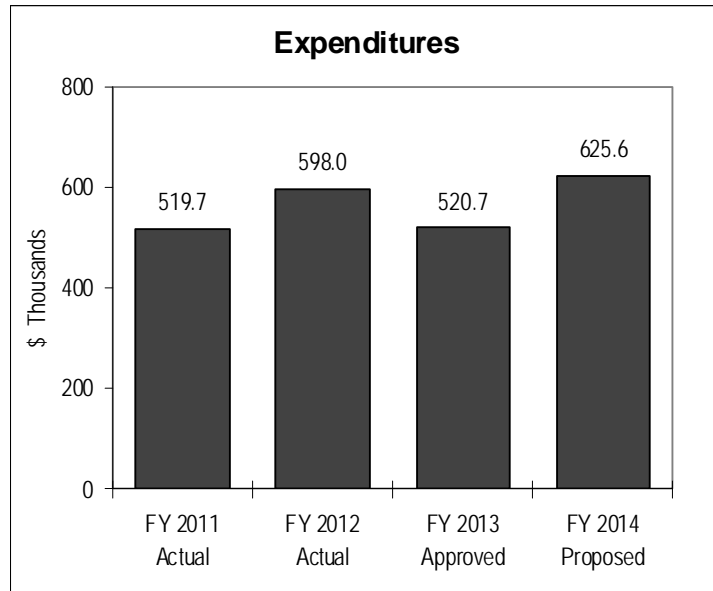
Budget Overview

The FY’ 14 Proposed Budget increased by \$104,900, or approximately 20%, more than the FY’ 13 Approved Budget. The increase is primarily for the addition of professional services that will provide consulting on federal and state legislative matters. In addition 1 workyear was transferred to the Internal Audit Office.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERGOVERNMENTAL RELATIONS OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERGOVERNMENTAL RELATIONS OFFICE

(Continued)

ACTIVITY INDICATORS

<i>WORKLOAD DATA</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
Outreach meetings attended/held	90	100	100	125
Public hearings/bill hearings attended	100	100	100	100
State legislation reviewed	250	300	250	300
Federal legislation reviewed	75	100	100	150

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERGOVERNMENTAL RELATIONS OFFICE

(Continued)

SUMMARY BY ACTIVITY

Management and Administration

	Expenditures	Workyears
FY'12 Actual	\$597,956	3.8
FY'13 Approved	\$520,700	5.0
FY'14 Proposed	\$625,600	4.0

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$104,900, or approximately 20%, for professional services to provide federal and state lobbyist work, legislative assistance services, and miscellaneous government relations work.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
STRATEGIC SYSTEMS MANAGEMENT OFFICE

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 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	\$573,992	\$24,487	\$598,479	5.0	\$733,300	\$138,400	\$871,700	7.0	\$731,100	\$213,400	\$944,500	7.0
TOTAL	\$573,992	\$24,487	\$598,479	5.0	\$733,300	\$138,400	\$871,700	7.0	\$731,100	\$213,400	\$944,500	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.

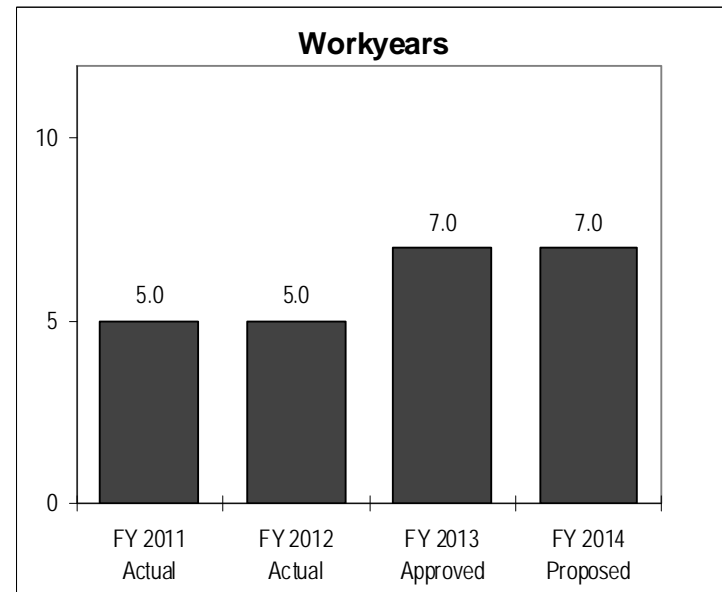
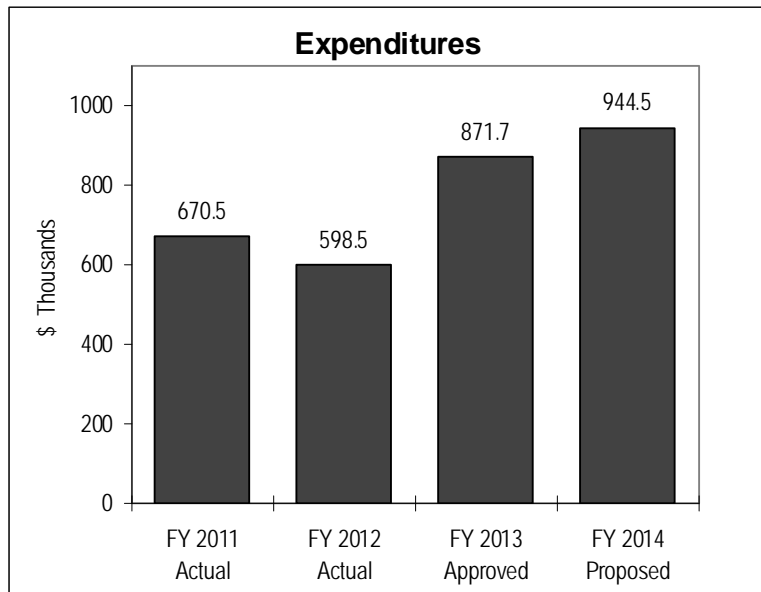
Budget Overview

The FY’14 Proposed Budget is \$72,800, or approximately 8%, more than the FY’13 Approved Budget. The increase is primarily due to professional performance improvement consulting services.

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'12 Actual	\$598,479	5.0
FY'13 Approved	\$871,700	7.0
FY'14 Proposed	\$944,500	7.0

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.

Also conducted are benchmarking, business best practice audits, after-action debriefings, and strategic assessments to identify gaps and areas within the Commission for continuous improvement.

FY'14 Major Recommended Changes: The budgeted amount for this activity increased \$72,800, or approximately 8%, primarily for professional performance improvement consulting services to assist WSSC's business units in identifying, diagnosing, and addressing performance and productivity issues; and assisting with the execution of the WSSC's strategic projects and initiatives.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
GENERAL COUNSEL’S OFFICE

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
General Counsel	\$1,388,957	\$1,983,940	\$3,372,897	14.1	\$1,484,000	\$2,412,200	\$3,896,200	16.0	\$1,496,000	\$2,512,200	\$4,008,200	16.0
TOTAL	\$1,388,957	\$1,983,940	\$3,372,897	14.1	\$1,484,000	\$2,412,200	\$3,896,200	16.0	\$1,496,000	\$2,512,200	\$4,008,200	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 and facilitate disposition of surplus Commission real estate properties.

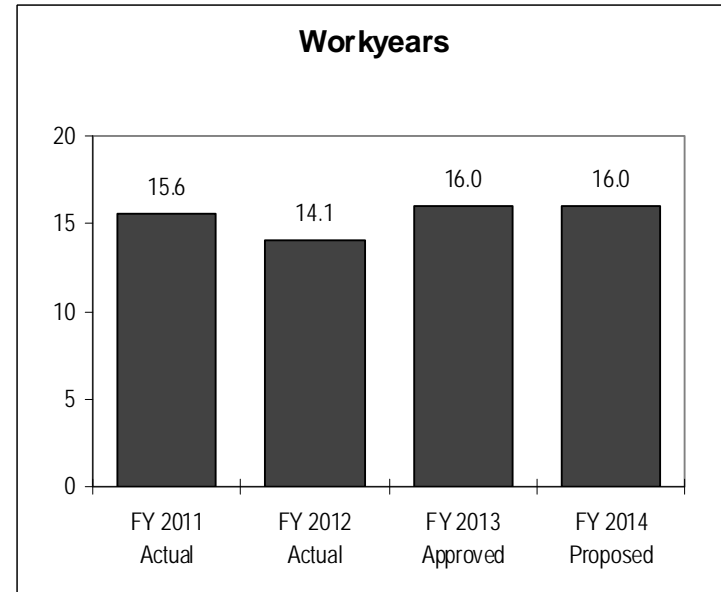
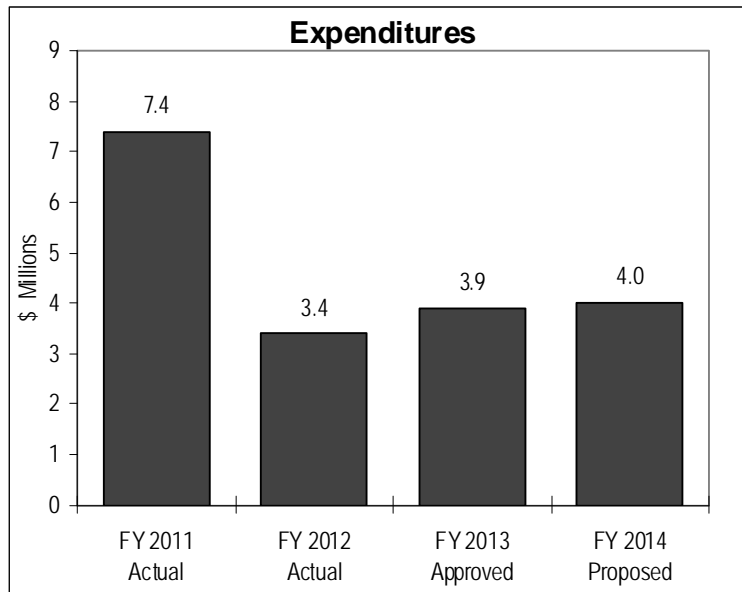
Budget Overview

The FY’ 14 Proposed Budget is \$112,000, or approximately 3%, more than the FY’13 Approved Budget. The increase is primarily due to funding services to codify and publish the WSSC’s Code of Regulations and Standard Procedures.

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'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
Administrative/Refund hearings	54	63	70	80
Petitions for bankruptcies received	297	420	800	700
Cases filed against the WSSC	44	62	130	100
Cases filed by the WSSC	34	25	70	40
Contested civil citations filed by the WSSC	24	16	60	70
Contracts/Agreements negotiated, drafted, or reviewed	138	149	150	160
Deeds, easements, and leases negotiated, drafted, or reviewed	97	272	140	350
Document/Public information requests received	98	116	140	150
Policies/Procedures/Resolutions reviewed	80	76	110	90

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

GENERAL COUNSEL'S OFFICE

(Continued)

SUMMARY BY ACTIVITY

Legal Services

	Expenditures	Workyears
FY'12 Actual	\$3,372,897	14.1
FY'13 Approved	\$3,896,200	16.0
FY'14 Proposed	\$4,008,200	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 and program management of the Bolling Air Force Base (BAFB) contract.

FY'14 Major Recommended Changes: The budgeted amount for this activity increased by \$112,000, or approximately 3%, primarily due to funding for consultant/publisher services to codify and publish the WSSC's Code of Regulations and Standard Procedures.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
COMMUNICATIONS AND COMMUNITY RELATIONS OFFICE

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 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	\$1,411,514	\$489,310	\$1,900,824	17.0	\$1,416,200	\$701,500	\$2,117,700	17.0	\$1,412,200	\$776,500	\$2,188,700	17.0
TOTAL	\$1,411,514	\$489,310	\$1,900,824	17.0	\$1,416,200	\$701,500	\$2,117,700	17.0	\$1,412,200	\$776,500	\$2,188,700	17.0

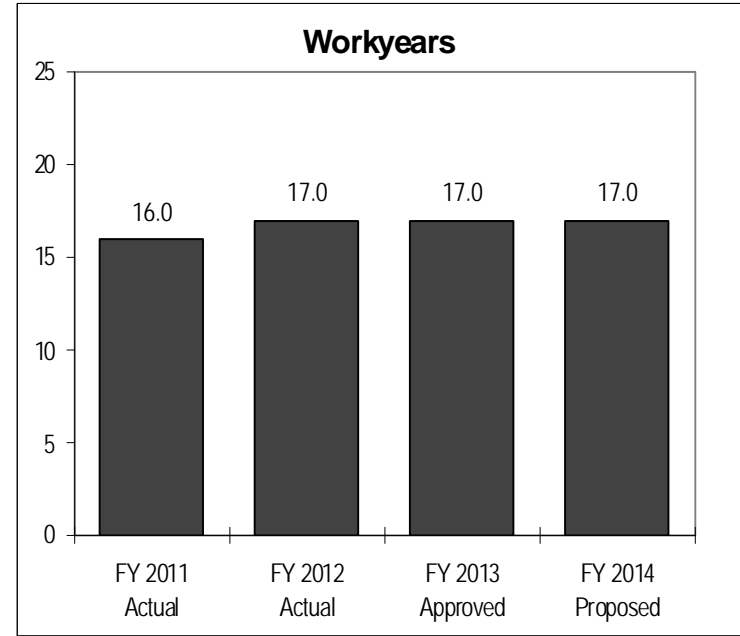
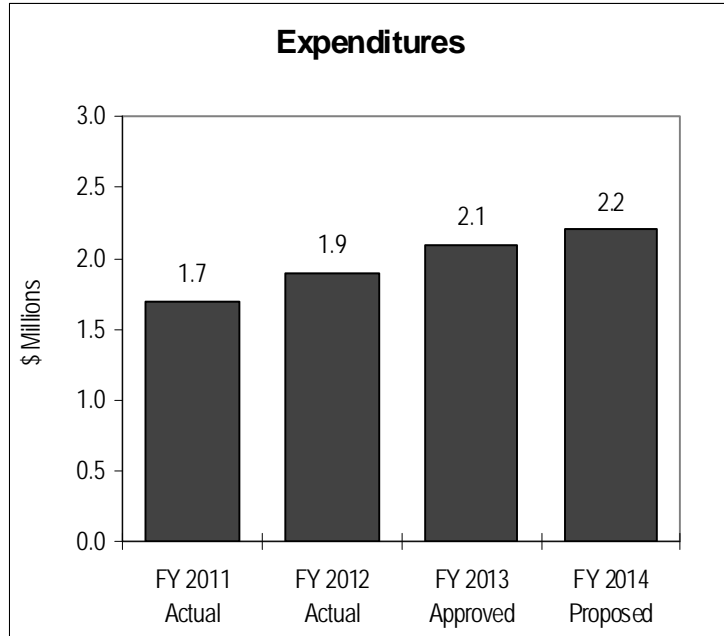
Mission Statement

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' 14 Proposed Budget is \$71,000, or approximately 3%, more than the FY'13 Approved Budget. The increase is primarily due to consultant services to conduct a customer survey.

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'12 Actual	\$340,825	2.8
FY'13 Approved	\$506,800	2.8
FY'14 Proposed	\$580,600	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'14 Major Recommended Changes: The budgeted amount for this activity increased \$73,800, or approximately 15%, primarily for consultant services to conduct a customer survey and provide recommendations based on the information obtained.

Publications

	Expenditures	Workyears
FY'12 Actual	\$180,614	1.4
FY'13 Approved	\$168,200	1.4
FY'14 Proposed	\$166,800	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'14 Major Recommended Changes: None

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

SUMMARY BY ACTIVITY

Community Outreach

	Expenditures	Workyears
FY'12 Actual	\$496,435	3.9
FY'13 Approved	\$493,200	3.9
FY'14 Proposed	\$511,100	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'14 Major Recommended Changes: None

Other Public Communications Projects

	Expenditures	Workyears
FY'12 Actual	\$367,773	3.4
FY'13 Approved	\$418,300	3.4
FY'14 Proposed	\$417,000	3.4

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'14 Major Recommended Changes: None

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

SUMMARY BY ACTIVITY

Internal Communications and Events

	Expenditures	Workyears
FY'12 Actual	\$270,371	2.5
FY'13 Approved	\$306,100	2.5
FY'14 Proposed	\$299,800	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'14 Major Recommended Changes: None

Graphics and Photography Support

	Expenditures	Workyears
FY'12 Actual	\$244,806	3.0
FY'13 Approved	\$225,100	3.0
FY'14 Proposed	\$213,400	3.0

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

FY'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
HUMAN RESOURCES OFFICE

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Human Resources	\$1,845,660	\$934,422	\$2,780,082	24.2	\$1,964,900	\$1,405,000	\$3,369,900	23.0	\$1,960,600	\$1,480,000	\$3,440,600	23.0
TOTAL	\$1,845,660	\$934,422	\$2,780,082	24.2	\$1,964,900	\$1,405,000	\$3,369,900	23.0	\$1,960,600	\$1,480,000	\$3,440,600	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.

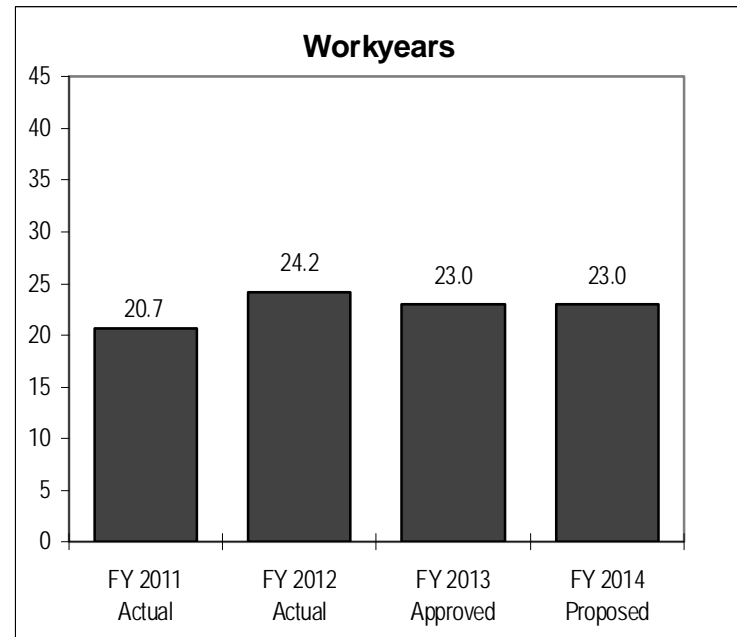
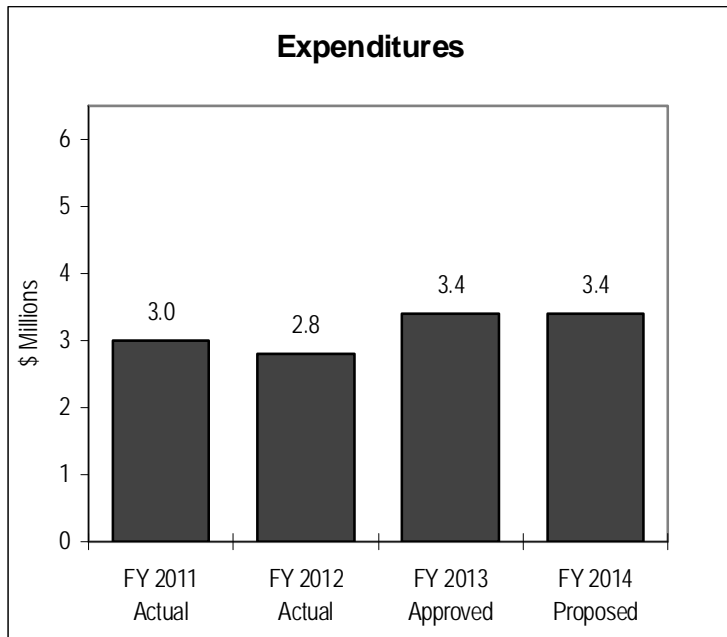
Budget Overview

The FY' 14 Proposed Budget is approximately the same as the FY'13 Approved Budget.

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'12 Actual	\$1,001,718	4.9
FY'13 Approved	\$1,027,400	4.4
FY'14 Proposed	\$1,020,000	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'14 Major Recommended Changes: None

Benefits Administration

	Expenditures	Workyears
FY'12 Actual	\$529,799	4.9
FY'13 Approved	\$842,700	5.4
FY'14 Proposed	\$876,400	5.4

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

HUMAN RESOURCES OFFICE

(Continued)

SUMMARY BY ACTIVITY

Employee Relations and Talent Management

	Expenditures	Workyears
FY'12 Actual	\$303,380	4.8
FY'13 Approved	\$361,300	4.4
FY'14 Proposed	\$371,700	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'14 Major Recommended Changes: None

Compensation & Human Resources Management System (HRMS) Management

	Expenditures	Workyears
FY'12 Actual	\$518,069	2.0
FY'13 Approved	\$552,700	6.6
FY'14 Proposed	\$600,900	6.6

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

HUMAN RESOURCES OFFICE

(Continued)

SUMMARY BY ACTIVITY

Employment

	Expenditures	Workyears
FY'12 Actual	\$427,116	2.6
FY'13 Approved	\$585,800	2.2
FY'14 Proposed	\$571,600	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'14 Major Recommended Changes: None

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

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 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)	\$702,168	\$386,171	\$1,088,339	7.2	\$571,400	\$599,000	\$1,170,400	8.0	\$570,400	\$599,000	\$1,169,400	8.0
TOTAL	\$702,168	\$386,171	\$1,088,339	7.2	\$571,400	\$599,000	\$1,170,400	8.0	\$570,400	\$599,000	\$1,169,400	8.0

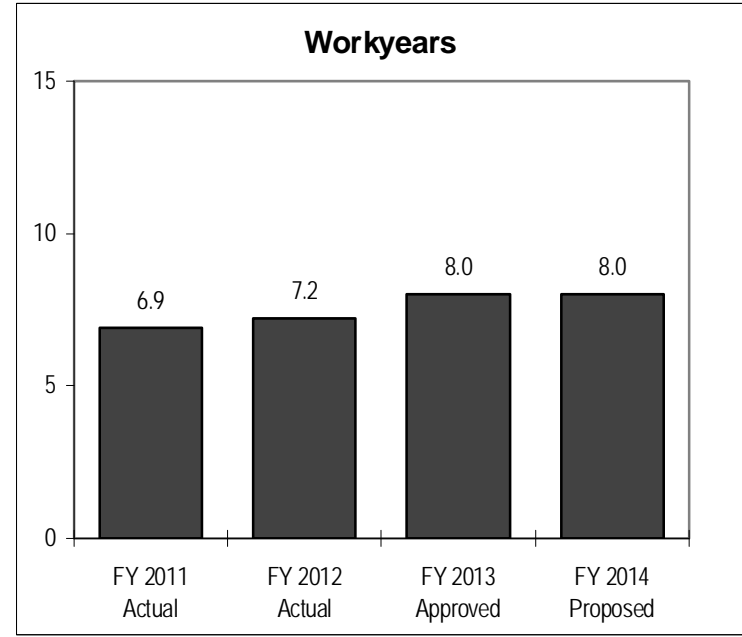
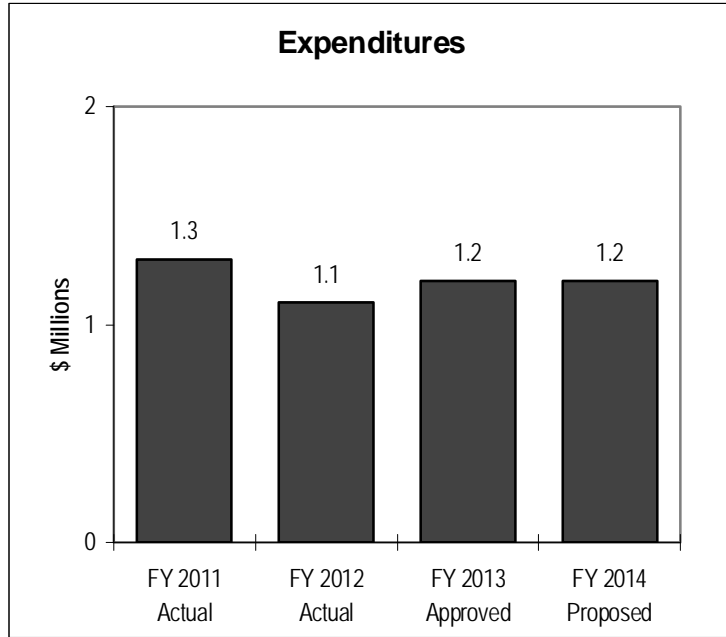
Mission Statement

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

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'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
Number of Small, Local Business Enterprises (SLBEs) registered and approved to do business with the WSSC	234	301	258	300
Number of Minority Business Enterprises (MBEs) registered and certified to do business with the WSSC	511	214	618	250
Number of contract awards made to SLBEs	29	36	35	40
Number of contract awards made to MBEs	72	155	80	250

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'12 Actual	\$1,088,339	7.2
FY'13 Approved	\$1,170,400	8.0
FY'14 Proposed	\$1,169,400	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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FAIR PRACTICE OFFICE

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Fair Practice	\$84,316	\$6,746	\$91,062	1.0	\$184,200	\$3,500	\$187,700	2.0	\$99,900	\$11,000	\$110,900	1.0
TOTAL	\$84,316	\$6,746	\$91,062	1.0	\$184,200	\$3,500	\$187,700	2.0	\$99,900	\$11,000	\$110,900	1.0

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.

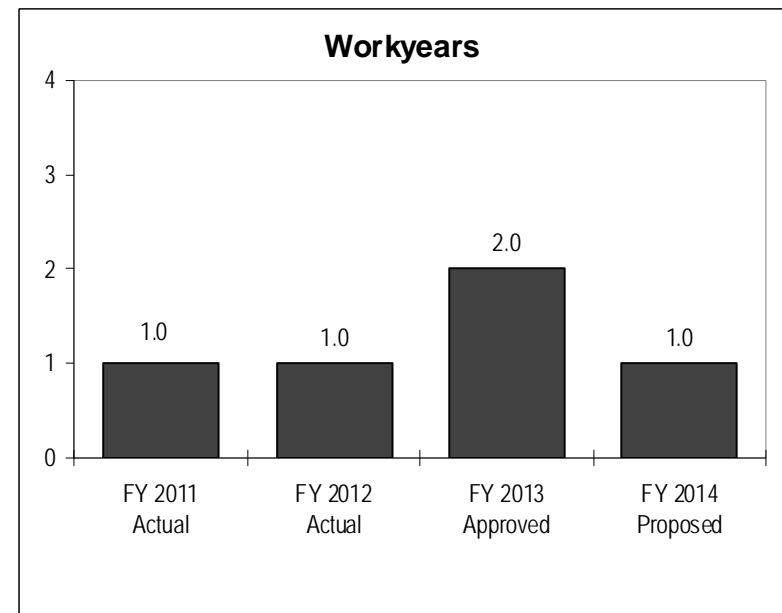
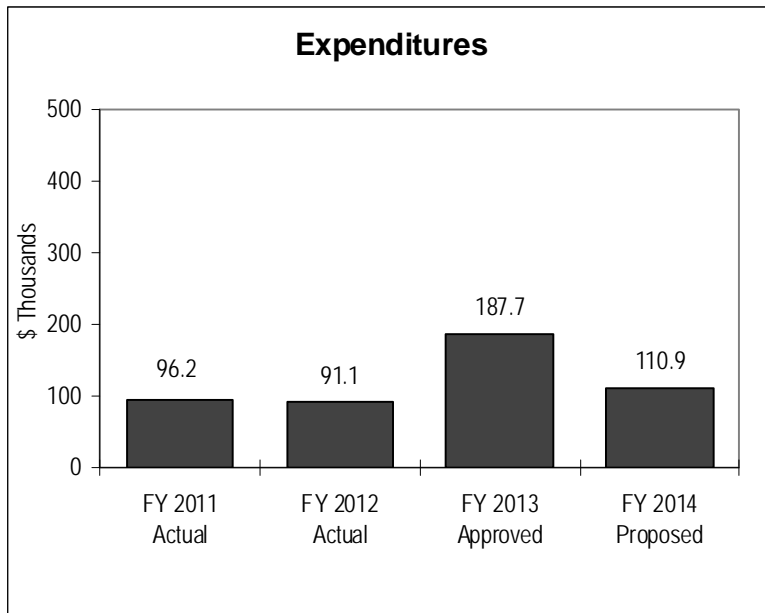
Budget Overview

The FY’ 14 Proposed Budget is \$76,800, or approximately 41%, less than the FY’ 13 Approved Budget. The decrease is due to the transfer of 1 workyear to the General Manager’s Office.

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'12 Actual	\$91,062	1.0
FY'13 Approved	\$187,700	2.0
FY'14 Proposed	\$110,900	1.0

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'14 Major Recommended Changes: The budgeted amount for this activity decreased \$76,800, or approximately 41%, due to the transfer of 1 workyear to the General Manager's Office.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
PROCUREMENT OFFICE

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Procurement	\$1,560,239	\$183,452	\$1,743,691	21.3	\$1,920,500	\$325,800	\$2,246,300	26.0	\$1,903,900	\$475,800	\$2,379,700	26.0
TOTAL	\$1,560,239	\$183,452	\$1,743,691	21.3	\$1,920,500	\$325,800	\$2,246,300	26.0	\$1,903,900	\$475,800	\$2,379,700	26.0

Mission Statement

The mission of the Procurement 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.

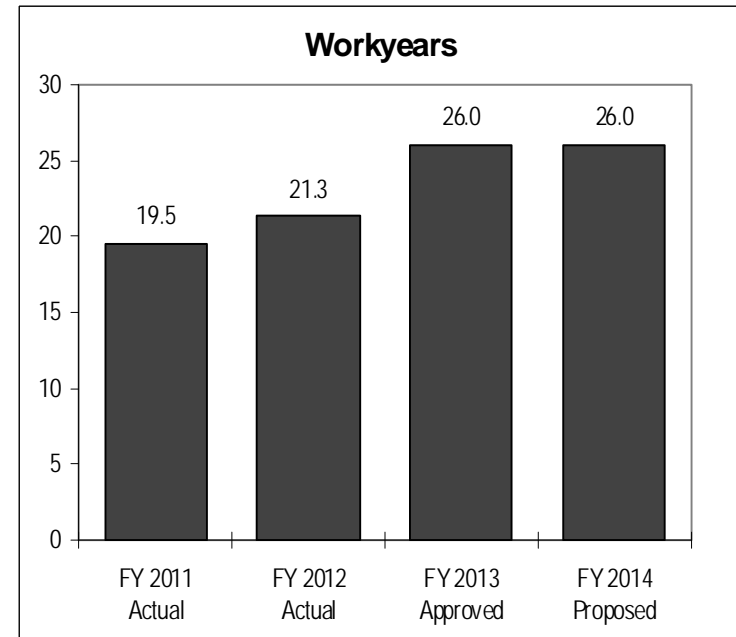
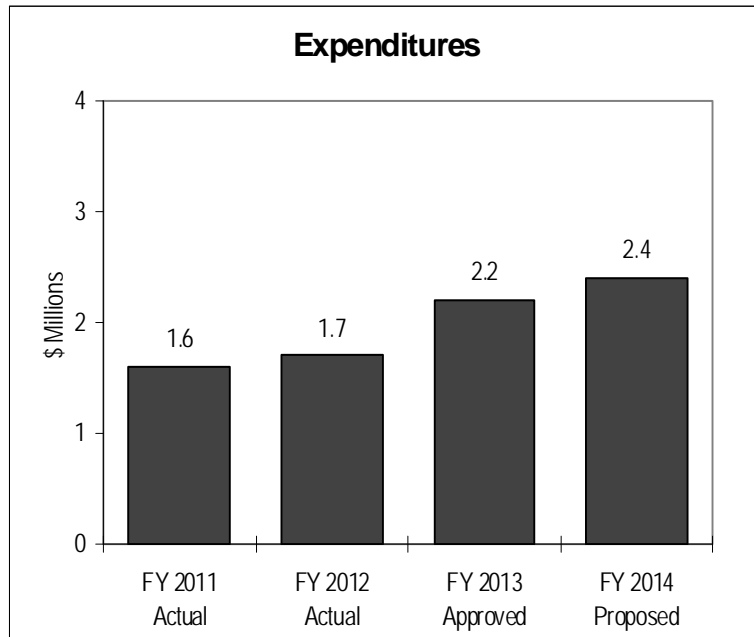
Budget Overview

The FY' 14 Proposed Budget is \$133,400, or approximately 6%, more than the FY' 13 Approved Budget. The additional funding is for Supply Chain Management transformation.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PROCUREMENT OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PROCUREMENT OFFICE

(Continued)

ACTIVITY INDICATORS

<i>WORKLOAD DATA</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
Purchase Orders awarded	1,363	1,188	1,500	1,300
Invitations for Bid/Requests for Proposal issued	610	587	700	500
Notices to Proceed issued (number of contracts)	550	363	700	500

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PROCUREMENT OFFICE

(Continued)

SUMMARY BY ACTIVITY

Procurement

	Expenditures	Workyears
FY'12 Actual	\$1,743,691	21.3
FY'13 Approved	\$2,246,300	26.0
FY'14 Proposed	\$2,379,700	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'14 Major Recommended Changes: The budgeted amount for this activity increased by \$133,400, or approximately 6%. The increase is primarily due to funding professional services that will facilitate Supply Chain Management transformation.

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 overseeing future system capacity demands. The Group participates in regional water and wastewater management and planning; oversees Blue Plains capital billing to WSSC; supports negotiations of Blue Plains agreements; represents the WSSC on Blue Plains Committees; and identifies the investment needs of facilities, water transmission and distribution lines, and wastewater collection assets through the Asset Management Program (AMP).
- The ***Project Delivery Group*** is responsible for administering and managing the planning, design, construction, and inspection of major facility projects. The Group also oversees special projects, planning studies, and miscellaneous contracts.
- 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 designing process control systems for new facilities; improving automation for existing facilities; and 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/inspects cross-connections to protect the potable water supply from backflow contamination.
- The ***Systems Inspection Group*** is responsible for the management and inspection of water supply and wastewater pipelines construction contracts, as well as the associated contracts for house connections, paving, and landscaping.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

Organizational Descriptions (Continued)

- 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 (NPDES) permit reviews and negotiations.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 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	\$486,556	\$10,051	\$496,607	4.0	\$472,000	\$7,000	\$479,000	4.0	\$471,400	\$12,600	\$484,000	4.0
Development Services	3,511,957	632,394	4,144,351	44.0	3,481,600	2,701,100	6,182,700	44.0	3,497,400	2,651,300	6,148,700	44.0
Planning	1,016,257	120,564,928	121,581,185	10.4	1,305,300	234,242,200	235,547,500	14.0	1,312,500	185,431,600	186,744,100	14.0
Project Delivery	2,634,338	101,156,347	103,790,685	31.4	2,919,400	236,021,800	238,941,200	36.0	2,924,500	204,329,100	207,253,600	36.0
Infrastructure-Systems	2,472,977	36,632,347	39,105,324	31.1	3,244,600	43,494,500	46,739,100	42.0	3,310,600	71,469,700	74,780,300	44.0
Process Control	1,215,902	1,119,388	2,335,290	13.0	1,314,200	754,900	2,069,100	14.0	1,300,500	904,700	2,205,200	14.0
Regulatory Services	4,655,815	172,261	4,828,076	65.7	4,992,400	404,100	5,396,500	71.0	4,946,600	370,700	5,317,300	71.0
Systems Inspection	4,936,684	120,802,559	125,739,243	72.9	5,262,600	218,065,000	223,327,600	76.0	5,217,300	240,794,400	246,011,700	77.0
Technical Services	2,661,149	8,364,885	11,026,034	34.0	3,471,300	8,137,500	11,608,800	44.0	3,911,900	10,319,900	14,231,800	52.0
Environmental	1,163,368	382,141	1,545,509	13.2	1,210,500	585,900	1,796,400	14.0	1,180,600	702,200	1,882,800	14.0
TOTAL	\$24,755,003	\$389,837,301	\$414,592,304	319.7	\$27,673,900	\$744,414,000	\$772,087,900	359.0	\$28,073,300	\$716,986,200	\$745,059,500	370.0

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.

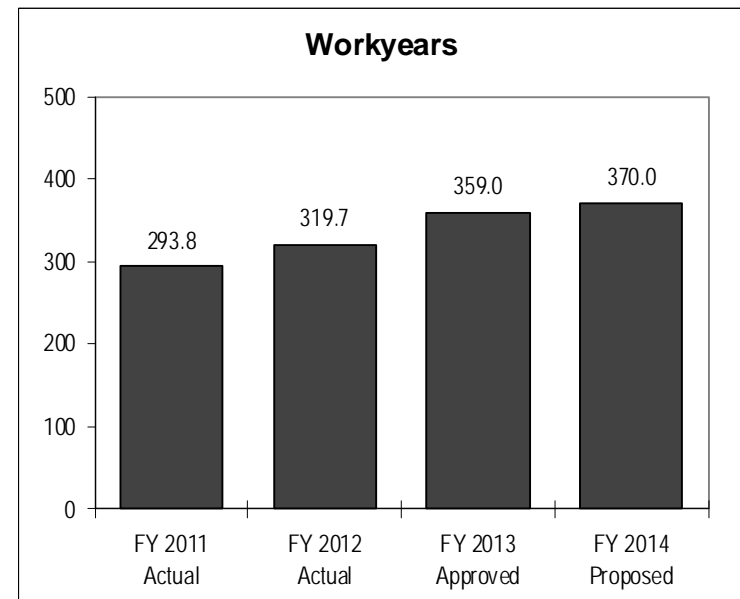
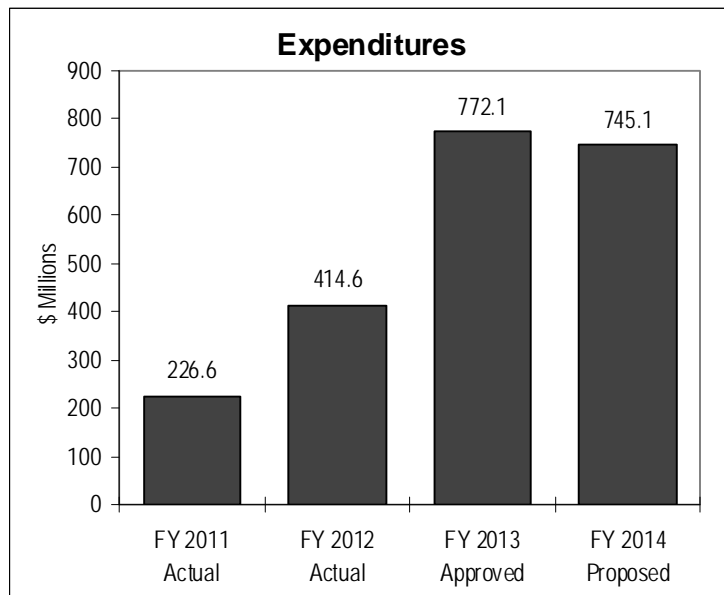
Budget Overview

The FY'14 Proposed Budget is \$27,028,400 or approximately 4%, less than the FY'13 Approved Budget. A majority of the decrease is due to numerous projects winding down construction including the Bi-County Water Tunnel, several Enhanced Nutrient Removal (ENR) projects, and several Blue Plains projects. This decrease is partially offset by an increase in the Trunk Sewer Reconstruction Program and the inclusion of 5 workyears to support the GIS Program, Engineering Records, and Electrical/Mechanical Engineering within the Asset Management Program. An additional 6 workyears have been added in support of the Water and Sewer Reconstruction Programs and Civil Engineering. These workyears will eventually become cost neutral as they replace existing consultants.

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'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
<i>Development Services Group</i>				
Number of proposed water and sewer service category changes reviewed	27	19	80	80
Number of preliminary subdivision plans reviewed	89	180	95	200
Water and sewer pipeline plans reviewed	159	158	150	160
Percentage of plumbing/gasfitting permits issued within 2 days	99%	99%	90%	98%
Percentage of applicant-built house connection packages issued within 2 days	98%	99%	90%	95%
<i>Planning Group</i>				
Number of reports entered into Consolidated Engineering System	36	147	250	250
Number of plumbing permits assigned to mini-basin numbers	1,004	1,561	3,400	2,800
Number of individual connections entered into Consolidated Engineering System and Permits Processing Information System	92	60	900	750
<i>Project Delivery Group</i>				
Number of active planning and design phase projects	43	24	36	20
Number of active construction phase projects	12	22	26	22
<i>Infrastructure-Systems Group</i>				
Miles of small diameter water mains (<16") designed for rehabilitation	43	44	45	50
Miles of large diameter water mains (>16") designed for rehabilitation	5	3	2	4
Number of large meter and/or pressure reducing valves designed for rehabilitation	36	38	50	50
Miles of sewer main lines designed for lining, bursting and/or grouting	39	73	65	122
Number of manholes designed for rehabilitation	522	370	600	1,142
<i>Process Control Group</i>				
Number of programmable logic controllers upgraded	4	5	3	3
Number of uninterruptable power supply systems upgraded	6	2	3	3

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
<i>Regulatory Services Group</i>				
Plumbing and gasfitting plans reviewed	1,142	1,035	1,200	1,200
Plumbing and gasfitting license registrations issued	2,068	1,775	2,400	2,100
Plumbing and gasfitting inspections performed	53,307	60,305	55,000	62,000
Industrial discharge investigations performed	131	94	120	100
Industrial discharge samples analyzed	1,459	1,072	1,200	1,100
Number of Fats, Oils, and Grease (FOG) Program inspections	2,874	2,747	6,300	3,000
Number of FOG Program permits issued	872	319	300	350
Number of Cross Connection inspections performed	4,641	6,528	5,000	7,500
<i>Systems Inspection Group</i>				
Number of contract starts	79	108	130	130
Number of contract completions	77	97	130	120
Contract value of contract completions (millions of dollars)	\$72M	\$87M	\$185M	\$203M
Number of service connection permits inspected	136	107	150	150
<i>Technical Services Group</i>				
Number of contract documents prepared	90	81	100	100
Number of rights-of-way acquisitions	180	194	250	250
Number of in-house engineering designs	18	15	20	20
Number of rights-of-way packages reviewed and transmitted	152	191	250	250
<i>Environmental Group</i>				
Number of environmental assessment plans reviewed	693	1,404	1,300	1,500
Number of permits issued	167	211	300	300

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Development Support Process

	Expenditures	Workyears
FY'12 Actual	\$215,629	2.7
FY'13 Approved	\$202,800	2.6
FY'14 Proposed	\$193,100	2.7

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'14 Major Recommended Changes: None

Development Planning Process

	Expenditures	Workyears
FY'12 Actual	\$262,665	3.1
FY'13 Approved	\$300,000	3.3
FY'14 Proposed	\$251,800	3.1

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Developer Built Projects

	Expenditures	Workyears
FY'12 Actual	\$2,068,638	17.6
FY'13 Approved	\$2,100,100	18.7
FY'14 Proposed	\$1,985,300	18.4

This activity supports all phases of new projects built by developers. Included are planning and hydraulic reviews to determine on- and off-site system adequacies; recommendations for the size and alignments of new water and sewer lines; approval of design and construction plans; support during construction; final releases of completed projects; and data storage for completed projects.

FY'14 Major Recommended Changes: None

WSSC Built Projects

	Expenditures	Workyears
FY'12 Actual	\$1,329	0.1
FY'13 Approved	\$5,400	0.0
FY'14 Proposed	\$5,400	0.0

This activity provides water and/or sewer service for a new single residence or a residence experiencing a health hazard. WSSC determines the method of providing the requested service and the applicant is advised of the conditions which must be met in order to provide service. If accepted, WSSC then prepares in-house design plans and supports the construction of service to the residence.

FY'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

On-Site Review

	Expenditures	Workyears
FY'12 Actual	\$737,528	7.7
FY'13 Approved	\$589,800	6.5
FY'14 Proposed	\$575,500	6.6

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'14 Major Recommended Changes: None

Permits Processing

	Expenditures	Workyears
FY'12 Actual	\$778,649	11.7
FY'13 Approved	\$868,000	11.0
FY'14 Proposed	\$1,081,700	11.0

This activity reviews plumbing, gasfitting, and house connection applications and issues 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'14 Major Recommended Changes: The budget amount for this activity increased \$213,700, or approximately 25%, primarily due to additional consultant staffing to support development of an electronic permitting system and internal business processes.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Training (Development Services)

	Expenditures	Workyears
FY'12 Actual	\$107,602	1.3
FY'13 Approved	\$163,700	1.9
FY'14 Proposed	\$151,100	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'14 Major Recommended Changes: None

Unsigned System Extension Permit (SEP)

	Expenditures	Workyears
FY'12 Actual	\$0	0.0
FY'13 Approved	\$9,356,000	0.0
FY'14 Proposed	\$12,775,000	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'14 Major Recommended Changes: The budgeted amount for this activity increased \$3,419,000, or approximately 37%, due to an increase in the costs associated with developer projects with unsigned SEPs.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Sewer System Planning

	Expenditures	Workyears
FY'12 Actual	\$456,281	3.0
FY'13 Approved	\$1,690,000	3.2
FY'14 Proposed	\$1,307,800	3.4

This activity includes the development and maintenance of the WSSC Sewer Model built in response to the SSO Consent Decree. The model is used for a wide range of planning activities, including identifying sewer system capacities and evaluating development proposals. Other responsibilities include development of long range wastewater flow projections; technical support for county ten year sewer plan revisions; quarterly reporting on available capacity at treatment plants; and final processing of Blue Plains, Charles County, and Poolesville flow data.

FY'14 Major Recommended Changes: The budgeted amount for this activity decreased by \$382,200, or approximately 23%, primarily due to a reduction in required costs for sewer modeling development.

Water System Planning

	Expenditures	Workyears
FY'12 Actual	\$1,070,997	1.9
FY'13 Approved	\$1,617,200	2.6
FY'14 Proposed	\$1,382,500	3.3

This activity identifies existing and future capacity constraints in the WSSC water system and develops long range water production projections. Other responsibilities include technical support for county ten year water plan revisions; operations analysis in support of PCCP and transmission system inspections and rehabilitation; development of water system hydraulic grades; and review of water relocation plans, fire flow tests, and pipe rehabilitation proposals.

FY'14 Major Recommended Changes: The budgeted amount for this activity decreased by \$234,700 or approximately 15%, primarily due to the shifting of several water main projects into the water pipeline design activity.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Regulatory Permitting & Compliance

	Expenditures	Workyears
FY'12 Actual	\$123,571	1.1
FY'13 Approved	\$100,600	1.0
FY'14 Proposed	\$123,700	1.2

This activity negotiates NPDES permits for WSSC wastewater treatment plants and the Potomac Water Filtration Plant; responds to proposed regulatory initiatives; coordinates WSSC responses to enforcement actions; coordinates comments on proposed regulations; and evaluates all environmental legislation that may impact WSSC.

FY'14 Major Recommended Changes: None

Regional Water & Wastewater

	Expenditures	Workyears
FY'12 Actual	\$119,016,247	1.1
FY'13 Approved	\$227,009,900	1.5
FY'14 Proposed	\$179,517,700	1.1

This activity oversees payments for WSSC's share of construction cost and participates 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'14 Major Recommended Changes: The budgeted amount for this activity decreased by \$47,492,200, or approximately 21%, primarily due to decreased costs associated with the WSSC's portion of capital projects for the Blue Plains WWTP.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Asset Management Program

	Expenditures	Workyears
FY'12 Actual	\$930,449	3.4
FY'13 Approved	\$5,148,700	5.8
FY'14 Proposed	\$4,430,900	5.0

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.

FY'14 Major Recommended Changes: The budgeted amount for this activity decreased \$717,800, or approximately 14%, due to a change in the program approach and schedule that decreased required consultant engineering services.

Facility Planning and Design

	Expenditures	Workyears
FY'12 Actual	\$48,030,730	12.0
FY'13 Approved	\$15,239,800	11.4
FY'14 Proposed	\$12,700,600	11.6

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'14 Major Recommended Changes: The budgeted amount for this activity decreased \$2,539,200, or approximately 17%, primarily due to several CIP projects winding down, including the Bi-County Tunnel and ENR projects.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Facility Construction

	Expenditures	Workyears
FY'12 Actual	\$55,809,348	19.8
FY'13 Approved	\$223,750,000	25.0
FY'14 Proposed	\$194,600,600	24.8

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'14 Major Recommended Changes: The budgeted amount for this activity decreased \$29,149,400, or approximately 13%, primarily due to several CIP projects winding down, including the Bi-County Tunnel, the Oak Grove/Leeland Roads Water Main, and ENR projects.

Sewer Pipeline Design

	Expenditures	Workyears
FY'12 Actual	\$27,307,811	13.0
FY'13 Approved	\$33,208,900	19.1
FY'14 Proposed	\$58,129,800	19.1

This activity provides for the preparation and management of contract design documents for CIP sewer main projects and the Sewer Reconstruction Program. Tasks include preparing project scopes and designs; overseeing consultants; performing technical reviews; coordinating community outreach; and acquiring permits for rights-of-way, other utilities and road authorities.

FY'14 Major Recommended Changes: The budgeted amount for this activity increased \$24,920,900, or approximately 75%, primarily due to SSO Consent Decree requirements that necessitate a greater focus on designs related to the Trunk Sewer Reconstruction Program.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Water Pipeline Design

	Expenditures	Workyears
FY'12 Actual	\$10,755,501	12.0
FY'13 Approved	\$12,560,000	17.0
FY'14 Proposed	\$15,688,800	19.0

This activity provides for the preparation and management of contract design documents for CIP water main projects and the Water Reconstruction Program. Tasks include preparing project scopes and designs; overseeing consultants; performing technical reviews; coordinating community outreach; and acquiring permits for rights-of-way, other utilities, and road authorities.

FY'14 Major Recommended Changes: The budgeted amount for this activity increased \$3,128,800, or approximately 25%, primarily due to the addition of several CIP water main projects. Two workyears were added to support the expanding Water Reconstruction Program. These workyears will become cost neutral as consultants will eventually be replaced with full-time employees.

Water and Sewer Relocations

	Expenditures	Workyears
FY'12 Actual	\$1,090,934	6.5
FY'13 Approved	\$1,026,900	6.4
FY'14 Proposed	\$1,019,900	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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Corrective Maintenance (Process Control)

	Expenditures	Workyears
FY'12 Actual	\$243,866	1.9
FY'13 Approved	\$263,200	1.5
FY'14 Proposed	\$284,400	2.0

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

FY'14 Major Recommended Changes: None

Enhancement and Upgrade Maintenance (Process Control)

	Expenditures	Workyears
FY'12 Actual	\$1,275,193	6.2
FY'13 Approved	\$596,600	4.1
FY'14 Proposed	\$831,100	4.7

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$234,500, or approximately 39%, primarily to provide additional comprehensive hardware and software support and hardware maintenance.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

New Facility Support (Process Control)

	Expenditures	Workyears
FY'12 Actual	\$438,190	4.0
FY'13 Approved	\$660,600	6.3
FY'14 Proposed	\$459,000	4.4

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

FY'14 Major Recommended Changes: The budgeted amount for this activity decreased \$201,600, or approximately 31%, due to a realignment of resources between activities.

New Equipment Installation (Process Control)

	Expenditures	Workyears
FY'12 Actual	\$257,263	0.2
FY'13 Approved	\$415,900	0.7
FY'14 Proposed	\$302,400	0.8

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'14 Major Recommended Changes: The budgeted amount for this activity decreased by \$113,500, or approximately 27%, primarily due to a decrease in required equipment purchases.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Security (Process Control)

	Expenditures	Workyears
FY'12 Actual	\$141,228	1.0
FY'13 Approved	\$151,700	1.5
FY'14 Proposed	\$346,800	2.3

This activity maintains and enhances Process Control security efforts, SCADA systems, and the Process Control System Distributed Network.

FY'14 Major Recommended Changes: The budgeted amount for this activity increased \$195,100, or approximately 129%, due to an increase in security and network workload, as well as required material usage.

Code Planning and Cross Connection

	Expenditures	Workyears
FY'12 Actual	\$1,327,606	19.1
FY'13 Approved	\$1,560,100	20.8
FY'14 Proposed	\$1,558,200	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; and issues plumber, gasfitter, and drain and sewer cleaner licenses.

FY'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Plumbing Inspections

	Expenditures	Workyears
FY'12 Actual	\$2,107,985	29.2
FY'13 Approved	\$2,075,600	30.2
FY'14 Proposed	\$2,040,400	30.2

This activity inspects the installation of commercial and residential plumbing and gasfitting systems, as well as backflow prevention devices and grease abatement systems for new construction projects, to ensure the work is properly permitted and installations comply with WSSC's Plumbing Code.

FY'14 Major Recommended Changes: None

Industrial Discharge Control Program

	Expenditures	Workyears
FY'12 Actual	\$668,527	7.7
FY'13 Approved	\$769,000	8.3
FY'14 Proposed	\$756,300	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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Fats, Oils, and Grease (FOG) Program

	Expenditures	Workyears
FY'12 Actual	\$827,307	10.4
FY'13 Approved	\$1,087,600	12.5
FY'14 Proposed	\$1,056,300	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'14 Major Recommended Changes: None

Contract Document Review

	Expenditures	Workyears
FY'12 Actual	\$24,930	0.3
FY'13 Approved	\$53,400	0.8
FY'14 Proposed	\$50,800	0.7

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Construction Management (Systems Inspection)

	Expenditures	Workyears
FY'12 Actual	\$108,361,702	70.0
FY'13 Approved	\$195,106,700	71.6
FY'14 Proposed	\$214,362,300	74.2

This activity provides funding, management, and inspection for all pipeline construction contracts. Contracts encompass new house connections, pipeline relocations, site utilities, and rehabilitations. The rehabilitation contracts include water and sewer replacement, water main cleaning and lining, large water meter replacement, cathodic protection, house connection renewal, and sewer main lining.

FY'14 Major Recommended Changes: The budgeted amount for this activity increased \$19,255,600, or approximately 10%, primarily due to an increase in the Trunk Sewer Reconstruction, Water Reconstruction Programs, and the addition of several CIP water main projects. Additional funding is also included for consultant inspectors and one workyear to manage the increased workloads in the rehabilitation programs. These increases are partially offset by a decrease in the Sewer Reconstruction Program (sewer mains less than 15-inch diameter).

Street Repair and Restoration

	Expenditures	Workyears
FY'12 Actual	\$17,467,286	3.5
FY'13 Approved	\$20,856,000	4.5
FY'14 Proposed	\$20,807,400	2.9

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Construction Contract Services

	Expenditures	Workyears
FY'12 Actual	\$593,401	4.3
FY'13 Approved	\$746,000	9.5
FY'14 Proposed	\$718,400	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'14 Major Recommended Changes: None

Infrastructure Management

	Expenditures	Workyears
FY'12 Actual	\$41,525	0.3
FY'13 Approved	\$6,852,600	10.2
FY'14 Proposed	\$7,565,500	6.1

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$712,900, or approximately 10%, primarily due to additional funding for inspections, designs and repairs in both the Corrosion Management and PCCP Management Programs. The increase is partially offset by a realignment of tasks and resources between activities.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Civil Engineering Support

	Expenditures	Workyears
FY'12 Actual	\$7,245,040	10.2
FY'13 Approved	\$974,500	2.1
FY'14 Proposed	\$2,676,600	10.5

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 Manual and Standard Details for Construction.

FY'14 Major Recommended Changes: The budgeted amount for this activity increased \$1,702,100, or approximately 175 %, primarily due to additional funding for outside engineering services to design cathodic protection and corrosion repairs for the Corrosion Management Plan. Also included are a realignment of resources from other activities and the addition of 3 new workyears to expand in-house design capacity with the goal of eventually reducing costs for outside consultants throughout the Commission.

Geographic Information System (GIS) Services

	Expenditures	Workyears
FY'12 Actual	\$876,409	4.3
FY'13 Approved	\$908,000	5.3
FY'14 Proposed	\$1,021,200	7.4

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$113,200 or approximately 12%, primarily due to the addition of 3workyears to support an expanding GIS Program.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Electrical/Mechanical Engineering Support

	Expenditures	Workyears
FY'12 Actual	\$575,037	3.2
FY'13 Approved	\$583,800	6.4
FY'14 Proposed	\$670,300	7.4

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'14 Major Recommended Changes: None

Property and Rights-of-Way Acquisition

	Expenditures	Workyears
FY'12 Actual	\$634,168	3.6
FY'13 Approved	\$906,700	3.5
FY'14 Proposed	\$928,600	2.9

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Surveys

	Expenditures	Workyears
FY'12 Actual	\$760,760	5.8
FY'13 Approved	\$520,200	5.7
FY'14 Proposed	\$480,600	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'14 Major Recommended Changes: None

Engineering Records

	Expenditures	Workyears
FY'12 Actual	\$394,704	3.0
FY'13 Approved	\$246,600	2.4
FY'14 Proposed	\$320,400	3.9

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$73,800, or approximately 30%, primarily due to an additional workyear to aid in monitoring and maintaining accurate engineering records.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Process Engineering and Water Quality Studies

	Expenditures	Workyears
FY'12 Actual	\$429,621	4.5
FY'13 Approved	\$694,500	4.9
FY'14 Proposed	\$641,800	4.7

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'14 Major Recommended Changes: None

Water Resources Protection

	Expenditures	Workyears
FY'12 Actual	\$437,679	2.3
FY'13 Approved	\$311,300	2.1
FY'14 Proposed	\$335,300	2.3

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Pollution Prevention Studies

	Expenditures	Workyears
FY'12 Actual	\$168,316	0.4
FY'13 Approved	\$266,600	0.5
FY'14 Proposed	\$389,800	0.4

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$123,200, or approximately 46%, primarily due to funding for studies related to contamination.

Environmental Assessment, Permitting, and Enforcement

	Expenditures	Workyears
FY'12 Actual	\$530,652	6.3
FY'13 Approved	\$542,900	6.6
FY'14 Proposed	\$534,400	6.8

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'14 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, 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, 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 payment and monitoring of 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 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 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	\$801,850	\$64,932,562	\$65,734,412	8.6	\$1,000,600	\$69,565,000	\$70,565,600	10.0	\$990,400	\$69,208,700	\$70,199,100	10.0
Laboratory Services	2,132,293	950,384	3,082,677	30.9	2,217,100	841,300	3,058,400	32.0	2,220,100	956,800	3,176,900	32.0
Systems Control	2,319,838	3,065,158	5,384,996	30.4	2,309,200	6,706,000	9,015,200	31.0	2,400,800	6,706,300	9,107,100	34.0
Potomac	1,649,902	5,380,680	7,030,582	25.6	2,007,000	8,767,800	10,774,800	33.0	2,001,800	8,275,900	10,277,700	33.0
Patuxent	1,516,302	1,442,734	2,959,036	22.1	1,553,700	2,940,200	4,493,900	23.0	1,536,000	2,499,500	4,035,500	23.0
Piscataway	1,919,760	3,084,531	5,004,291	25.3	2,060,300	4,417,300	6,477,600	27.0	2,036,500	4,619,600	6,656,100	27.0
Western Branch	2,196,729	3,539,979	5,736,708	31.7	2,198,300	3,106,900	5,305,200	32.0	2,155,100	3,332,500	5,487,600	32.0
Parkway/Marlboro Meadows	1,500,561	1,828,690	3,329,251	21.9	1,539,600	2,202,600	3,742,200	23.0	1,538,200	2,342,100	3,880,300	23.0
Seneca/Damascus/Hyattstown	2,393,284	3,000,743	5,394,027	31.6	2,462,000	3,712,100	6,174,100	32.0	2,463,800	3,945,200	6,409,000	32.0
Industrial Assets Management	3,334,406	5,102,737	8,437,143	43.6	3,587,100	4,443,200	8,030,300	48.0	3,644,600	4,443,600	8,088,200	49.0
Information Support	583,948	17,419	601,367	7.1	578,500	35,900	614,400	7.0	575,700	34,900	610,600	7.0
Utility Cost Control	--	25,120,630	25,120,630	--	--	24,582,000	24,582,000	--	--	24,275,000	24,275,000	--
TOTAL	\$20,348,873	\$117,466,247	\$137,815,120	278.8	\$21,513,400	\$131,320,300	\$152,833,700	298.0	\$21,563,000	\$130,640,100	\$152,203,100	302.0

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.

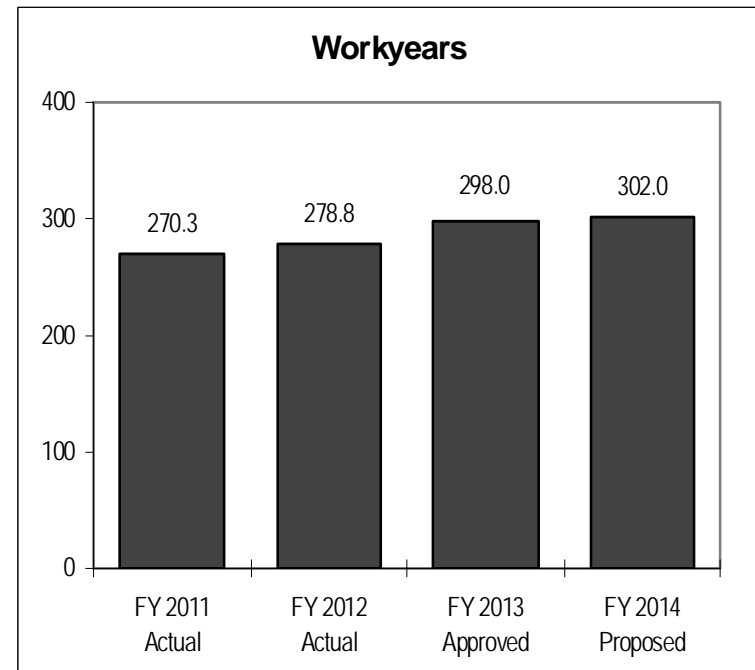
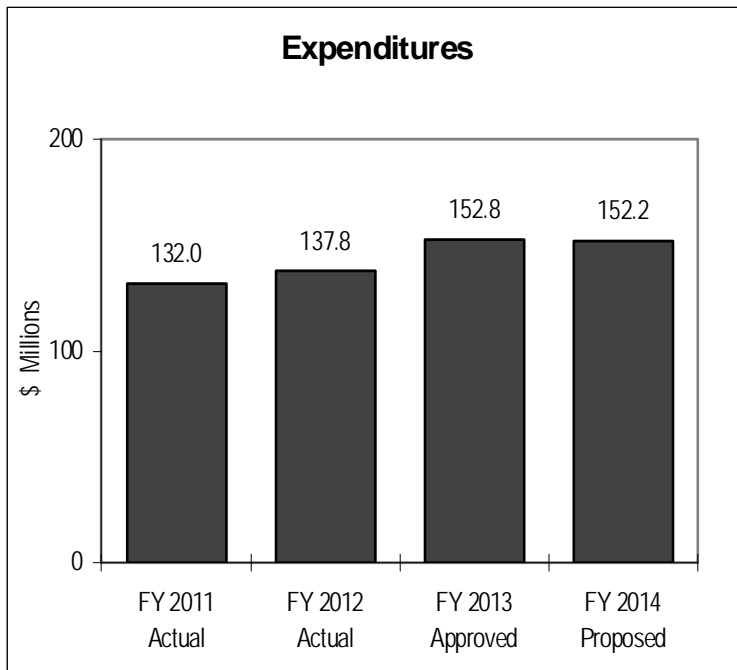
Budget Overview

The FY' 14 Proposed Budget is \$630,600, or a decrease of less than 1% of the FY' 13 Approved Budget, primarily due to reductions in chemical and overtime costs. These cost reductions are partially offset by increased maintenance requirements for an aging infrastructure and the addition of 4 workyears to handle the increased number of pressure zone problems and to provide support for the Asset Management Program.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
<i>Laboratory Services Group</i>				
Laboratory analyses performed (by Purpose)				
Clean Water Act	75,163	74,270	180,000	180,000
Safe Drinking Water Act	103,030	114,419	100,000	100,000
Customer Concerns	5,910	3,949	10,000	10,000
Process Control & Support	43,096	11,480	160,000	160,000
Outside Client Support	17,724	17,482	50,000	50,000
Analyses per workyear	8,972	7,171	15,625	15,625
<i>Systems Control Group</i>				
Control Center - Data points monitored	4,500	4,800	4,900	5,100
Standpipes, Reservoirs & Elevated Tanks - Total storage capacity (MG)	197.37	192.70	193.30	193.30
Remotely operated valves	81	80	87	84
<i>Potomac Group</i>				
Total filtered water to the distribution system (MG)	44,456	39,575	42,340	42,340
Average daily filtered water to the distribution system (MGD)	121.8	108.1	116.0	116.0
Maximum daily filtered water to the distribution system (MGD)	177.0	158.6	190.0	190.0
Solids handling (wet tons)	16,953	16,190	22,000	22,000
Chemicals used (tons) - Polymer (Filtration)	0	0	30	30
Chemicals used (tons) - Polyaluminum Chloride	8,565	7,649	9,800	9,800
Chemicals used (tons) - Lime *	1,515	1,548	3,075	2,600
Chemicals used (tons) - Disinfectant (Chlorine)	552	459	675	625
Chemicals used (tons) - Fluosilicic Acid	742	617	750	750
Chemicals used (tons) - Potassium Permanganate	93	70	125	125
Chemicals used (tons) - Phosphoric Acid	264	237	300	290
<i>Patuxent Group</i>				
Total filtered water to the distribution system (MG)	19,405	21,073	19,710	19,710
Average daily filtered water to the distribution system (MGD)	53.2	57.6	54.0	54.0
Maximum daily filtered water to the distribution system (MGD)	75.5	72.0	68.0	72.0

* In FY'13, we are transitioning from Granular Pebble Quicklime to Hydrated Lime.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
Solids handling (dry tons)	1,213	896	1,232	1,232
Chemicals used (tons) - Ferric Chloride	0	0	25	25
Chemicals used (tons) - Polyaluminum Hydroxychlorosulfate	1,794	2,022	2,520	2,520
Chemicals used (tons) - Lime	446	578	890	890
Chemicals used (tons) - Disinfectant (Chlorine)	319	329	420	420
Chemicals used (tons) - Fluoride	310	288	415	350
Chemicals used (tons) - Potassium Permanganate	13.6	0.7	25.0	25.0
Chemicals used (tons) - Phosphoric Acid	81	88	100	120
<i>Piscataway Group</i>				
Wastewater treated flow (MGD)	20.4	22.1	24.0	25.1
Biosolids production (wet tons)	29,697	33,000	35,478	37,000
Chemicals used (tons) - Aluminum Sulfate	547	832	890	925
Chemicals used (tons) - Lime	2,370	2,324	2,803	2,929
Chemicals used (pounds) - Polymer (Dewatering)	134,840	182,860	240,000	240,000
Chemicals used (pounds) - Polymer (Filtration)	6,904	0	20,000	20,000
Chemicals used (tons) - Sodium Hydroxide (25%)	0	0	9	6
Chemicals used (gallons) - Sodium Hypochlorite	0	0	36,600	36,600
<i>Western Branch Group</i>				
Wastewater treated flow (MGD)	19.1	20.0	24.5	25.0
Biosolids production (wet tons)	25,799	22,399	26,600	27,992
Chemicals used (tons) - Aluminum Sulfate	337	507	500	500
Chemicals used (gallons) - Methanol	610,082	653,920	500,000	610,000
Chemicals used (wet tons) - Polymer (Dewatering)	2,177	2,403	2,500	2,500
Chemicals used (tons) - Sodium Hydroxide	12	11	20	20
Chemicals used (gallons) - Sodium Hypochlorite	0	0	10,000	0

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
<i>Parkway Group</i>				
Wastewater treated flow (MGD)	6.6	6.5	6.5	6.6
Biosolids production (wet tons)	14,288	14,152	16,200	16,200
Chemicals used (gallons) - Aluminum Sulfate	0	0	15,000	15,000
Chemicals used (tons) - Lime	627	1,179	850	1,000
Chemicals used (gallons) - Polymer (Dewatering)	105,376	140,948	144,375	141,953
Chemicals used (gallons) - Sodium Bisulfite	27,831	30,021	27,375	30,660
Chemicals used (gallons) - Sodium Hydroxide	16,566	26,987	16,425	31,025
Chemicals used (gallons) - Sodium Hypochlorite	45,351	51,587	73,000	52,925
<i>Seneca/Damascus/Hyattstown Group</i>				
Wastewater treated flow (MGD)	16.3	16.2	20.4	19.4
Biosolids production (wet tons)	24,700	23,782	30,740	28,457
Chemicals used (tons) - Aluminum Sulfate	719	1,176	1,400	1,600
Chemicals used (tons) - Caustic Soda	12	0	200	200
Chemicals used - Chlorine Cylinders	84	82	140	140
Chemicals used (tons) - Lime	937	1,218	1,400	1,500
Chemicals used (pounds) - Polymer (Liquid)	359,000	337,800	446,500	409,000
Chemicals used (gallons) - Methanol	0	0	67,500	82,500
Chemicals used (pounds) - Sulfuric Acid	0	0	50,000	50,000
Chemicals used (gallons) - Sodium Hypochlorite	30,900	38,562	38,600	47,000

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Operations

	Expenditures	Workyears
FY'12 Actual	\$45,828,398	114.5
FY'13 Approved	\$52,536,200	117.7
FY'14 Proposed	\$52,174,900	119.6

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'14 Major Recommended Changes: The budgeted amount for this activity decreased \$361,300, or approximately 1%, primarily due to reduced chemical costs.

Operations Support

	Expenditures	Workyears
FY'12 Actual	\$36,948,029	8.5
FY'13 Approved	\$38,109,100	8.6
FY'14 Proposed	\$37,544,100	8.5

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'14 Major Recommended Changes: The budgeted amount for this activity decreased \$565,000, or approximately 1%. This decrease is primarily due to projected lower electricity and natural gas prices resulting from a continuing soft natural gas market, as well as lower Montgomery and Prince George's County Energy tax rates. Upgrades to Centrifuge #4 and conveyors at the Parkway plant have also contributed to a reduction in expenses by restoring reliability and decreasing hauling expenses.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Maintenance

	Expenditures	Workyears
FY'12 Actual	\$26,012,383	79.0
FY'13 Approved	\$32,394,900	89.1
FY'14 Proposed	\$32,631,500	90.2

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$236,600, or approximately 1%. The increase is associated with higher maintenance requirements for aging infrastructure and additional processes, specifically ENR.

Maintenance Support Services

	Expenditures	Workyears
FY'12 Actual	\$16,582,813	44.7
FY'13 Approved	\$16,942,300	49.3
FY'14 Proposed	\$17,014,700	50.3

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$72,400, or less than 1%. The increase is due primarily to an additional workyear in support of the Asset Management Plan for the Production Team.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Laboratory Services

	Expenditures	Workyears
FY'12 Actual	\$8,855,286	31.6
FY'13 Approved	\$8,999,300	32.8
FY'14 Proposed	\$9,006,000	32.8

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'14 Major Recommended Changes: None

Capital Project Support

	Expenditures	Workyears
FY'12 Actual	\$3,588,211	0.5
FY'13 Approved	\$3,851,900	0.5
FY'14 Proposed	\$3,831,900	0.6

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'14 Major Recommended Changes: The budgeted amount for this activity decreased \$20,000, or approximately 1%. This decrease is primarily due to the anticipated completion of Phase II-D, the Potomac Pump Upgrade, of the Energy Performance Program.

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 asset 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 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Logistics Office	\$746,475	\$1,544,742	\$2,291,217	11.4	\$1,009,800	\$2,196,700	\$3,206,500	16.0	\$1,015,800	\$2,196,700	\$3,212,500	16.0
Property Management	1,662,598	6,042,297	7,704,895	24.8	2,003,900	4,421,800	6,425,700	30.0	1,977,500	4,621,800	6,599,300	30.0
Fleet Services	2,619,068	4,015,001	6,634,069	40.0	3,218,900	4,433,000	7,651,900	51.0	3,206,800	4,836,200	8,043,000	51.0
Materials & Services	1,828,027	3,852,498	5,680,525	30.9	1,652,700	3,863,200	5,515,900	28.0	1,647,100	4,163,200	5,810,300	28.0
Security & Safety Services	2,296,202	1,726,657	4,022,859	34.9	3,211,900	3,017,600	6,229,500	52.0	3,179,500	2,017,600	5,197,100	52.0
TOTAL	\$9,152,370	\$17,181,195	\$26,333,565	142.0	\$11,097,200	\$17,932,300	\$29,029,500	177.0	\$11,026,700	\$17,835,500	\$28,862,200	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.

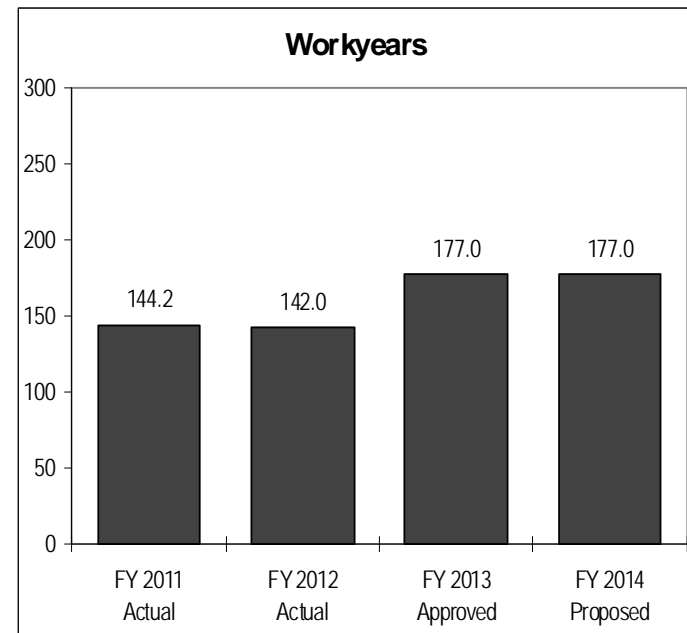
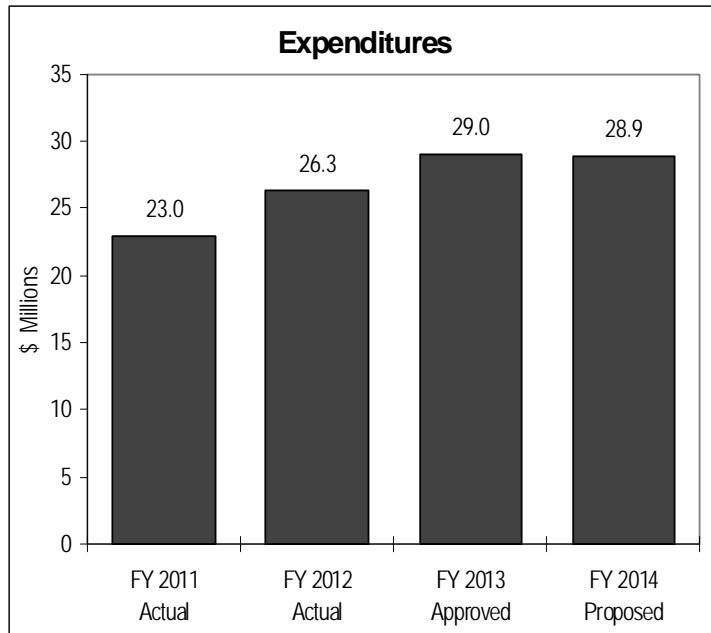
Budget Overview

The FY'14 Proposed Budget is \$167,300, or approximately 1%, less than the FY'13 Approved Budget. Changes include additional funding for facilities architect/engineering services and debris hauling that is offset by a Continuity of Operations Plan that was funded only in FY'13.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>	<i>FY'14 PROPOSED</i>
<i>Team Office</i>				
Copier machine duplications	4,483,783	4,708,194	5,000,000	5,000,000
Mail posted (pieces)	2,518,021	2,578,032	2,500,000	2,650,000
Mail received (pieces)	1,858,154	1,858,154	1,700,000	1,875,000
<i>Fleet Services Group</i>				
Equipment fleet managed (pieces of equipment)	665	676	676	676
Vehicle fleet managed (number of vehicles)	927	933	937	947
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	4,610	4,467	4,800	5,030
Other (non-preventative maintenance) vehicle and equipment repairs	5,994	5,500	6,713	7,317
<i>Materials Management Group</i>				
Stock quantities issued	797,288	855,078	750,000	850,000
Stock line items received	10,442	4,113	10,000	4,500
Supply contracts managed	39	60	80	75
<i>Security and Safety Services Group</i>				
Theft of service complaints/responses handled	38	2	100	50
Miles patrolled for preventive measures	225,527	252,192	250,000	250,000
Facility security inspections	28,355	22,622	29,000	29,000
Facility safety inspections	25	72	50	50
Job site inspections	81	60	100	100
Total occupational injuries reviewed	114	125	140	140
Number of employees attending driver improvement classes	179	231	150	250

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)

SUMMARY BY ACTIVITY

Facility Operations & Maintenance Services

	Expenditures	Workyears
FY'12 Actual	\$7,682,318	24.4
FY'13 Approved	\$6,230,100	28.2
FY'14 Proposed	\$6,246,000	27.3

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'14 Major Recommended Changes: None

Commercial Facilities Architect and Engineering Management

	Expenditures	Workyears
FY'12 Actual	\$88,274	1.1
FY'13 Approved	\$263,200	2.5
FY'14 Proposed	\$419,600	3.4

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'14 Major Recommended Changes: The budgeted amount for this activity increased by \$156,400, or approximately 59%, primarily for facilities architect and engineering services to analyze structural, mechanical, and electrical capacity.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)

SUMMARY BY ACTIVITY

Fleet Services

	Expenditures	Workyears
FY'12 Actual	\$3,101,908	33.1
FY'13 Approved	\$4,645,000	43.2
FY'14 Proposed	\$3,704,600	43.2

This activity involves managing and coordinating services for a vehicle and equipment fleet of 1,623 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'14 Major Recommended Changes: The budget amount for this activity decreased by \$940,400, or approximately 20%, primarily due to the shift of costs for mobile equipment parts to the Management of Fleet Parts and Supplies activity.

Fuel Services

	Expenditures	Workyears
FY'12 Actual	\$2,468,578	1.1
FY'13 Approved	\$2,717,200	1.1
FY'14 Proposed	\$3,115,500	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'14 Major Recommended Changes: The budgeted amount for this activity increased by \$398,300, or approximately 15%, due to an increase in diesel fuel requirements and price.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)

SUMMARY BY ACTIVITY

Management of Fleet Parts and Supplies

	Expenditures	Workyears
FY'12 Actual	\$1,169,546	6.9
FY'13 Approved	\$404,600	7.8
FY'14 Proposed	\$1,335,500	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'14 Major Recommended Changes: The budgeted amount for this activity increased \$930,900, or approximately 230%, primarily due to the shift of costs for mobile equipment parts from the Fleet Service activity.

Materials Handling

	Expenditures	Workyears
FY'12 Actual	\$5,103,795	28.9
FY'13 Approved	\$5,579,000	28.6
FY'14 Proposed	\$5,872,100	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'14 Major Recommended Changes: The budgeted amount for this activity increased \$293,100, or approximately 5%, primarily for additional debris hauling related to the expansion of the in-house water main replacement program.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)

SUMMARY BY ACTIVITY

General and Administrative Services

	Expenditures	Workyears
FY'12 Actual	\$2,603,835	10.6
FY'13 Approved	\$2,843,800	12.3
FY'14 Proposed	\$2,856,900	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'14 Major Recommended Changes: None

Security Services

	Expenditures	Workyears
FY'12 Actual	\$3,144,750	23.5
FY'13 Approved	\$5,137,800	38.4
FY'14 Proposed	\$4,102,800	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'14 Major Recommended Changes: The budgeted amount for this activity decreased by \$1,035,000, or approximately 20%, primarily due to consultant services to develop a Continuity of Operations Plan that was funded only in FY' 13.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)

SUMMARY BY ACTIVITY

Investigative Services

	Expenditures	Workyears
FY'12 Actual	\$350,204	3.7
FY'13 Approved	\$456,200	6.2
FY'14 Proposed	\$447,000	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'14 Major Recommended Changes: None

Safety Services

	Expenditures	Workyears
FY'12 Actual	\$620,357	8.7
FY'13 Approved	\$752,600	8.7
FY'14 Proposed	\$762,200	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'14 Major Recommended Changes: None

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 Team Office administers grant monies received from the Environmental Protection Agency and the Maryland Department of the Environment. The Maryland Water Quality State Revolving Loan Administration activities are also managed by the Team Office.

- The ***Retirement Group*** is responsible for the WSSC Employees' Retirement Plan and the Other Post-Employment Benefits (OPEB) Trust. This responsibility includes administration, pension planning, and accounting for The Retirement Plan and OPEB Trust in accordance with the respective Plan and Trust Documents and Internal Revenue Service regulations. The Group also supports the Plan and Trust's Boards in managing and investing 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 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Finance Office	\$302,482	\$22,876	\$325,358	3.0	\$365,500	\$31,300	\$396,800	4.0	\$363,300	\$31,300	\$394,600	4.0
Retirement	559,249	126,123	685,372	6.0	554,800	211,700	766,500	6.0	564,100	213,300	777,400	6.0
Revenue	791,030	477,889	1,268,919	12.3	896,500	381,900	1,278,400	14.0	876,000	434,400	1,310,400	14.0
Accounting	1,042,074	4,933	1,047,007	13.4	1,147,200	5,600	1,152,800	15.0	1,136,000	5,600	1,141,600	15.0
Disbursements	1,035,079	73,454	1,108,533	14.0	1,026,700	62,000	1,088,700	14.0	1,023,100	72,900	1,096,000	14.0
Budget	717,450	106,232	823,682	7.8	704,300	118,100	822,400	8.0	695,900	241,700	937,600	8.0
TOTAL	\$4,447,364	\$811,507	\$5,258,871	56.5	\$4,695,000	\$810,600	\$5,505,600	61.0	\$4,658,400	\$999,200	\$5,657,600	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.

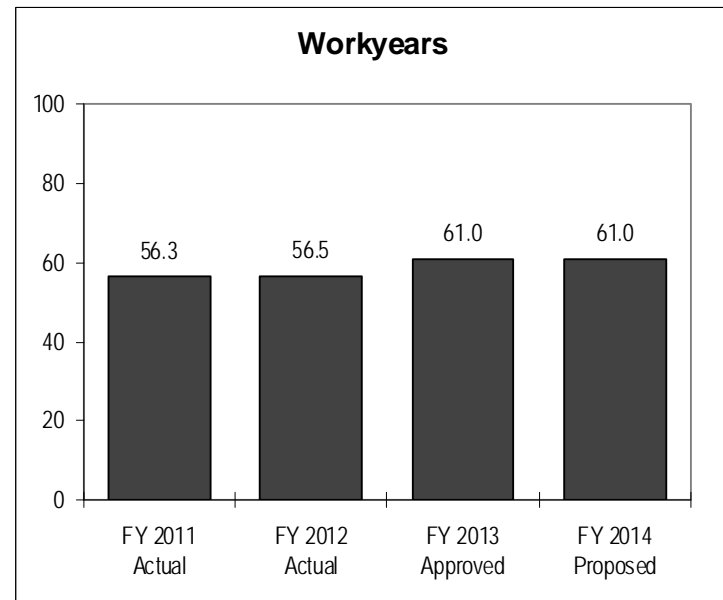
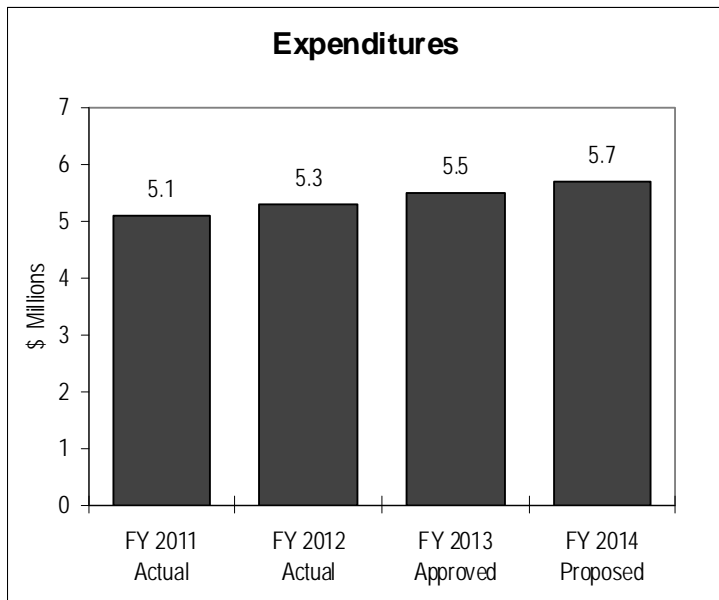
Budget Overview

The FY'14 Proposed Budget is approximately 3% greater than the FY'13 Approved Budget. The increase is due primarily to consulting costs associated with conducting a rate development study.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
<i>Retirement Group</i>				
Actuarial valuations for Employees' Retirement Plan and Other Post Employment Benefits (OPEB)	1	2	2	2
Retirement workshops conducted	3	3	4	3
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	1,813,250	1,910,000	1,800,000	1,850,000
Total money processed	\$555,000,000	\$614,000,000	\$540,000,000	\$580,000,000
Percentage of bills processed within 24 hours of receipt	99.6%	99.5%	99.5%	99.5%
Percentage of bills processed without errors	99.9%	99.9%	99.9%	99.9%
Cashier receipts processed	4,200	3,800	4,200	4,000
Petty cash vouchers processed	926	1,015	950	950
Petty cash replenishments	68	80	70	75
New assessments levied	227	226	190	200
New assessment notices generated	199	200	120	175
Reclassification notices generated	28	26	65	50
Annual assessment appeal hearings held	0	0	1	1
Plats, splits, and combinations processed	650	425	600	375
Mainline contracts released for service	100	60	100	50
Deeds Stamped – Acquisitions and Condemnations	85	82	90	75
Development Services contract reviews	160	115	145	100

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 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	19,062	17,852	19,000	18,500
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)	4,785	6,112	5,000	6,000
Customer bankruptcy adjustments completed	711	448	750	600
Claims reimbursement requests processed	52	54	50	50
State fuel usage reports prepared	12	12	12	12
Monthly and annual antennae lease collections	539	641	550	600
Fire hydrant meter lease reconciliations prepared	966	1,021	1,000	1,000
Invoices processed	1,083	945	1,000	1,000

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
<i>Disbursements Group</i>				
Payroll checks and direct deposit statements prepared	40,736	42,317	40,000	43,000
W-2 forms prepared	1,634	1,685	1,600	1,700
Payroll attachments processed	3,804	4,143	3,700	4,000
Invoices processed, including construction contract payments and consultants	26,661	28,311	27,000	29,000
Corporate credit card transactions processed	10,942	12,184	11,000	12,000
Checks disbursed and EFT payments processed	9,184	9,286	10,000	10,000
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	10	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	2	2	3	2
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	4	4

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

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

	Expenditures	Workyears
FY'12 Actual	\$78,153	1.0
FY'13 Approved	\$78,500	1.1
FY'14 Proposed	\$78,200	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'14 Major Recommended Changes: None

Retirement Administration

	Expenditures	Workyears
FY'12 Actual	\$423,256	4.1
FY'13 Approved	\$507,700	4.2
FY'14 Proposed	\$515,800	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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Investment Operations

	Expenditures	Workyears
FY'12 Actual	\$289,840	2.1
FY'13 Approved	\$292,300	2.1
FY'14 Proposed	\$294,900	2.1

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

FY'14 Major Recommended Changes: None

Revenue Operations

	Expenditures	Workyears
FY'12 Actual	\$877,015	8.3
FY'13 Approved	\$801,100	9.2
FY'14 Proposed	\$847,700	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'14 Major Recommended Changes: The budgeted amount for this activity increased \$46,600, or approximately 6%. The increase is to provide for adequate funding to cover bank fees. Last year's request was reduced in anticipation of cost savings resulting from the implementation of 'Check-21'. It has since been determined that those savings will not be realized.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Assessments Preparation and Services

	Expenditures	Workyears
FY'12 Actual	\$448,738	4.5
FY'13 Approved	\$555,500	5.5
FY'14 Proposed	\$540,400	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'14 Major Recommended Changes: None

General Ledger

	Expenditures	Workyears
FY'12 Actual	\$661,591	8.3
FY'13 Approved	\$660,400	8.5
FY'14 Proposed	\$730,600	9.4

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$70,200, or approximately 11%, due to an additional workyear transferred from the Research, Special Handling, and Special Studies activity.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Research, Special Handling, and Special Studies

	Expenditures	Workyears
FY'12 Actual	\$297,751	3.7
FY'13 Approved	\$414,300	5.3
FY'14 Proposed	\$333,100	4.3

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'14 Major Recommended Changes: The budgeted amount for this activity decreased by \$81,200, or approximately 20%, due to the transfer of a workyear to the General Ledger activity.

Invoicing and Delinquent Accounts

	Expenditures	Workyears
FY'12 Actual	\$149,582	1.9
FY'13 Approved	\$161,800	2.0
FY'14 Proposed	\$161,200	2.1

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Accounts Payable

	Expenditures	Workyears
FY'12 Actual	\$679,540	9.4
FY'13 Approved	\$684,500	9.3
FY'14 Proposed	\$685,900	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'14 Major Recommended Changes: None

Maintenance of Debt Service Records

	Expenditures	Workyears
FY'12 Actual	\$114,485	0.6
FY'13 Approved	\$104,600	0.5
FY'14 Proposed	\$119,800	0.6

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

FY'14 Major Recommended Changes: The budgeted amount for this activity increased by \$15,200, or approximately 15%. The debt portfolio has been restructured, requiring additional financial advisory services.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Health and Dental Accounting

	Expenditures	Workyears
FY'12 Actual	\$63,085	0.8
FY'13 Approved	\$62,900	0.6
FY'14 Proposed	\$65,000	0.8

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

FY'14 Major Recommended Changes: None

Bank Account Reconciliations

	Expenditures	Workyears
FY'12 Actual	\$18,450	0.2
FY'13 Approved	\$20,500	0.2
FY'14 Proposed	\$20,700	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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Payroll Processing

	Expenditures	Workyears
FY'12 Actual	\$297,662	3.5
FY'13 Approved	\$294,400	4.1
FY'14 Proposed	\$282,300	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'14 Major Recommended Changes: None

Budget and CIP Preparation and Administration

	Expenditures	Workyears
FY'12 Actual	\$845,916	7.9
FY'13 Approved	\$834,100	8.1
FY'14 Proposed	\$843,500	8.2

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Financial Planning and Studies

	Expenditures	Workyears
FY'12 Actual	\$13,807	0.2
FY'13 Approved	\$33,000	0.3
FY'14 Proposed	\$138,500	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'14 Major Recommended Changes: The budgeted amount for this activity increased by \$105,500, or approximately 320%. Following recommendations made by the Bi-County Infrastructure Funding Working Group, funding has been included for consultant services to conduct a cost of service and rate development study.

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/creek crossing inspections; and administration and reporting of Sanitary Sewer Overflow (SSO) Consent Decree requirements. Water distribution and transmission condition assessment activities will be added to the group in FY' 14, in line with WSSC's effort to execute the Asset Management Program.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 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	\$651,336	\$9,118,621	\$9,769,957	7.2	\$716,800	\$12,833,000	\$13,549,800	7.0	\$727,600	\$13,309,500	\$14,037,100	7.0
Customer Relations	5,302,130	4,055,859	9,357,989	94.6	5,317,500	4,639,500	9,957,000	92.0	5,246,700	4,534,700	9,781,400	92.0
Customer Care North	4,432,514	2,420,046	6,852,560	59.4	4,938,000	2,341,200	7,279,200	65.0	5,092,900	2,364,300	7,457,200	67.0
Customer Care West	4,835,559	3,241,472	8,077,031	66.6	5,351,800	3,172,100	8,523,900	69.0	5,224,900	3,284,800	8,509,700	69.0
Customer Care Central	4,538,852	3,503,764	8,042,616	59.1	4,863,800	3,470,600	8,334,400	64.0	4,900,000	3,476,500	8,376,500	65.0
Customer Care South	4,597,888	3,004,132	7,602,020	60.8	5,178,900	2,249,300	7,428,200	69.0	5,049,300	2,927,600	7,976,900	69.0
Customer Care Support Services	6,239,432	3,601,729	9,841,161	115.0	6,819,800	6,385,800	13,205,600	124.0	6,482,000	4,620,300	11,102,300	124.0
Customer Care Information Support	755,153	230,433	985,586	9.5	840,400	130,600	971,000	11.0	828,400	156,900	985,300	11.0
Customer Care Strategic Planning	449,002	127,867	576,869	6.0	660,100	34,900	695,000	9.0	650,000	34,900	684,900	9.0
Wastewater Collections System	4,356,979	14,319,454	18,676,433	61.3	5,268,300	24,410,700	29,679,000	73.0	5,518,600	21,923,800	27,442,400	79.0
TOTAL	\$36,158,845	\$43,623,377	\$79,782,222	539.5	\$39,955,400	\$59,667,700	\$99,623,100	583.0	\$39,720,400	\$56,633,300	\$96,353,700	592.0

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.

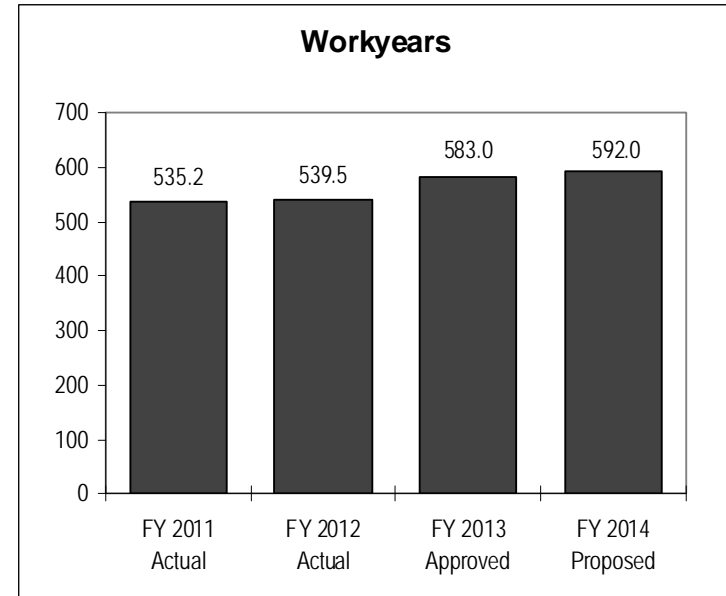
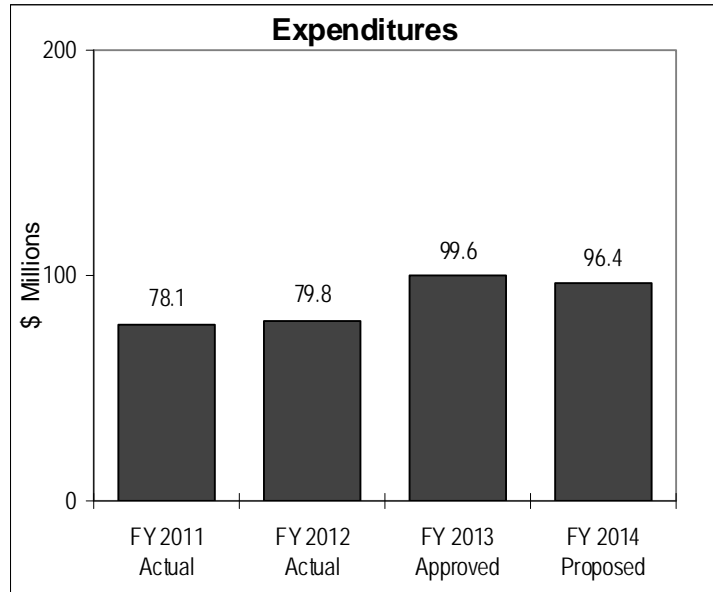
Budget Overview

The FY' 14 Proposed Budget is \$3,269,400, or approximately 3%, less than the FY' 13 Approved Budget. The decrease is due primarily to delays associated with initial planning for the Advanced Metering Infrastructure (AMI) System. Planning for this system is currently on hold while a new Customer Care Information System (CSIS), capable of supporting AMI hardware/software is being explored. Completion of all Consent Decree required Sewer System Evaluation Survey (SSES) work has also contributed to the decrease. A move from reactive to proactive measures has also led to reductions associated with chemical root control and pipe armoring.

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'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
<i>Customer Relations Group</i>				
Claims received	1,543	1,428	1,600	1,600
Bill adjustments/corrections	14,186	15,234	18,000	18,000
Billed work investigations	548	527	800	600
Correspondence received	12,826	10,086	18,000	15,000
Non-emergency calls received	621,692	581,384	650,000	650,000
Emergency calls from customers answered	73,246	80,592	95,000	95,000
Large meter work orders processed	1,954	1,555	4,000	2,000
<i>Customer Care North Group</i>				
Large meter tests and, if necessary, repairs	214	324	200	200
Small meters replaced	1,369	1,409	1,500	1,400
Small meters installed (new connections)	537	556	550	550
Special meter readings completed	3,326	3,526	3,000	3,000
Property inspections performed	169	176	100	150
Collection turn-offs performed	5,945	3,769	5,000	5,000
Routine flush for discolored water	331	408	400	400
Emergency clean sewer service	18	21	30	30
Emergency clean sewer main	140	146	130	130
Emergency flush for discolored water	452	457	500	500
Water main repairs performed	458	326	450	450
Emergency sewer inspections performed	646	608	550	550
Emergency water inspections performed	3,002	2,599	3,000	2,500
Emergency water main shutdowns performed	40	40	30	30
<i>Customer Care West Group</i>				
Large meter tests and, if necessary, repairs	152	198	225	225

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
Small meters replaced	2,360	2,740	2,500	2,800
Small meters installed (new connections)	422	674	500	700
Special meter readings completed	10,568	11,227	11,000	11,000
Property inspections performed	351	307	350	350
Collection turn-offs performed	9,420	5,649	9,000	7,500
Routine flush for discolored water	69	89	120	120
Emergency clean sewer service	44	65	50	65
Emergency clean sewer main	125	171	150	170
Emergency flush for discolored water	321	341	300	350
Water main repairs performed	445	280	450	450
Emergency sewer inspections performed	718	795	750	750
Emergency water inspections performed	2,709	2,276	2,700	2,700
Emergency water main shutdowns performed	73	75	70	75
<i>Customer Care Central Group</i>				
Large meter tests and, if necessary, repairs	181	190	200	200
Small meters replaced	1,988	2,108	3,000	3,000
Small meters installed (new connections)	472	480	900	1,200
Special meter readings completed	8,833	9,078	9,000	9,200
Property inspections performed	254	352	300	400
Collection turn-offs performed	10,844	8,768	13,000	13,000
Routine flush for discolored water	163	202	170	210
Emergency clean sewer service	25	24	25	30
Emergency clean sewer main	99	108	80	100
Emergency flush for discolored water	404	285	400	300
Water main repairs performed	409	292	475	400
Emergency sewer inspections performed	718	768	700	700

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
Emergency water inspections performed	3,181	3,011	3,400	3,300
Emergency water main shutdowns performed	67	60	55	55
<i>Customer Care South Group</i>				
Large meter tests and, if necessary, repairs	302	257	280	270
Small meters replaced	2,046	3,220	3,000	3,200
Small meters installed (new connections)	1,024	983	1,300	1,100
Special meter readings completed	8,070	8,529	8,250	8,500
Property inspections performed	377	404	400	400
Collection turn-offs performed	19,365	20,000	20,000	15,000
Routine flush for discolored water	368	364	370	370
Emergency clean sewer service	28	46	40	50
Emergency clean sewer main	130	134	150	150
Water main repairs performed	642	526	700	700
Emergency sewer inspections performed	902	994	910	1,000
Emergency water inspections performed	3,574	3,545	3,700	3,600
Emergency water main shutdowns performed	41	40	45	45
<i>Customer Care Support Services Group</i>				
Fire hydrant meters issued	1,666	1,427	1,700	1,500
Large meter tests and, if necessary, repairs	162	437	220	370
Small meter shop tests	3,364	1,038	3,400	3,500
Water mains replaced (in feet) by in-house crews	37,488	73,920	63,360	63,360
Fire flow tests performed	178	139	310	150
Regular meter readings completed	1,836,972	1,905,529	1,850,000	1,900,000
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'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
Miles of sewer mains cleaned for preventive maintenance	576	611	500	650
Miles of sewer mains cleaned on emergency basis	24	10	20	10
Emergency clear sewer services performed	689	847	450	450
Number of repeat backups within 90 days of corrective cleaning	1	1	2	1
Miles of sewer main televised for preventative maintenance program (WSSC Crews)	47	51	55	65
Miles of mainline sewer televised for proactive maintenance program (by contract)	128	108	250	200
Number of line blockage analysis reviews completed after CCTV inspection	768	711	650	650
Miles of sewer smoke-tested	3	2	5	5
Manholes inspected (by contract)	2,270	1,771	5,000	5,000
Telemetered gauges operated	195	218	200	233
Calibrations performed	583	618	680	932
Chemical root control (work order count)	4,479	1,623	2,950	2,500

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Claims

	Expenditures	Workyears
FY'12 Actual	\$3,830,737	5.7
FY'13 Approved	\$4,863,100	6.9
FY'14 Proposed	\$4,461,100	5.8

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'14 Major Recommended Changes: The budgeted amount for this activity decreased \$402,000, or approximately 8%, primarily to align the budget with actual spending in recent years. The decrease also takes into account the transfer of a workyear from this activity to the Radio Dispatching activity.

Customer Account Maintenance

	Expenditures	Workyears
FY'12 Actual	\$756,044	10.9
FY'13 Approved	\$804,200	11.5
FY'14 Proposed	\$792,100	11.6

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Monthly Bill Customer Account Inquiry

	Expenditures	Workyears
FY'12 Actual	\$209,483	2.3
FY'13 Approved	\$190,200	2.3
FY'14 Proposed	\$186,600	2.3

This activity determines appropriate actions to ensure that customers, particularly large users who produce 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'14 Major Recommended Changes: None

Billed Work

	Expenditures	Workyears
FY'12 Actual	\$62,371	0.6
FY'13 Approved	\$126,100	1.7
FY'14 Proposed	\$124,800	1.7

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

FY'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Bay Fee Administration

	Expenditures	Workyears
FY'12 Actual	\$14,971	0.6
FY'13 Approved	\$26,800	0.6
FY'14 Proposed	\$44,200	0.6

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

FY'14 Major Recommended Changes: The budgeted amount for this activity increased \$17,400, or approximately 65%. This is due to anticipated additional requests for exemptions because of fee increases and more widespread promotion of the program.

Customer Correspondence

	Expenditures	Workyears
FY'12 Actual	\$459,078	6.3
FY'13 Approved	\$418,000	6.3
FY'14 Proposed	\$414,400	6.4

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Dispute Resolution/Refund Hearing

	Expenditures	Workyears
FY'12 Actual	\$99,771	1.1
FY'13 Approved	\$78,100	1.2
FY'14 Proposed	\$109,700	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'14 Major Recommended Changes: The budgeted amount for this activity increased \$31,600, or approximately 40%. Dispute hearings have been on the rise since the Dispute Resolving Board policy was revised in Spring 2012 and the dispute process was advertised on WSSC's website. Additional funding is needed in this area to improve the ability to complete hearing summary packages within 14 days.

Customer Account Inquiry (Non-Emergency)

	Expenditures	Workyears
FY'12 Actual	\$2,756,043	47.6
FY'13 Approved	\$2,385,500	41.9
FY'14 Proposed	\$2,474,500	41.2

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$89,000, or approximately 4%. This is due primarily to funding required for the new 'Call Back Assist' technology.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Customer Account Inquiry (Emergency)

	Expenditures	Workyears
FY'12 Actual	\$607,431	9.2
FY'13 Approved	\$542,300	9.2
FY'14 Proposed	\$445,500	7.0

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'14 Major Recommended Changes: The budgeted amount for this activity decreased \$96,800, or approximately 18%. This is due to a transfer of 2 workyears to the Radio Dispatching activity.

Radio Dispatching

	Expenditures	Workyears
FY'12 Actual	\$599,673	10.3
FY'13 Approved	\$560,700	10.3
FY'14 Proposed	\$767,200	13.9

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$206,500, or approximately 37%. This is primarily due to an increase of 3 workyears in this activity, transferred from Customer Account Inquiry – both Emergency and Non-Emergency. Customer Care Agents have been converted to Dispatchers to better manage the needs of this 24-hour operation.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Meter Ordering

	Expenditures	Workyears
FY'12 Actual	\$72,741	1.2
FY'13 Approved	\$68,700	1.2
FY'14 Proposed	\$68,300	1.2

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

FY'14 Major Recommended Changes: None

Research and Development

	Expenditures	Workyears
FY'12 Actual	\$128,431	0.5
FY'13 Approved	\$54,100	0.5
FY'14 Proposed	\$98,400	1.1

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$44,300, or approximately 82%, primarily due to efforts in support of Advanced Meter Reading (AMR) (convertible to Advanced Metering Infrastructure (AMI) technology), and efforts to update the Meter Shop.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

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

	Expenditures	Workyears
FY'12 Actual	\$146,109	1.3
FY'13 Approved	\$125,700	1.2
FY'14 Proposed	\$125,700	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'14 Major Recommended Changes: None

Asset Management Program

	Expenditures	Workyears
FY'12 Actual	\$56,109	1.3
FY'13 Approved	\$95,300	1.2
FY'14 Proposed	\$95,700	1.2

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 within the Customer Care Team focuses primarily on the development and implementation of asset management plans, processes, procedures, etc., associated specifically with buried assets.

FY'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Computerized Information Systems Support

	Expenditures	Workyears
FY'12 Actual	\$485,160	3.8
FY'13 Approved	\$465,500	4.9
FY'14 Proposed	\$479,700	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'14 Major Recommended Changes: None

Temporary Fire Hydrant Meter Leasing and Maintenance

	Expenditures	Workyears
FY'12 Actual	\$94,190	1.1
FY'13 Approved	\$95,100	1.1
FY'14 Proposed	\$95,600	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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Water Main Replacement

	Expenditures	Workyears
FY'12 Actual	\$6,042,177	64.2
FY'13 Approved	\$6,716,300	56.8
FY'14 Proposed	\$7,213,300	62.6

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$497,000, or approximately 7%, due to continued focus on our aging infrastructure. In order to maintain the high level of water quality our customers expect, it is important to accelerate water main replacement.

Field Crew Scheduling

	Expenditures	Workyears
FY'12 Actual	\$36,804	0.5
FY'13 Approved	\$36,600	0.5
FY'14 Proposed	\$64,000	1.1

This activity involves simulating and scheduling water main shutdowns.

FY'14 Major Recommended Changes: The budgeted amount for this activity increased \$27,400, or approximately 75%. An increase in activity, primarily simulated shutdowns, called for the addition of a partial workyear. (A 'simulated' shutdown identifies all relevant valves and the number of customers affected to see exactly how the water system will be affected, before it actually happens.)

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Flow Test

	Expenditures	Workyears
FY'12 Actual	\$36,820	0.5
FY'13 Approved	\$40,600	0.5
FY'14 Proposed	\$64,000	1.1

This activity involves routine inspection of the water distribution system and performing fire flow tests for outside agencies.

FY'14 Major Recommended Changes: The budgeted amount for this activity increased \$23,400, or approximately 58%. A projected increase in fire flow testing warrants the addition of a partial workyear.

Provide As-Built Plans

	Expenditures	Workyears
FY'12 Actual	\$62,063	1.1
FY'13 Approved	\$212,900	3.2
FY'14 Proposed	\$211,800	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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Large Meter Testing, Repair & Replacement

	Expenditures	Workyears
FY'12 Actual	\$1,254,124	16.5
FY'13 Approved	\$1,303,000	16.4
FY'14 Proposed	\$1,367,900	16.5

This activity involves testing, repairing, and replacing large meters to ensure billing accuracy.

FY'14 Major Recommended Changes: None

Small Meter Testing, Repair & Replacement

	Expenditures	Workyears
FY'12 Actual	\$1,724,150	23.5
FY'13 Approved	\$1,767,600	24.5
FY'14 Proposed	\$1,729,300	23.9

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

New Meters

	Expenditures	Workyears
FY'12 Actual	\$30,674	1.1
FY'13 Approved	\$28,400	0.5
FY'14 Proposed	\$50,700	1.1

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$22,300, or approximately 79%, in support of Advanced Meter Reading (AMR) technology.

Meter Reading

	Expenditures	Workyears
FY'12 Actual	\$3,858,486	52.3
FY'13 Approved	\$3,020,100	56.7
FY'14 Proposed	\$2,900,300	57.2

This activity is associated with providing timely and accurate meter readings in order to render customer bills based on actual usage.

FY'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Collection

	Expenditures	Workyears
FY'12 Actual	\$763,412	12.8
FY'13 Approved	\$1,084,400	15.3
FY'14 Proposed	\$1,112,700	17.3

This activity is associated with collecting revenue for delinquent accounts and is largely responsible for terminating and restoring water services.

FY'14 Major Recommended Changes: None

Maintenance

	Expenditures	Workyears
FY'12 Actual	\$20,969,623	165.1
FY'13 Approved	\$21,931,900	182.6
FY'14 Proposed	\$21,857,800	176.0

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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Inspection Maintenance

	Expenditures	Workyears
FY'12 Actual	\$2,441,276	16.4
FY'13 Approved	\$1,776,900	19.1
FY'14 Proposed	\$1,626,700	17.4

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'14 Major Recommended Changes: The budgeted amount for this activity decreased \$150,200, or approximately 8%. Large water main and PCCP inspections are now being captured in the Capital Project Support activity.

Capital Project Support

	Expenditures	Workyears
FY'12 Actual	\$3,449,939	8.9
FY'13 Approved	\$4,535,200	15.2
FY'14 Proposed	\$4,794,800	17.4

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$259,600, or approximately 6%, due to the addition of large water main and PCCP inspections to this activity. It is expected that the addition of PCCP inspection crews to Capital Project Support will relieve some of the workload related to dewatering, maintenance and support of large transmission main inspections.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Data Administration/Quality Assurance

	Expenditures	Workyears
FY'12 Actual	\$309,291	3.2
FY'13 Approved	\$297,200	3.7
FY'14 Proposed	\$297,000	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'14 Major Recommended Changes: None

Design/Deliver/Evaluate Courses

	Expenditures	Workyears
FY'12 Actual	\$482,214	6.1
FY'13 Approved	\$679,500	9.1
FY'14 Proposed	\$695,400	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'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Planning

	Expenditures	Workyears
FY'12 Actual	\$2,028,868	7.6
FY'13 Approved	\$2,497,600	9.1
FY'14 Proposed	\$3,051,600	8.6

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'14 Major Recommended Changes: The budgeted amount for this activity increased \$554,000, or approximately 22%, due to additional monies budgeted for Consent Decree Performance Assessments.

Field Maintenance

	Expenditures	Workyears
FY'12 Actual	\$3,482,076	40.5
FY'13 Approved	\$4,261,800	46.6
FY'14 Proposed	\$4,674,900	51.6

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'14 Major Recommended Changes: The budgeted amount for this activity has increased \$413,100 or approximately 10%, due to a greater focus on preventative maintenance efforts, which includes the addition of 5 workyears.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Sewer Analysis

	Expenditures	Workyears
FY'12 Actual	\$13,236,998	13.9
FY'13 Approved	\$23,004,100	18.1
FY'14 Proposed	\$19,620,400	17.2

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'14 Major Recommended Changes: The budgeted amount for this activity has decreased \$3,383,700, or approximately 15%. This is due to a reduction in Chemical Root Control, Pipe Armoring, and SSES programs. These programs are still on-going, but at a reduced work level.

Contracts

	Expenditures	Workyears
FY'12 Actual	\$9,149,011	1.0
FY'13 Approved	\$12,882,900	1.0
FY'14 Proposed	\$13,356,800	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.

FY'14 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Advanced Metering Infrastructure (AMI)

	Expenditures	Workyears
FY'12 Actual	\$45,874	0.5
FY'13 Approved	\$2,646,700	2.1
FY'14 Proposed	\$693,400	1.1

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'14 Major Recommended Changes: The budgeted amount for this activity has decreased \$1,953,300, or approximately 74%. Planning for this system is on hold while a new Customer Care Information System (CSIS), capable of supporting AMI hardware/software is being explored.

Water Analysis

	Expenditures	Workyears
FY'12 Actual	\$0	0.0
FY'13 Approved	\$0	0.0
FY'14 Proposed	\$187,400	2.5

The purpose of this activity is to provide condition assessment of the water distribution and transmission systems. Condition assessment will include Leak Detection, Acoustic Testing, and other related techniques, to determine pipeline deficiencies and condition ratings.

FY'14 Major Recommended Changes: This is a new activity within the Customer Care Team developed for FY'14. The activity is expected to be fully implemented in FY'14.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INFORMATION TECHNOLOGY TEAM

Organizational Descriptions

This Team, led by the Chief Information Officer, is comprised of the Information Technology Operations, Network Infrastructure & Data Center Operations, and Information Technology Implementations Divisions. The Team Office provides information technology support services and resources (hardware, software, and communications) necessary for the Commission to service its customers, reduce overall operating costs, enhance customer service and improve operational efficiencies. The IT Team Office develops, maintains and supports the IT Strategic Plan while assessing technology solutions and implementation priorities to meet the Commission's long-term business needs. The office is also responsible for IT security and risk management functions and provides governance over IT policies, procedures, and project management best practices.

- The ***Information Technology Operations Division*** is responsible for supporting the core IT business operations as they relate to application development and end user support, including breakfix and enhancements. This division manages the Commission's computing assets, IT inventory/asset management, and IT service request and delivery, ensuring that end user problems and requests are addressed expeditiously and effectively in order to maintain business continuity and functionality.
- The ***Network Infrastructure & Data Center Operations Division*** is responsible for supporting the Commission's computing infrastructure – hardware and software systems, telecom, data networking, call center, and telephony. This includes the design, implementation and support of the mainframe, open system platforms, and storage sub-systems; communication systems including microwave, data networks, and two-way radio; daily operational support for SCADA, cellular leasing, audio/visual services, tape management, and wireless devices; Call Center solutions include IVRS and multimedia applications, as well as security support services for firewalls and intrusion detection.
- The ***Information Technology Implementations Division*** is responsible for using system implementation methodologies to streamline and redesign various technologies and business systems that extend across all Commission functional areas. This office leads and directs functional and technical implementation teams consisting of WSSC staff, consultants, and implementation support organizations in providing day-to-day oversight and management of all IT enterprise system implementation initiatives within the Commission.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
INFORMATION TECHNOLOGY TEAM

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 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	\$1,351,970	\$6,318,886	\$7,670,856	12.4	\$1,851,900	\$5,522,600	\$7,374,500	19.0	\$1,824,100	\$6,025,600	\$7,849,700	19.0
Information Technology Operations	3,536,119	4,121,309	7,657,428	34.5	4,012,300	2,108,300	6,120,600	42.0	4,049,000	2,153,400	6,202,400	43.0
Network Infrastructure & Data Center	2,659,442	4,303,154	6,962,596	26.4	2,955,500	4,178,700	7,134,200	29.0	2,718,200	3,507,300	6,225,500	28.0
Information Technology Implementations	--	--	--	--	584,400	8,903,200	9,487,600	5.0	620,200	9,053,200	9,673,400	5.0
TOTAL	\$7,547,531	\$14,743,349	\$22,290,880	73.3	\$9,404,100	\$20,712,800	\$30,116,900	95.0	\$9,211,500	\$20,739,500	\$29,951,000	95.0

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.

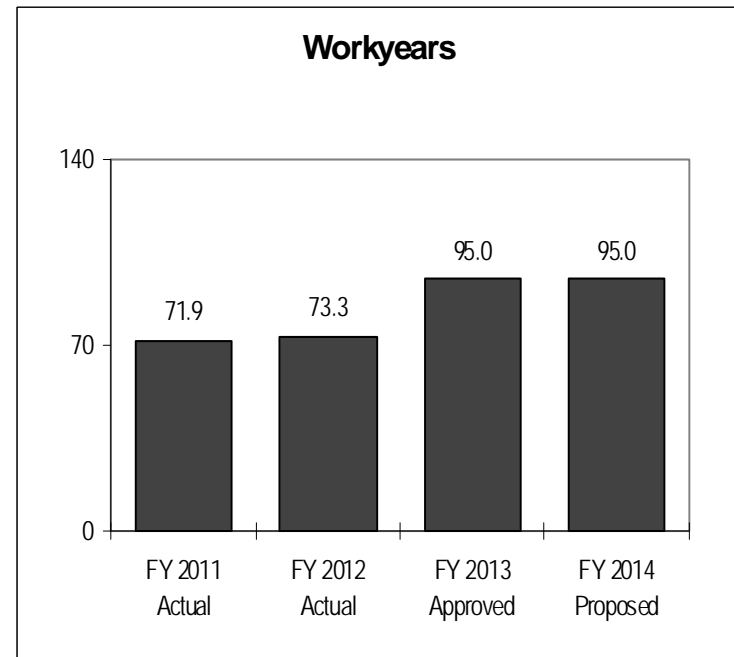
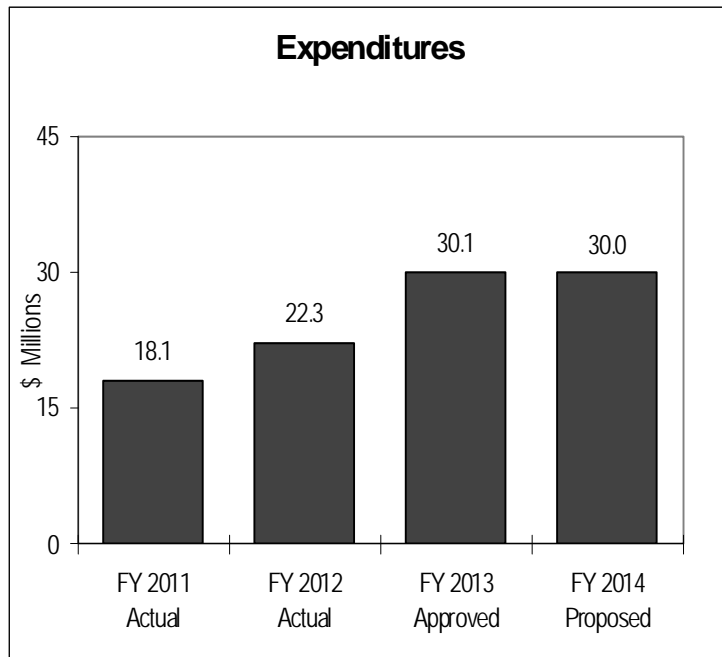
Budget Overview

The FY'14 Proposed Budget is \$165,900, or approximately 1%, less than the FY'13 Approved Budget. This decrease is due primarily to anticipated completion of various projects in FY'13. The organizations and activities in this section reflect the FY'13 restructuring of the Information Technology Team.

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'11 ACTUAL</i>	<i>FY'12 ACTUAL</i>	<i>FY'13 APPROVED</i>	<i>FY'14 PROPOSED</i>
<i>Information Technology Operations</i>				
Number of system upgrades and enhancements	18	19	20	20
Number of calls handled by the IT Solutions Center	13,348	13,788	14,000	14,500
Number of service requests received	5,147	5,437	6,000	6,800
Number of desktops and printers/scanners upgraded	439	389	412	350
Number of cell phones and other mobile end-point devices maintained	1,427	1,730	1,547	1,500
<i>Network Infrastructure & Data Center Operations</i>				
Number of servers maintained	220	230	245	325
Total Storage Area Network (SAN) capacity (in terabytes)	200	250	275	300
Number of network infrastructure devices	280	285	290	305
Number of deployed telephones	2,415	2,425	2,450	2,500
Number of telecom infrastructure devices (including microwave)	75	90	105	110
Number of SCADA devices	160	160	165	165
Number of Radio Communications devices	1,100	1,105	1,110	1,117
Number of Audio/Visual Infrastructure devices	63	63	73	78
<i>Information Technology Implementations</i>				
Number of enterprise technology initiatives	-	3	8	9
Percentage of Enterprise Technology Initiatives completed on time and within budget	-	100%	90%	90%

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INFORMATION TECHNOLOGY TEAM

(Continued)

SUMMARY BY ACTIVITY

IT Operations

	Expenditures	Workyears
FY'12 Actual	\$13,618,845	38.4
FY'13 Approved	\$13,665,200	46.7
FY'14 Proposed	\$13,339,200	45.5

This activity encompasses all day-to-day operational functions for the Commission's information systems, including break/fixes, emergency repairs, and upgrades 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. It also covers IT maintenance fees for annual hardware and software licensing and support services.

FY'14 Major Recommended Changes: The budgeted amount for this activity decreased \$326,000, or approximately 2%. This decrease is due to a reorganization and reassignment of responsibilities from IT Operations to IT projects, along with the transfer one workyear.

IT Projects

	Expenditures	Workyears
FY'12 Actual	\$7,347,004	33.5
FY'13 Approved	\$6,657,900	40.3
FY'14 Proposed	\$6,646,900	41.5

This activity encompasses the overall planning and development of information technology including the IT methodologies, processes, standards, and policies to ensure a common strategic technology vision is achieved. It includes the implementation of application systems coupled with business process improvements to enhance customer service and improve operational efficiencies. This activity also encompasses IT infrastructure implementations, upgrades, replacements, and enhancements necessary to support the information technology infrastructure for the Commission, such as: the data center infrastructure, data network and telecom infrastructure, microwave and intrasite communications, audio/visual infrastructure, IT security infrastructure, information management, and desktop refresh. IT Projects also includes platform system efforts, including Document and Records Management, Knowledge Management, Mobile Workforce, and GIS.

FY'14 Major Recommended Changes: Several major projects are expected to conclude in FY'13. One workyear has been transferred to this activity from IT Operations.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INFORMATION TECHNOLOGY TEAM

(Continued)

SUMMARY BY ACTIVITY

Enterprise Technology Initiatives

	Expenditures	Workyears
FY'12 Actual	\$1,325,031	1.4
FY'13 Approved	\$9,793,800	8.0
FY'14 Proposed	\$9,964,900	8.0

This activity encompasses all aspects of enterprise technology development as it relates to the phases of the system implementation methodologies required to streamline and redesign various technologies and business systems that extend across all Commission functional areas. It involves researching, planning, acquiring, designing, programming, and deploying these enterprise system implementation initiatives for the Commission. Efforts under this activity include those projects to support the Commission's business units for ERP and other large-scale systems such as Asset Management, Customer Service Information System, Permitting Management System, Leak Detection, and other systems.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$171,100, or approximately 2%. This increase is due to work on the Permitting Management System, which is projected to be in full implementation phase by FY'14 and will include licensing, implementation support costs, as well as training.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
FINANCE OFFICE NON-DEPARTMENTAL

	FISCAL YEAR 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 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	--	\$36,035,259	\$36,035,259	--	--	\$37,476,000	37,476,000	--	--	\$40,903,800	\$40,903,800	--
Debt Service	--	223,009,773	223,009,773	--	--	251,973,000	251,973,000	--	--	265,409,000	265,409,000	--
TOTAL	--	\$259,045,032	\$259,045,032	--	--	\$289,449,000	\$289,449,000	--	--	\$306,312,800	\$306,312,800	--

Mission Statement

Finance Office Non-Departmental budgets for all payments associated with insurance premiums, Social Security, the WSSC Employees' Retirement Plan, and the health care trust for Other Post-Employment Benefits (OPEB). Debt service, along with all bond sales expenses, and bond coupon payment redemption expenses, is also included under the Finance Office Non-Departmental umbrella.

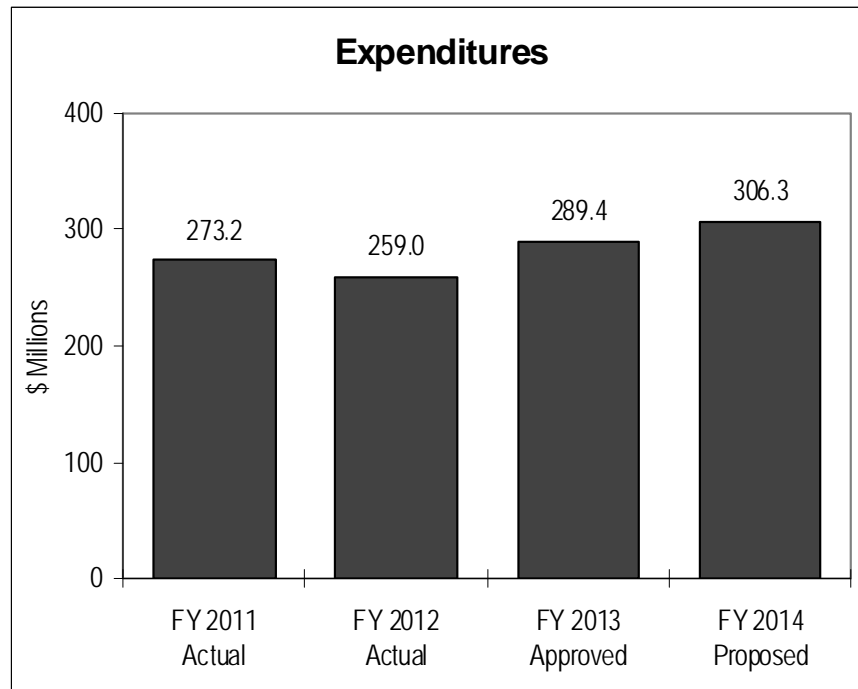
Budget Overview

The FY'14 Proposed Budget is \$16,863,800, or approximately 6%, greater than the FY'13 Approved Budget. This is due to increased debt service expenses; increased bond sales expenses; increased retirement and Social Security payments; and continued increased funding for the seventh 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 2012 ACTUAL				FISCAL YEAR 2013 APPROVED				FISCAL YEAR 2014 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	\$231,468	\$27,150,924	\$27,382,392	--	--	\$32,272,600	\$32,272,600	--	--	\$29,982,000	\$29,982,000	--
TOTAL	\$231,468	\$27,150,924	\$27,382,392	--	--	\$32,272,600	\$32,272,600	--	--	\$29,982,000	\$29,982,000	--

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.

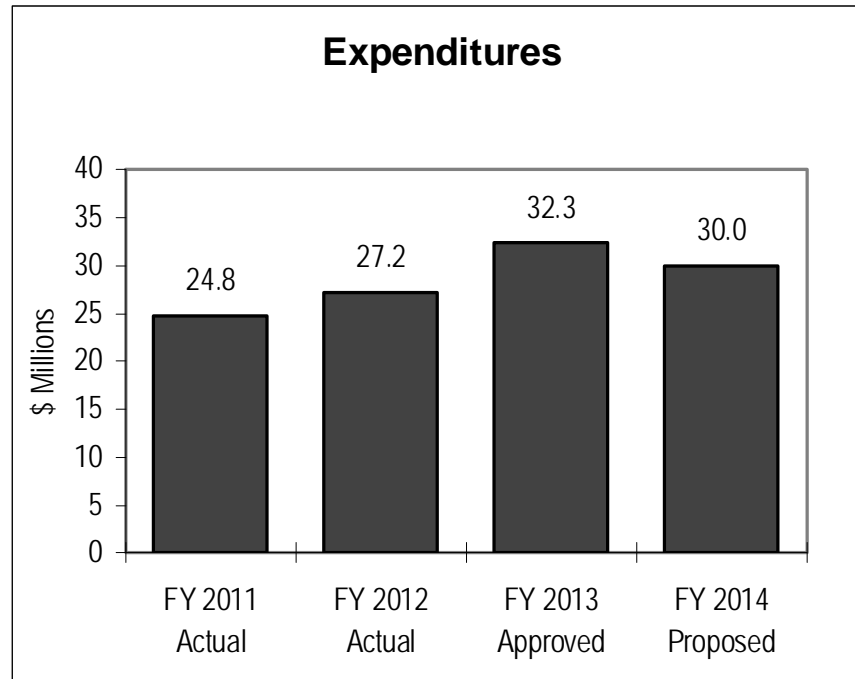
Budget Overview

The FY' 14 Proposed Budget is \$2,290,600, or approximately 7%, less than the FY' 13 Approved Budget. The reduction is primarily due to an anticipated decrease in health care costs.

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 six 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 5,500 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 190 million gallons.

Wastewater Treatment Facilities

The Commission operates six wastewater treatment plants with a total capacity of 89.5 million gallons per day (MGD): Piscataway, Western Branch, Parkway, Seneca, Damascus, 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'12, the Blue Plains WWTP received 43.5 billion gallons of sewage from the Commission’s system, while the following flows were handled during the year at Commission-operated facilities: Piscataway Plant, 7.8 billion gallons; Western Branch Plant, 7.3 billion gallons; Parkway Plant, 2.4 billion gallons; Seneca Plant, 5.6 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
2012	1,742,000	5,471	444,184	60,648	165.7	5,363	421,092
2011	1,734,000	5,451	441,593	63,861	175.0	5,344	418,718
2010	1,727,000	5,438	440,019	61,590	168.7	5,324	417,301
2009	1,710,000	5,427	438,893	59,255	162.3	5,314	416,392
2008	1,693,000	5,403	436,600	61,572	168.2	5,285	414,386

Customer Characteristics

As of December 2012, the Commission had 440,381 active customer accounts. The vast majority of these—94.4%—are residential users, another 4.8% are commercial and industrial customers, and 0.8% involve government facilities. Three quarters (74.2%) 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 2012)

	<u>Number of Customer Accounts</u>	<u>Percentage of Accounts</u>
Total Customer Accounts	440,381	100.0%
By Type of Customer		
Residential	415,744	94.4%
Commercial and Industrial	21,150	4.8%
Government	3,487	0.8%
By Type of Property		
Single-Family Residence	326,603	74.2%
Townhouse	81,262	18.5%
General Commercial	21,150	4.8%
Garden Apartment	4,160	0.9%
Multi-Unit (individually metered)	3,151	0.7%
High-Rise Apartment	422	0.1%
Other	3,633	0.8%

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 (2011 estimate)	989,794
K-12 Public School Enrollment (as of September 30, 2012)	146,459
Payroll Employment (2011)	
Government Sector	
Federal	46,460
State	1,186
Local	38,450
Private Sector	
Goods-Producing	35,832
Service-Providing	325,856
Unclassified	-
TOTAL EMPLOYMENT	447,784
Resident Employment (2012)	504,110
Unemployment Rate (2012)	5.0%
Largest Private Employers (2012)	
Adventist Health Care	IBM
Discovery Communications	Kaiser Foundation Health Plan
Giant Food Corporation	Lockheed Martin
Government Employees Insurance Co. (GEICO)	Marriott International, Inc.
Henry M. Jackson Foundation for the Advancement Of Military Medicine	Medimmune
Holy Cross Health	Suburban Hospital
	Verizon
	Westat
Major Federal Employers (2012)	
National Geospatial-Intelligence Agency	U.S. Department of Energy
National Institutes of Health	U.S. Food and Drug Administration
National Institute of Standards & Technology	U.S. Nuclear Regulatory Commission
National Naval Medical Center	Walter Reed National Military Medical Center
National Oceanic & Atmospheric Administration	
Per Capita Income (2011 estimate)	\$45,614
Median Household Income (2011 estimate)	\$92,909

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)	487
Population (2011 estimate)	871,233
K-12 Public School Enrollment (as of September 30, 2012)	123,833
Payroll Employment (2011)	
Government Sector	
Federal	27,527
State	19,115
Local	39,974
Private Sector	
Goods-Producing	33,003
Service-Providing	179,314
Unclassified	1
TOTAL EMPLOYMENT	298,934
Resident Employment (2012)	434,813
Unemployment Rate (2012)	6.7%
Largest Private Employers (2011)	
Capital One	Shoppers Food Warehouse
Dimensions Health Care System	Southern Maryland Hospital Center
Doctor's Community Hospital	Target
Gaylord National Resort and Convention Center	United Parcel Service (UPS)
Giant Food	Verizon
Safeway Stores, Inc.	Walmart
Major Federal Employers (2011)	
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 (2011 estimate)	\$31,365
Median Household Income (2011 estimate)	\$70,715

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.
Advanced Metering Infrastructure	An automated system that communicates remotely with metering devices to measure, collect and analyze consumption data. The system includes both hardware and software and can provide comprehensive real-time information to both the consumer and the utility.
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.
Asset Management Program	A multi-year effort to create an organization-wide Asset Management Plan which identifies the infrastructure needs for a 30-year planning period. This information will serve as the basis for future investment decision making and management of water, wastewater, communications, and buildings and grounds infrastructure.
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)

GLOSSARY

(Continued)

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.
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

GLOSSARY

(Continued)

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.
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.
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.

GLOSSARY

(Continued)

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 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.

GLOSSARY

(Continued)

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	A unit of measure; a means of measuring turbidity in a sample by using an instrument called a nephelometer. A nephelometer passes light through a sample and the amount of light deflected is then measured.
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, and Giardia Lamblia, another chlorine-resistant pathogen.
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.

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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 operating funds 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 Supervisory Control and Data Acquisition (SCADA) system.

GLOSSARY

(Continued)

Salaries and Wages	A budget expenditure category for monetary compensation in the form of annual or hourly pay for work performed.
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/reconstructing 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. The fund also covers the reconstruction of all sized sewer lines and lateral lines.
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,

GLOSSARY

(Continued)

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 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

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Trunk Sewer	As defined in the Consent Decree, “Trunk Sewer” means any sewer lines in WSSC’s Collection System that are 15 inches in diameter or greater, including components thereto, and stream-crossings.
Turbidity	Turbidity is the cloudy appearance of water caused by the presence of suspended matter. A turbidity measurement is used to indicate the clarity of water.
Turbidity Units	Turbidity units are a measure of the cloudiness of water. If measured by a Nephelometric (deflected light) instrumental procedure, turbidity units are expressed in Nephelometric turbidity units, or NTU.
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/reconstructing 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. The fund also covers the reconstruction of all sized water lines and lateral lines.
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	ERP	Enterprise Resource Planning
ADC	Average Daily Consumption	ESP	Engineering Support Program
A/E	Architecture/Engineering	FFB	Front Foot Benefit
AMI	Advanced Metering Infrastructure	FIS	Financial Information System
AMP	Asset Management Program	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	GBDS	General Bond Debt Service
CPI	Consumer Price Index	GFOA	Government Finance Officers Association
CRM	Customer Relations Management	GIS	Geographic Information System
CSIS	Customer Service Information System	GPD	Gallons per Day
CY	Calendar Year	GPS	Global Positioning System
DAI	Departmental Action Item	H/C	House Connection
DCWASA	District of Columbia Water and Sewer Authority	HVAC	Heating, Ventilating, and Air-Conditioning
DOD	Department of Defense	IDCP	Industrial Discharge Control Program
DOT	Department of Transportation	IFB	Invitation for Bid
DSP	Development Services Process	I/I	Infiltration and Inflow
EAM	Enterprise Asset Management	ISD	In-Service Date
EEO	Equal Employment Opportunity	IT	Information Technology
EPA	Environmental Protection Agency	IVRS	Interactive Voice Response System
EPP	Energy Performance Program	KSM	Key Success Measure

ACRONYMS

(Continued)

LBA	Line Blockage Analysis	RTA	Request to Advertise
MBE	Minority Business Enterprise	RTU	Remote Terminal Unit
MCL	Maximum Contaminant Level	SCADA	Supervisory Control and Data Acquisition
MG	Million Gallons	SDC	System Development Charge
MGD	Million Gallons per Day	SDWA	Safe Drinking Water Act
MMIS	Maintenance Management Information System	SEOC	Systems Expansion Offset Charge
M-NCP&PC	Maryland-National Capital Park & Planning Commission	SEP	System Extension Permit
MOU	Memorandum of Understanding	SIU	Significant Industrial User
MWQ	Maryland Water Quality	SLBE	Small, Local Business Enterprise
NPDES	National Pollutant Discharge Elimination System	SLMBE	Small, Local and Minority Business Enterprise
NTP	Notice to Proceed	SQL	Structured Query Language
NTU	Nephelometric Turbidity Units	SSES	Sewer System Evaluation Survey
OPEB	Other Post-Employment Benefits	SSO	Sanitary Sewer Overflow
OSHA	Occupational Safety & Health Administration	SWR	Small Work Requests
P/TOP	Promotion/Transfer Opportunity Program	THM	Trihalomethanes
PAYGO	“Pay-As-You-GO” Financing	WASA	See DCWASA
PCCP	Prestressed Concrete Cylinder Pipe	WEF	Water Environment Federation
PMO	Project Management Office	WFP	Water Filtration Plant
PPA	Power Purchase Agreement	WPS	Water Pumping Station
PPIS	Permits Processing Information System	WSSC	Washington Suburban Sanitary Commission
PRV	Pressure Reducing Valve	WSSD	Washington Suburban Sanitary District
PVC	Polyvinyl Chloride	WWOA	Water and Waste Operators Association
QA	Quality Assurance	WWPS	Wastewater Pumping Station
REDO	Reconstruction Debt Service Offset	WWTP	Wastewater Treatment Plant
RFP	Request for Proposal		