



# PROPOSED BUDGET

FY 2018  
July 1, 2017 – June 30, 2018





# *Fiscal Year 2018 Proposed Budget*

*Fausto R. Bayonet, Chair*

*Chris Lawson, Vice Chair*

*Omar M. Boulware, Commissioner*

*Howard A. Denis, Commissioner*

*T. Eloise Foster, Commissioner*

*Thomasina V. Rogers, Commissioner*

*Carla A. Reid, General Manager/CEO*

*ATTEST: Sheila R. Finlayson, Esq., Corporate Secretary*

On our cover: As part of our \$176 million Broad Creek Wastewater Pumping Station Augmentation project in southern Prince George's County, workers are making the final connections on a new 48-inch diameter wastewater force main. When completed in June 2017, this new force main will connect the updated pumping station to our Piscataway Wastewater Treatment Plant more than three miles away. The work at the pumping station and the new force main are aimed at resolving sewer overflow issues that can occur during wet weather events.

## **BUDGET - LEGAL STATUS**

Section 17-202 of the Public Utilities Article, Annotated Code of Maryland: "The Commission: (1) before January 15 of each year, shall prepare capital and operating budgets for the next fiscal year that shall include projects and contracts authorized under SS17-204 and 17-205 of this subtitle; (2) shall make available to the public, on request, copies of the budgets described in item (1) of this subsection; (3) before February 15 of each year, shall hold a public hearing on the proposed capital and operating budgets after giving at least 21 days' notice of the hearing by publication in at least two newspapers of general circulation in Montgomery County and two newspapers of general circulation in Prince George's County."

## **TIME SCHEDULE FOR THE FISCAL YEAR 2018 BUDGET**

Public Hearings by the Commission	February 1 and 2, 2017 (held as scheduled)
Submission to County Executives	March 1, 2017
Approval by the County Councils	June 1, 2017
Budget Effective Date	July 1, 2017

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

CONTAINED HEREIN IS WSSC'S FY'18 PROPOSED BUDGET DATED MARCH 1, 2017, WHICH REPLACES AND SUPERCEDES THE PREVIOUS JANUARY 15, 2017, EDITION.



## **OUR MISSION:**

*We are entrusted by our community to provide safe and reliable water, life's most precious resource, and return clean water to our environment, all in an ethical, sustainable, 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, 2016

A handwritten signature in black ink, appearing to read 'Arthur P. Snow'.

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, 2016. This is the twenty-second 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 2018 PROPOSED BUDGET**

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March 1, 2017

To The Honorable:

Rushern L. Baker, III, Prince George's County Executive  
Isiah Leggett, Montgomery County Executive

Derrick Leon Davis, Chair, Prince George's County Council  
Roger Berliner, President, Montgomery County Council

Members of Prince George's County Council  
Members of Montgomery County Council

Elected Officials, Valued Customers, and Interested Citizens:

We are hereby transmitting the Proposed Fiscal Year 2018 (FY'18) Capital and Operating Budget Document for the Washington Suburban Sanitary Commission (WSSC). This document is released and distributed on this date for review by interested customers, citizens, and elected officials.

This proposed budget reflects our continued mission to provide safe and reliable water, life's most precious resource, and return clean water to the environment, all in an ethical, sustainable, and financially responsible manner. The programs, goals, and objectives included in this budget seek to achieve the Commission's mission through the following strategic priorities:

- Deliver Excellent Customer Service
- Enhance Stakeholder Relationships

- Improve Infrastructure
- Achieve Business Process Excellence and Maintain Financial Stability
- Inspire Employee Engagement

The proposed budget for Fiscal Year 2018 for all operating and capital funds totals \$1.4 billion or \$10.8 million (0.8%) more than the Approved FY'17 Budget. The proposed operating budget of \$740.8 million represents an increase of \$4.4 million which is only a 0.6% increase over the FY'17 Approved Operating Budget of \$736.4 million. The largest component of the 0.6% operating increase is due to debt service (\$10.2 million increase) and PAYGO for the capital budget (\$7.1 million increase) which were offset by other spending reductions in the Operating Budget. When controlling for the non-discretionary capital budget related expenditures, the WSSC FY'18 Operating Budget is actually 1.7% *less* than the FY'17 Approved Operating Budget. The proposed Capital Budget of \$696.7 million represents an increase of \$6.4 million which is 0.9% over the FY'17 Approved Capital Budget of \$690.3 million.

The budget calls for a combined 3.5% average increase in water and sewer rates. This proposed increase meets the 3.5% increase included in the Spending Affordability Guidelines approved by Prince George's and Montgomery Counties. Even with this increase, WSSC rates continue to be favorable when compared to other comparable water and sewer utilities, and the average WSSC residential bill is less than 1% of the median household income (see pages 21-22 of the proposed budget for details). The 3.5% rate increase will add \$1.46 per month to the bill of a customer using 137 gallons per day.

The Commission's current rate structure dates back to 1992 and is presently under comprehensive review. The implementation of the infrastructure fee in FY'16, as recommended by the Bi-County Infrastructure Working Group and supported by the 2014 rate study, was just the first step. The Commission has procured a consulting firm to review WSSC rates and fees including the current 16 tier water and sewer rate schedule. This new study involves input from both counties, feedback from stakeholders as well as extensive customer outreach. The planned implementation date for a new rate structure is July 1, 2018.

Like many utilities across the country, WSSC continues to face the challenge of balancing increasing costs for infrastructure and operations with affordability considerations for our customers. While the average costs to ensure access to clean, safe drinking water and efficient wastewater treatment remains a bargain when compared to other household utilities and expenses, there are still too many residents who struggle to meet their monthly expenses. The Customer Assistance Program (CAP) was created in FY'16 to help economically disadvantaged customers by providing financial assistance with water and sewer bills. The CAP has already reached over 7,000 customers and we are working diligently to expand participation to all eligible customers. The CAP will continue in FY'18 and the proposed budget estimates the revenue offset at \$1.3 million.

### **Spending Affordability Guideline Limitations**

WSSC staff had originally recommended a water & sewer rate increase of 6.9% as part of the FY'18 Spending Affordability Guideline process with Montgomery and Prince George's Counties. While the Montgomery County Executive supported a 4.5% rate increase, both Counties ultimately supported a 3.5% rate increase. In order to reconcile the Commission's planned FY'18 service program to the water and sewer rates approved by both Counties it was necessary to make several very difficult decisions about reductions to existing programs and deferring implementation of several initiatives to improve system performance and reliability. First and foremost, this budget includes no new positions, or initiatives, or enhancements to existing programs. These limitations will prevent the Commission from implementing some important improvements that were proposed by our Teams that would support and advance our strategic priorities including:

- Implementing a System-Wide Flushing Program of our water distribution pipe network in order to reduce discolored water and improve water quality;
- Enhancing fire protection by testing all 43,000 fire hydrants in our service area on a ten year cycle; a best practice recommended by the American Water Works Association;
- Overhauling FM meters (large commercial meters) which have significant potential to under-register, or fail to work properly due to the design and materials used in the older units of these type of meters;
- Expanding our leak detection program to identify leak locations and provide proactive repairs to prevent breaks and customer inconvenience;
- Accelerating large water valve inspections from a four year to a three year cycle which is necessary because these are aging elements of our infrastructure;
- Establishing a Sewer Force Main Design Program to expedite replacement of aging and vulnerable sewer force mains; and
- Improving infrastructure renewal process by developing a water main replacement planning unit by centralizing fragmented functions and adding additional resources to improve water main replacement efficiency and capacity.

In addition to deferring implementation of these and other important service improvements it was necessary to make reductions of nearly \$17 million to existing Team budgets. We will work diligently over the next year to maintain service at current expected levels though it may be necessary to pull back on certain preventative and non-essential services during FY'18 in order to remain within approved budget limitations.

We continue to strongly support an increase to the Water & Sewer rate above the level approved by both Counties in November 2016. This will allow the General Manager to have greater flexibility in managing our resources to implement the safety and system reliability improvements needed for our aging infrastructure as discussed above. In the absence of these additional

resources our deferred maintenance backlog will continue to grow and we will not have the capacity to address the service and system reliability expectations of our customers.

We understand the reluctance to approve an additional rate increase especially in light of the difficult economic circumstances of many of our customers and rate increases supported by both Counties over the past several years. However, the rate increase should be understood in the context of how our rates compare to other Water & Wastewater Utilities and the cost drivers in the WSSC Budget. WSSC's monthly estimated FY'18 residential water & sewer bill (\$52.59) is significantly lower than comparably sized utilities including Washington, DC and Baltimore and the monthly bill as a percentage of area median income is 0.72% which, again, compares favorably to other comparable utilities and is below the national benchmark average of 1.64%. WSSC's budget is not driven by the consumer price index (CPI) but rather is capital intensive and is driven by the construction market, commodity prices and other factors including compliance with the Sanitary Sewer Overflow (SSO) Consent Decree and the Potomac River Consent Decree; environmental regulation compliance; maintaining the security of our water infrastructure and for our employees working in the field; and Information Technology improvements to streamline our business processes. Many of these costs are legally mandated and not easily deferred or reduced.

It is critical to note that WSSC continues to make diligent efforts to control and reduce costs and identify opportunities for cost savings:

- Our efforts in the Supply Chain Management Transformation project which has been supported by the Commission and both Counties since FY'13 have produced significant cost reductions in excess of \$21 million in the operating and capital budgets since the inception of this program and cost avoidance savings of over \$18 million in the same time period. If not for these intensive efforts in contract negotiation and cost management additional rate increases or service reductions would be necessary. Our most recent efforts in this program are projected to yield additional savings in our Fleet Service's capital and operating costs of nearly \$18 million in the FY's17-23 time period.
- Group Insurance plan design changes and other efforts have resulted in significant savings including \$570,000 in prescription costs for active employees and Pre-Medicare retirees; \$900,000 in annual savings for Medicare retiree prescription costs; Medical costs savings of \$1,230 per enrollee in Calendar Year 2017; maintaining medical premium contribution rates at no increase for CY17; and a \$370,000 reduction to our Stop Loss Insurance for employee medical costs. In addition to this WSSC will be increasing the employee premium cost share from 23% to 24% for point of service plan participants in CY17 which will provide further relief for rate payers.
- WSSC has also seen a significant reduction in both bio-solids hauling requirements and lower energy costs for regional sewage disposal due to our investment in the Blue Plains digester program. This investment resulted in a \$5.3 million rebate from DC

Water to WSSC in FY'16. In anticipation of continued savings, the FY'18 proposed regional sewage budget has been reduced from the FY'17 approved level. However, it should be noted that DC Water's operation and maintenance cost share methodology within the Blue Plains Intermunicipal Agreement has been revised. As a result, the cost reductions for regional sewage disposal reflected in the budget may not be fully realized.

- In addition to these efforts, we have created the WSSC Stat Office during 2016 to provide in-depth analysis and accountability of critical performance issues including paving inspections, water main replacement, and overtime use and costs. We will expand the scope of the Stat Office to ensure that WSSC is monitoring key performance indicators and that there is accountability at all levels of the organization to rate payers and all of our stakeholders.

### **Water and Sewer Infrastructure Reliability**

The state of WSSC's infrastructure remains a significant concern as our buried assets continue to age. On the water side, the budget proposes the rehabilitation of 55 miles of smaller water mains (less than 16 inches in diameter), house connections, large water service meters, and vaults. For large diameter water mains, the Pre-stressed Concrete Cylinder Pipe (PCCP) Program provides for the ongoing acoustic fiber optic (AFO) monitoring of 99 miles, inspection of 18 miles of PCCP, and any identified repairs or rehabilitation of large diameter pipes. Funding is also included for large valve inspection, replacement, and repairs. On the wastewater side, funding is included for continued compliance with the Consent Decree which is a major cost driver in both the operating and capital budget.

### **FY'18 Proposed Capital and Operating Budgets**

In addition to investments in the Commission's physical infrastructure, the budget also provides for investment in the Commission's internal infrastructure through the use of strategic contributions from Fund Balance. Funds are included to support the fifth year of the Information Technology (IT) Strategic Plan. The IT Strategic Plan is an aggressive undertaking to improve our operations, contain costs, and vastly improve customer service. Just as we invest in our aging infrastructure, it is imperative that we invest in planning, designing, and implementing IT systems that will replace legacy systems and drastically improve business processes. The Proposed Budget also includes funds to continue the Climate Change Vulnerability Assessment and to continue the implementation of the Strategic Energy Plan to further reduce our energy consumption.

<b>Comparative Expenditures by Fund</b>				
	<b>FY'17</b>	<b>FY'18</b>	<b>FY'18</b>	
	<b>Approved</b>	<b>Proposed</b>	<b>Over / (Under)</b>	<b>%</b>
			<b>FY'17</b>	<b>Change</b>
<b><u>Capital Funds</u></b>				
Water Supply	\$317,309,000	\$342,444,918	\$25,135,918	7.9 %
Sewage Disposal	355,522,000	334,256,156	(21,265,844)	(6.0) %
General Construction	17,467,000	20,010,242	2,543,242	14.6 %
<b>Total Capital</b>	<b>690,298,000</b>	<b>696,711,316</b>	<b>6,413,316</b>	<b>0.9 %</b>
<b><u>Operating Funds</u></b>				
Water Operating	320,236,000	320,784,445	548,445	0.2 %
Sewer Operating	396,782,000	404,107,917	7,325,917	1.8 %
General Bond Debt Service	19,364,000	15,887,815	(3,476,185)	(18.0) %
<b>Total Operating</b>	<b>736,382,000</b>	<b>740,780,177</b>	<b>4,398,177</b>	<b>0.6 %</b>
<b>GRAND TOTAL</b>	<b>\$1,426,680,000</b>	<b>\$1,437,491,493</b>	<b>\$10,811,493</b>	<b>0.8 %</b>

The FY'18 Proposed Budget further secures the long-term fiscal sustainability of the Commission by maintaining the operating reserve at 10% of water and sewer revenues. WSSC is currently reviewing its reserve policies to determine if they are sufficient to meet our liquidity needs as well and protect our AAA bond rating by all three major rating agencies.

At this point in our budget process, we are including a pool of funds for salary enhancements. The specific use of these funds will be determined during collective bargaining and the budget approval process as the two Counties decide how they will address salary enhancements for their employees. The FY'18 Proposed Capital Budget of \$696.7 million represents an increase of \$6.4 million (0.9%) from the FY'17 Approved Budget. It provides \$7.0 million for the planning, design and construction required for the implementation of short-term operational and long-term capital improvements at the Potomac Water Filtration Plant to allow the Commission to meet the new discharge limitations identified in the Consent Decree.

The FY'18 Proposed Operating Budget of \$740.8 million represents an increase of \$4.4 million (0.6%) from the FY'17 Approved Operating Budget. The primary driver of the increase in operating costs are water and sewer debt service and PAYGO

financing of capital projects as recommended by the Bi-County Infrastructure Funding Working Group. These costs are partially offset by cost decreases for regional sewage disposal, chemicals and bio-solids hauling.

### **System Development Charge**

State law provides that the System Development Charge (SDC), a charge to new applicants for WSSC service which is intended to recover growth costs, may be adjusted annually by the change in the Consumer Price Index for the Washington, DC metropolitan area (CPI-W). Historically, we have adjusted the maximum allowable charge based on the change in the November CPI-W. We plan to do the same this year.

Looking at the charge itself, with no change from the current level of charges, our analyses show that over the upcoming six years, the SDC fund may encounter a deficit situation, whereby the Commission would need to issue debt for growth construction projects that would be supported by SDC revenue. Although we are not recommending it at this time, the Commission should begin to have conversations with both counties on the advisability of increasing the SDC in order to ensure that it covers all growth-related costs.

### **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, analysis, and evaluation on balancing affordability considerations against the provision of resources necessary to serve existing customers (including infrastructure replacement/rehabilitation), meet environmental mandates, maintain affordable rates, and maintain operating and capital budgets and debt service at prudent and sustainable levels. In October and November 2016, the Montgomery County Council and Prince George's County Council approved resolutions establishing four limits on the WSSC's FY'18 budget. As indicated in the following table, the proposed FY'18 budget is in compliance with all four of the spending affordability limits.



**WSSC FY'18 Proposed Budget vs. Spending Affordability Limits**

(\$ in Millions)

	<b><u>FY'18 Proposed Budget</u></b>	<b>Prince George's County <u>Limit</u></b>	<b>Montgomery County <u>Limit</u></b>
New Water and Sewer Debt	\$570.0	\$570.0	\$570.0
Total Water and Sewer Debt Service	\$257.5	\$260.5	\$260.5
Total Water/Sewer Operating Expenses	\$724.9	\$730.5	\$730.5
Water/Sewer Bill Increase	3.5%	3.5%	3.5%

The proposed budget provides for:

- Funding the first year of the Fiscal Years 2018-2023 Capital Improvements Program;
- Complying with the Sanitary Sewer Overflow Consent Decree;
- Inspecting and monitoring our large diameter water main transmission system;
- Promptly paying \$271.6 million in debt service on \$3.2 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;
- Enhancing customer service through expanded investment in contact center operations;
- Paying WSSC's share of operating (\$53.6 million in FY'18) and capital costs (\$75.5 million in FY'18; \$302.3 million in FY'18-FY'23) for the District of Columbia Water and Sewer Authority's Blue Plains Wastewater Treatment Plant;
- Funding for employee salary enhancements;
- 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;
- Continuing to make recommended safety and access improvements in our watershed;
- Maintaining an operating reserve of 10% of water and sewer revenues; and

- Funding the annual required contribution for non-retirement post-employment benefits based on Government Accounting Standards Board Statement No. 45.

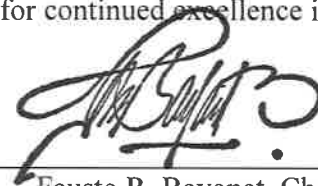
In addition to reviewing expenses and revenues for water and sewer services, we have analyzed the cost and current fee levels for other WSSC services. Based upon these analyses, some new fees and adjustments to current fees are recommended in Table X (pages 24 through 32).

### **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, of the Annotated Code of Maryland, before the final budget is adopted for the fiscal year beginning July 1, 2017.

### **Final Thoughts**

In closing, on behalf of the Commission, I want to reiterate our position that the Water and Sewer rate increase approved in the Spending Affordability Guideline process should be reconsidered. We strongly believe that a rate increase of 3.5% which limits our operating spending plan to a less than 1% increase will put additional pressure on rates in FY'19; prevent WSSC from continuing to make necessary improvements in our infrastructure safety and reliability program; and impair our joint efforts to make WSSC a world-class utility that provides world-class customer service. With the support of both Montgomery and Prince Georges Counties in the recent past we have been able to make impressive strides in our preventative maintenance and infrastructure reliability efforts. We want to make sure that we are responsive to our customer expectations for continued excellence in service, quality and safety.



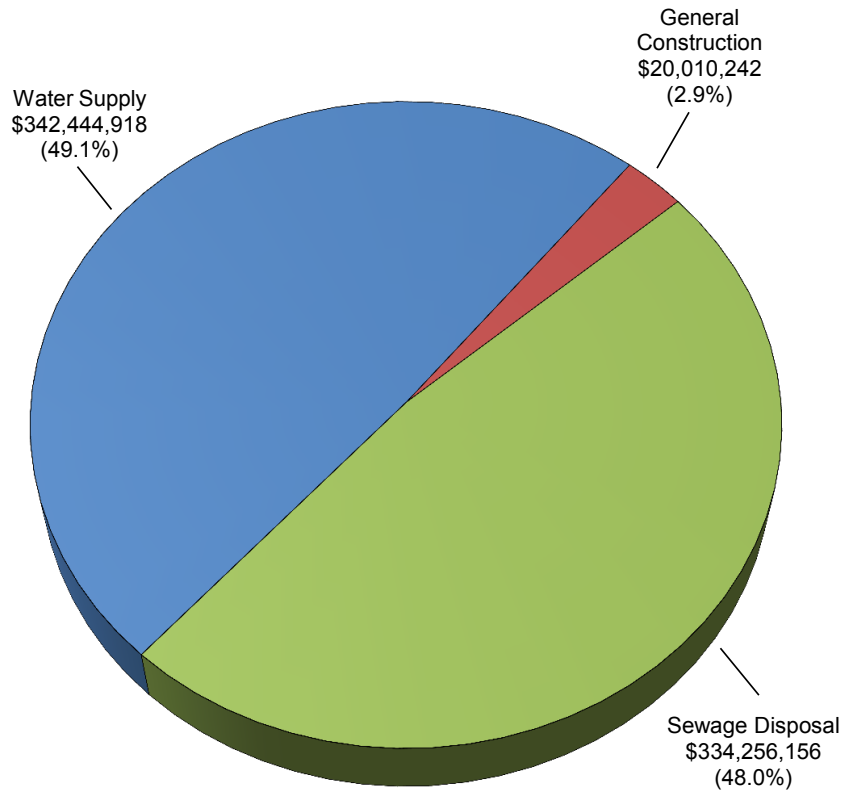
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Fausto R. Bayonet, Chair  
Washington Suburban Sanitary Commission

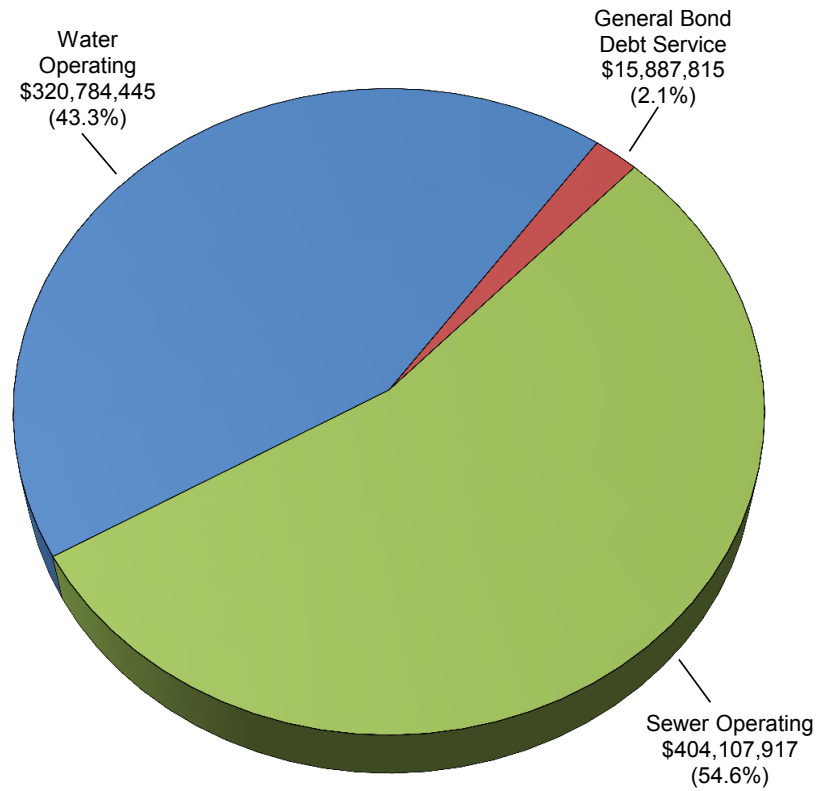
## **OVERVIEW & BUDGET SUMMARIES**

# FY 2018 PROPOSED BUDGET BY FUND

CAPITAL = \$696,711,316



OPERATING = \$740,780,177



GRAND TOTAL = \$1,437,491,493

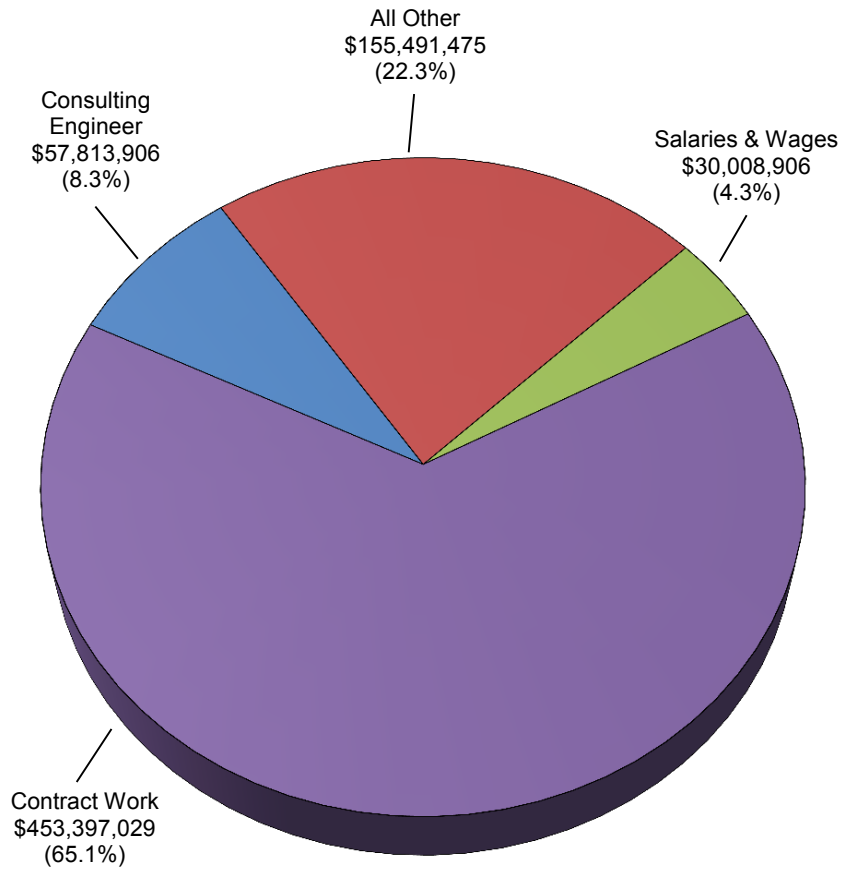
**TABLE I**

**Comparative Expenditures by Fund**

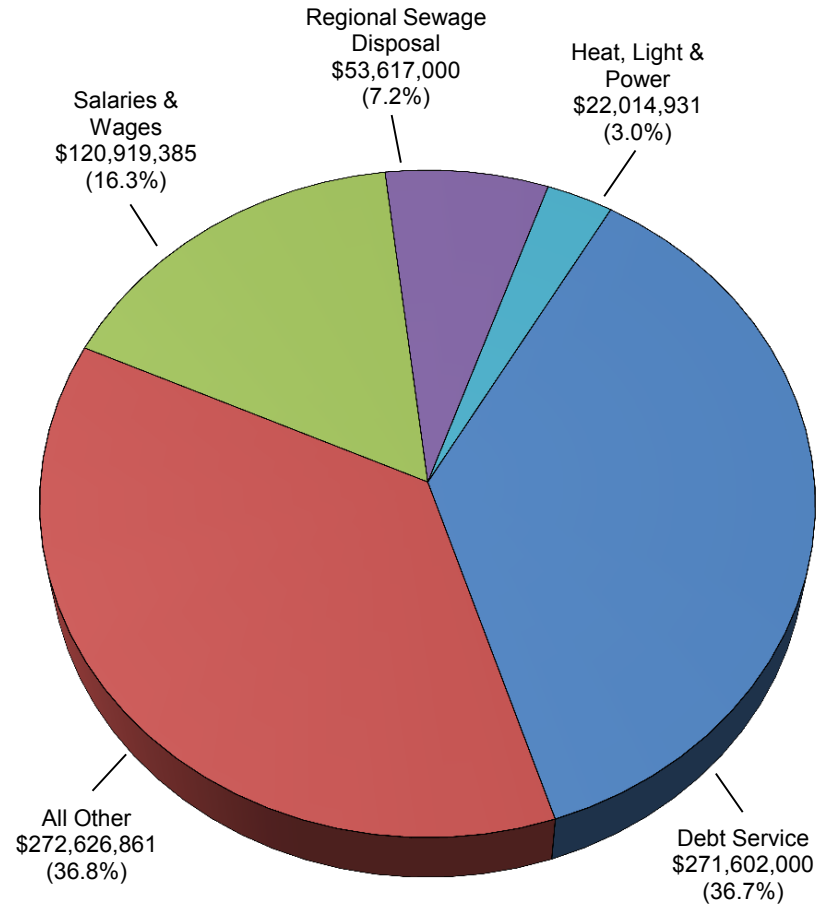
	<u>FY'15</u> <u>Actual</u>	<u>FY'16</u> <u>Actual</u>	<u>FY'17</u> <u>Approved</u>	<u>FY'18</u> <u>Proposed</u>	<u>FY'18</u> <u>Over / (Under)</u> <u>FY'17</u>
<b>Capital Funds</b>					
Water Supply	\$ 198,830,000	\$ 249,907,950	\$ 317,309,000	\$ 342,444,918	\$ 25,135,918
Sewage Disposal	353,417,000	387,241,984	355,522,000	334,256,156	(21,265,844)
General Construction	11,910,000	13,048,998	17,467,000	20,010,242	2,543,242
Total Capital	<u>564,157,000</u>	<u>650,198,932</u>	<u>690,298,000</u>	<u>696,711,316</u>	<u>6,413,316</u>
<b>Operating Funds</b>					
Water Operating	289,275,000	282,951,957	320,236,000	320,784,445	548,445
Sewer Operating	337,768,000	343,235,028	396,782,000	404,107,917	7,325,917
General Bond Debt Service	27,263,000	19,852,305	19,364,000	15,887,815	(3,476,185)
Total Operating	<u>654,306,000</u>	<u>646,039,290</u>	<u>736,382,000</u>	<u>740,780,177</u>	<u>4,398,177</u>
<b>GRAND TOTAL</b>	<b><u><u>\$ 1,218,463,000</u></u></b>	<b><u><u>\$ 1,296,238,222</u></u></b>	<b><u><u>\$ 1,426,680,000</u></u></b>	<b><u><u>\$ 1,437,491,493</u></u></b>	<b><u><u>\$ 10,811,493</u></u></b>

# FY 2018 PROPOSED BUDGET BY MAJOR EXPENSE CATEGORY

CAPITAL = \$696,711,316



OPERATING = \$740,780,177



GRAND TOTAL = \$1,437,491,493

**TABLE II**

**Comparative Expenditures by Major Expense Category**

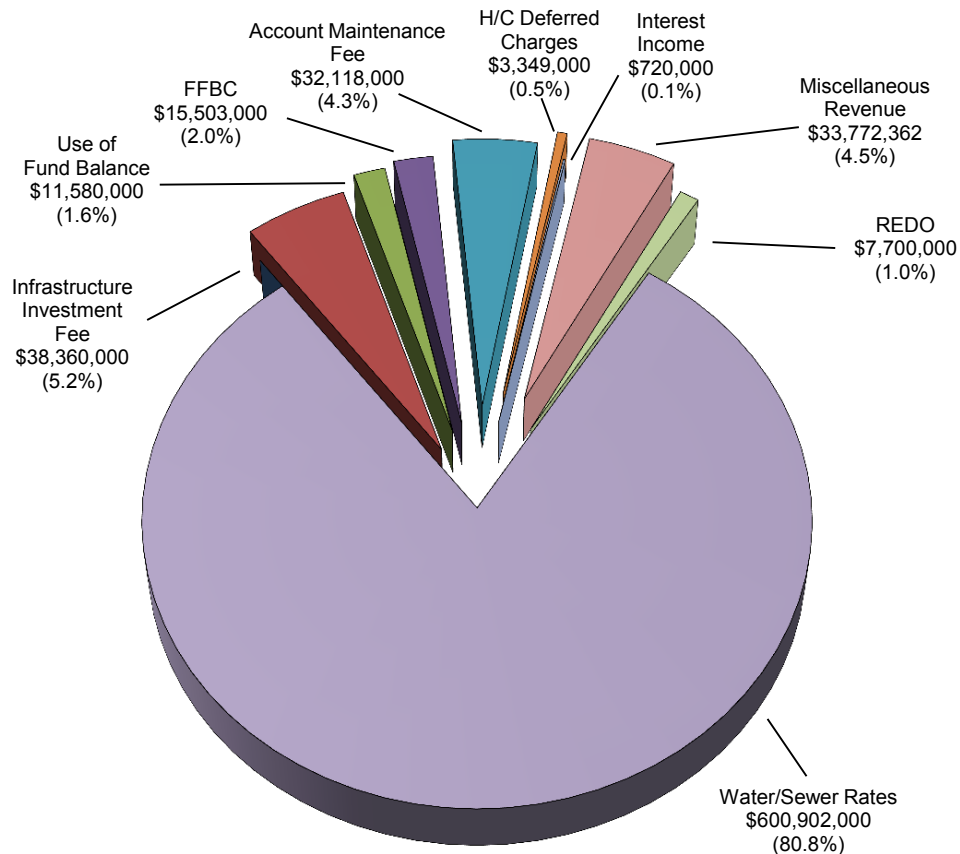
(\$ in Thousands)

Expense Categories	FY'16 Actual			FY'17 Approved			FY'18 Proposed		
	Capital	Operating	Total	Capital	Operating	Total	Capital	Operating	Total
Salaries & Wages	\$ 29,390	\$ 104,753	\$ 134,143	\$ 28,667	\$ 114,718	\$ 143,385	\$ 30,009	\$ 120,919	\$ 150,928
Heat, Light & Power	-	22,000	22,000	-	23,581	23,581	-	22,015	22,015
Regional Sewage Disposal	-	50,068	50,068	-	54,501	54,501	-	53,617	53,617
Contract Work	379,093	-	379,093	442,324	-	442,324	453,397	-	453,397
Consulting Engineers	45,626	-	45,626	54,851	-	54,851	57,814	-	57,814
All Other	196,090	240,746	436,836	164,456	282,145	446,601	155,491	272,627	428,118
Debt Service	-	228,472	228,472	-	261,437	261,437	-	271,602	271,602
<b>TOTAL</b>	<b>\$ 650,199</b>	<b>\$ 646,039</b>	<b>\$ 1,296,238</b>	<b>\$ 690,298</b>	<b>\$ 736,382</b>	<b>\$ 1,426,680</b>	<b>\$ 696,711</b>	<b>\$ 740,780</b>	<b>\$ 1,437,491</b>

# FY 2018 PROPOSED BUDGET

## OPERATING

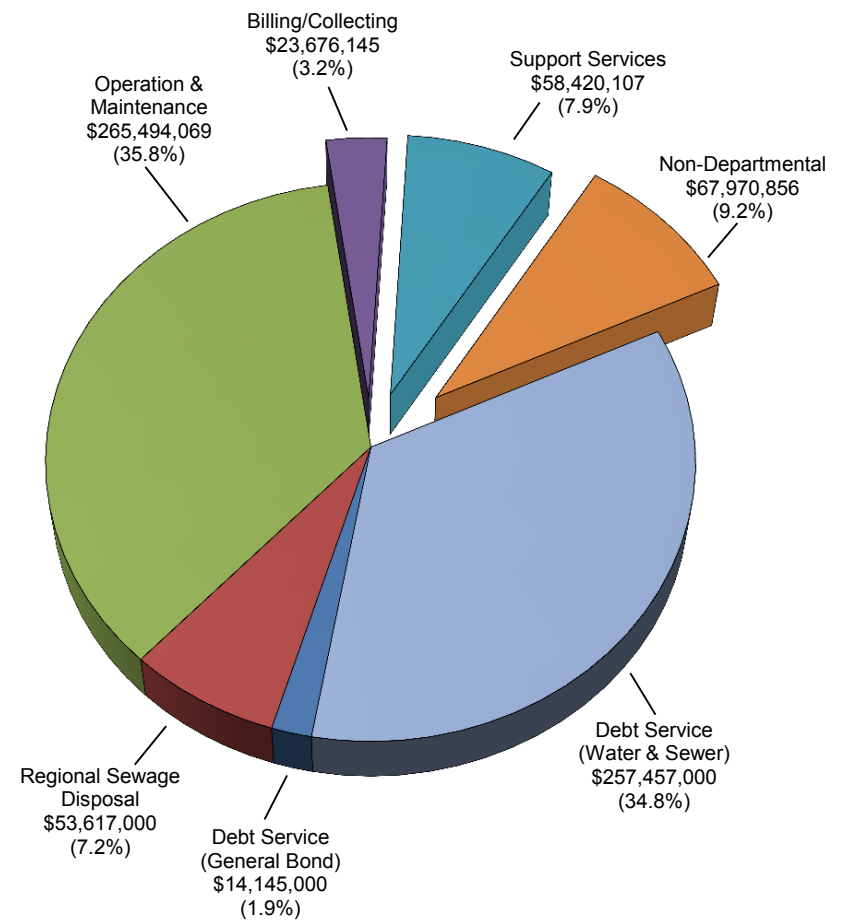
### FUNDING SOURCES



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

**TOTAL SOURCES = \$744,004,362**

### FUNDING USES



**TOTAL USES = \$740,780,177**



**TABLE III**

**FY 2017 - FY 2018 Summary of Revenue & Expenses**

	Water Operating Fund		Sewer Operating Fund		General Bond Debt Service Fund		Capital Funds	
	2017 Approved	2018 Proposed	2017 Approved	2018 Proposed	2017 Approved	2018 Proposed	2017 Approved	2018 Proposed
<b>REVENUES</b>								
Water Consumption Charges	\$ 255,054,000	\$ 267,080,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Use Charges	-	-	324,182,000	333,822,000	-	-	-	-
Front Foot Benefit & House Connection Charges (Deferred)	-	-	-	-	21,719,000	18,852,000	-	-
Account Maintenance Fees	16,276,000	16,380,000	16,276,000	15,738,000	-	-	-	-
Infrastructure Investment Fee	19,481,000	19,564,000	19,481,000	18,796,000	-	-	-	-
Interest Income	100,000	100,000	600,000	600,000	100,000	20,000	-	-
Miscellaneous	15,360,000	17,660,445	14,152,000	15,871,917	300,000	240,000	-	-
Use of Fund Balance								
Reserve Contribution	3,100,000	-	3,424,000	-	-	-	-	-
Other	7,862,000	-	11,664,000	11,580,000	9,800,000	7,700,000	-	-
Reconstruction Debt Service Offset	2,800,000	-	7,000,000	7,700,000	(9,800,000)	(7,700,000)	-	-
SDC Debt Service Offset	203,000	-	3,000	-	-	-	-	-
Bonds & Cash	-	-	-	-	-	-	571,371,000	621,061,316
Anticipated Contributions:								
Federal & State Grants	-	-	-	-	-	-	16,822,000	15,380,000
System Development Charge	-	-	-	-	-	-	77,978,000	32,189,000
Other	-	-	-	-	-	-	24,127,000	28,081,000
<b>TOTAL REVENUES</b>	<b>\$ 320,236,000</b>	<b>\$ 320,784,445</b>	<b>\$ 396,782,000</b>	<b>\$ 404,107,917</b>	<b>\$ 22,119,000</b>	<b>\$ 19,112,000</b>	<b>\$ 690,298,000</b>	<b>\$ 696,711,316</b>
<b>EXPENSES</b>								
Salaries & Wages	\$ 60,897,000	\$ 64,169,215	\$ 53,191,000	\$ 56,106,695	\$ 630,000	\$ 643,475	\$ 28,667,000	\$ 30,008,906
Heat, Light & Power	12,843,000	11,760,491	10,738,000	10,254,440	-	-	-	-
Regional Sewage Disposal	-	-	54,501,000	53,617,000	-	-	-	-
Contract Work	-	-	-	-	-	-	442,324,000	453,397,029
Consulting Engineers	-	-	-	-	-	-	54,851,000	57,813,906
Contribution to Required Reserve	3,100,000	-	3,424,000	-	-	-	-	-
All Other	127,384,000	125,371,739	124,037,000	115,962,782	1,105,000	1,099,340	164,456,000	155,491,475
Debt Service	105,305,000	106,320,000	138,503,000	151,137,000	17,629,000	14,145,000	-	-
PAYGO	10,707,000	13,163,000	12,388,000	17,030,000	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 320,236,000</b>	<b>\$ 320,784,445</b>	<b>\$ 396,782,000</b>	<b>\$ 404,107,917</b>	<b>\$ 19,364,000</b>	<b>\$ 15,887,815</b>	<b>\$ 690,298,000</b>	<b>\$ 696,711,316</b>
Net Increase (Decrease) in Fund Balance	-	-	-	-	2,755,000	3,224,185	-	-
<b>Fund Balance - July 1</b>	<b>\$ 16,877,000</b>	<b>\$ 9,015,000</b>	<b>\$ 131,694,000</b>	<b>\$ 120,030,000</b>	<b>\$ 57,480,000</b>	<b>\$ 50,435,000</b>	<b>\$ -</b>	<b>\$ -</b>
Net Increase (Decrease) in Fund Balance	-	-	-	-	2,755,000	3,224,185	-	-
Use of Fund Balance	(7,862,000)	-	(11,664,000)	(11,580,000)	(9,800,000)	(7,700,000)	-	-
<b>Fund Balance - June 30</b>	<b>\$ 9,015,000</b>	<b>\$ 9,015,000</b>	<b>\$ 120,030,000</b>	<b>\$ 108,450,000</b>	<b>\$ 50,435,000</b>	<b>\$ 45,959,185</b>	<b>\$ -</b>	<b>\$ -</b>

**TABLE IV**

**FY 2017 Projected Budget Compared to FY 2018 Proposed - Change in Ending Fund Balance**

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	<b>FY 2017 Projected Ending Fund Balance</b>	<b>FY 2018 Proposed Ending Fund Balance</b>	<b>Change in Fund Balance</b>	<b>% Change</b>
Water Operating Fund	\$ 9,015,000	\$ 9,015,000	\$ -	0.0%
Sewer Operating Fund	120,030,000	108,450,000	(11,580,000)	-9.6
General Bond Debt Service Fund	50,435,000	45,959,185	(4,475,815)	-8.9
Capital Fund	-	-	-	-
	<b><u>\$ 179,480,000</u></b>	<b><u>\$ 163,424,185</u></b>	<b><u>\$ (16,055,815)</u></b>	<b><u>-8.9%</u></b>

**Explanation of Changes in Fund Balance**

**Water and Sewer Operating Funds** – The FY 2018 proposed ending fund balances are lower than the projected FY 2017 ending fund balances for the combined Water and Sewer Operating Funds. A majority of the change is due to planned use of fund balance to finance the fifth year of the IT Strategic Plan.

**General Bond Debt Service Fund** – The FY 2018 proposed ending fund balance is 8.9% lower than the projected FY 2017 ending fund balance for the General Bond Debt Service Fund. Revenues for this fund 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. Surplus funds that have accumulated in the General Bond Debt Service Fund are transferred to the Water and Sewer Operating Funds to benefit all rate payers.

**TABLE V**

**Combined Water/Sewer Operating Funds - FY'18 Proposed Rate Impact**

(\$ in Thousands)

**(3.5% AVERAGE RATE INCREASE PROPOSED FOR FY'18)**

<u>Funding Sources</u>	<u>FY'18 Proposed</u>
<u>Revenues at Current Rates</u>	
Consumption Charges	\$ 580,580
Account Maintenance Fee	32,118
Infrastructure Investment Fee	38,360
Interest Income	700
Miscellaneous Revenues	<u>33,532</u>
Sub-Total	685,290
Reconstruction Debt Service Offset	7,700
Use of Fund Balance	<u>11,580</u>
Total Funding Sources	<u>704,570</u>
<u>Requirements</u>	
Operating, Maintenance & Support Services Expenses	437,242
Debt Service	257,457
PAYGO	30,193
Operating Reserve Contribution	-
Total Requirements	<u>724,892</u>
Shortfall to be Covered by Rate Increase	<u>\$ (20,322)</u>
 PROPOSED AVERAGE WATER AND SEWER RATE INCREASE	 3.5%

**TABLE VI****Annual Customer Bills At Various Consumption Levels**

Average Daily Consumption (ADC) Gallons Per Day	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
100 (36,500 GAL/YR) 3/4" Residential Meter	\$ 377.61	\$ 395.86	\$ 443.51	\$ 478.10	\$ 490.87
137 (50,005 GAL/YR) 3/4" Residential Meter	501.05	526.05	575.05	613.55	631.05
500 (182,500 GAL/YR) 3/4" Residential Meter	2,819.83	2,973.13	3,046.33	3,159.75	3,265.60
1,000 (365,000 GAL/YR) 2" Meter	6,073.20	6,394.40	6,730.45	7,286.60	7,512.90
5,000 (1,825,000 GAL/YR) 3" Meter	30,389.25	32,031.75	33,408.00	35,527.00	36,676.75
10,000 (3,650,000 GAL/YR) 6" Meter	63,180.50	66,611.50	69,466.50	73,967.60	76,340.00

Annual customer bills include the Account Maintenance Fee shown on page 22 and the Infrastructure Investment Fee shown on page 23.

**TABLE VII**

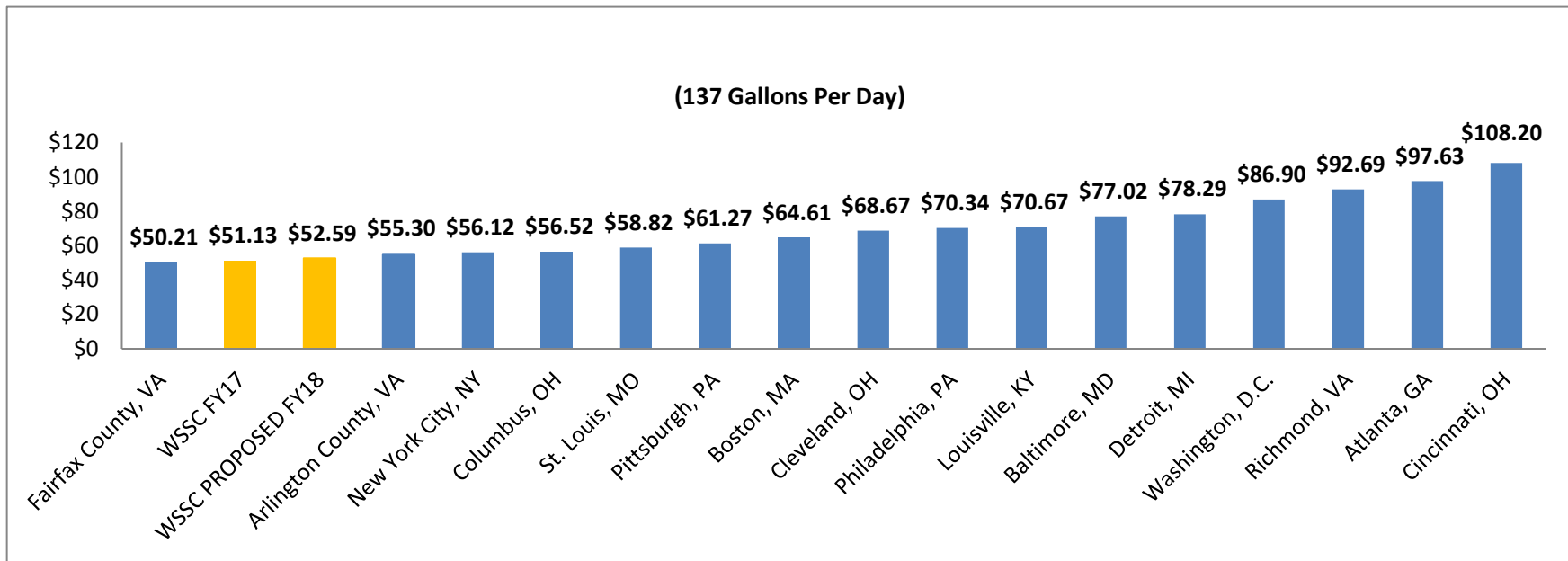
**WSSC Water/Sewer Rate Schedules Effective July 1, 2016 & Proposed for Implementation July 1, 2017**

**(3.5% AVERAGE RATE INCREASE PROPOSED FOR FY'18)**

Average Daily Consumption by Customer Unit During Billing Period (Gallons Per Day)	Water Rates Per 1,000 Gallons		Sewer Rates Per 1,000 Gallons		Combined Water & Sewer Rates Per 1,000 Gallons	
	Effective		Effective		Effective	
	July 1, 2016	July 1, 2017	July 1, 2016	July 1, 2017	July 1, 2016	July 1, 2017
0-49	\$ 3.38	\$ 3.53	\$ 4.30	\$ 4.42	\$ 7.68	\$ 7.95
50-99	3.78	3.95	5.03	5.17	8.81	9.12
100-149	4.18	4.37	5.85	6.01	10.03	10.38
150-199	4.67	4.88	6.76	6.95	11.43	11.83
200-249	5.46	5.71	7.36	7.56	12.82	13.27
250-299	5.92	6.19	7.97	8.19	13.89	14.38
300-349	6.27	6.55	8.50	8.74	14.77	15.29
350-399	6.53	6.83	8.92	9.16	15.45	15.99
400-449	6.78	7.09	9.12	9.37	15.90	16.46
450-499	6.98	7.29	9.40	9.66	16.38	16.95
500-749	7.10	7.42	9.60	9.86	16.70	17.28
750-999	7.27	7.60	9.81	10.08	17.08	17.68
1,000-3,999	7.41	7.75	10.23	10.51	17.64	18.26
4,000-6,999	7.58	7.92	10.46	10.75	18.04	18.67
7,000-8,999	7.68	8.03	10.62	10.91	18.30	18.94
9,000 & Greater	7.81	8.16	10.90	11.20	18.71	19.36

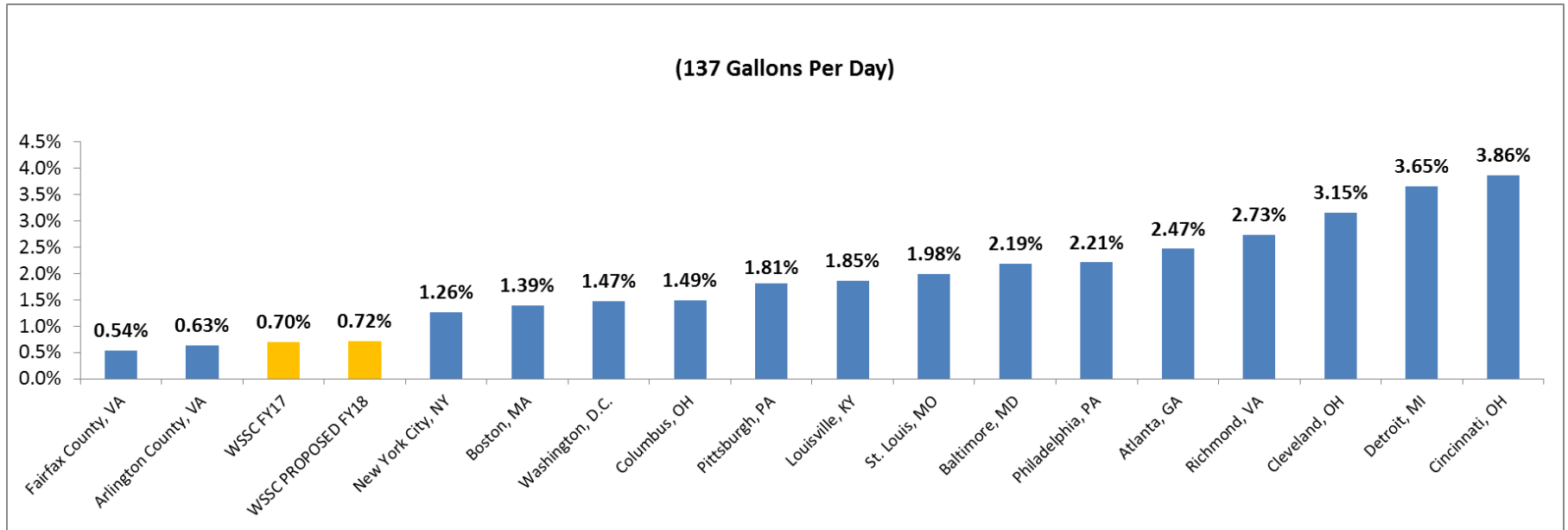
Current Flat Rate Sewer Charge - \$105.00 per quarter  
Proposed Flat Rate Sewer Charge - \$108.00 per quarter

# RESIDENTIAL MONTHLY WATER/SEWER BILL COMPARISON



Presented is a comparison of WSSC's rates to other cities and communities, both nationally and locally, for residential customers using 137 gallons of water per day. The rates used in this comparison were in effect November 2016. The chart includes WSSC bills at FY'17 approved and FY'18 proposed rates.

# AVERAGE MONTHLY BILL COMPARISON AS A PERCENTAGE OF MEDIAN INCOME



Median household income (in 2015 dollars) 2011-2015. Figures gathered from [www.census.gov](http://www.census.gov).

**TABLE VIII****Account Maintenance Fees Proposed for Implementation July 1, 2017**

<u>Meter Size</u>	<u>Current FY'17 Quarterly Charges</u>	<u>Proposed FY'18 Quarterly Charges</u>
<u>Small Meters</u>		
5/8" to 1"	\$ 16.00	\$ 16.00
<u>Large Meters</u>		
1-1/2"	16.00	16.00
2"	27.00	27.00
3"	66.00	66.00
4"	142.00	142.00
6"	154.00	154.00
8"	200.00	200.00
10"	246.00	246.00
<u>Detector Check Meters</u>		
2"	33.00	33.00
4"	177.00	177.00
6"	255.00	255.00
8"	461.00	461.00
10"	633.00	633.00
<u>Fire Service Meters</u>		
4"	182.00	182.00
6"	293.00	293.00
8"	452.00	452.00
10"	682.00	682.00
12"	989.00	989.00

This is a quarterly fee which is prorated based on the length of the billing cycle.



**TABLE IX**

**Infrastructure Investment Fees Proposed for Implementation July 1, 2017**

---

<u>Meter Size</u>	<u>Current FY'17 Quarterly Charges</u>	<u>Proposed FY'18 Quarterly Charges</u>
<u>Small Meters</u>		
5/8"	\$ 11.00	\$ 11.00
3/4"	12.00	12.00
1"	14.00	14.00
<u>Large Meters</u>		
1-1/2"	90.00	90.00
2"	185.00	185.00
3"	585.00	585.00
4"	813.00	813.00
6"	1,265.00	1,265.00
8"	2,845.00	2,845.00
10"	4,425.00	4,425.00
<u>Fire Service Meters</u>		
4"	499.00	499.00
6"	616.00	616.00
8"	2,524.00	2,524.00
10"	2,714.00	2,714.00
12"	5,214.00	5,214.00

This is a quarterly fee which is prorated based on the length of the billing cycle.

**TABLE X**

**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, 2017.

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2017</u>
1. Inspection Fees - Water/Sewer Connection Hookup, Well/Septic Hookup, Plumbing and Gasfitting Inspections		
New Single Family Detached Dwellings	\$660	\$726
New Attached Dwellings (townhouse/multiplex excluding apartments)	660	726
All Other Residential:		
Water/Well Hookup	95	99
Meter Yoke Inspection (meter only installation)	95	99
Water Hookup Converting from Well (includes 2 inspections)	185	198
Sewer/Septic Hookup	95	99
First Plumbing Fixture	95	99
Each Additional Fixture	30	33
SDC Credit Fixture Inspection (per fixture)	30	33
Minimum Permit Fee	200	*200
Permit Reprocessing Fee	55	60
Long Form Permit Refund Fee	200	*200
Long Form Permit Re-Issue Fee	200	*200
All Non-Residential:		
Plan Review (without Permit Application)		
50 Fixtures or Less	395	*395
51-200 Fixtures	1,340	*1,340
Over 200 Fixtures	2,670	*2,670
2 <sup>nd</sup> or 3 <sup>rd</sup> Review (with or without Permit Application)		
50 Fixtures or Less	160	*160
51-200 Fixtures	300	*300
Over 200 Fixtures	640	*640
Water/Well Hookup	155	170
Meter Yoke Inspection (meter only installation)	155	170
Sewer/Septic Hookup	155	170
FOG Interceptor	155	170
First Plumbing Fixture	155	170
Each Additional Fixture	40	44
SDC Credit Fixture Inspection (per fixture)	25	27
Minimum Permit Fee	230	253
Permit Reprocessing Fee	60	*60

\* No change to this line item.

**TABLE X**

**Miscellaneous Fees and Charges – Proposed Changes**

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2017</u>
Long Form Permit Refund Fee	\$230	\$253
Long Form Permit Re-Issue Fee	230	253
2. Site Utility (On-Site) Review Fee		
Base Fee	3,190	3,301
Additional Fee per 100 feet	275	302
Minor (Waived) Site Utility (On-Site) Fee	795	874
3. License Fees for the Regulated Trades		
Reciprocal Master Plumber, Gasfitter:		
Initial Registration per type	85/2 years	93/2 years
Registration Renewal all types	85/2 years	*85/2 years
Late Registration Renewal	50	*50
Examined Master Plumber, Gasfitter:		
Initial Registration per type	105/4 years	*105/4 years
Registration Renewal all types	105/4 years	*105/4 years
Late Registration Renewal	50	*50
Cross-connection Technician Registration	25	*25
Sewer and Drain Registration and Renewal	40/2 years	*40/2 years
Sewer and Drain Late Renewal Fee	20	*20
Journeyman License Registration:		
Initial Registration	30/2 years	*30/2 years
Registration Renewal	30/2 years	*30/2 years
Late Registration Renewal	20	*20
License Transfer Fee	30	*30
License Replacement Fee	15	*15
Apprentice License Registration Renewal	10	*10
4. Short Form Permit Fee (up to 3 fixtures) – Non-Refundable	75	82
5. Fee for the Sale of WSSC Plumbing and Fuel Gas Code (Plumbing Code) and Cross Connection Control Manual		
Sale of Plumbing Regulation (per book)	30	33

\* No change to this line item.

**TABLE X**

**Miscellaneous Fees and Charges – Proposed Changes**

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2017</u>
6. Septic Hauler Discharge Permit Fee		
<u>Category I</u>		
<u>Residential &amp; Septic Waste &amp; Grease</u>		
1 - 49 gallons	\$250/vehicle	*\$250/vehicle
50 - 799 gallons	3,645/vehicle	4,009/vehicle
800 - 2,999 gallons	10,395/vehicle	11,434/vehicle
3,000 - gallons and up	24,655/vehicle	27,120/vehicle
January through June	50% of fee	*50% of fee
Transfer and/or Replacement Permit Sticker	85	93
Industrial/Special Waste Disposal Fee	325/1,000 gallons	*325/1,000 gallons
Zero Discharge Permit Fee	85	93
Temporary Discharge Permit Fee	85 + Sewer Rate/1,000 gallons	*85 + Sewer Rate/1,000 gallons
Sewer Rate – Domestic Low Strength Wastewater	10.14/1,000 gallons of truck capacity	*10.14/1,000 gallons of truck capacity
Sewer Rate – Domestic High Strength Wastewater	53.69/1,000 gallons of truck capacity	54.00/1,000 gallons of truck capacity
7. Long Form Permit Transfer Fee	140	152
8. Small Meter Replacement Fee (at Customer Request)	195	211
9. Meter Replacement Fee (Damaged or Stolen Meter)		
5/8" Encoder (outside)	150	*150
5/8" Encoder	150	*150
3/4" Encoder (outside)	150	151
3/4" Encoder	150	160
1" Encoder (outside)	180	196
1" Encoder	180	198
1-1/2" Encoder	750	*750
2" Standard	1,100	*1,100
3" Compound	3,190	*3,190
4" Compound	3,960	*3,960
6" Compound	5,830	*5,830
2" MVR	1,210	*1,210
3" MVR	2,035	2,239
4" MVR	2,915	3,207
6" MVR	4,510	4,921

\* No change to this line item.

**TABLE X**

**Miscellaneous Fees and Charges – Proposed Changes**

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2017</u>
4" Fire Service Meter	\$7,700	\$8,239
6" Fire Service Meter	9,820	*9,820
8" Fire Service Meter	11,495	*11,495
10" Fire Service Meter	14,225	*14,225
12" Fire Service Meter	16,250	*16,250
10. Meter Testing Fees		
5/8" to 1"	230	253
1-1/2"	400	424
2" and up	470	473
11. Sub-Meter Installation Fee		
One-time Sub-Meter Charge - Small	245	261
One-time Sub-Meter Charge - Large	485	528
One-time Inspection Fee	50	200
Minimum Permit Inspection Fee	200	*200
12. Tapper License Fee		
Permit Fee	\$330	\$363
Duplicate	30	33
13. Temporary Fire Hydrant Connection Fee		
3/4" Meter - Deposit		
Over 2 Weeks/Less than 2 weeks w/unapproved payment record	370	376
3" Meter - Deposit		
Over 2 Weeks/Less than 2 weeks w/unapproved payment record	2,420	*2,420
Service Charge		
2 Weeks or Less (3/4" meter)	45	49
2 Weeks or Less (3" Meter)	130	*130
Over 2 Weeks (3/4" and 3" Meters)	145	159
Loss/Destruction Wrench	40	*40
14. Water Turn-Off, Turn-On Fee		
Small Meter Turn-Off	77	77
Small Meter Turn-On	77	77

\* No change to this line item.

**TABLE X**

**Miscellaneous Fees and Charges – Proposed Changes**

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2017</u>
Large Meter Turn-Off	\$195	\$203
Large Meter Turn-On	195	214
15. Feasibility Review Fee (Non-SEP)		
Feasibility Submission Fee (Non-refundable)	1,375	1,512
Feasibility Review & Report Fee Deposit (can be deferred as deficit when extension is completed)	8,525	9,377
16. Industrial Discharge Control Program Fees By Category		
Industrial users subject to Categorical Pretreatment Standards		
Less than 5,000 gpd (double visit)	3,655	4,020
Greater than 5,000 gpd (double visit)	5,600	6,160
Non-discharging Categorical Industries (zero discharge)	985	1,083
Significant Industrial User		
Less than 25,000 gpd (single visit - priority pollutant sampling)	3,655	4,020
Greater than 25,000 gpd (double visit - priority pollutant sampling)	5,600	6,160
17. Fees for Sale of Contract Specifications, Contract Specification Books, Drawings, Design Manuals, Standard Details, and General Conditions		
Utility Contracts	15	*15
Construction Standard Details	55	*55
Construction General Conditions & Standard Specifications	40	44
SEP Construction General Conditions & Standard Specifications	40	44
18. Call Back Fees (small meters, plumbers)	90	91
19. Call Back Fees (large meters, plumbers)	180	198
20. Missed Appointment Fee		
First Missed Appointment or Turn-On	80	88
Each Additional Missed Appointment	110	*110
21. Connection Redemption Fee	35	38
22. Connection Abandonment Fee		
County Roads (Except Arterial Roads) - Water	1,320	1,452

\* No change to this line item.

**TABLE X**

**Miscellaneous Fees and Charges – Proposed Changes**

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2017</u>
County Roads (Except Arterial Roads) - Sewer	\$1,760	\$1,847
State Roads and County Arterial Roads - Water	1,760	*1,760
State Roads and County Arterial Roads - Sewer	2,200	*2,200
23. Fire Hydrant Inspection Fee	110/hydrant	121/hydrant
Controlled Access Surcharge Fee	25	*25
24. Erosion and Sediment Control Training Package Fee	725/package	Delete
25. Erosion and Sediment Control Training Certification Session Fee	60/session, per participant	66/session, per participant
26. Dishonored Check Fee & Electronic Payment Fee (applies to all dishonored checks and dishonored electronic payments)	35	38
27. Fire Hydrant Flow Test Fee		
No Current Test	630	645
Current Test	75	78
28. Shut Down/Charge Water Main Fee	905	995
Shut Down/Complex Water Main Fee	1,695	1,864
29. Right-of Way Release Review Fee	905/document	995/document
30. Fee for Review and Inspection of Site Work Potentially Impacting WSSC Pipelines		
Simple Review	330	363
Complex Review / Non-DR Developer Review	1,895	*1,895
Inspection for minor adjustment / Non-DR Developer	220/inspection	242/inspection
31. Chlorination Confirmation Test Fee	220/first test	237/first test
Re-Test or Additional Tests (per hour)	150/hour	*150/hour
32. Meter Reinstallation Correction Fee	340	374
33. Sewer Meter Maintenance Fee	9,920/year	10,912/year

\* No change to this line item.

**TABLE X**

**Miscellaneous Fees and Charges – Proposed Changes**

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2017</u>
Quarterly Calibrations	\$2,480/quarter	\$2,728/quarter
34. Discharge Authorization Permit Fee		
Significant Industrial User – Initial Permit	4,345/4 years	4,779/4 years
Significant Industrial User – Renewal	2,130/4 years	2,343/4 years
Initial zero-discharge CIU Permit	1,650/4 years	1,815/4 years
Reissued zero-discharge CIU Permit	1,100/4 years	1,210/4 years
Temporary Discharge Permit (Non – SIU)	4,345	4,779
35. Property Inspection Fee	85	93
36. Extra Review Fee		
Per SEP Plan Review:		
Minor Additional Reviews of Unsigned or Signed Plans (per review)	950	1,045
Major/Splitting Additional Reviews of Unsigned or Signed Plans (per review)	2,000	2,133
Per Site Utility Additional Signed or Unsigned Plan Review:		
Site Utility	1,200	1,268
Minor Utility	300	330
Additional Review of Required Data (per application)	650	715
37. Hydraulic Planning Analysis and System Planning Forecast		
Modeling and Re-Modeling Fee - Up to 3 parts	1,265	1,391
Modeling and Re-Modeling Fee - per part Over 3	550/part	605/part
Pressure Sewer System Review Fee - per system	290	319
38. Partial Release Fee	1,100	1,210
39. Service Connection Application and Inspection Fee (per permit)	1,980/water and/or sewer connection	2,178/water and/or sewer connection
40. Discharge Fee - Food Service Establishment (FSE)		
Full Permit FSE	425	467
BMP Permit FSE	120	132
41. Feasibility Review Fee for On-Site Takeover Projects	770	847

\* No change to this line item.



**TABLE X**

**Miscellaneous Fees and Charges – Proposed Changes**

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2017</u>
42. Fee for the Preparation of Hold Harmless Agreement	\$845	\$929
43. Government Referred Plan Review Fee		
Major Development – Over 10 Units	1,375	1,513
Minor Development – 10 or Less Units	660	726
Re-Review Fee for Major Development	660	726
Re-Review Fee for Minor Development	330	363
44. Warehouse Restocking Fee	30	33
45. Residential Outside Meter Housing Upgrade/Pipe Alteration	5,170	5,687
46. Pre-Screen Re-Submission Fee	300	330
47. Cross Connection Fee		
Test Report Fee	28	30
Base Fee for High Hazard Commercial Water Customer - per month	13	*13
Base Fee for All Other Commercial Water Customer- per month	7	* 7
48. Site Utility Inspection Fee		
Base Fee	1,000	1,100
Pipeline (per foot)	5.60	*5.60
49. Name/Transfer of Ownership Change Fee	180	198
50. Protest Filing Fee	550	605

\* No change to this line item.

**TABLE X**

**Miscellaneous Fees and Charges – Proposed Changes**

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2017</u>	<u>CURRENT MAXIMUM ALLOWABLE CHARGE</u>	<u>PROPOSED MAXIMUM ALLOWABLE CHARGE</u>
51. *** System Development Charge				
Apartment				
Water	\$896	\$896	\$1,274	\$1,289
Sewer	1,140	1,140	1,624	1,643
1-2 toilets/residential				
Water	1,344	1,344	1,914	1,937
Sewer	1,710	1,710	2,432	2,461
3-4 toilets/residential				
Water	2,240	2,240	3,189	3,227
Sewer	2,850	2,850	4,056	4,105
5 toilets/residential				
Water	3,135	3,135	4,463	4,517
Sewer	3,991	3,991	5,681	5,749
6+ toilets/residential (per fixture unit)				
Water	88	88	126	128
Sewer	115	115	165	167
Non-residential (per fixture unit)				
Water	88	88	126	128
Sewer	115	115	165	167

\*\*\* No increase is proposed for the System Development Charge for FY'18 in any category. The maximum allowable charge is being adjusted pursuant to Division II, Section 25-403(c) of the Public Utilities Article of the Annotated Code of Maryland, based on the 1.2% 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 2015 to November 2016.

## **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:

- The Commission's role,
- 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'18 Budget,
- Funding sources, and
- Funding uses.

### **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 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. The Commission's two water filtration plants, drawing raw water from the Potomac and Patuxent rivers, are projected to produce an average of 164 million gallons of water per day in FY'18 and deliver that water to homes and businesses in Montgomery and Prince George's Counties, serving over 450,000 customer accounts through a system of over 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'18 it is projected that an average of 207.2 million gallons of wastewater per day from Montgomery and Prince George's Counties will move to these facilities through approximately 5,500 miles of sewer lines maintained by WSSC. The six wastewater treatment plants owned by WSSC have a combined capacity of 95 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.
- Utilize an infrastructure investment fee to provide a dedicated source of funding for the debt service associated with the Commission's large and small diameter water and sewer pipe reconstruction programs.
- 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 10 percent of water and sewer use charges to offset unanticipated variations in water and sewerage system revenues that may occur in future years.
- 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 since 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 infrastructure.
- 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.
- Finance all retirement plans in a manner that systematically funds liabilities, including current requirements as well as the amortization of unfunded liabilities.

## **EXPLANATION OF THE BUDGET**

(Continued)

- 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.
- Maintain full funding of the annual required contribution for Post-Employment Benefits Other Than Pensions (OPEB). 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 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'18 Proposed Budget.

- Forecast FY'18 water production conservatively at 164.0 million gallons per day.
- Propose a 3.5 percent average increase in water and sewer rates for FY'18.
- Continue to address the WSSC's aging infrastructure by proposing the following:
  - ▶ Rehabilitation of 55 miles (290,400 feet) of small diameter and 4 miles (21,120 feet) of large water diameter mains.
  - ▶ Inspection and repair of 18 miles (95,040 feet) of Prestressed Concrete Cylinder Pipe (PCCP).
  - ▶ Acoustical fiber optic monitoring of 99 miles (522,720 feet) of PCCP.
  - ▶ Continuation of the Trunk Sewer Reconstruction Program.
- Ensure adequate funding for regulatory compliance requirements.
- Fund the implementation of the Information Technology Strategic Plan to include a new Customer Care Billing system.
- Fund the annual required contribution for other post-employment benefits in accordance with Governmental Accounting Standards Board Statement No. 45.
- Offset \$7.7 million of debt service with REDO.

## **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'18 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.

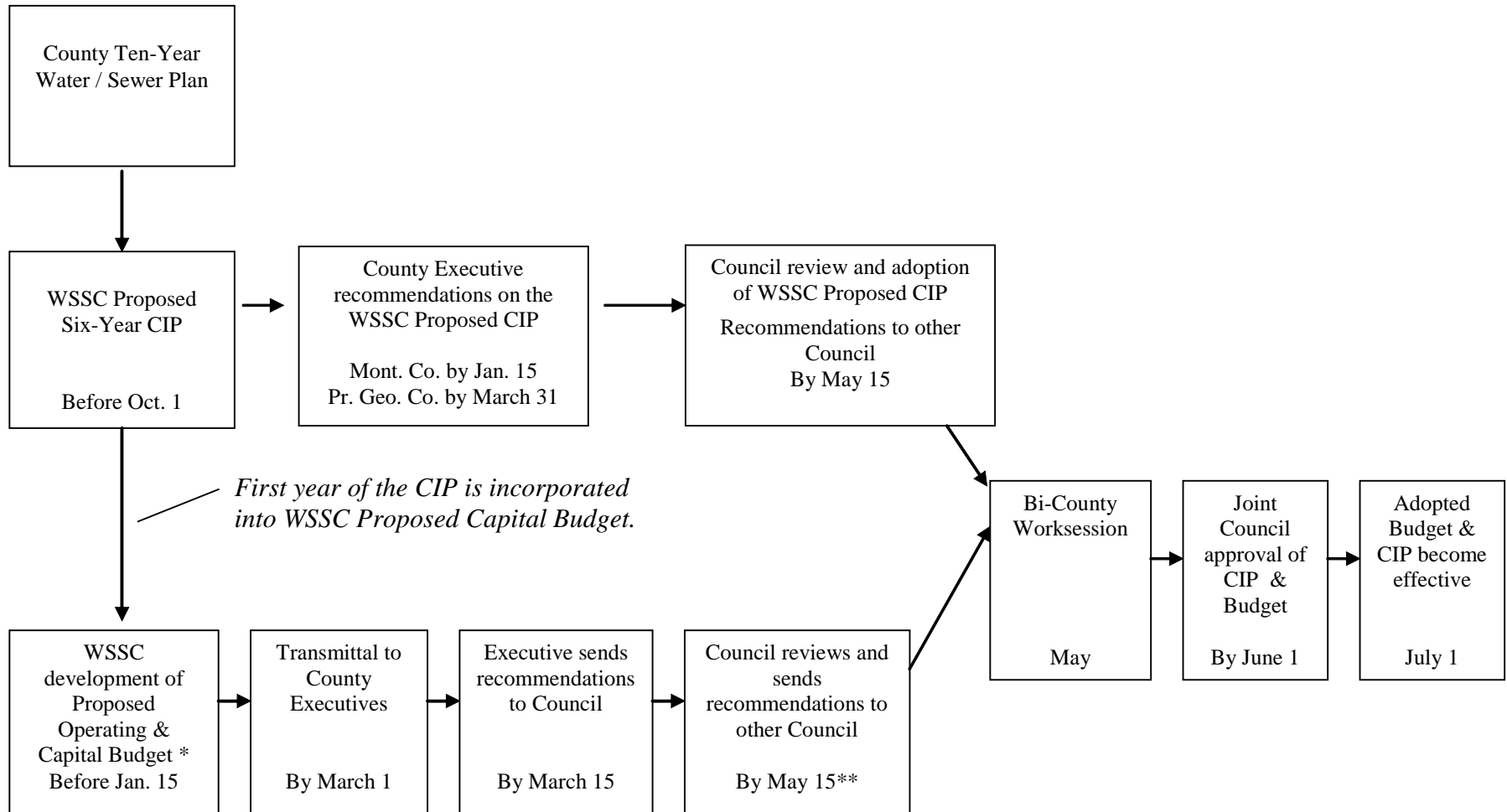
Preparation of the proposed Operating Budget requires integrating several other planning efforts with the budget formulation process. The annual spending affordability review, undertaken jointly with Montgomery and Prince George's Counties, uses a six-year financial model to examine the impacts and affordability 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'18 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**

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	<u>MAJOR PURPOSE</u>	<u>MAJOR REVENUE SOURCE</u>
<b><u>Capital Fund</u></b>		
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
<b><u>Operating Fund</u></b>		
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'18 Proposed Budget.

1. Water Consumption and Sewer Use Revenues - The estimated FY'18 revenues from water consumption and sewer use charges are \$267.1 million and \$333.8 million, respectively. Water production is assumed to be 164.0 MGD and water purchases are projected to remain the same.
2. Reconstruction Debt Service Offset (REDO) - For FY'18, \$7.7 million will be transferred from the General Bond Debt Service Fund to the Sewer Operating Fund. The transfer is made to help defray the debt service on funds borrowed to finance sewer system reconstruction activities.
3. Accumulated Net Revenues - It was assumed for the purpose of preparing the FY'18 Proposed Budget that, at the end of FY'17, accumulated net revenues for the water and sewer operating funds would total \$129.0 million. For FY'18, approximately \$68.4 million will be held in accumulated net revenues in adherence to the Commission's reserve policy (see Long-Term Fiscal Policies, page 1-4). An additional \$17.6 million is earmarked for future operating reserve contributions. Fund balance will also be used to fund FY'18 one-time expenses as well as to help finance the IT Strategic Plan which includes a new Customer Care and Billing (CC&B) system. This leaves an unallocated reserve of approximately \$9.5 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. From an analysis of construction completed during previous fiscal years, it is estimated that the actual expenditures for all capital funds in FY'18 will be approximately \$658.7 million, of the \$696.7 million Capital Budget.
5. New Debt - The debt service estimates for FY'18 assume that \$287.3 million in Water bonds and \$282.7 million in Sewer bonds will be issued in FY'18, in addition to repayment of existing debt. These estimates include \$20.0 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 30-year bonds with an estimated 5.0 percent net interest rate.
6. Salary and Wage Increase - Funding for employee salary enhancements in a manner coordinated with the Counties is included in the budget.

**EXPLANATION OF THE BUDGET**

(Continued)

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

WORKLOAD DATA	ACTUAL					ESTIMATED						
	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23
Water to be supplied (MGD)	165.7	161.2	160.6	162.9	164.2	164.0	164.0	164.0	164.0	164.0	164.0	164.0
Sewage to be treated (MGD)	183.7	177.2	195.6	190.8	184.8	217.5	207.2	211.4	215.6	219.9	224.3	228.8
Water lines to be added by the WSSC (miles)	.3	**7.3	.5	***9.0	7.0	2	2	2	2	2	2	2
Sewer lines to be added by the WSSC (miles)	0	0.4	0	0	0.2	1	1	1	1	1	1	1
Water lines to be added – contributed (miles)*	20.5	15.3	26.3	22.4	27.1	25	25	25	25	25	25	25
Sewer lines to be added – contributed (miles)*	19.4	12.6	25.7	21.4	27.3	25	25	25	25	25	25	25
Population to be served (thousands)	1,742	1,749	1,757	1,765	1,774	1,783	1,792	1,801	1,810	1,821	1,832	1,843
House connections to be added												
Water	2,591	2,269	2,880	3,671	4,389	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Sewer	2,374	2,018	2,335	2,834	3,310	3,100	3,100	3,100	3,100	3,100	3,100	3,100

\* Contributed lines are built by developers and maintained by the WSSC (includes Joint Base Anacostia-Bolling).

\*\* Includes Laytonsville Project (4.4 miles).

\*\*\* Includes Potomac Vista (8.1 miles).



## **EXPLANATION OF THE BUDGET**

(Continued)

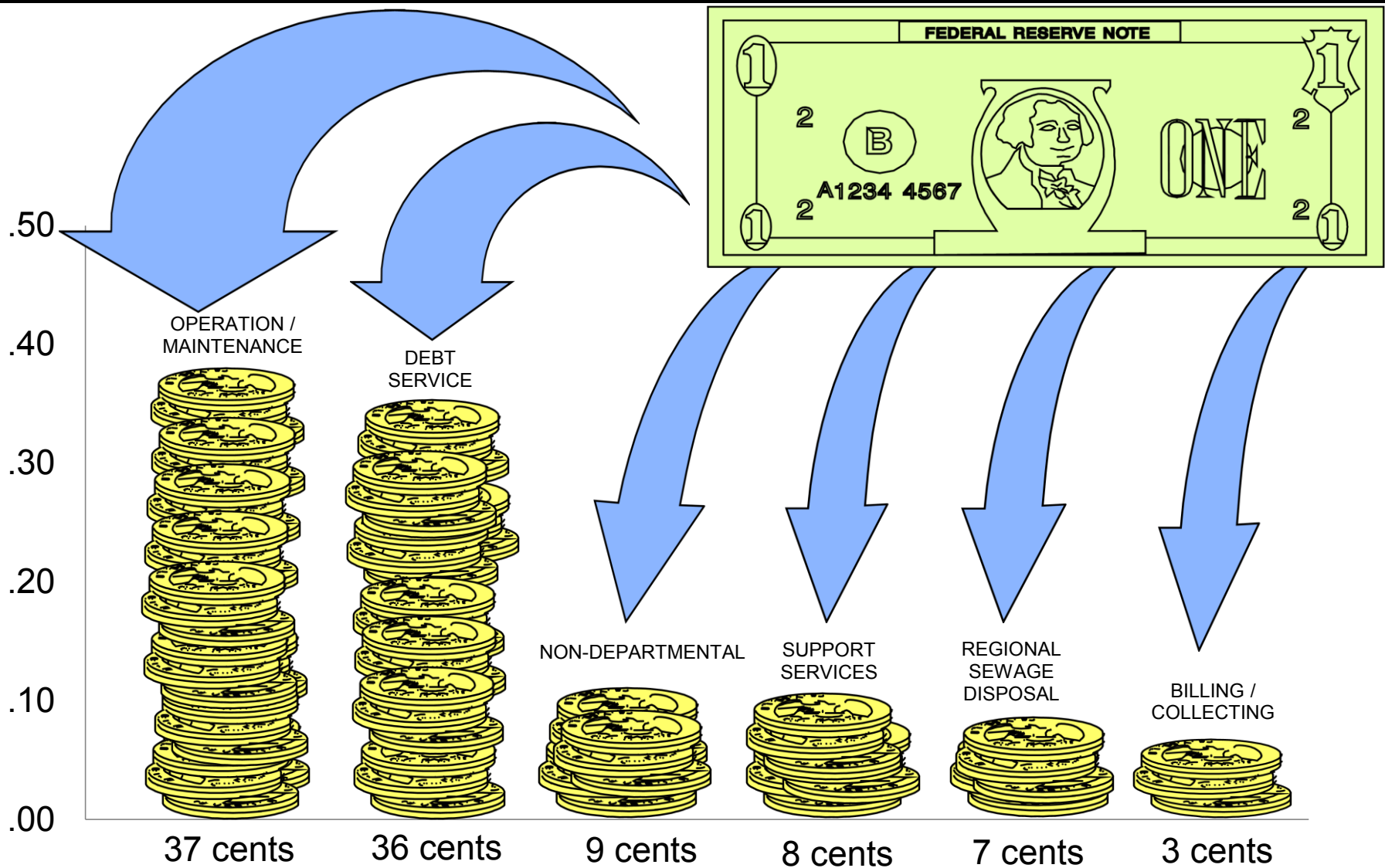
### **VII. KEY PROVISIONS OF THE FY'18 BUDGET**

The total proposed budget for all funds is approximately \$1.4 billion - \$696.7 million in capital and \$740.8 million in operating. A 3.5 percent average increase in water and sewer rates is required to fund water and sewer operating expenses. The budget provides for:

- Implementing the first year of the FYs 2018-2023 Capital Improvements Program;
- Treating and delivering 164.0 MGD of water to over 450,000 customer accounts in a manner that meets or exceeds the Safe Drinking Water Act standards;
- Treating 207.2 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;
- Maintaining an operating reserve of 10% of water and sewer revenues;
- Paying debt service of \$271.6 million - of which \$257.5 million is in the Water and Sewer Operating Funds;
- Funding 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 and Potomac WFP Consent Decrees;
- Answering 95 percent of all customer billing calls received;
- Maintaining and fueling 970 vehicles, maintaining approximately 770 pieces of large field equipment, and operating 6 repair facilities;
- Funding employee salary enhancements in a manner coordinated with the Counties, and continuing other benefits.

# FY'18 PROPOSED BUDGET

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



## **PERFORMANCE AND OUTCOME MEASURES**

### **SECTION 2**

## **OUR STRATEGIC PRIORITIES**

### **Our methods for achieving our Mission and Vision**

- **Deliver Excellent Customer Service:** Deliver an excellent customer experience by providing timely, high-quality products and services to internal and external customers.
- **Enhance Stakeholder Relationships:** Enhance relationships with our community, elected officials, regulators, and business partners through proactive communication, financial stewardship, and excellent service.
- **Improve Infrastructure:** Plan, invest in, and renew our infrastructure to provide future generations with a sustainable system, through innovative, cost-effective technology and world class asset management.
- **Achieve Business Process Excellence and Maintain Financial Stability:** Achieve financial stability through an improved rate structure and improved business processes that drive performance and obtain cost-effective business outcomes.
- **Inspire Employee Engagement:** Inspire and motivate employees by making WSSC a great place to work, thrive and serve.

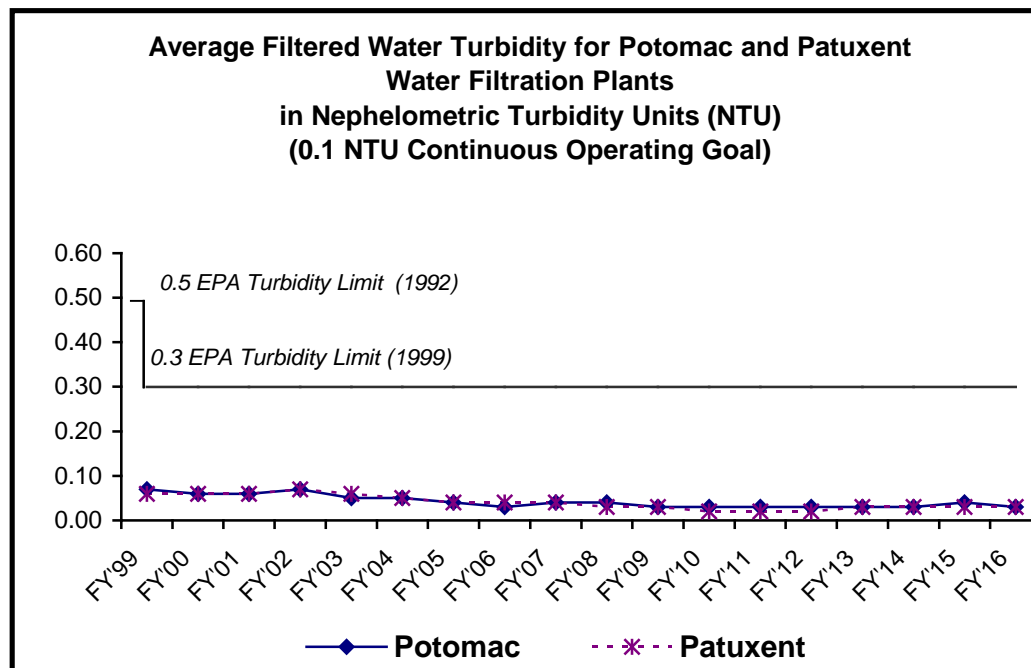
## PERFORMANCE OF KEY SERVICES

### 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 contaminant level (MCL) or failed to meet a treatment technique requirement established by the U.S. Environmental Protection Agency (EPA) in accordance with the Safe Drinking Water Act.

In addition to traditional approaches to ensure drinking water quality, the WSSC continues to place particular emphasis on addressing low-level contaminants such as disinfection byproducts, and maintaining low levels of turbidity (suspended sediment) to ensure public health protection. The Commission continues to work closely with local and national professional and research organizations, as well as with state and county agencies and the EPA, to ensure that WSSC's treatment methods are cost-efficient and consistent with current research findings.

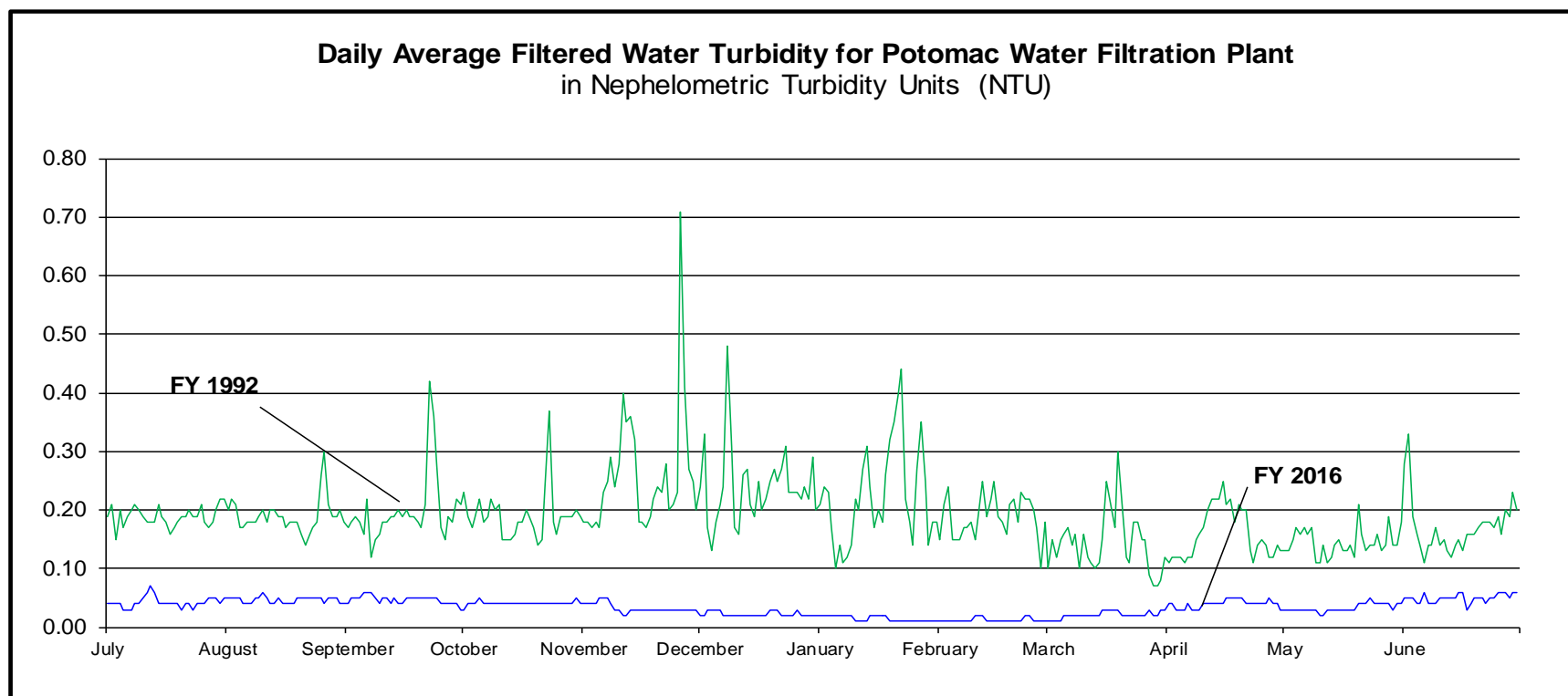
The WSSC's continued participation in the Partnership for Safe Water Program is indicative of the Commission's commitment. A primary goal of this program is to maintain filtered water turbidity well below EPA established limits to effectively guard against *Cryptosporidium*. Although the WSSC was already meeting the established maximum average monthly turbidity requirement of 0.5 Nephelometric Turbidity Units (NTU), a substantial effort was made in FY'92 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'99 through FY'16. The EPA reduced the turbidity limit to 0.3 NTU in 1999, still well above the levels being achieved by the WSSC. A maximum water turbidity of 0.1 NTU level has been and will continue to be a key objective for the WSSC's Production Team.



## PERFORMANCE OF KEY SERVICES

(Continued)

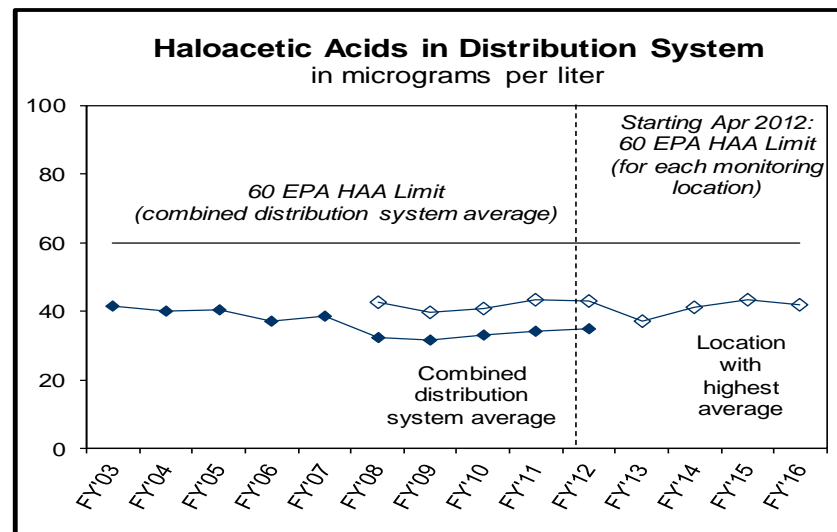
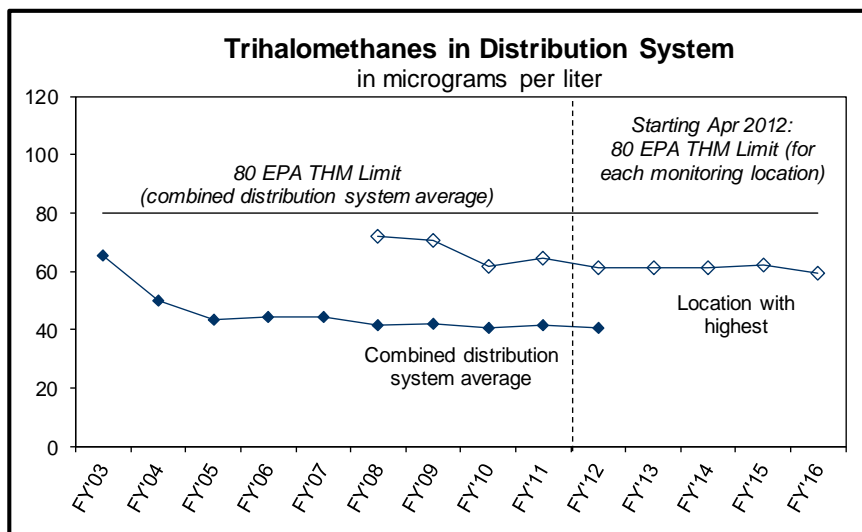
As shown in the graph below for the Potomac Water Filtration Plant, the FY'16 magnitudes of the daily peaks associated with variable raw water quality were substantially less than FY'92 peak levels. This measure is of particular importance in ensuring the reliability of the *Cryptosporidium* barrier. In addition, the ultraviolet (UV) system incorporated in our treatment train at Potomac (and soon at Patuxent) further increases the reliability of this barrier.



## PERFORMANCE OF KEY SERVICES

(Continued)

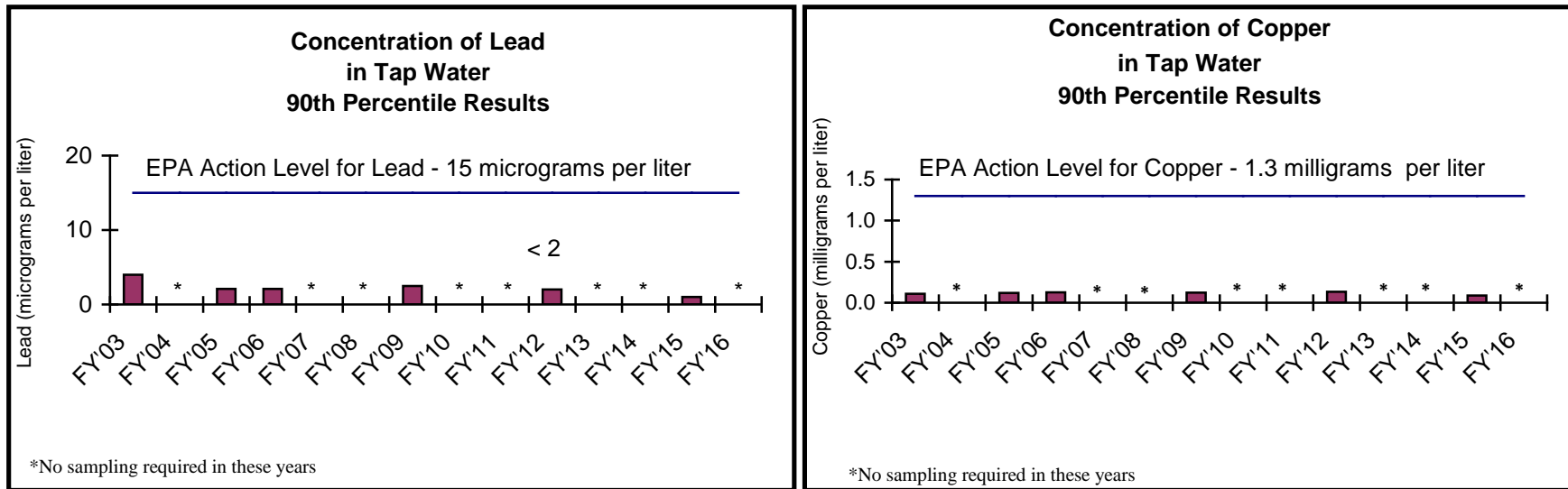
The WSSC has also been aggressively pursuing enhanced coagulation (optimization of coagulant doses and pH levels to improve total organic carbon removal) to enhance disinfection byproduct precursor removal, thereby lessening the formation of potential carcinogens in the finished water. Effective January 2001, the EPA standard for trihalomethanes (THMs) is 80 micrograms or lower of total THMs (TTHM) per liter in finished water. At the same time, the EPA also established a maximum finished water contaminant level for haloacetic acids (HAAs) of 60 micrograms of five HAAs (HAA5) per liter. 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 in FY'12, and builds upon earlier rules to improve drinking water quality. The new rule strengthens public health protection from disinfection byproducts by requiring drinking water systems to meet maximum contaminant levels at each compliance monitoring location (as a locational annual average) instead of as a system-wide average as in previous rules. The annual average is shown below as the highest quarterly running annual average for a given fiscal year.



## PERFORMANCE OF KEY SERVICES

(Continued)

The Commission continues its corrosion control program (using fine pH adjustment and addition of orthophosphate) to minimize potential lead and copper corrosion in customer plumbing. The state has confirmed that WSSC's treatment is optimized for corrosion control against lead and copper. As a result, the state has allowed WSSC to be on a reduced monitoring schedule (both frequency of monitoring and number of samples) for much of the past two decades, with occasional periods of increased monitoring associated with treatment changes such as the addition of orthophosphate. Results from the required annual or triennial monitoring continue to indicate the 90<sup>th</sup> percentile lead and copper levels are well below the tap water action levels. The most recent round of monitoring was performed in FY'15.





## PERFORMANCE OF KEY SERVICES

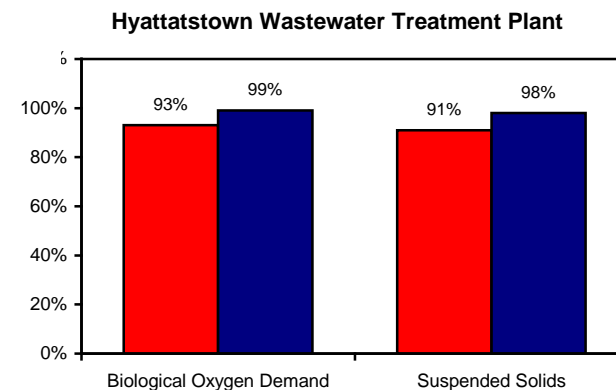
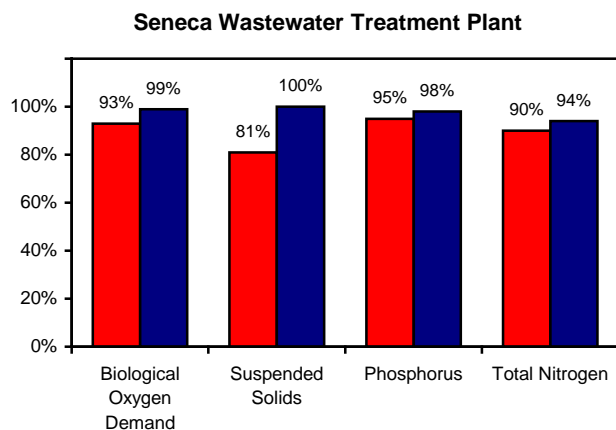
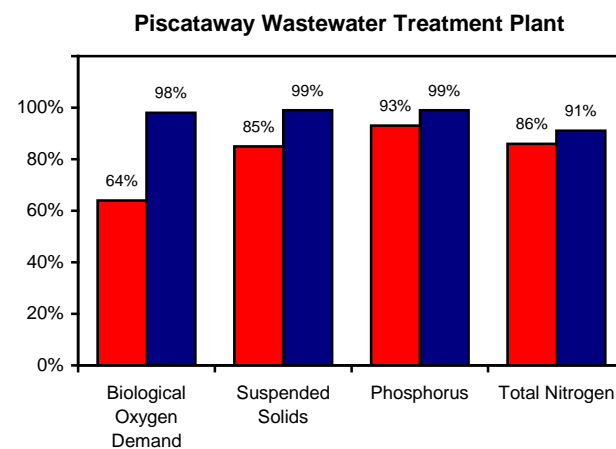
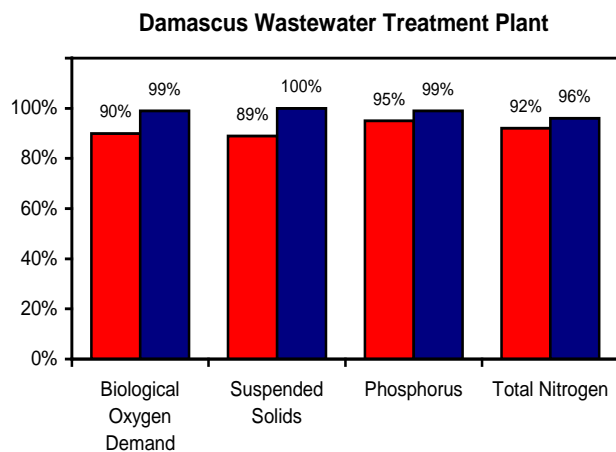
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### Wastewater Treatment

The following graphs present actual FY'16 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'18, the Production Team will continue to pursue its goal of meeting or surpassing the permit requirements for each plant.

#### Wastewater Treatment Plant Performance – FY'16 Percentage Removal of Substances Regulated by Discharge Permits

■ Permit Requirement      ■ Plant Performance



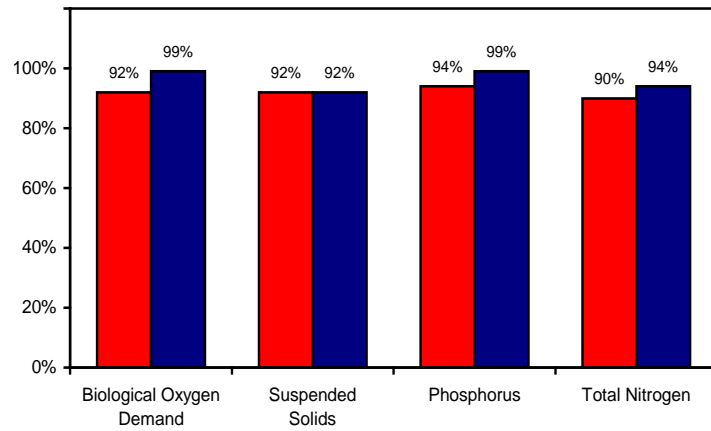
## PERFORMANCE OF KEY SERVICES

(Continued)

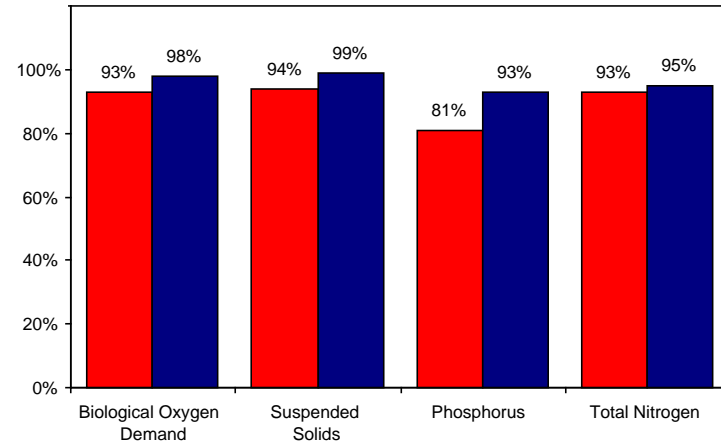
### Wastewater Treatment Plant Performance – FY'16 Percentage Removal of Substances Regulated by Discharge Permits

■ Permit Requirement      ■ Plant Performance

**Parkway Wastewater Treatment Plant**



**Western Branch Wastewater Treatment Plant**



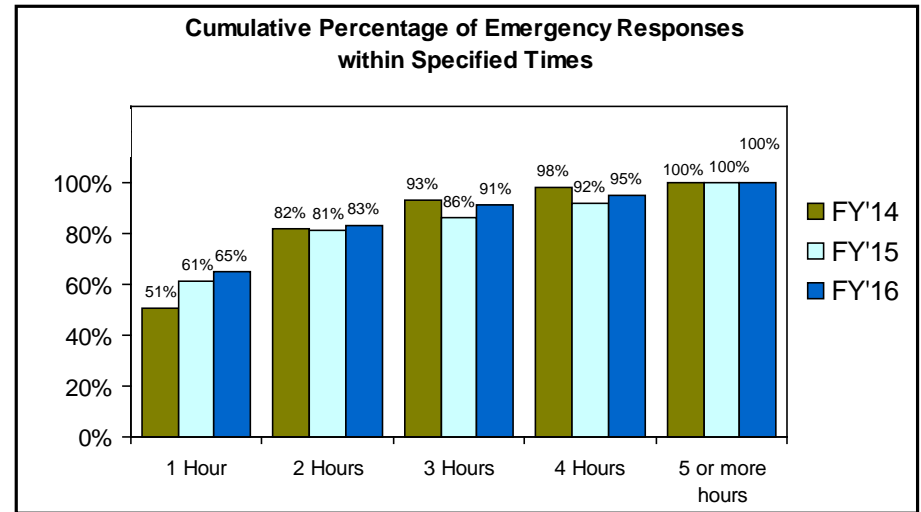
## PERFORMANCE OF KEY SERVICES

(Continued)

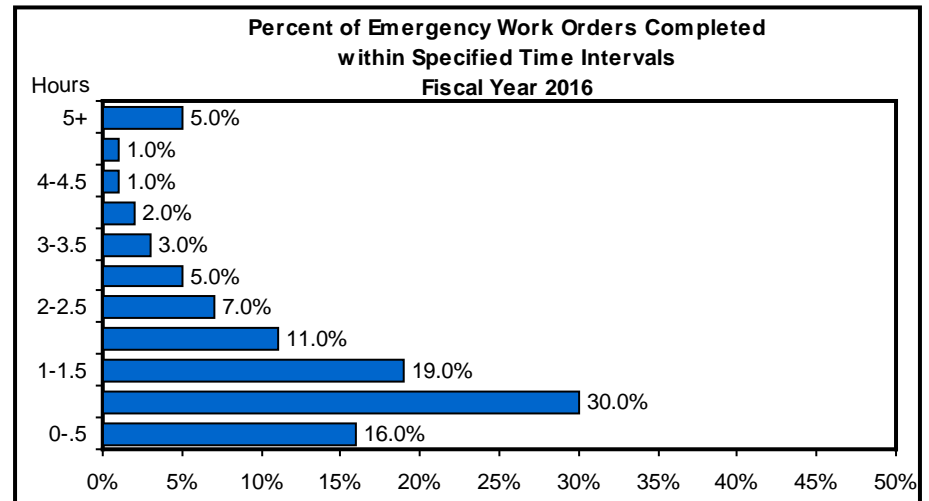
### Emergency Response

During FY'16, 32,579 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'16 we responded to 65% of our emergency calls in less than 1 hour, and to 83% in less than our 2-hour goal. The average response time in FY'16 was 1.3 hours, as compared to 1.5 hours in FY'15. The percentage of calls responded to within our 2-hour goal improved slightly, primarily due to a 13% decrease in emergency work orders in FY 2016. 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'16. Most emergency work orders required less than 2.0 hours to complete.

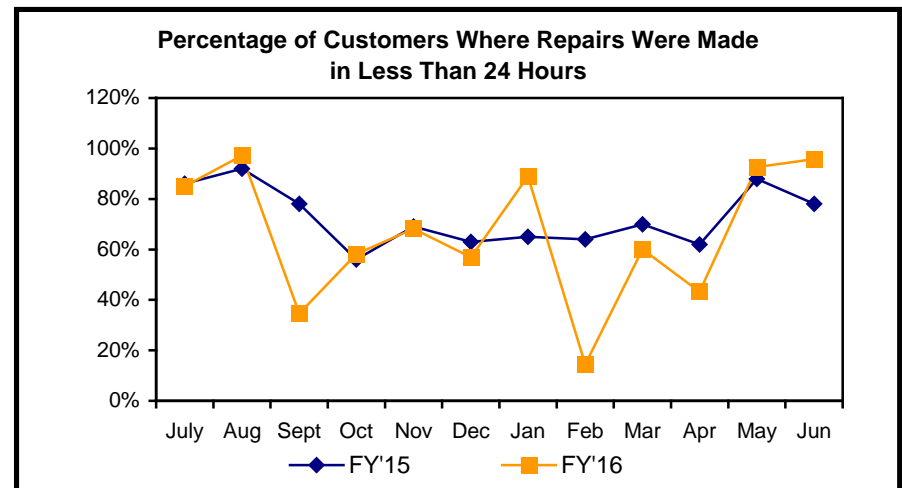
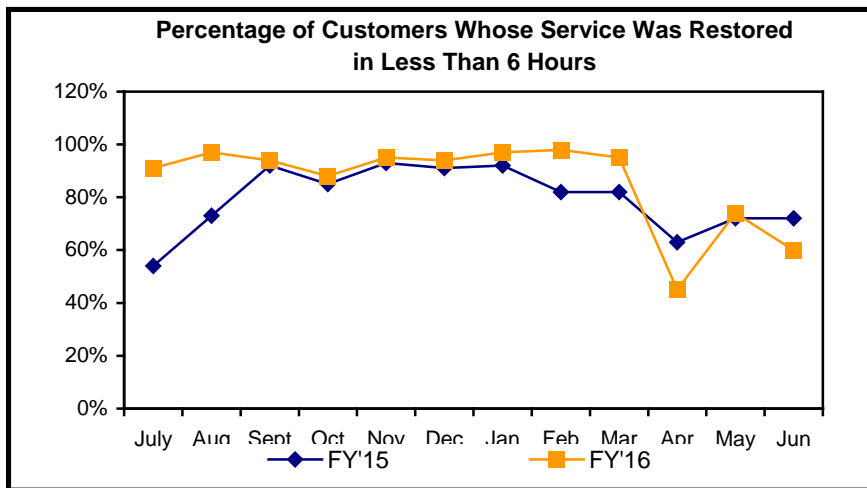


## PERFORMANCE OF KEY SERVICES

(Continued)

### Restoration of Water Service

The WSSC's objective is to restore normal service to our customers within 24 hours from the time the Commission are notified of an emergency, and to limit the actual time a customer is without water service to less than 6 hours. During FY'16, 21,840 customers, or approximately 5% 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 FY'16, the average time customers were without water service was 4.1 hours, with 86% 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. There was a significant dip in the percentage in February, due to a cold snap and increased breaks, and smaller temperature dips in September and April that also impacted the percentage. The FY'16 average time from notification of a problem to restoration of normal service was 17.3 hours for the year FY'16, with 72.5% of customers having normal water service restored in less than the 24-hour goal.



## PERFORMANCE OF KEY SERVICES

(Continued)

### Discolored Water

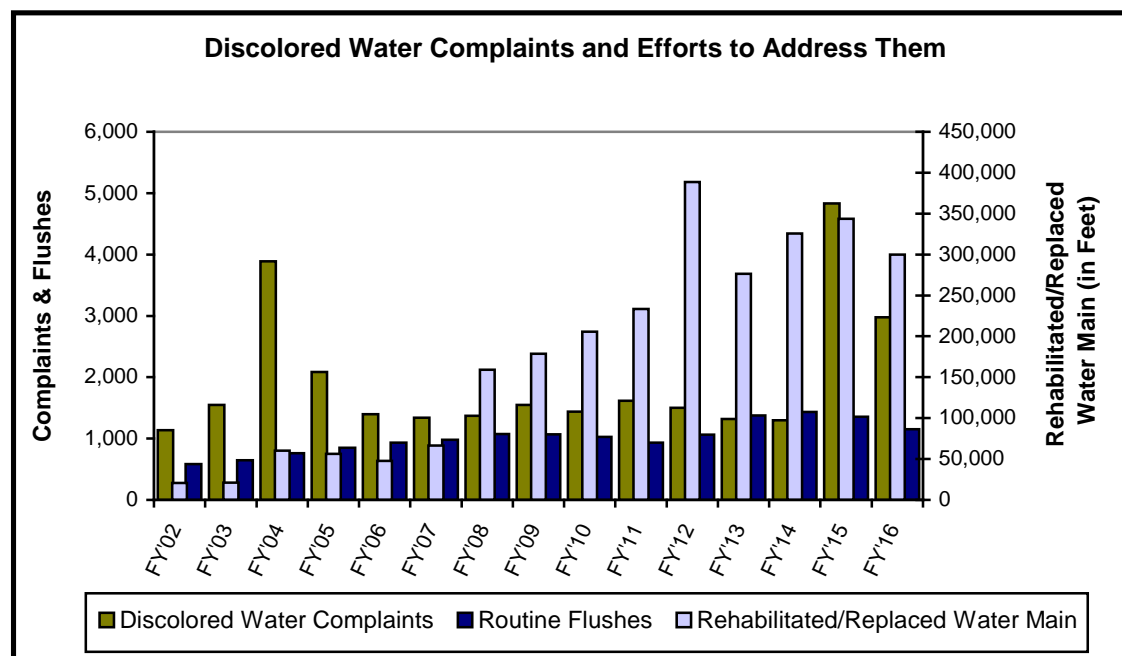
Unlined cast iron pipe eventually leads to discolored water in the distribution system as the water chemically reacts with the pipe to form iron oxides (rust) and accumulates deposits of iron and manganese that can become dislodged. This is a serious inconvenience for the affected customers, limiting 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 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, which is more involved and more time consuming than cleaning and lining. During FY'04, even though rehabilitation and replacement efforts more than doubled, discolored water

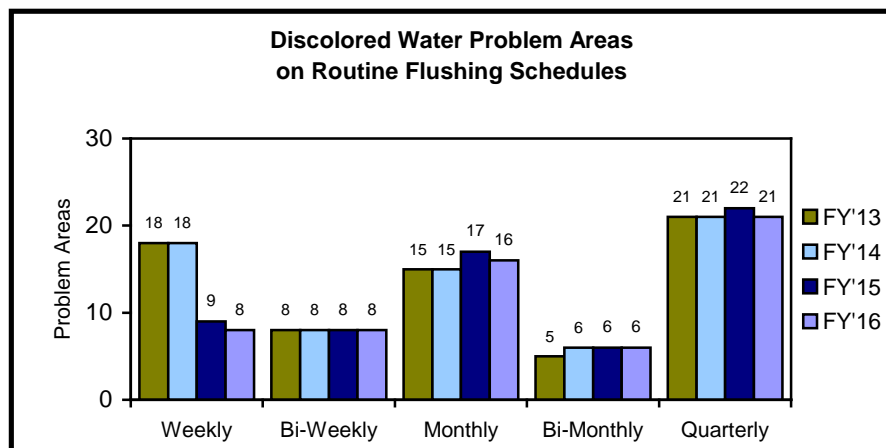
complaints increased as a result of the volume of water main breaks associated with winter weather and service changes resulting from the Patuxent Water Filtration Plant Upgrade. Again in FY'15 and FY'16, the number of discolored water complaints was substantial. An investigation of this issue revealed that there were significant increases in sodium and manganese coming from the Potomac River in February and March of those years. The sodium concentration, about 7 times higher than usual, was in the river due to the use of salt on roads and driveways in the winter months. The salt leached manganese from the soil and the increased manganese in the ground water reached the river and the intake at the Potomac Plant. The presence of high levels of manganese caused discoloration. The presence of sodium aggravated the corrosion of WSSC's aging water mains and contributed to increased discolored water complaints. The Commission is now treating water for manganese reduction, which should reduce discolored water complaints in the future.

The focus on rehabilitation and replacement efforts has been increased in recent years. 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. WSSC replaced 56.7 miles of small and large diameter water mains during FY'16.



## 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'13. The number of areas with chronic discolored water problems has remained relatively constant over the years, with little variation in bi-weekly, monthly, bi-monthly, and quarterly flushings. Areas with weekly flushings have been reduced in number over the past couple years.

### Sewer Line Blockages

The goal of the Line Blockage Analysis (LBA) program is to prevent a customer who experiences a sewer backup due to a problem in the WSSC's main sewer line from suffering a second backup. When a customer has a sewer backup, a maintenance crew responds to clear the stoppage and assist in cleaning the basement. Response is generally within 2 hours, 24 hours a day, 7 days a week. The customer is contacted the following business day to see if additional assistance is needed and is advised that an LBA investigation has been initiated. The sewer main is immediately recleaned 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'16, the Commission was successful in preventing a second backup in 100% of these cases. The Proactive Maintenance Program (PMP), along with technological advances such as the jet cam, has enabled the Commission to pursue its objective more diligently.

## **PERFORMANCE OF KEY SERVICES**

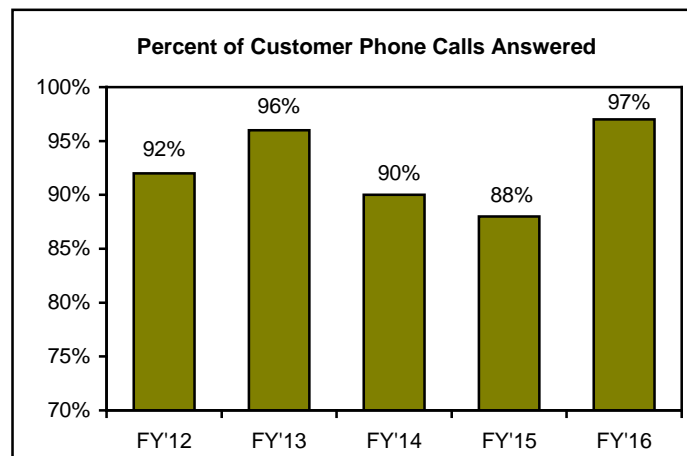
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### **Sewer House Connection Renewal**

The sewer house connection renewal program replaces sewer house connections when structural problems have caused customer backups. Damaged or deteriorated sewer house connections are replaced as necessary to ensure that customers do not suffer repeated sewer backups into their homes. The program objective is to prevent a second backup after the WSSC has confirmed there is a problem with the service. At the beginning of FY'16, 389 house connections met the criteria for renewal, versus 307 at the beginning of FY'15. During FY'16, the Commission replaced 966 connections, versus 682 connections in FY'15.

### **Customer Calls for Maintenance Assistance**

During FY'16, the Commission answered 97% of customer calls for maintenance assistance, as shown in the graph to the right. 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 allows for greater flexibility in staffing and an improved knowledge base. A Geographic Information System (GIS) application enables 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.



In addition, a Workforce Management Center of Excellence (CoE) is being implemented to forecast, plan, schedule, and handle intra-day adjustments so staffing levels required to meet service levels are achieved. The benefit of this initiative is that the Workforce Management CoE will proactively monitor staffing levels and maintain best services, routing between in-house and out-sourced staff.

**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(s):** Development Services  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	95%	96%	100%	94%	100%	95%
Complete Phase II of the SEP process within 8 weeks.	Percentage of Phase II plan review packages processed in 8 weeks or less.	100%	100%	100%	100%	100%	100%

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

**Group(s):** Development Services  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	98%	100%	100%	100%	100%	100%

**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(s):** Planning  
**Strategic Priority:** Improve Infrastructure

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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).	1	1	1	1	1	1
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	0	0



**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** Project Delivery  
**Strategic Priority:** Improve Infrastructure

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Complete facility plans, concept designs and engineering designs as scheduled in the CIP.	Number of planning and design phase projects completed vs. planned.	7	11	5	13	5	7
Complete facility construction as scheduled in the CIP.	Number of construction phase projects completed vs. planned.	6	8	6	8	8	4

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

**Group(s):** Infrastructure-Systems, Systems Inspection, Technical Services  
**Strategic Priority:** Improve Infrastructure

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Design the number of miles for the Water Reconstruction Program as planned.	Miles of water mains designed vs. planned.	60	60	57	59	69	67
Design the number of large service meter vaults as planned.	Number of meter vaults designed vs. planned.	45	45	45	56	45	45
Design the number of miles for the Sewer Reconstruction Programs as planned.	Miles of sewer mains designed vs. planned.	29	45	10	49	20*	20
Design the number of sewer manholes as planned.	Number of sewer manholes designed vs. planned.	183	1,186	231	1,643	29	300
Replace the number of miles for the Water Reconstruction Program as planned.	Miles of water mains replaced vs. planned.	43	53	43	47	43	43
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.	56	39	56	57	55	55

\* Effective FY'17 the design miles include both small and large diameter sewer mains.

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Improve facility operations by updating industrial automation systems.

**Group(s):** Process Control  
**Strategic Priority:** Improve Infrastructure

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Upgrade planned number of Programmable Logic Controllers (PLC).	Number of PLC upgraded vs. planned.	3	3	3	3	3	2
Upgrade or install new Uninterruptable Power Supply (UPS) systems to improve electrical reliability for the PLC Systems.	Number of UPS upgraded vs. planned.	3	3	3	3	3	2

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

**Group(s):** Regulatory Services  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	100%	100%	100%	100%	100%	100%
	Number of follow up inspections of Significant Industrial Users.	25	26	25	44	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.	300	300	300	300	300	300
	Number of additional samples taken of Significant Industrial Users.	750	858	850	1016	850	850

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** Development Services,  
Regulatory Services

**Strategic Priority:** Improve Infrastructure

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Complete 1 <sup>st</sup> review of site utility plans within eight weeks of submission.*	Percentage of 1 <sup>st</sup> reviews completed within eight weeks.	100%	100%	100%	100%	100%	100%
Conduct 99.9% of all requests for inspections to ensure compliance with plumbing and gasfitting regulations.	Percentage of requested plumbing/gasfitting inspections conducted.	99.96%	100.00%	99.96%	100.00%	99.96%	100.00%

\*Transferred in FY'16 from Development Services to Regulatory Services

**Goal:** Comply with the FOG provisions of the Sanitary Sewer Overflow Consent Decree.

**Group(s):** Regulatory Services

**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Conduct 100% of all mandatory Consent Decree FOG initial inspections.	Percentage of initial FOG inspections completed vs. planned.	100%	100%	100%	100%	100%	100%

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

**Group(s):** Systems Inspection

**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
On State highways, the paving contractor shall complete paving repairs within 30 working days.	Percentage of paving repairs that are completed within 30 working days.	80%	56%	80%	49%	70%	70%
On all other roadways, sidewalks, driveways, curbs, and gutters, the contractor shall complete paving repairs within 35 working days.	Percentage of paving repairs that are completed within 35 working days.	90%	79%	80%	72%	85%	80%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** Systems Inspection  
**Strategic Priority:** Achieve Process Excellence and Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	0.0%	2.5%	0.0%	4.0%	1.0%	1.0%

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

**Group(s):** Technical Services  
**Strategic Priority:** Improve Infrastructure

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Inspect the number of dams as planned.	Number of dams inspected vs. planned.	3	3	3	3	3	3
Provide corrosion design and repair recommendations based upon corrosion test readings.	Number of corrosion test stations read vs. planned.	300	485	300	442	300	300

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

**Group(s):** Technical Services  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Provide timely inspections for erosion and sediment control of major pipeline projects.	Percentage of bi-weekly inspections of each major pipeline project performed as required by law.	100%	100%	100%	100%	100%	100%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**PRODUCTION TEAM**

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

**Group(s):** Potomac, Patuxent  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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	0	0	0	0	0	0
	Patuxent Water Filtration Plant	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	<0.08	0.03	<0.08	0.03	<0.08	<0.08
	Patuxent Water Filtration Plant	<0.08	0.03	<0.08	0.03	<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.	The highest quarter local value rolling annual average of trihalomethanes in the distribution system (mg/1).	<64.0	61.2	<64.0	61.2	<64.0	<64.0

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

**Group(s):** Piscataway, Western Branch, Parkway, Seneca/Damascus/Hyattstown  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Maintain compliance with NPDES permit requirements at the WSSC's wastewater treatment plants.	Number of process-related non-compliances for the WSSC's wastewater treatment plants.	4	0	4	0	2	2

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**GENERAL SERVICES OFFICE (formerly Logistics Office)**

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

**Group(s):** Fleet Services  
**Strategic Priority:** Inspire Employee Engagement

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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	75	60	80	75	75

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

**Group(s):** Fleet Services, Materials Management  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	2.0	2.4	2.0	4.0	2.0	4.0
	Number of times the vehicle parts inventory turns over annually.	4.0	4.0	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).	95.0%	99.9%	95.0%	98.7%	95.0%	98.7%
	Accuracy of vehicle parts inventory (from established cycle counts).	99.9%	98.0%	99.9%	99.9%	99.0%	99.9%

**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(s):** Police and Security Services  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Limit the occurrence of crime on WSSC property to ≤ 250 incidents.	Number of crimes reported on WSSC property.	200	190	200	165	205	150

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**FINANCE OFFICE**

**Goal:** Minimize borrowing costs.

**Group(s):** Finance Office  
**Strategic Priority:** Achieve Process Excellence and Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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 (average of 2 bond sales).	≥25 basis points	49 basis points	≥25 basis points	76 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	AAA/Aaa/AAA	AAA/Aaa/AAA

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

**Group(s):** Retirement  
**Strategic Priority:** Achieve Process Excellence and Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	Even	3 basis points above	Even	5 basis points above	Even	4 basis points above
Meet or exceed the 7% 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.	5.7%	6.6%	6.4%	5.1%	5.5%	5.5%

**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(s):** Revenue  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	0.01%	0.00%	0.01%	0.00%	0.01%	0.01%

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

**Group(s):** Accounting  
**Strategic Priority:** Achieve Process Excellence and Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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%	91%	100%	100%
Avoid the need for any prior period adjustments to financial reports unrelated to changes issued by the Governmental Accounting Standards Board (GASB).	Number of prior period financial adjustments required.	0	0	0	0	0	0



**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** Retirement, Accounting  
**Strategic Priority:** Achieve Process Excellence and Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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	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	0	0

**Goal:** Process financial transactions quickly and accurately.

**Group(s):** Revenue, Disbursements  
**Strategic Priority:** Achieve Process Excellence and Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Utilize at least 95.0% of available vendor discounts.	Percentage of available vendor discounts taken.	98.5%	95.2%	95.0%	86.0%	96.0%	96.0%
Post at least 95.5% of customer remittances on the day received.	Percentage of customer remittances posted on the same day.	99.5%	99.7%	99.5%	99.8%	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%	99.9%	99.9%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** Budget  
**Strategic Priority:** Achieve Process Excellence and Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Maintain an end-of-year fund balance (accumulated net revenue) of at least 10 percent of water and sewer revenue as a reserve.	Combined end-of-year fund balance for the water and sewer operating funds (\$ millions)/ Percent of water and sewer revenue.	\$125.4/ 21.4%	\$139.5/ 24.8%	\$110.1/ 18.9%	\$149.9/ 27.6%	\$105.6/ 16.7%	\$117.5/ 17.4%

**Goal:** Produce a sound, affordable capital spending program.

**Group(s):** Budget  
**Strategic Priority:** Achieve Process Excellence and Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	33.5%	35.5%	34.0%	34.3%	34.0%	35.5%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Accurately budget Commission revenues and expenditures.

**Group(s):** Budget  
**Strategic Priority:** Achieve Process Excellence and Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Accurately budget annual water production.	Difference (in millions of gallons per day) between actual and budgeted water production.	0.0	5.1	0.0	-1.8	0.0	0.0
	Percentage difference between actual and budgeted water production.	0.0%	3.0%	0.0%	1.1%	0.0%	0.0%
Accurately budget revenues from water and sewer use charges.	Difference between actual and budgeted revenues from water and sewer use charges (\$ millions).	\$0.0	-\$23.9	\$0.0	-\$40.3	\$0.0	\$0.0
	Percentage difference between actual and budgeted water and sewer use charges.	0.0%	-4.1%	0.0%	-6.9%	0.0%	0.0%
Accurately budget non-debt service water and sewer operating expenditures.	Difference (\$ millions) between actual and budgeted water and sewer operating expenditures (excluding debt service).	\$0.0	-\$46.0	\$0.0	-\$42.3	\$0.0	\$0.0
	Percentage difference between actual and budgeted water and sewer operating expenditures (excluding debt service).	0.0%	-10.2%	0.0%	-9.4%	0.0%	0.0%

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

**Group(s):** Budget  
**Strategic Priority:** Achieve Process Excellence and Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Earn the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA).	Receipt of GFOA's Distinguished Budget Presentation Award.	Yes	Yes	Yes	Yes	Yes	Yes

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**UTILITY SERVICES TEAM**

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

**Group(s):** Utility Enhancement Support  
**Strategic Priority:** Achieve Process Excellence and Financial Sustainability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Accurately record and report all meter readings.	Percentage of meter readings reported and recorded accurately.	99.9%	81.0%	99.9%	99.9%	85.0%	99.9%

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

**Group(s):** Utility Services North, West, Central, South  
**Strategic Priority:** Achieve Process Excellence and Financial Sustainability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Reduce service interruptions due to water main breaks.	Number of breaks per 100 miles of water main.	33.0	49.7	33.0	26.2	50.0	35.0
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%	77%	100%	80%

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

**Group(s):** Utility Services North, West, Central, South  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Respond within 2 hours to customers' emergency telephone calls.	Percentage of emergencies responded to within 2 hours of receipt of customer calls.	95.0%	81.0%	85.0%	83.0%	85.0%	95.0%
	Average response time to emergency calls (in hours).	1.2	1.5	1.2	1.3	1.2	1.2

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Minimize inconvenience caused by disruptions in service.

**Group(s):** Utility Services North, West,  
Central, South

**Strategic Priority:** Achieve Process Excellence &  
Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Restore normal water service within 24 hours.	Percentage of customers whose water service was restored within 24 hours.	80.0%	80.0%	80.0%	72.5%	75.0%	75.0%
	Average time from notification of system problem to restoration of water service (in hours).	14.0	18.6	16.0	17.3	16.0	16.0
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.	95.0%	86.1%	90.0%	86.0%	90.0%	90.0%
	Average time without water (in hours).	3.4	4.1	4.0	4.1	4.0	4.0
Reduce the number of discolored water complaints.	Number of discolored water complaints.	1,350	4,252	1,300	2,978	2,500	2,500
	Areas with chronic discolored water problems which are on a routine flushing schedule.	52	58	50	59	60	60
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.	95.0%	99.2%	90.0%	100.0%	95.0%	95.0%

**Goal:** Increase the production of in-house water main replacements by Utility Enhancement Support staff.

**Group(s):** Utility Enhancement Support  
**Strategic Priority:** Improve Infrastructure

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	12.0	11.5	12.0	9.8	12.0	12.0

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** Utility Management  
**Strategic Priority:** Improve Infrastructure

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Inspect, via closed circuit television, the number of miles of sewer main planned.	Miles of sewer main inspected via closed circuit television vs. planned.	320	246	300	242	300	300
Inspect, via smoke test, the number of miles of sewer main planned.	Miles of sewer main inspected via smoke test vs. planned.	5.0	3.0	5.0	0.7	5.0	5.0

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

**Group(s):** Utility Management  
**Strategic Priority:** Improve Infrastructure

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Inspect the number of Prestressed Concrete Cylinder Pipe (PCCP) miles as planned.	Miles of PCCP inspection performed vs. planned.	18.0*	19.8	20.0	17.6	18.0	18.0
Install acoustical fiber optic line to monitor PCCP water transmission mains as planned.	Miles of acoustical fiber optic line installed vs. planned.	10.0*	4.9	6.0	2.9	6.0	6.0

\* Transferred to Utility Management Group from Technical Services Group (Engineering & Construction Team).

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**CUSTOMER RELATIONS TEAM**

**Goal:** Promptly and courteously answer all telephone calls.

**Group(s):** Customer Relations  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Attain a 95% success rate for answering non-emergency calls.	Percentage of non-emergency calls answered.	90.0%	88.0%	90.0%	92.0%	90.0%	95.0%
Maintain a 95% success rate for answering all emergency calls.	Percentage of emergency calls answered.	95.0%	88.0%	96.0%	97.0%	90.0%	95.0%

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

**Group(s):** Customer Relations  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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).	96.0%	96.2%	96.0%	91.0%	96.0%	95.0%
Collect all billed water and sewer use charges on a timely basis.	Percentage of billed water and sewer accounts considered delinquent.	10.0%	11.0%	10.0%	6.0%	11.0%	5.0%

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

**Group(s):** Customer Relations  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Respond within 14 (calendar) days to all written correspondence received.	Percentage of customer correspondence responded to within 14 (calendar) days.	90.0%	98.0%	80.0%	95.0%	95.0%	95.0%
Achieve 100% closure of open claims.	Percentage of claims closed.	100.0%	73.0%	80.0%	51.0%	80.0%	80.0%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** Customer Relations  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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".	95.0%	100.0%	100.0%	100.0%	100.0%	100.0%



**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(s):** IT Team Office, IT Implementations  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	90%	86%	90%	87%	90%	90%
	Percentage of Enterprise Technology Initiatives implemented within budget.	90%	100%	90%	97%	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 or IT infrastructure projects).	Percentage of IT projects implemented on-time.	90%	90%	75%	95%	75%	75%
	Percentage of IT projects implemented within budget.	90%	100%	75%	97%	75%	75%

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

**Group(s):** IT Operations  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	90%	96%	92%	98%	92%	92%
Respond to service tickets (for incidents and service requests) within the defined Service Level Agreement (SLA).	Percentage of incidents resolved within 3 business days.	90%	95%	92%	98%	92%	92%
	Percentage of service requests delivered within 5 days.	90%	94%	92%	97%	92%	92%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** Network Infrastructure and Data Center Operations

**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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%	99%	97%	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%	99%	100%	99%	97%	100%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**STAFF OFFICES**

**Goal:** Provide cost-effective internal audit services.

**Group(s):** Internal Audit  
**Strategic Priority:** Achieve Process Excellence and Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	1:1	1:1	1:1	1:1	1:1	1:1
Ensure accurate reimbursements via performed audits.	SDC: Total audit-based adjustment in Developer-requested reimbursements for CIP construction.	\$500,000	\$254,311	\$500,000	\$29,522	\$500,000	\$500,000
	Blue Plains: Total audit-based adjustment in Blue Plains O&M and Capital Indirect Billing.	\$1,000,000	\$1,318,207	\$1,000,000	N/A*	\$1,000,000	\$1,000,000

\* Not Available

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

**Group(s):** Intergovernmental Relations Office  
**Strategic Priority:** Enhance Stakeholder Relationships

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Assist the General Manager/Chief Executive Officer and other WSSC officials in providing testimony or briefings, representing WSSC at bill hearings, work sessions, markups, and other meetings at the County, State, and Federal governments.	Percentage of required bill hearings, worksessions, and delegation/committee meetings attended.	100%	100%	100%	100%	100%	100%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** Intergovernmental Relations Office  
**Strategic Priority:** Enhance Stakeholder Relationships

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Keep WSSC employees and Commissioners informed of County, State, and Federal legislation impacting WSSC.	Percentage of monthly federal updates required to be sent to all management vs. actual updates sent.	100%	100%	100%	100%	100%	100%

**Goal:** As the Commission's liaison, build and maintain strong partnerships with elected officials and their staff.

**Group(s):** Intergovernmental Relations Office  
**Strategic Priority:** Enhance Stakeholder Relationships

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Develop and maintain relationships with elected officials and staff members to advance WSSC's interests.	Percentage of legislative events, receptions, and outreach activities scheduled vs. actual events held.	100%	100%	100%	100%	100%	100%
Respond to elected officials' requests, including those originating from their constituents and staff.	Percentage of responses to inquiries provided within three business days.	100%	100%	100%	100%	100%	100%
Schedule educational site visits to WSSC facilities and briefings for elected officials and staff at the County, State, and Federal level.	Percentage of educational site visits and briefings conducted vs. scheduled.	100%	100%	100%	100%	100%	100%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** WSSC Stat Office  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Facilitate the use of management best practices in completion of enterprise initiatives and projects.	Percentage of annual enterprise initiatives that utilized Stat Office consulting services for achievement of outcomes.	25%	45%	25%	45%	25%	25%

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

**Group(s):** WSSC Stat Office  
**Strategic Priority:** Deliver Excellent Customer Service

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Facilitate alignment of annual workplan initiatives with the Commission's Strategic Priorities.	Percentage of Initiatives linked to Strategic Priorities.	100%	100%	100%	100%	100%	100%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** Communications & Community Relations Office

**Strategic Priority:** Enhance Stakeholder Relationships

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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	Yes	Yes	Yes	Yes	Yes
	Number of Quarterly Pipeline bill inserts produced and distributed vs. planned.	4	4	4	4	4	4
	Build social media following on Twitter and Facebook to expand our reach to customers. (# Followers/Social Media Program)	1,300 Facebook/ 2,000 Twitter	1,441 Facebook/ 2,376 Twitter	2,000 Facebook/ 3,000 Twitter	1,800 Facebook/ 3,000 Twitter	3,000 Facebook/ 5,000 Twitter	3,500 Facebook/ 5,500 Twitter
	Post all news releases on WSSC website home page.	Yes	Yes	Yes	Yes	Yes	Yes

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

**Group(s):** Communications & Community Relations Office

**Strategic Priority:** Enhance Stakeholder Relationships

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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%	98%	98%
Remain continuously accessible (24/7) to local media.	Number of days per year accessible to local media.	365	365	365	365	365	365

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** Communications & Community Relations Office

**Strategic Priority:** Enhance Stakeholder Relationships

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	35	62	35	78	75	100
	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).	15	133	15	25	150	150
	Partner with outside agencies to plan/execute events (e.g. stream/road cleanups, water festival, and campfire).	9	15	9	12	20	20
	Number of community outreach events conducted (e.g. H2O Summit, Children's Water Festival, tree plantings, and invasive weed removals).	25	26	25	30	30	35

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Disseminate accurate and timely information to WSSC employees.

**Group(s):** Communications & Community Relations Office

**Strategic Priority:** Inspire Employee Engagement

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Inform employees about WSSC news.	Publish Fish Tales and distribute to Depots monthly (in addition to providing on-line).						
	<u>Note:</u> As of FY'18 Fish Tales and #H20 People will be combined for quarterly publications.	12	9	12	4	12	4
Communicate new initiatives/programs to employees.	Execute campaigns to communicate new or special initiatives, programs, etc. to employees.	5	5	5	5	5	5

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

**Group(s):** Communications & Community Relations Office

**Strategic Priority:** Enhance Stakeholder Relationships

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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	Yes	Yes	Yes	Yes	Yes
	Promote "Can The Grease" to media at least 3 times per year.	3	3	3	3	3	3
	Provide FOG-related educational materials and promotional items to distribute to customers.	10,000	10,000	10,000	10,000	10,000	10,000



**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

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

**Group(s):** Small, Local and Minority Business Enterprise Office

**Strategic Priority:** Enhance Stakeholder Relationships

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Increase the number of registered and certified Minority Business Enterprises (MBEs) by 5%.	Total number of registered and certified MBEs/Annual percentage increase/decrease in newly registered MBEs.	574/ 10.0%	723/ 26.0%	759/ 5.0%	667/ -7.7%	700/ 5.0%	735/ 5.0%
Increase the number of approved Small Local Business Enterprises (SLBEs) by 5%.	Total number of approved SLBEs/Annual percentage increase/decrease in newly approved SLBEs.	359/ 5.0%	275/ -20.1%	289/ 5.0%	268/ -2.5%	281/ 5.0%	295/ 5.0%
Increase the number of contracts awarded to certified MBEs by 5%.	Total number of contracts awarded to certified MBEs/Annual percentage increase/decrease in contracts awarded to MBEs.	314/ 5.0%	400/ 29.9%	420/ 5.0%	274/ -31.5%	288/ 5.0%	302/ 5.0%
Increase the number of contracts awarded to approved Small Local Business Enterprises (SLBEs) by 5%.	Total number of contracts awarded to SLBEs/Annual percentage increase/decrease in contracts awarded to SLBEs.	68/ 10.0%	22/ -8.3%	23/ 5.0%	19/ -13.6%	20/ 5.0%	21/ 5.0%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Provide timely procurement services.

**Group(s):** Procurement Office  
**Strategic Priority:** Achieve Process Excellence and Financial Stability

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted (Number of Days)	Actual (Number of Days)	Targeted (Number of Days)	Actual (Number of Days)	Targeted (Number of Days)	Targeted (Number of Days)
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:						
Miscellaneous (Small Purchases, Emergencies, etc.)	30 days	45	36	30	40	45	30
Sole Source	60 days	60	62	45	90	60	45
Requests for Qualifications (RFQ) and Requests for Information (RFI)	60 days	60	55	45	150	60	60
Invitations for Bids (IFB)	120 days	140	197	120	150	120	90
Requests for Proposals (RFP)	180 days	180	189	150	271	150	120

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Continuous improvement of Human Resources operations.

**Group(s):** Human Resources Office  
**Strategic Priority:** Inspire Employee Engagement

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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.	100%	50%	100%	60%	100%	100%

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

**Group(s):** Human Resources Office  
**Strategic Priority:** Inspire Employee Engagement

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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%	100%	100%

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

**Group(s):** Occupational Safety and Health  
**Strategic Priority:** Inspire Employee Engagement

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
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:						
	On-the-job injuries	125	116	125	109	125	125
	Lost-time injuries	30	48	30	43	40	50
Reduce the number of on-the-job vehicular accidents involving WSSC employees to ≤ 150.	Number of vehicular accidents involving WSSC employees.	150	187	150	160	150	150

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

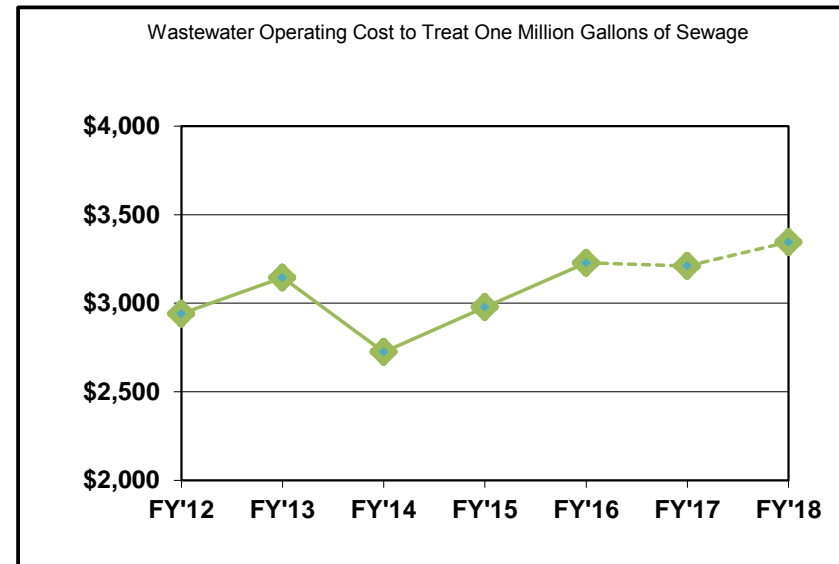
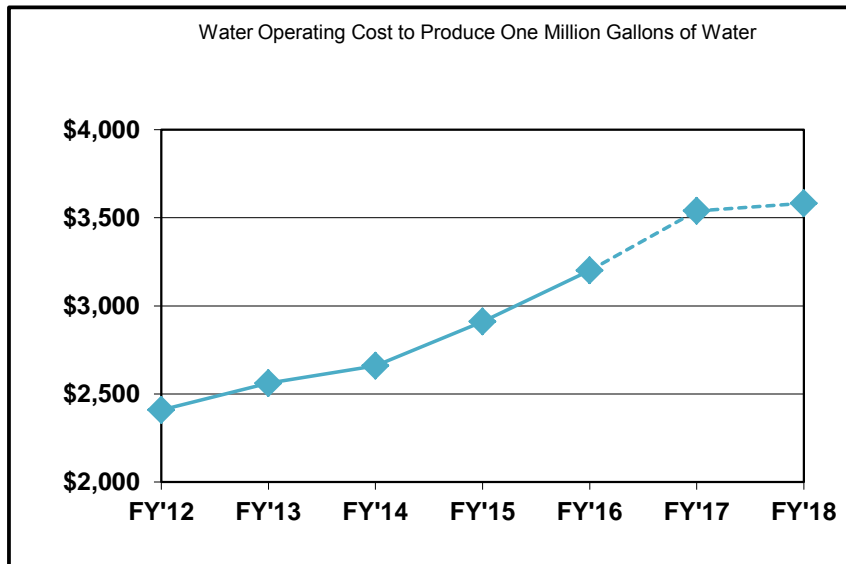
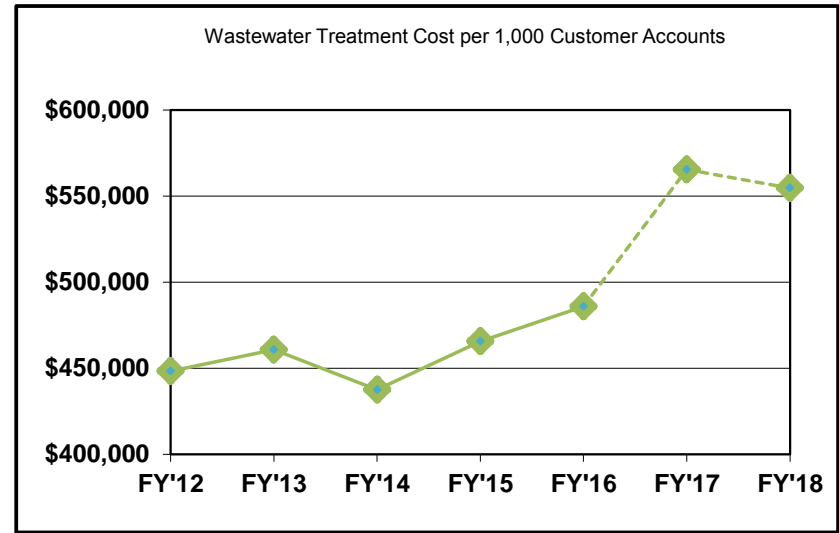
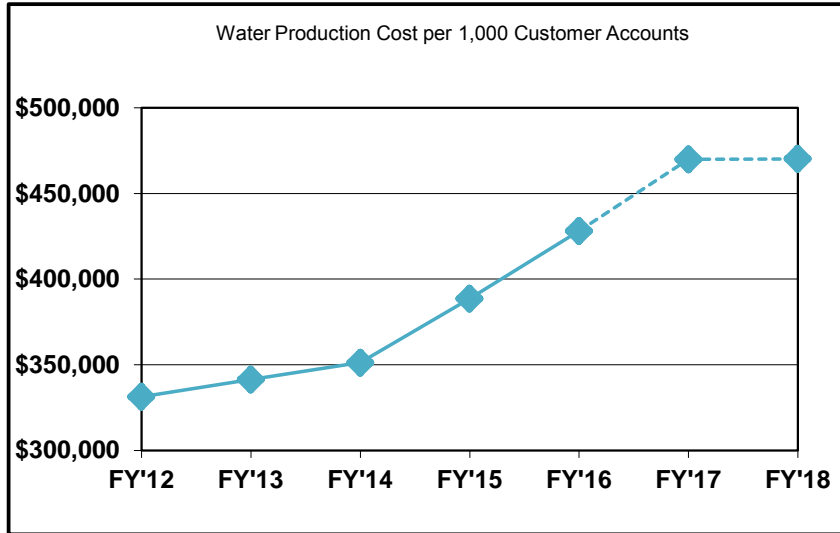
**Goal:** Provide regular, effective training to WSSC employees concerning Commission safety policies and practices.

**Group(s):** Occupational Safety and Health  
**Strategic Priority:** Inspire Employee Engagement

Objective	Outcome Measure	FY 2015		FY 2016		FY 2017	FY 2018
		Targeted	Actual	Targeted	Actual	Targeted	Targeted
Maintain average overall ratings for safety training classes of at least 4.0 (where 4=good, 5=excellent).	Average overall ratings by trainees for safety training classes.	4.8	4.8	4.8	4.8	4.8	4.8

# WSSC

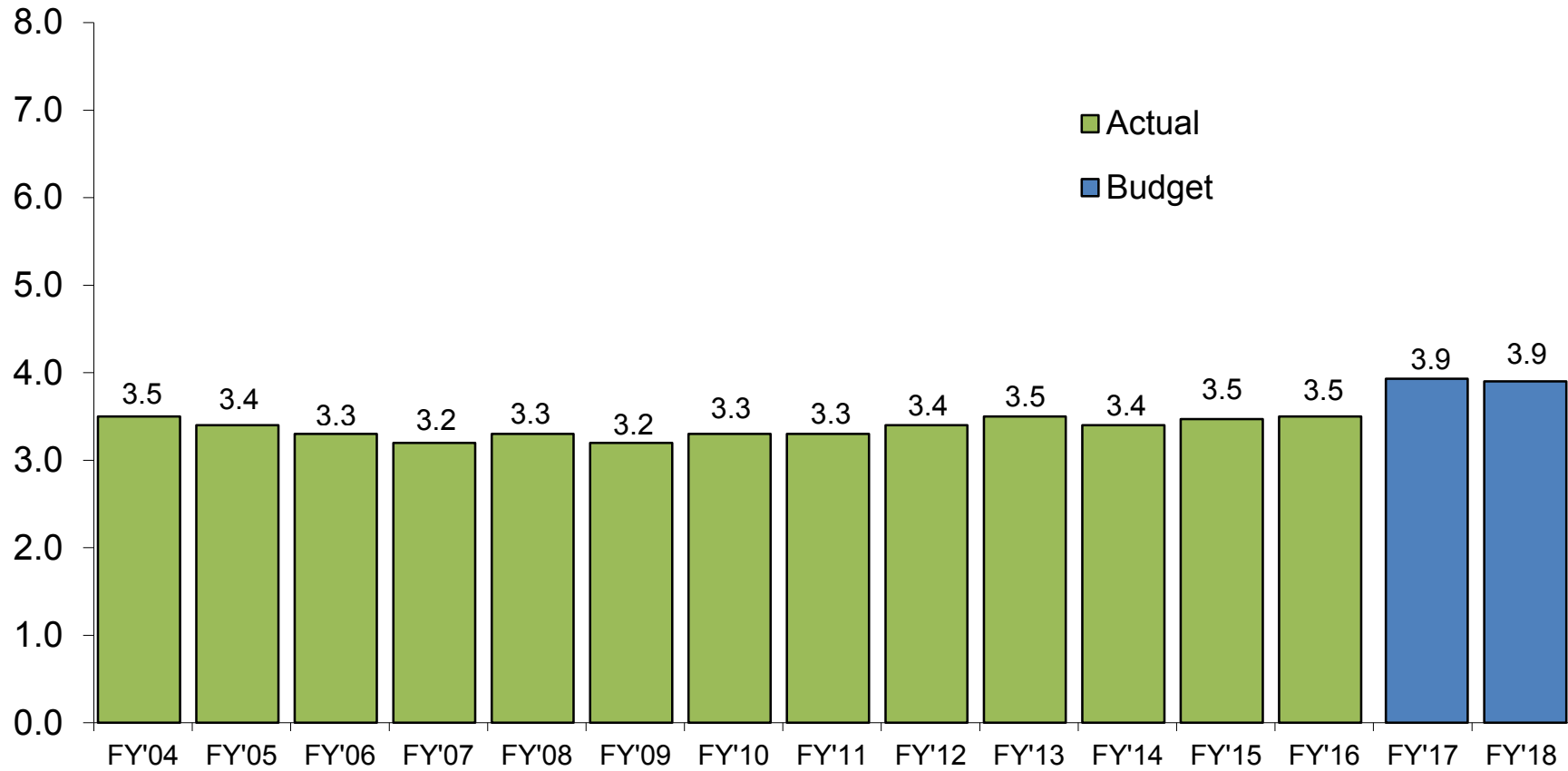
## OPERATING EFFICIENCY MEASURES



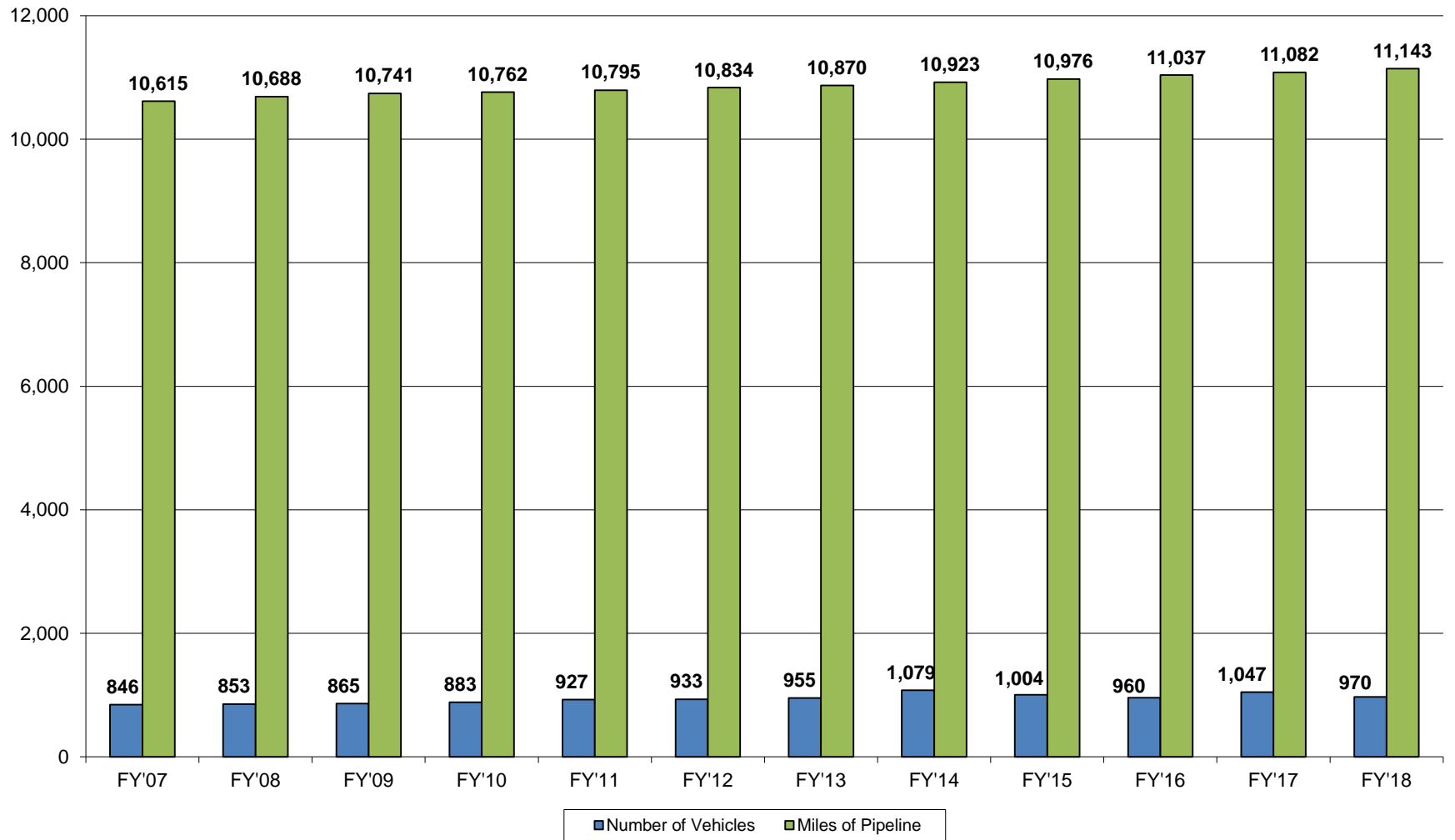
Note: FY'17 & FY'18 are budgeted, not actual.

## WORKYEARS PER 1,000 CUSTOMER ACCOUNTS

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## VEHICLE FLEET SIZE VS. MILES OF PIPELINE MAINTAINED



Note: FY'17 and FY'18 are budgeted, not actual.

**WSSC**  
**COMPARATIVE STATISTICAL DATA**

The following actual and budgeted data show the number of customer accounts increasing 2.8% and the population increasing 2.0% from FY'14 to FY'18, with the number of employee workyears increasing 16.1%. A portion of the increase in workyears 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 2.0% from FY'14 through FY'18.

During the years 1997 through 2001, the WSSC significantly cut resources through a Competitive Action Plan. In 1997, actual workyears was 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 19.3% and 13.9%, respectively, from FY'97 to FY'18, while workyears will have decreased 11.9% for the same period. Workyears are used to 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.

	<b>FY'14</b>	<b>FY'15</b>	<b>FY'16</b>	<b>FY'17</b>	<b>FY'18</b>	<b>FY'14-FY'18</b>	<b>FY'97-FY'18</b>
	<b><u>ACTUAL</u></b>	<b><u>ACTUAL</u></b>	<b><u>ACTUAL</u></b>	<b><u>APPROVED</u></b>	<b><u>PROPOSED</u></b>	<b><u>PERCENT</u></b>	<b><u>PERCENT</u></b>
						<b><u>CHANGE</u></b>	<b><u>CHANGE</u></b>
Workyears	1,530	1,546	1,587	1,776	1,776	16.1%	-11.9%
Population	1,757,000	1,765,000	1,774,000	1,783,000	1,792,000	2.0%	22.2%
Customer Accounts	443,827	445,385	448,061	450,785	456,061	2.8%	19.3%
<b>Size of System</b>							
<hr/>							
Miles to be Maintained							
Water	5,521	5,552	5,586	5,606	5,640	2.2%	13.7%
Sewer	<u>5,402</u>	<u>5,424</u>	<u>5,451</u>	<u>5,476</u>	<u>5,503</u>	<u>1.9%</u>	<u>14.1%</u>
TOTAL	10,923	10,976	11,037	11,082	11,143	2.0%	13.9%
Water Production (average MGD)	160.6	162.9	164.2	164.0	164.0	2.1%	2.8%
Sewage Flows (average MGD)	195.6	190.8	184.8	217.5	207.2	5.9%	7.9%



## **SELECTED MULTI-YEAR HISTORICAL DATA**

### **SECTION 3**

**SELECTED STATISTICAL DATA**

	<u>FY'12</u> <u>ACTUAL</u>	<u>FY'13</u> <u>ACTUAL</u>	<u>FY'14</u> <u>ACTUAL</u>	<u>FY'15</u> <u>ACTUAL</u>	<u>FY'16</u> <u>ACTUAL</u>	<u>FY'17</u> <u>APPROVED</u>	<u>FY'18</u> <u>PROPOSED</u>
Population Served	1,742,000	1,749,000	1,757,000	1,765,000	1,774,000	1,783,000	1,792,000
Customer Accounts	439,805	441,480	443,827	445,385	448,061	450,785	456,061
Water Produced (average MGD)	165.7	161.2	160.6	162.9	164.2	164.0	164.0
Water Produced (millions of gallons)	60,648	58,830	58,603	59,469	59,933	59,860	59,860
Water Mains Maintained (miles)	5,471	5,494	5,521	5,552	5,586	5,606	5,640
Water Mains Constructed (miles added by WSSC)	0.3	7.3	0.5	9.0	7.0	2.0	2.0
Water Mains Constructed (miles added by developers)	20.5	15.3	26.3	22.4	27.1	25.0	25.0
Water House Connections Maintained	444,184	446,453	449,333	453,004	457,393	458,604	465,393
Water House Connections Installed	2,591	2,269	2,880	3,671	4,389	2,800	4,000
Water Meters Issued	11,598	18,554	14,675	17,540	17,936	18,065	18,065
Sewage Systems Total Flow (average MGD)	183.7	177.2	195.6	190.8	184.8	217.5	207.2
Sewage Systems Total Flow (millions of gallons)	66,950	64,666	71,232	69,650	67,452	79,388	75,628
Sewer Mains Maintained (miles)	5,363	5,376	5,402	5,424	5,451	5,476	5,503
Sewer Mains Constructed (miles added by WSSC)	-	0.4	-	-	0.2	1.0	1.0
Sewer Mains Constructed (miles added by developers)	19.4	12.6	25.7	21.4	27.3	25.0	25.0
Sewer House Connections Maintained	421,092	423,110	425,445	428,279	431,589	433,479	437,789
Sewer House Connections Installed	2,374	2,018	2,335	2,834	3,310	2,600	3,100
Maintenance Work Orders (Emergency and Routine)	84,906	99,469	108,482	114,007	108,372	98,300	103,047
Vehicles in Fleet	933	955	1,079	1,004	960	953	970
Miles Traveled by Fleet	5,866,778	5,250,810	5,028,532	5,432,420	6,940,268	5,230,476	7,963,922
Water Meter Readings Completed	2,006,837	1,967,090	1,987,261	2,028,473	2,225,306	2,052,950	2,283,266
Authorized Positions	1,681	1,693	1,717	1,729	1,747	1,776	1,776
Authorized Workyears	1,681	1,693	1,717	1,729	1,747	1,776	1,776
Actual Employment Level - Beginning	1,528	1,549	1,549	1,550	1,561	1,633	
Actual Employment Level - Ending	1,549	1,549	1,550	1,561	1,633		
Actual Workyears	1,522	1,535	1,530	1,546	1,587		

**SELECTED FINANCIAL DATA**

	<u>FY'12 ACTUAL</u>	<u>FY'13 ACTUAL</u>	<u>FY'14 ACTUAL</u>	<u>FY'15 ACTUAL</u>	<u>FY'16 ACTUAL</u>	<u>FY'17 APPROVED</u>	<u>FY'18 PROPOSED</u>
<b>1. Customer Water &amp; Sewer Rate Percent Change</b>							
<u>Consumption Charges</u>							
Water	11.6%	2.9%	1.9%	7.7%	1.2%	5.9%	4.5%
Sewer	5.9%	11.5%	11.6%	3.9%	0.9%	0.8%	2.7%
Combined	8.5%	7.5%	7.25%	5.5%	1.0%	3.0%	3.5%
<b>2. Water &amp; Sewer Bill Revenues (\$ in Thousands)</b>							
Water Consumption Charges	\$226,286	\$225,212	\$227,923	\$242,867	\$235,805	\$255,054	\$267,080
Sewer Use Charges	<u>255,842</u>	<u>275,559</u>	<u>309,403</u>	<u>319,488</u>	<u>307,264</u>	<u>324,182</u>	<u>333,822</u>
Total Consumption Charges	482,128	500,771	537,326	562,355	543,069	579,236	600,902
Account Maintenance Fee	22,386	22,772	22,582	22,753	29,247	32,552	32,118
Infrastructure Investment Fee	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,700</u>	<u>38,962</u>	<u>38,360</u>
Total	<u>\$ 504,514</u>	<u>\$ 523,543</u>	<u>\$ 559,908</u>	<u>\$ 585,108</u>	<u>\$ 589,016</u>	<u>\$ 650,750</u>	<u>\$ 671,380</u>
<b>3. Water Production (average MGD)</b>	165.7	161.2	160.6	162.9	164.2	164.0	164.0

## WATER & SEWER OPERATING FUNDS - COMBINED

(\$ In Thousands)

	<u>FY'12</u> <u>ACTUAL</u>	<u>FY'13</u> <u>ACTUAL</u>	<u>FY'14</u> <u>ACTUAL</u>	<u>FY'15</u> <u>ACTUAL</u>	<u>FY'16</u> <u>ACTUAL</u>	<u>FY'17</u> <u>APPROVED</u>	<u>FY'18</u> <u>PROPOSED</u>
<b><u>REVENUES</u></b>							
Water Consumption Charges	\$ 226,286	\$ 225,212	\$ 227,923	\$ 242,867	\$ 235,805	\$ 255,054	\$ 267,080
Sewer Use Charges	255,842	275,559	309,403	319,488	307,264	324,182	333,822
Interest Income	647	722	630	532	696	700	700
Miscellaneous	24,788	26,926	25,104	29,484	31,989	29,512	33,532
Account Maintenance Fee	22,386	22,772	22,582	22,753	29,247	32,552	32,118
Infrastructure Investment Fee	-	-	-	-	16,700	38,962	38,360
Total Revenues	<u>529,949</u>	<u>551,191</u>	<u>585,642</u>	<u>615,124</u>	<u>621,701</u>	<u>680,962</u>	<u>705,612</u>
SDC Debt Service Offset	2,293	2,192	1,428	1,167	728	206	-
Reconstruction Debt Service Offset	11,000	11,000	10,500	10,000	8,500	9,800	7,700
Use of Fund Balance	3,400	18,528	27,481	30,193	20,721	26,050	11,580
Total Funds Available	<u>\$ 546,642</u>	<u>\$ 582,911</u>	<u>\$ 625,051</u>	<u>\$ 656,484</u>	<u>\$ 651,650</u>	<u>\$ 717,018</u>	<u>\$ 724,892</u>
<b><u>EXPENDITURES</u></b>							
Salaries & Wages	\$ 88,666	\$ 92,996	\$ 95,482	\$ 100,118	\$ 104,030	\$ 114,088	\$ 120,276
Heat, Light & Power	24,658	22,979	24,443	24,229	22,000	23,581	22,015
Regional Sewage Disposal	49,483	49,226	44,631	54,485	50,068	54,501	53,617
Debt Service							
Principal Payments	128,402	128,626	150,069	153,968	134,171	173,206	182,702
Interest Payments	47,269	55,604	60,772	68,013	76,190	70,602	74,755
Debt Reduction (PAYGO)	-	-	13,782	19,996	18,821	23,095	30,193
All Other	180,082	188,854	185,487	203,934	214,607	251,421	241,334
Working Capital Reserve Transfer	-	10,200	11,700	2,300	6,300	6,524	-
Total Expenditures	<u>\$ 518,560</u>	<u>\$ 548,485</u>	<u>\$ 586,366</u>	<u>\$ 627,043</u>	<u>\$ 693,665</u>	<u>\$ 717,018</u>	<u>\$ 724,892</u>
Water Production (average MGD)	165.7	161.2	160.6	162.9	164.2	164.0	164.0

**CAPITAL BUDGET VS. ACTUAL EXPENSES**  
**FY'97 - FY'16**  
(\$ in Thousands)

<b>Fiscal Year</b>	<b>Water Supply</b>		<b>Sewage Disposal</b>		<b>General Construction</b>		<b>Total Capital</b>	
	<b>Approved Budget</b>	<b>Actual Expenses</b>	<b>Approved Budget</b>	<b>Actual Expenses</b>	<b>Approved Budget</b>	<b>Actual Expenses</b>	<b>Approved Budget</b>	<b>Actual Expenses</b>
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	194,064	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
2013	240,107	182,393	527,914	356,179	19,984	8,617	788,005	547,189
2014	246,702	170,166	475,352	346,043	20,133	9,433	742,187	525,642
2015	265,079	198,830	341,997	353,417	18,305	11,910	625,381	564,157
2016	266,623	249,908	400,470	387,242	17,539	13,049	684,632	650,199

## **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 Service 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

The purpose of the **Water Operating Fund** is 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 include:

*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 \$3.38 to \$7.81 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.

*Infrastructure Investment Fee* - a fixed fee that funds the debt service associated with the Commission's water and sewer pipe reconstruction programs for the approved Capital Improvements Program.

*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. Debt service on bonds issued to fund growth-related CIP projects in prior 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); antenna lease fees collected; and fees charged for the use of recreational facilities in the WSSC's watershed areas.

### Water Operating Fund Revenue Sources

(\$ In Thousands)

	<b><u>FY'15</u></b> <b><u>Actual</u></b>	<b><u>FY'16</u></b> <b><u>Actual</u></b>	<b><u>FY'17</u></b> <b><u>Approved</u></b>	<b><u>FY'18</u></b> <b><u>Proposed</u></b>
Water Consumption Charges	\$242,867	\$235,805	\$255,054	\$267,080
Account Maintenance Fee	11,604	14,916	16,276	16,380
Infrastructure Investment Fee	-	8,517	19,481	19,564
Plumbing & Inspection Fees	5,316	6,037	5,460	6,560
Interest	24	30	100	100
SDC Debt Service Offset	277	213	203	-
Miscellaneous	9,591	10,527	9,900	11,100



## **OPERATING FUNDS**

(Continued)

### **Sewer Operating Fund**

The purpose of the **Sewer Operating Fund** is 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 include:**

*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 \$4.30 to \$10.90 per 1,000 gallons of metered water. Customers who receive sewage disposal services only are currently charged at a flat rate of \$105.00 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.

*Infrastructure Investment Fee* - a fixed fee that funds the debt service associated with the Commission's water and sewer pipe reconstruction programs for the approved Capital Improvements Program.

*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. Debt service on bonds issued to fund growth-related CIP projects in prior 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)

	<b><u>FY'15</u></b> <b><u>Actual</u></b>	<b><u>FY'16</u></b> <b><u>Actual</u></b>	<b><u>FY'17</u></b> <b><u>Approved</u></b>	<b><u>FY'18</u></b> <b><u>Proposed</u></b>
Sewer Use Charges	\$319,488	\$307,264	\$324,182	\$333,822
Account Maintenance Fee	11,149	14,331	16,276	15,738
Infrastructure Investment Fee	-	8,183	19,481	18,796
Plumbing & Inspection Fees	3,813	4,393	3,920	4,740
Interest	508	666	600	600
Rockville Sewer Use	3,186	3,142	2,632	2,632
SDC Debt Service Offset	890	515	3	-
Miscellaneous	7,578	7,890	7,600	8,500

## OPERATING FUNDS

(Continued)

### General Bond Debt Service Fund

The purpose of the **General Bond Debt Service Fund** is to pay the principal and interest on General Construction Bonds.

Sources of revenue include:

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

#### Current Approved Front Foot Benefit Assessment Rates

(\$ Per Foot)

<u>Subdivision</u>	<u>Water</u>	<u>Sewer</u>
First 150 Feet	\$4.80	\$7.18
Next 150 Feet	3.60	5.39
Over 300 Feet	2.40	3.59
 <u>Business</u>		
All Footage	6.39	9.55

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 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)

	<b><u>FY'15</u></b> <b><u>Actual</u></b>	<b><u>FY'16</u></b> <b><u>Actual</u></b>	<b><u>FY'17</u></b> <b><u>Approved</u></b>	<b><u>FY'18</u></b> <b><u>Proposed</u></b>
Front Foot Benefit Charges and Deferred House Connection Charges	\$29,971	\$24,925	\$21,719	\$18,852
Interest	62	87	100	20
Miscellaneous	384	312	300	240

**CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES, AND EXPENDITURES**

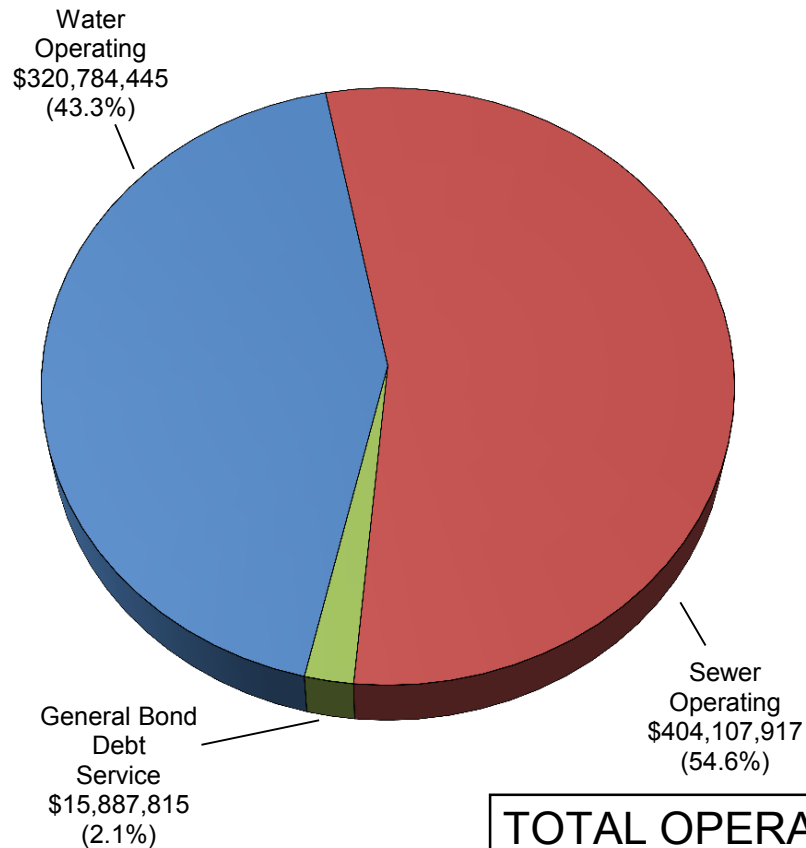
(\$ In Thousands)

	<b>FY'16</b>	<b>FY'17</b>	<b>FY'18</b>
	<b>Actual</b>	<b>Approved</b>	<b>Proposed</b>
	<b>Budget</b>	<b>Budget</b>	
<b><u>REVENUES</u></b>			
Water Consumption Charges	\$235,805	\$255,054	\$267,080
Sewer Use Charges	307,264	324,182	333,822
Account Maintenance Fee	29,247	32,552	32,118
Infrastructure Investment Fee	16,700	38,962	38,360
Front Foot Benefit & House Connection Charges (Deferred)	24,925	21,719	18,852
Plumbing & Inspection Fees	10,430	9,380	11,300
Interest Income	783	800	720
Rockville Sewer Use	3,142	2,632	2,632
Use of Fund Balance	20,721	26,050	11,580
Miscellaneous	<u>18,729</u>	<u>17,800</u>	<u>19,840</u>
<b>TOTAL REVENUES</b>	<b><u>667,746</u></b>	<b><u>729,131</u></b>	<b><u>736,304</u></b>
<b><u>EXPENSES</u></b>			
Salaries & Wages	104,753	114,718	120,919
Heat, Light & Power	22,000	23,581	22,015
Regional Sewage Disposal	50,068	54,501	53,617
All Other	215,625	252,526	242,434
Debt Reduction (PAYGO)	18,821	23,095	30,193
Debt Service			
Principal Payments	148,273	186,603	193,451
Interest Payments	<u>80,199</u>	<u>74,834</u>	<u>78,151</u>
<b>GROSS EXPENSES</b>	<b><u>639,739</u></b>	<b><u>729,858</u></b>	<b><u>740,780</u></b>
Less: Reconstruction Debt Service Offset	(8,500)	(9,800)	(7,700)
SDC Debt Service Offset	(728)	(206)	-
Working Capital Reserve Transfer	<u>6,300</u>	<u>6,524</u>	<u>-</u>
<b>NET EXPENSES</b>	<b><u>636,811</u></b>	<b><u>726,376</u></b>	<b><u>733,080</u></b>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<b><u>\$ 30,935</u></b>	<b><u>\$ 2,755</u></b>	<b><u>\$ 3,224</u></b>

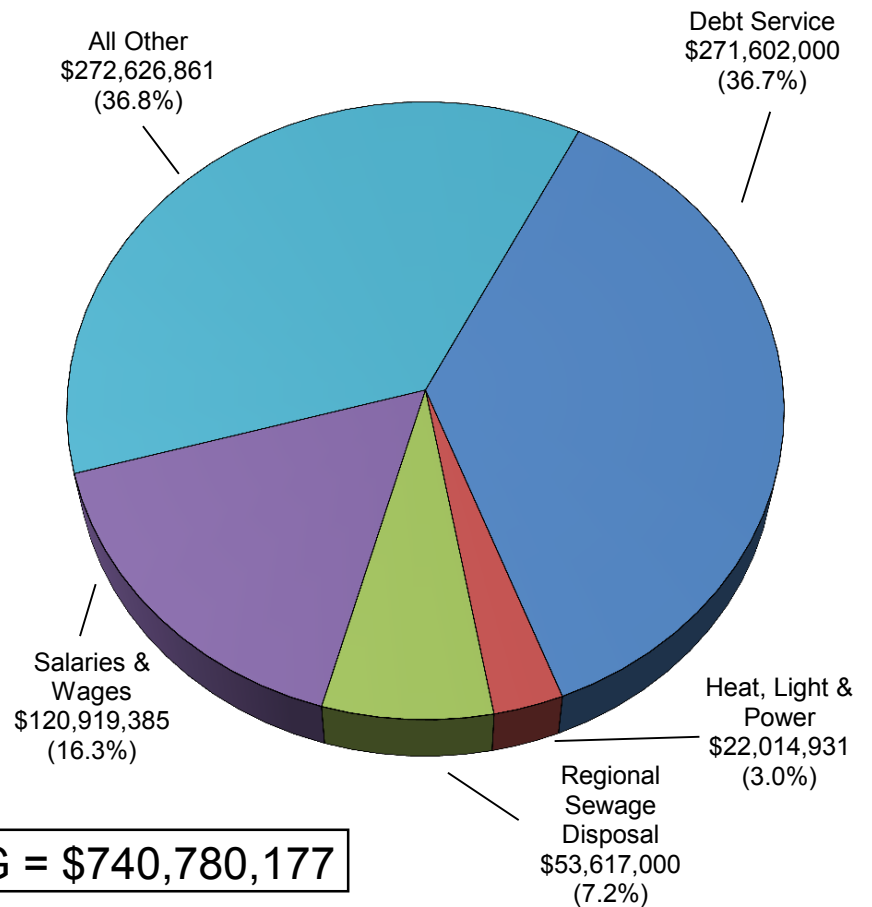
# FY 2018 PROPOSED BUDGET

## OPERATING EXPENDITURES

BY FUND



BY MAJOR EXPENSE CATEGORY



**TOTAL OPERATING = \$740,780,177**

## WATER OPERATING

(\$ In Thousands)

	<u>FY'16 Actual</u>	<u>FY'17 Approved Budget</u>	<u>FY'18 Proposed Budget</u>
<b><u>REVENUES</u></b>			
Water Consumption Charges	\$ 235,805	\$ 255,054	\$ 267,080
Account Maintenance Fee	14,916	16,276	16,380
Infrastructure Investment Fee	8,517	19,481	19,564
Plumbing & Inspection Fees	6,037	5,460	6,560
Interest Income	30	100	100
Use of Fund Balance	10,102	10,962	-
Miscellaneous	10,527	9,900	11,100
TOTAL REVENUES	<u>285,934</u>	<u>317,233</u>	<u>320,784</u>
<b><u>EXPENSES</u></b>			
Salaries & Wages	57,368	60,897	64,169
Heat, Light & Power	13,316	12,843	11,760
All Other	112,755	127,384	125,372
Debt Reduction (PAYGO)	8,388	10,707	13,163
Debt Service			
Principal Payments	57,260	77,268	78,013
Interest Payments	30,652	28,037	28,307
GROSS EXPENSES	<u>279,739</u>	<u>317,136</u>	<u>320,784</u>
Less: Reconstruction Debt Service Offset	(1,000)	(2,800)	-
SDC Debt Service Offset	(213)	(203)	-
Working Capital Reserve Transfer	3,213	3,100	-
NET EXPENSES	<u>281,739</u>	<u>317,233</u>	<u>320,784</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$ 4,195</u>	<u>\$ -</u>	<u>\$ -</u>

**SEWER OPERATING**

(\$ In Thousands)

	<u>FY'16 Actual</u>	<u>FY'17 Approved Budget</u>	<u>FY'18 Proposed Budget</u>
<b><u>REVENUES</u></b>			
Sewer Use Charges	\$ 307,264	\$ 324,182	\$ 333,822
Account Maintenance Fee	14,331	16,276	15,738
Infrastructure Investment Fee	8,183	19,481	18,796
Plumbing & Inspection Fees	4,393	3,920	4,740
Interest Income	666	600	600
Rockville Sewer Use	3,142	2,632	2,632
Use of Fund Balance	10,619	15,088	11,580
Miscellaneous	7,890	7,600	8,500
TOTAL REVENUES	<u>356,488</u>	<u>389,779</u>	<u>396,408</u>
<b><u>EXPENSES</u></b>			
Salaries & Wages	46,662	53,191	56,106
Heat, Light & Power	8,684	10,738	10,255
Regional Sewage Disposal	50,068	54,501	53,617
All Other	101,852	124,037	115,963
Debt Reduction (PAYGO)	10,433	12,388	17,030
Debt Service			
Principal Payments	76,911	95,938	104,689
Interest Payments	45,538	42,565	46,448
GROSS EXPENSES	<u>340,148</u>	<u>393,358</u>	<u>404,108</u>
Less: Reconstruction Debt Service Offset	(7,500)	(7,000)	(7,700)
SDC Debt Service Offset	(515)	(3)	-
Working Capital Reserve Transfer	3,087	3,424	-
NET EXPENSES	<u>335,220</u>	<u>389,779</u>	<u>396,408</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$ 21,268</u>	<u>\$ -</u>	<u>\$ -</u>



**GENERAL BOND DEBT SERVICE**

(\$ In Thousands)

	<b><u>FY'16</u></b> <b><u>Actual</u></b>	<b><u>FY'17</u></b> <b><u>Approved</u></b> <b><u>Budget</u></b>	<b><u>FY'18</u></b> <b><u>Proposed</u></b> <b><u>Budget</u></b>
<b><u>REVENUES</u></b>			
Front Foot Benefit & House Connection			
Charges (Deferred)	\$ 24,925	\$ 21,719	\$ 18,852
Interest Income	87	100	20
Miscellaneous	312	300	240
Use of Fund Balance	8,500	9,800	7,700
Reconstruction Debt Service Offset	<u>(8,500)</u>	<u>(9,800)</u>	<u>(7,700)</u>
TOTAL REVENUES	<u>25,324</u>	<u>22,119</u>	<u>19,112</u>
<b><u>EXPENSES</u></b>			
Salaries & Wages	723	630	644
All Other	1,018	1,105	1,099
Debt Service			
Principal Payments	14,102	13,397	10,749
Interest Payments	<u>4,009</u>	<u>4,232</u>	<u>3,396</u>
TOTAL EXPENSES	<u>19,852</u>	<u>19,364</u>	<u>15,888</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$ 5,472</u>	<u>\$ 2,755</u>	<u>\$ 3,224</u>

## **DEBT SERVICE**

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

### **Overview**

The total FY'18 Proposed Budget for debt service is \$271,602,000, an increase of \$10,165,000 or 3.9% more than the FY'17 Approved Budget of \$261,437,000. The proposed debt service is based upon paying the FY'18 principal and interest payments on current outstanding debt, and issuing \$580,022,000 in new Water Supply, Sewage Disposal, General Construction, and MDE Loans. The new debt issues are necessary to implement the first year of the Commission's Proposed FYs 2018-2023 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 and commercial 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, 2016, is as follows:

General Construction Bonds	\$174,284,641
Maryland Water Quality Bonds	245,446,876
Water Supply Bonds	818,937,395
Sewage Disposal Bonds	1,111,682,964
Water, Sewer and General Notes	<u>120,000,000</u>
TOTAL	<u>\$2,470,351,876</u>

**FISCAL YEARS 2016-2018**  
**ACTUAL AND ESTIMATED OUTSTANDING DEBT**

Debt as of June 30, 2016	\$2,470,351,876
(Includes Maryland Water Quality Loans)	

**FY'17 BUDGETED NEW ISSUES**

Water and Sewer	458,176,000
MDE Loans	21,200,000

**FY'17 PRINCIPAL PAYMENTS**

Principal from Debt Outstanding as of June 30, 2016	<u>(142,869,826)</u>
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Estimated Debt Outstanding as of June 30, 2017	<u>2,806,858,050</u>
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**NEW FY'18 PROPOSED ISSUES**

General Construction	10,000,000
Water	287,308,000
Sewer	262,714,000
MDE Loans	20,000,000

**FY'18 PRINCIPAL PAYMENTS**

Principal from Debt Outstanding as of June 30, 2016	(145,897,578)
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Principal from FY'17 Water & Sewer Bonds	<u>(6,896,000)</u>
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Estimated Debt Outstanding as of June 30, 2018	<u>\$3,234,086,472</u>
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## **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 30 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 10% 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 Assessed Valuation *		\$273,112,412,244
Debt Limit: 7.0% of total assessable personal & operating real property		159,569,496
3.8% of total assessable tax base of all real property		10,291,648,225
Debt applicable to limitation:		
Total applicable debt	2,470,351,876	
Less amount available from		
Repayment of debt - FY'17	(142,869,826)	
Repayment of debt - FY'18	(145,897,578)	
Plus amount available from		
New issues - FY'17	479,376,000	
Planned issues - FY'18	<u>580,022,000</u>	
Less Total debt applicable to limitation		<u>3,240,982,472</u>
Legal Debt Margin		<u>\$7,210,235,249</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>
2015	\$273,112,412	\$2,470,352	\$10,451,218
2014	240,410,073	1,952,543	9,197,332
2013	240,018,093	1,878,296	9,180,923
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

\* 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 BUDGET

The Washington Suburban Sanitary Commission's (WSSC's) budget is a comprehensive financial plan by which the WSSC is funded for a single fiscal year. The WSSC's budget, or funding plan, is composed 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.

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 Capital Budget is also composed of a number of programs for which funds are expended, and their associated administrative and support costs. 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 purposes and revenue sources of each fund are prescribed by law in the Washington Suburban Sanitary District Code. The capital funds and their respective purposes and funding sources are as follows:

The purpose of the **Water Supply Bond Fund** is 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 include:

*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 BUDGET

(Continued)

The purpose of the **Sewage Disposal Bond Fund** is to plan, design, and construct trunk and intercepting sewers 15 inches in diameter and larger; sewage pumping stations and force mains; sewage treatment facilities; along with improvements or modifications to these facilities; and reimbursement to the District of Columbia Water and Sewer Authority for construction at the Blue Plains Advanced Wastewater Treatment Plant.

### Sources of revenue include:

*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.

The purpose of the **General Construction Bond Fund** is 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.

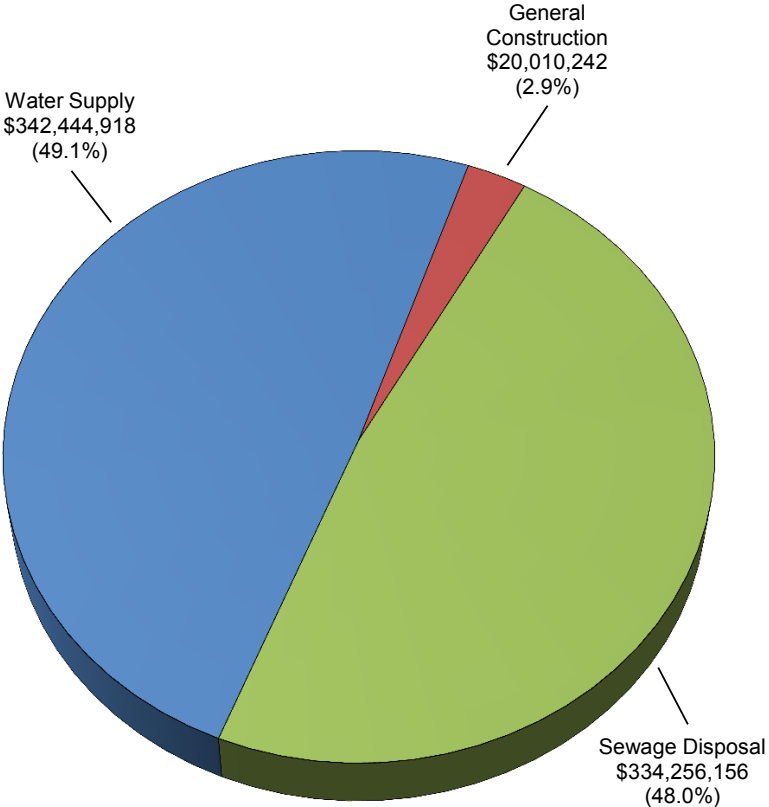
### Sources of revenue include:

*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;

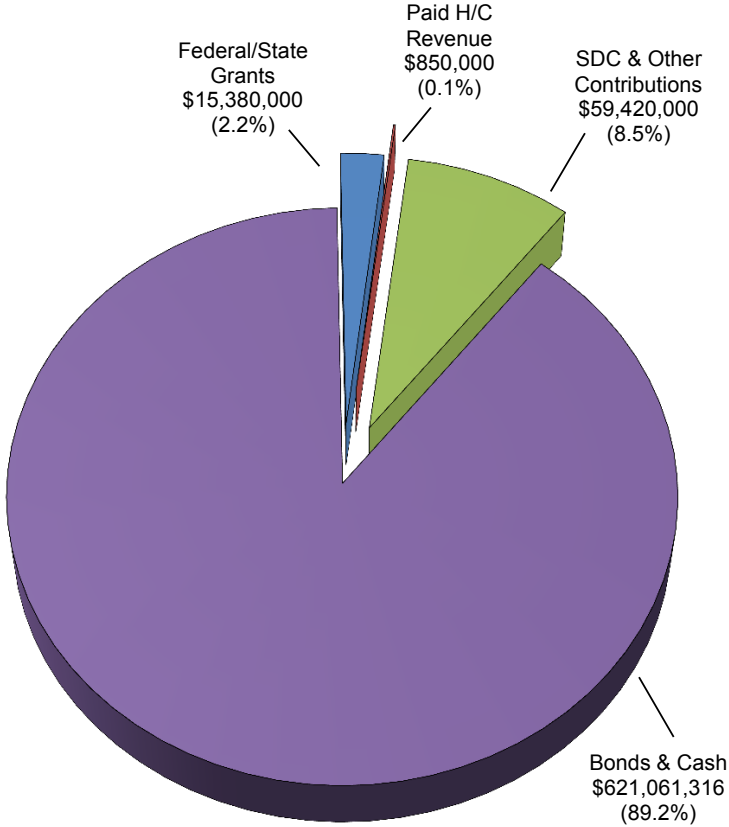
*Anticipated Contributions* - house connection charges which are paid as a lump sum, and contributions made by private parties for the excess cost of extending lateral water and sewer lines to certain areas.

# FY 2018 PROPOSED BUDGET CAPITAL

**BY FUND**



**BY SOURCE**



SDC = System Development Charge  
H/C = House Connection

**TOTAL CAPITAL = \$696,711,316**

**STATEMENT OF CAPITAL FUNDS, INCOME, AND EXPENDITURES**

**CAPITAL FUNDS TOTAL**

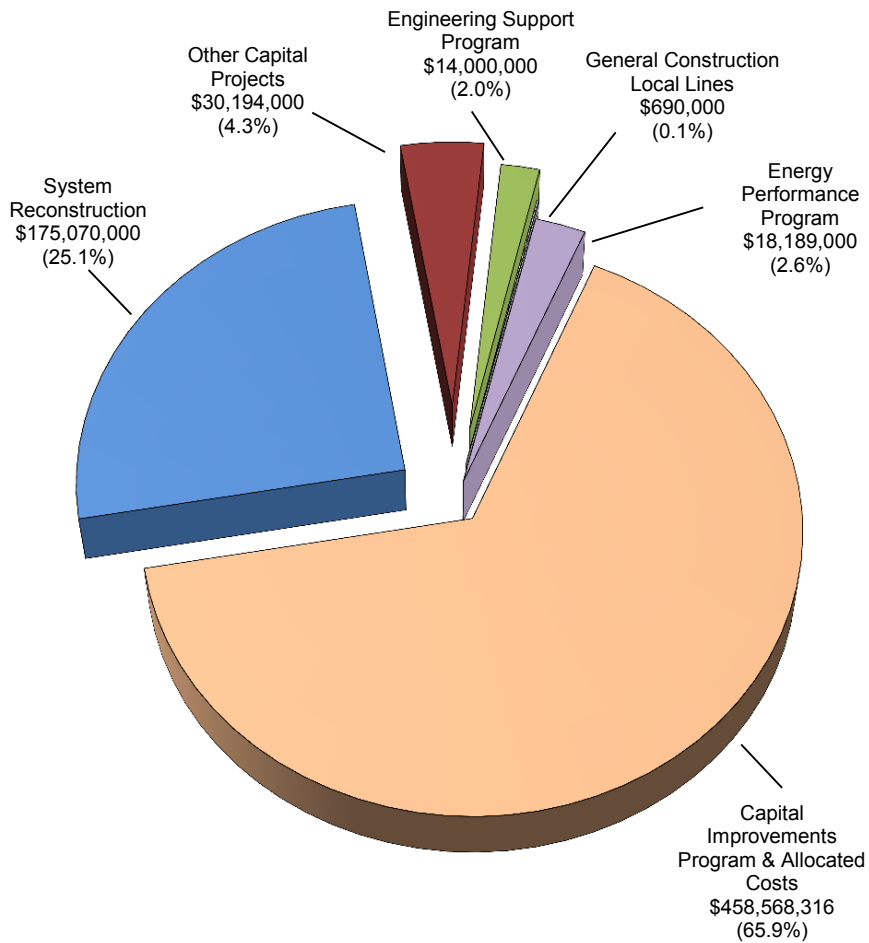
(\$ In Thousands)

	<b><u>FY'16</u></b>	<b><u>FY'17</u></b>	<b><u>FY'18</u></b>
	<b><u>Actual</u></b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
		<b><u>Budget</u></b>	<b><u>Budget</u></b>
<b><u>GROSS FUNDS AVAILABLE</u></b>			
Bonds Issued and Cash on Hand	\$ 495,787	\$ 571,371	\$ 621,061
Anticipated Contributions:			
Federal and State Grants	30,778	16,822	15,380
System Development Charge (SDC)	8,600	77,978	32,189
Other	28,610	24,127	28,081
Available for Current Construction	<u>563,775</u>	<u>690,298</u>	<u>696,711</u>
<b><u>CAPITAL COSTS</u></b>			
Salaries & Wages	29,390	28,667	30,009
Contract Work	379,093	442,324	453,397
Consulting Engineers	45,626	54,851	57,814
All Other	196,090	164,456	155,491
<b>TOTAL COSTS</b>	<u>650,199</u>	<u>690,298</u>	<u>696,711</u>
Funds Available After Current Construction	<u>\$ (86,424)</u>	<u>\$ -</u>	<u>\$ -</u>

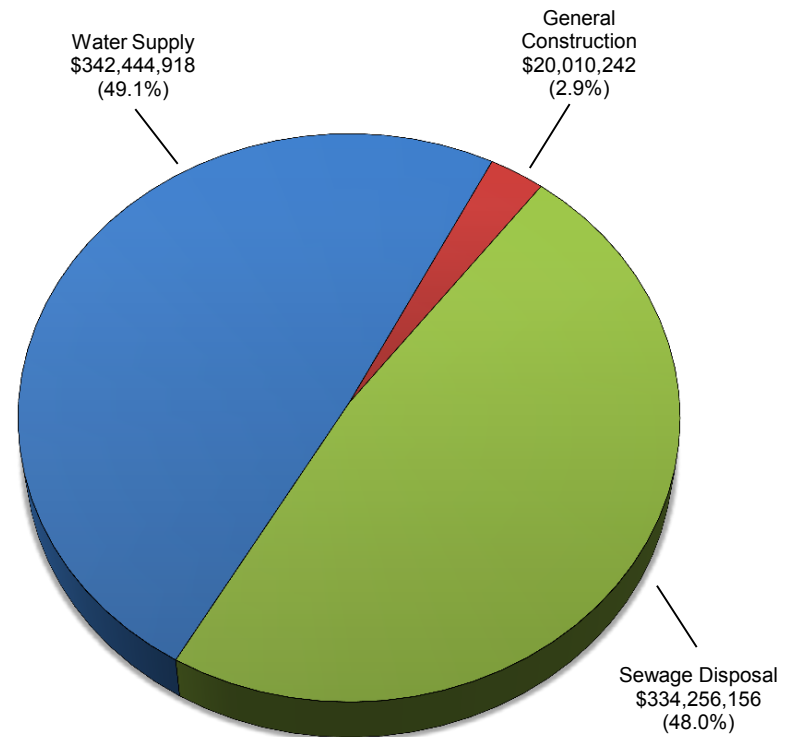
# FY 2018 PROPOSED BUDGET

## CAPITAL EXPENDITURES

BY PROGRAM



BY FUND



TOTAL CAPITAL = \$696,711,316

**FY'18 PROPOSED CAPITAL BUDGET  
FUND AND PROGRAM RELATIONSHIP**

(\$ In Thousands)

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

<b><u>Distribution by Program Category *</u></b>	<b><u>Grand Total</u></b>	<b><u>Water</u></b>	<b><u>Sewer</u></b>	<b><u>General Construction</u></b>
Capital Improvements Program (CIP)** & Allocated Costs	\$ 458,568	\$ 195,878	\$ 246,725	\$ 15,965
Systems Reconstruction Program	175,070	111,956	63,114	-
Engineering Support Program	14,000	9,240	4,760	-
Energy Performance Program	18,189	5,125	13,064	-
Other Capital Projects	30,194	20,246	6,593	3,355
General Construction - Local Lines	<u>690</u>	<u>-</u>	<u>-</u>	<u>690</u>
<b>TOTAL</b>	<b><u><u>\$ 696,711</u></u></b>	<b><u><u>\$ 342,445</u></u></b>	<b><u><u>\$ 334,256</u></u></b>	<b><u><u>\$ 20,010</u></u></b>

\*Operating costs are not included.

\*\*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 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 as detailed in 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 and through the use of PAYGO funding (when budgeted) 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 2018-2023, CIP expenditures total approximately \$1.9 billion over the six-year program period, representing a \$130 million decrease compared to last year's CIP. The decrease can be primarily attributed to decreases in the Broad Creek WWPS Augmentation and Blue Plains Enhanced Nutrient Removal projects as these projects continue to move through construction.

Of the \$1.9 billion in the six-year program period, approximately \$210 million is for growth, \$144 million is to meet environmental mandates, and \$1.5 billion is for system improvements. Approximately \$42.2 million of the growth cost in the six-year program period is attributable to water and sewer developer projects, with approximately \$20.6 million programmed in FY'18. A summary of six-year program expenditures is displayed on the next page.

The estimated total expenditures for the first year of the FYs 2018-2023 CIP - the budget year - are included in this FY'18 Proposed Budget for approval. Expenditures for FY'18 are estimated to be \$488 million, which is approximately \$10 million less than last year. The decrease can be primarily attributed to the projected construction progress for the Broad Creek WWPS Augmentation, Patuxent WFP Phase II Expansion, and Blue Plains Enhanced Nutrient Removal projects. A table of FY'18 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 2018-2023 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 of 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)

	<u>Budget Year FY'18</u>	<u>Year 2 FY'19</u>	<u>Year 3 FY'20</u>	<u>Year 4 FY'21</u>	<u>Year 5 FY'22</u>	<u>Year 6 FY'23</u>	<u>Total Six Years FY'18-'23</u>
<b><u>Water Projects</u></b>							
Montgomery County	\$ 20,715	\$ 6,652	\$ 1,319	\$ -	\$ -	\$ -	\$ 28,686
Prince George's County	72,020	54,466	20,861	20,388	19,108	19,107	205,950
Bi-County	106,115	95,840	120,801	99,537	96,653	84,643	603,589
Total Water Projects	<u>198,850</u>	<u>156,958</u>	<u>142,981</u>	<u>119,925</u>	<u>115,761</u>	<u>103,750</u>	<u>838,225</u>
<b><u>Sewer Projects</u></b>							
Montgomery County	14,223	13,776	3,276	-	-	-	31,275
Prince George's County	44,336	61,236	53,029	18,251	2,602	2,282	181,736
Bi-County	230,985	159,357	177,128	130,696	73,472	68,928	840,566
Total Sewer Projects	<u>289,544</u>	<u>234,369</u>	<u>233,433</u>	<u>148,947</u>	<u>76,074</u>	<u>71,210</u>	<u>1,053,577</u>
<b>GRAND TOTAL</b>	<u><u>\$488,394</u></u>	<u><u>\$391,327</u></u>	<u><u>\$376,414</u></u>	<u><u>\$268,872</u></u>	<u><u>\$191,835</u></u>	<u><u>\$174,960</u></u>	<u><u>\$1,891,802</u></u>



**FY'18 ESTIMATES FOR  
SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - WATER  
(In Thousands)**

<b><u>PROJECT NUMBER</u></b>	<b><u>PROJECT NAME</u></b>	<b><u>LAND AND RIGHTS OF WAY</u></b>	<b><u>PLANNING/ DESIGN FEES</u></b>	<b><u>CONSTRUCTION COSTS</u></b>	<b><u>OTHER COSTS</u></b>	<b><u>FY'18 TOTAL</u></b>
<b><u>MONTGOMERY COUNTY</u></b>						
W-3.02	Olney Standpipe Replacement	\$ -	\$ 328	\$ 3,211	\$ 531	\$ 4,070
W-46.14	Clarksburg Area Stage 3 Water Main, Parts 1, 2, & 3	-	475	1,129	241	1,845
W-46.15	Clarksburg Elevated Water Storage Facility	-	93	2,760	428	3,281
W-46.24	Clarksburg Area Stage 3 Water Main, Part 4	-	68	427	74	569
W-46.25	Clarksburg Area Stage 3 Water Main, Part 5	-	165	1,108	191	1,464
W-90.04	Brink Zone Reliability Improvements	-	600	3,200	480	4,280
W-138.02	Shady Grove Standpipe Replacement	-	317	4,416	473	5,206
<b><u>MONTGOMERY COUNTY SUBTOTALS</u></b>		<b>\$ -</b>	<b>\$ 2,046</b>	<b>\$ 16,251</b>	<b>\$ 2,418</b>	<b>\$ 20,715</b>
<b><u>BI-COUNTY</u></b>						
W-73.19	Potomac WFP Outdoor Substation No. 2 Replacement	\$ -	\$ 105	\$ 1,030	\$ 113	\$ 1,248
W-73.21	Potomac WFP Corrosion Mitigation	-	40	650	70	760
W-73.22	Potomac WFP Pre-Filter Chlorination & Air Scour Improvements	-	824	8,241	907	9,972
W-73.30	Potomac WFP Submerged Channel Intake	-	1,450	-	73	1,523
W-73.32	Potomac WFP Main Zone Pipeline	-	400	8,240	864	9,504
W-73.33	Potomac WFP Consent Decree Program	400	2,000	4,000	600	7,000
W-127.01	Bi-County Water Tunnel	-	673	120	40	833
W-139.02	Duckett & Brighton Dam Upgrades	-	1,175	8,528	970	10,673
W-161.01	Large Diameter Water Pipe & Large Valve Rehabilitation Program	-	4,553	34,972	1,976	41,501
W-172.05	Patuxent WFP Phase II Expansion	-	1,730	6,800	426	8,956
W-172.07	Patuxent Raw Water Pipeline	-	200	3,600	380	4,180
W-172.08	Rocky Gorge Pump Station Upgrade	-	900	6,000	690	7,590
W-202.00	Land & Rights-of-Way Acquisition - Bi-County Water	2,375	-	-	-	2,375
<b><u>BI-COUNTY SUBTOTALS</u></b>		<b>\$ 2,775</b>	<b>\$ 14,050</b>	<b>\$ 82,181</b>	<b>\$ 7,109</b>	<b>\$ 106,115</b>

**FY'18 ESTIMATES FOR  
SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - WATER  
(In Thousands)**

<b><u>PROJECT NUMBER</u></b>	<b><u>PROJECT NAME</u></b>	<b><u>LAND AND RIGHTS OF WAY</u></b>	<b><u>PLANNING/ DESIGN FEES</u></b>	<b><u>CONSTRUCTION COSTS</u></b>	<b><u>OTHER COSTS</u></b>	<b><u>FY'18 TOTAL</u></b>
<b><u>PRINCE GEORGE'S COUNTY</u></b>						
W-12.02	Prince George's County HG415 Zone Water Main	\$ -	\$ 3	\$ 1,821	\$ 274	\$ 2,098
W-34.02	Old Branch Avenue Water Main	-	374	7,480	786	8,640
W-34.03	Water Transmission Improvements 385B Pressure Zone	-	150	12,000	1,215	13,365
W-34.04	Branch Avenue Water Transmission Improvements	-	50	12,800	754	13,604
W-34.05	Marlboro Zone Reinforcement Main	-	5	2,300	346	2,651
W-62.05	Clinton Zone Water Storage Facility Implementation	-	150	4,300	470	4,920
W-65.10	St. Barnabas Elevated Tank Replacement	-	181	3,927	616	4,724
W-84.02	Ritchie Marlboro Road Transmission Main & PRV	-	10	5,150	516	5,676
W-84.03	Smith Home Farms Water Main	-	62	294	53	409
W-84.04	Westphalia Town Center Water Main	-	60	203	39	302
W-84.05	Prince George's County 450A Zone Water Main	-	1,463	-	146	1,609
W-93.01	Konterra Town Center East Water Main	-	7	46	8	61
W-105.01	Marlton Section 18 Water Main, Lake Marlton Avenue	-	39	297	50	386
W-111.05	Hillmeade Road Water Main	-	30	2,678	406	3,114
W-119.01	John Hanson Highway Water Main, Part 1	-	300	5,700	600	6,600
W-120.14	Villages of Timothy Water Main, Part 1	-	1	23	4	28
W-120.15	Villages of Timothy Water Main, Part 2	-	5	51	8	64
W-120.16	Villages of Timothy Water Main, Part 3	-	3	45	7	55
W-123.14	Old Marlboro Pike Water Main	-	16	160	26	202
W-123.20	Oak Grove/Leeland Roads Water Main, Part 2	-	20	2,000	302	2,322
W-137.02	South Potomac Supply Improvement, Phase 1	-	10	20	2	32
W-137.03	South Potomac Supply Improvement, Phase 2	-	975	-	49	1,024
W-147.00	Collington Elevated Water Storage Facility	-	21	100	13	134
<b><u>PRINCE GEORGE'S COUNTY SUBTOTALS</u></b>		<b><u>\$ -</u></b>	<b><u>\$ 3,935</u></b>	<b><u>\$ 61,395</u></b>	<b><u>\$ 6,690</u></b>	<b><u>\$ 72,020</u></b>
<b><u>GRAND TOTAL WATER PROJECTS</u></b>		<b><u>\$ 2,775</u></b>	<b><u>\$ 20,031</u></b>	<b><u>\$ 159,827</u></b>	<b><u>\$ 16,217</u></b>	<b><u>\$ 198,850</u></b>

**FY'18 ESTIMATES FOR  
SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - SEWER  
(In Thousands)**

<b><u>PROJECT NUMBER</u></b>	<b><u>PROJECT NAME</u></b>	<b><u>LAND AND RIGHTS OF WAY</u></b>	<b><u>PLANNING/ DESIGN FEES</u></b>	<b><u>CONSTRUCTION COSTS</u></b>	<b><u>OTHER COSTS</u></b>	<b><u>FY'18 TOTAL</u></b>
<b><u>MONTGOMERY COUNTY</u></b>						
S-25.03	Twinbrook Commons Sewer	\$ -	\$ 12	\$ 75	\$ 13	\$ 100
S-25.04	Mid-Pike Plaza Sewer Main, Phase 1	-	9	103	17	129
S-25.05	Mid-Pike Plaza Sewer Main, Phase 2	-	254	2,529	417	3,200
S-84.47	Clarksburg Triangle Outfall Sewer, Part 2	-	15	512	79	606
S-84.60	Cabin Branch Wastewater Pumping Station	-	50	1,155	120	1,325
S-84.61	Cabin Branch WWPS Force Main	-	28	100	19	147
S-84.65	Tapestry Wastewater Pumping Station	-	50	235	43	328
S-84.66	Tapestry WWPS Force Main	-	-	32	5	37
S-84.67	Milestone Center Sewer Main	-	120	300	63	483
S-84.68	Clarksburg Wastewater Pumping Station	-	252	-	38	290
S-84.69	Clarksburg WWPS Force Main	-	87	-	13	100
S-85.21	Shady Grove Station Sewer Augmentation	-	11	1,046	159	1,216
S-103.16	Cabin John Trunk Sewer Relief	-	186	5,259	817	6,262
<b><u>MONTGOMERY COUNTY SUBTOTALS</u></b>		<b>\$ -</b>	<b>\$ 1,074</b>	<b>\$ 11,346</b>	<b>\$ 1,803</b>	<b>\$ 14,223</b>
<b><u>BI-COUNTY</u></b>						
S-22.06	Blue Plains WWTP: Liquid Train Projects, Part 2	\$ -	\$ 3,314	\$ 12,809	\$ 161	\$ 16,284
S-22.07	Blue Plains WWTP: Biosolids Management, Part 2	-	832	2,675	35	3,542
S-22.09	Blue Plains WWTP: Plant-wide Projects	-	1,547	6,728	83	8,358
S-22.10	Blue Plains WWTP: Enhanced Nutrient Removal	-	6,376	27,236	336	33,948
S-22.11	Blue Plains: Pipelines & Appurtenances	-	3,463	9,752	132	13,347
S-103.02	Piscataway WWTP Bio-Energy Project	-	3,550	250	190	3,990
S-170.08	Septage Discharge Facility Planning & Implementation	-	500	1,792	229	2,521
S-170.09	Trunk Sewer Reconstruction Program	-	27,900	107,700	13,300	148,900
S-203.00	Land & Rights-of-Way Acquisition - Bi-County Sewer	95	-	-	-	95
<b><u>BI-COUNTY SUBTOTALS</u></b>		<b>\$ 95</b>	<b>\$ 47,482</b>	<b>\$ 168,942</b>	<b>\$ 14,466</b>	<b>\$ 230,985</b>

**FY'18 ESTIMATES FOR  
SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - SEWER  
(In Thousands)**

<b><u>PROJECT NUMBER</u></b>	<b><u>PROJECT NAME</u></b>	<b><u>LAND AND RIGHTS OF WAY</u></b>	<b><u>PLANNING/ DESIGN FEES</u></b>	<b><u>CONSTRUCTION COSTS</u></b>	<b><u>OTHER COSTS</u></b>	<b><u>FY'18 TOTAL</u></b>
<b><u>PRINCE GEORGE'S COUNTY</u></b>						
S-27.08	Westphalia Town Center Sewer Main	\$ -	\$ 18	\$ 88	\$ 16	\$ 122
S-28.18	Konterra Town Center East Sewer	-	57	380	66	503
S-43.02	Broad Creek WWPS Augmentation	-	1,489	15,468	848	17,805
S-57.92	Western Branch Facility Upgrade	-	400	1,500	95	1,995
S-57.94	Western Branch WWTP Incinerator Emissions Control	-	1,321	7,402	872	9,595
S-68.01	Landover Mall Redevelopment	-	74	452	79	605
S-75.19	Brandywine Woods Wastewater Pumping Station	-	12	44	9	65
S-75.20	Brandywine Woods WWPS Force Main	-	5	28	5	38
S-75.21	Mattawoman WWTP Upgrades	-	-	3,633	-	3,633
S-86.19	Karington Subdivision Sewer	-	3	150	23	176
S-96.14	Piscataway WWTP Facility Upgrades	-	3,742	2,918	333	6,993
S-131.05	Pleasant Valley Sewer Main, Part 2	-	51	284	50	385
S-131.07	Pleasant Valley Sewer Main, Part 1	-	105	722	124	951
S-131.10	Fort Washington Forest No. 1 WWPS Augmentation	-	234	1,044	192	1,470
<b><u>PRINCE GEORGE'S COUNTY SUBTOTALS</u></b>		<b><u>\$ -</u></b>	<b><u>\$ 7,511</u></b>	<b><u>\$ 34,113</u></b>	<b><u>\$ 2,712</u></b>	<b><u>\$ 44,336</u></b>
<b><u>GRAND TOTAL SEWER PROJECTS</u></b>		<b><u>\$ 95</u></b>	<b><u>\$ 56,067</u></b>	<b><u>\$ 214,401</u></b>	<b><u>\$ 18,981</u></b>	<b><u>\$ 289,544</u></b>

**PROJECTED IN-SERVICE DATES FOR MAJOR FACILITIES**

**WASTEWATER**

**NAME OF FACILITY**

**PROJECTED IN-SERVICE DATE**

S-43.02	Broad Creek WWPS Augmentation	FY 2020
S-57.94	Western Branch WWTP Incinerator Emissions Control	FY 2020
S-75.19	Brandywine Woods WWPS	Developer Dependent
S-84.60	Cabin Branch WWPS	Developer Dependent
S-84.65	Tapestry WWPS	Developer Dependent
S-84.66	Milestone WWPS	Developer Dependent
S-84.67	Clarksburg WWPS	FY 2020
S-96.14	Piscataway WWTP Facility Upgrades	FY 2023
S-103.02	Piscataway WWTP Bio-Energy Project	December 2021
S-170.08	Septage Discharge Facility Planning & Implementation	July 2020

**WATER**

W-3.02	Olney Standpipe Replacement	FY 2020
W-46.15	Clarksburg Elevated Water Storage Facility	FY 2019
W-62.05	Clinton Zone Water Storage Facility Implementation	FY 2020
W-65.10	St. Barnabas Elevated Tank Replacement	FY 2019
W-73.30	Potomac WFP Submerged Channel Intake	FY 2023
W-73.33	Potomac WFP Consent Decree Program	January 2026
W-138.02	Shady Grove Standpipe Replacement	FY 2019
W-139.02	Duckett & Brighton Dam Upgrades	FY 2019
W-147.00	Collington Elevated Water Storage Facility	March 2018
W-172.05	Patuxent WFP Phase II Expansion	September 2018
W-172.08	Rocky Gorge Pump Station Upgrade	July 2019

## SYSTEMS RECONSTRUCTION PROGRAM

	<b>FY'16</b>	<b>FY'17</b>	<b>FY'18</b>
	<b><u>Actual</u></b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
<b><u>Systems Reconstruction Program</u></b>	\$166,502,038	\$156,037,000	\$175,070,000

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 property line). In order to extend their useful life, portions of these systems are rehabilitated. Through FY'16, WSSC maintained approximately 5,600 miles of water main and 5,500 miles of sewer main, along with 457,400 water house connections and 431,600 sewer house connections. In addition to the small diameter pipe rehabilitation programs, two rehabilitation programs for large diameter pipe projects (the Large Diameter Water Pipe & Large Valve Rehabilitation Program (W-161.01) and the Trunk Sewer Reconstruction Program (S-170.09)) are included in the Capital Improvements Program (CIP budget).

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 that are located in roadways and previously prone to breaks with new sections of cement lined zinc coated ductile iron pipe. The Program also includes installing cathodic protection and pipeline appurtenances, including large meter and fire meter vaults. The FY'18 proposed budget of \$112.0 million provides for the planned design and rehabilitation of 55 miles of water main and associated house connection renewals (\$99.3 million), large water service rehabilitation (\$8.0 million) and cathodic protection (\$4.7 million). In FY'16, 56.7 miles of water main and associated house connection renewals were rehabilitated, along with 25 large water service meters, at a total cost of \$129.2 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'18 proposed budget of \$63.1 million provides for the rehabilitation of 20 miles of sewer main and 6 miles of lateral lines located in roadways, as well as associated house connection renewals. During FY'16, 38.9 miles of roadway sewer mains, 6 miles of sewer laterals, and associated house connections were rehabilitated at a cost of \$37.3 million dollars.

## ENGINEERING SUPPORT PROGRAM

	<b>FY'16</b>	<b>FY'17</b>	<b>FY'18</b>
	<b><u>Actual</u></b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
<b><u>Engineering Support Program</u></b>	\$6,856,722	\$17,000,000	\$18,000,000

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. ESP project requests for engineering support for planning, design, and construction management are initiated through the Asset Management Program 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'18 proposed program is \$18,000,000: \$14,000,000 in the capital budget and \$4,000,000 in the operating budget. The operating portion of the ESP program provides for our planning processes including developing confidence level ratings, evaluating level of service impacts, determining business risk exposure and performing business case analysis for future capital projects in an enterprise-wide asset management process environment. The ESP 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; NPDES Industrial Stormwater Permit compliance; continuous discharge turbidity monitoring at the Potomac WFP; elevator modernization, electrical and data center upgrades at the RGH building; 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 2018-2023 Proposed Capital Improvements Program document.

## ENERGY PERFORMANCE PROGRAM

<u>Energy Performance Program</u>	<u>FY'16</u> <u>Actual</u>	<u>FY'17</u> <u>Approved</u>	<u>FY'18</u> <u>Proposed</u>
	-	\$18,210,000	\$18,249,000

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'18 proposed program is \$18,249,000: \$18,189,000 in the capital budget and \$60,000 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 FY'08. 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 was completed in FY'13. Phase IIE of the program, to implement new Solar Photovoltaic Power Systems at our Western Branch and Seneca WWTPs through a Purchase Power Agreement (PPA), was placed in service in November 2013. Phase IIF of the program was added in FY'13 to 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/ valves/ motor replacement and rebuild; mixers; wastewater pumps; pump instrumentation; flow metering; power measurement; incinerator upgrades; peak power shaving and back-up 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 2018-2023 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.

<b><u>Other Capital Projects</u></b>	<b><u>Grand Total</u></b>	<b><u>Water</u></b>	<b><u>Sewer</u></b>	<b><u>General Construction</u></b>
Entrepreneurial Projects	\$2,386	\$1,193	\$1,193	\$ --
Water Storage Facility Rehabilitation Program	8,000	8,000	--	--
Specialty Valve Vault Rehabilitation Program	1,898	1,898	--	--
Advanced Metering Infrastructure	6,950	3,475	3,475	--
New House Connections	3,350	1,800	1,550	--
Relocations	3,500	3,150	350	--
Basic Ordering Agreements	1,286	730	25	531
Water Meters	2,824	--	--	2,824
<b>TOTAL</b>	<b>\$30,194</b>	<b>\$20,246</b>	<b>\$6,593</b>	<b>\$3,355</b>

**OTHER CAPITAL PROJECTS**

(Continued)

	<b><u>FY'16</u></b> <b><u>Actual</u></b>	<b><u>FY'17</u></b> <b><u>Approved</u></b>	<b><u>FY'18</u></b> <b><u>Proposed</u></b>
• <b><u>Entrepreneurial Projects</u></b>	\$112,285	\$2,891,000	\$2,386,000

Entrepreneurial Projects are a consolidation of capital projects associated with WSSC’s efforts to generate additional revenues to offset future rate increases. Currently, the Joint Base Anacostia-Bolling contract is the only project with capital cost considerations. The WSSC owns, operates, and maintains the base’s 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.

	<b><u>FY'16</u></b> <b><u>Actual</u></b>	<b><u>FY'17</u></b> <b><u>Approved</u></b>	<b><u>FY'18</u></b> <b><u>Proposed</u></b>
• <b><u>Water Storage Facility Rehabilitation Program</u></b>	\$4,985,174	\$5,000,000	\$8,000,000

The Water Storage Facility Rehabilitation Program provides for the comprehensive rehabilitation of the Commission’s 59 water storage facilities located throughout the WSSC service area safeguarding nearly 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.

By January 2018, there will be 19 steel tanks whose last painting contract was finished 10 or more years ago and 11 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’18 will address the following water storage facilities: Andrews, Bradley Hills, Brink, Camp Springs, Cedar Heights, Damascus, Greenbelt, North Woodside, Pointer Ridge, St. Barnabas, and Wall Lane Reservoirs. Further details of the Program are included in the Information Only section of the FYs 2018-2023 Proposed Capital Improvements Program document.

**OTHER CAPITAL PROJECTS**

(Continued)

	<b><u>FY'16</u></b> <b><u>Actual</u></b>	<b><u>FY'17</u></b> <b><u>Approved</u></b>	<b><u>FY'18</u></b> <b><u>Proposed</u></b>
• <b><u>Specialty Valve Vault Rehabilitation Program</u></b>	\$6,086,681	\$7,053,000	\$1,898,000

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.

	<b><u>FY'16</u></b> <b><u>Actual</u></b>	<b><u>FY'17</u></b> <b><u>Approved</u></b>	<b><u>FY'18</u></b> <b><u>Proposed</u></b>
• <b><u>Advanced Metering Infrastructure</u></b>	\$96,778	\$960,000	\$6,950,000

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 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 the customers receive 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. The increase in the FY'18 Proposed Budget reflects the first phase of the project implementation in the later part of the fiscal year.

**OTHER CAPITAL PROJECTS**

(Continued)

	<b><u>FY'16</u></b> <b><u>Actual</u></b>	<b><u>FY'17</u></b> <b><u>Approved</u></b>	<b><u>FY'18</u></b> <b><u>Proposed</u></b>
• <b><u>New House Connections</u></b>	\$2,956,397	\$1,785,000	\$3,350,000

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. 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 6,505 in FY'16. The estimated number of connections to be completed in FY' 17 and FY'18 is 7,100 each year. The majority of these house connections will be constructed by developers at their expense.

	<b><u>FY'16</u></b> <b><u>Actual</u></b>	<b><u>FY'17</u></b> <b><u>Approved</u></b>	<b><u>FY'18</u></b> <b><u>Proposed</u></b>
• <b><u>Relocations</u></b>	\$4,888,244	\$2,630,000	\$3,500,000

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)

	<b><u>FY'16</u></b> <b><u>Actual</u></b>	<b><u>FY'17</u></b> <b><u>Approved</u></b>	<b><u>FY'18</u></b> <b><u>Proposed</u></b>
• <b><u>Basic Ordering Agreements (BOA)</u></b>	\$806,424	\$1,068,000	\$1,286,000

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 hydraulic & design reviews; corrosion control; cathodic protection and ROW planning.

	<b><u>FY'16</u></b> <b><u>Actual</u></b>	<b><u>FY'17</u></b> <b><u>Approved</u></b>	<b><u>FY'18</u></b> <b><u>Proposed</u></b>
• <b><u>Purchase of Water Meters</u></b>	\$2,267,236	\$2,823,900	\$2,823,900

The Utility Services Team is responsible for installing meters and ensuring all WSSC's water meters accurately register customers' water use. Funds for the purchase of new and replacement meters, both small (5/8", 3/4", and 1") and large (1-1/2" and greater) are included in the General Construction Bond Fund of the Capital Budget.

The Small and Large Meter Maintenance Programs monitor approximately 480,700 meters and 15,200 respectively to ensure that the meters accurately register. These programs provide preventive/emergency maintenance, testing, repair and replacement. In FY'18, the small meter program is estimated to install approximately 3,200 new small meters and replace about 13,100 small meters. Whereas, the large meter program plans to test and, if necessary, repair an estimated 1,200 large meters.

**GENERAL CONSTRUCTION - LOCAL LINES**

	<b><u>FY'16</u></b>	<b><u>FY'17</u></b>	<b><u>FY'18</u></b>
<b><u>General Construction – Local Lines</u></b>	<b><u>Actual</u></b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
	-	\$743,000	\$690,000

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.

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.

## FUNDING OF WATER AND SEWER CAPITAL PROGRAMS

For FY'18, expenditures of \$676.7 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'18 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'18 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 adjusting for other funding sources, such as grants and System Development Charges, from the total funding requirement. FY'18 spending for the Water and Sewer Bond Funds, adjusted for completion, is estimated to be \$638.7 million. The requirement for new long-term Water and Sewer Debt is estimated to be \$570.0 million.

## FY'18 SOURCES AND USES OF WATER & SEWER FUNDS

(\$ in Thousands)

	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>
USES:			
Budgeted Capital Expenditures	\$342,445	\$334,256	\$676,701
Capital Expenditures adjusted for completion factor	325,056	313,610	638,666
SOURCES:			
Long-term Bonds (new)	287,308	262,714	550,022
MDE Loans	-	20,000	20,000
Federal & State Grants	-	14,150	14,150
System Development Charge (SDC)	23,892	5,723	29,615
Other	<u>13,856</u>	<u>11,023</u>	<u>24,879</u>
TOTAL SOURCES	<u>\$325,056</u>	<u>\$313,610</u>	<u>\$638,666</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 21% of the funding. Rate-supported sources (long-term debt and construction notes) account for the remaining 79%. The new debt required to fund the capital program is reflected in the operating budget as debt service expense. In FY'14, the Commission began issuing debt for 30 years as opposed to the prior 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'18.

### **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	\$96,812	\$142,429	\$239,241
Debt Service for Planned New Debt	<u>9,508</u>	<u>8,708</u>	<u>18,216</u>
Total Debt Service	<u>\$106,320</u>	<u>\$151,137</u>	<u>\$257,457</u>



## WATER AND SEWER OPERATING BUDGET IMPACTS OF CAPITAL PROJECTS

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

### Impact on the Operating Budget

	<u>FY'17</u> <u>Approved</u>	<u>FY'18</u> <u>Proposed</u>
Debt Service	\$243,808,000	\$257,457,000

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'17 and FY'18 and will require operation and maintenance funding in the FY'18 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 increase process efficiencies and lower our overall energy requirements.

### **Major Capital Projects Which Impact the FY'18 Operating Budget**

Enhanced Nutrient Removal Projects: These 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 and new NPDES plant permit requirements. The FY'18 budget includes additional costs for ENR related

## WATER AND SEWER OPERATING BUDGET IMPACTS OF CAPITAL PROJECTS

(Continued)

process equipment maintenance and operation, and additional chemical costs to meet ENR permit level requirements for the removal of nitrogen and phosphorus.

Patuxent WFP Phase II Expansion: The expansion project provides for the addition of a sixth treatment train to increase the plant's nominal treatment capacity from 56 MGD to 72 MGD, new UV disinfection facilities to comply with EPA requirements and a new residuals handling facility to improve overall system operation. Operating and maintenance costs will increase due to: addition of a sixth treatment train consisting of a three stage flocculation chamber, sedimentation basin with chain and flight solids removal and plate settlers, disinfectant contact chamber, and two deep bed granular carbon filters; operation and maintenance of the new plant-wide UV disinfection system; and, operation of the new residuals handling facility to reduce solids from impacting the downstream sewer system and Parkway WWTP. Additional overtime costs are expected as the plant stays in full 24/7/365 operation during the construction period. Portions of the project came online in FY'16 and will continue into FY'19.

Potomac WFP Consent Decree Program: This program provides for the planning, design, and construction required for the implementation of Operational Improvements and, Short-Term and Long-Term Capital Improvements at the Potomac Water Filtration Plant to meet the new discharge limitations identified in the Consent Decree. Beginning in FY'17 the plant experienced higher chemical and hauling costs due to higher level of treatment and larger volume of solids removed in response to the Consent Decree.

The following table summarizes the total estimated water and sewer operating budget impacts for the projects included in the FY'18 Capital Budget.

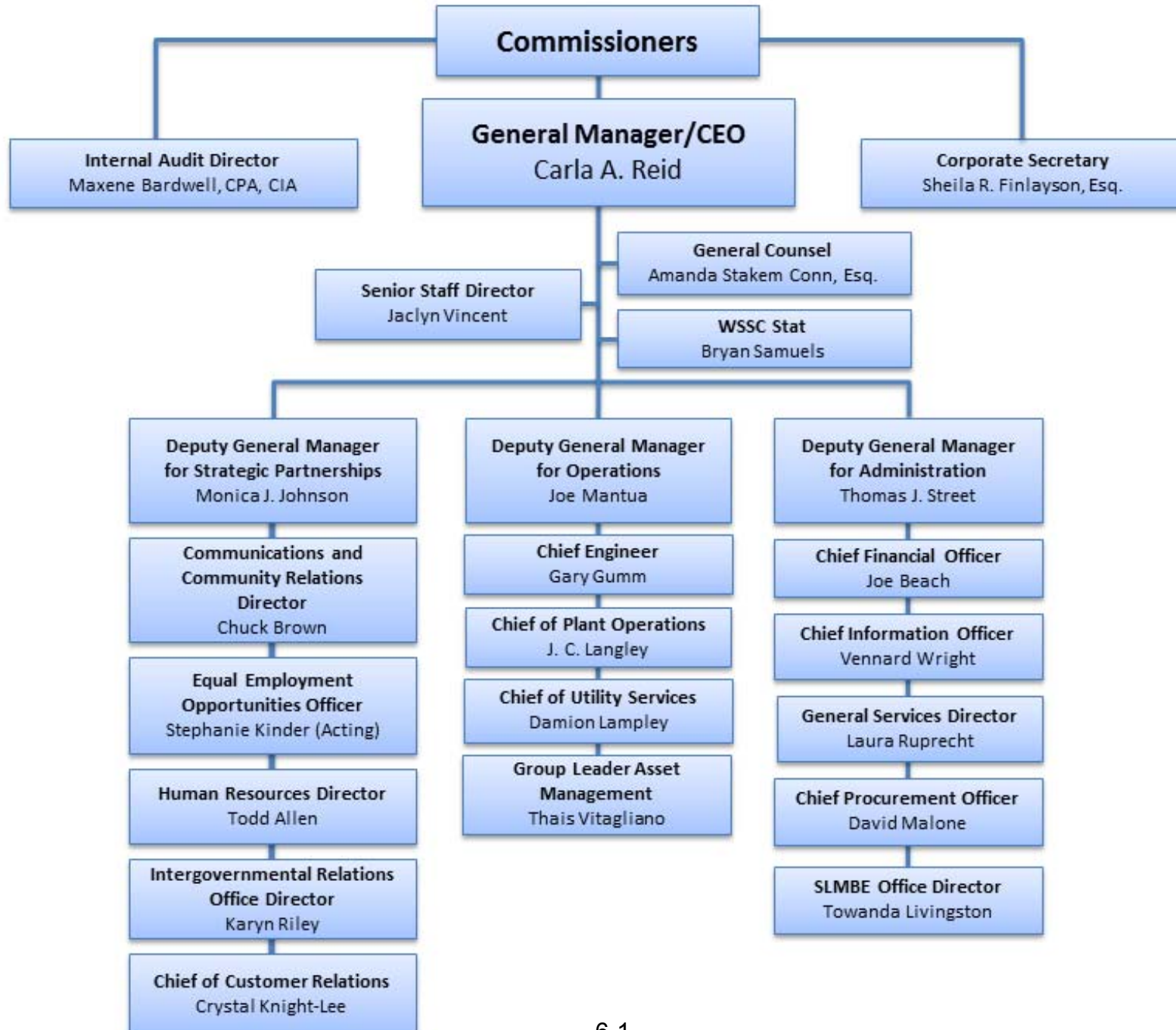
### Water and Sewer Impact of the FY'18 Capital Budget

	<u>FY'17</u> <u>Approved</u>	<u>FY'18</u> <u>Proposed</u>	<u>FY'18</u> <u>Net Impact</u>
Operating Expenses			
Debt Service	\$243,808,000	\$257,457,000	\$13,649,000
Major Capital Projects	-	854,000	854,000
TOTAL	<u>\$243,808,000</u>	<u>\$258,311,000</u>	<u>\$14,503,000</u>

# **ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

## **SECTION 6**

# WSSC Organization Chart



## Comparative Expenditures by Organizational Unit

	FY'17 Approved		FY'18 Proposed	
	Workyears	Amount	Workyears	Amount
Commissioners Office/Corporate Secretary's Office	2	\$ 358,200	2	\$ 380,735
Internal Audit	10	1,260,200	10	1,308,751
General Manager's Office	15	5,920,000	19	5,100,311
Intergovernmental Relations Office	4	694,600	4	714,808
WSSC Stat Office	4	587,400	4	685,726
General Counsel's Office	16	4,110,800	16	4,031,819
Communications & Community Relations Office	19	2,878,500	19	2,756,222
Human Resources Office	27	4,781,400	27	4,839,766
Small, Local and Minority Business Enterprise Office	9	1,368,400	9	1,378,288
Equal Employment Opportunities Office (formerly Fair Practice Office)	1	121,300	1	127,423
Procurement Office	35	3,552,400	35	3,388,073
Occupational Health & Safety Group (formerly in General Services Office)	9	985,300	9	1,040,665
Engineering & Construction Team	378	629,481,800	376	629,079,590
Production Team	303	167,500,100	331	171,942,315
General Services Office (formerly Logistics Office)	162	29,972,900	132	22,922,667
Finance Office	62	6,977,400	62	7,198,969
Utility Services Team	504	116,630,200	504	114,497,800
Customer Relations Team	107	13,961,200	107	14,112,047
Information Technology Team	109	45,159,300	109	45,403,922
Non-Departmental (Finance)	-	47,489,500	-	51,436,496
Non-Departmental (Human Resources)	-	35,531,500	-	36,724,900
Debt Service	-	261,437,000	-	271,602,000
PAYGO	-	23,095,000	-	30,193,000
Depreciation Expense	-	16,301,600	-	16,625,200
Operating Reserve Contribution	-	6,524,000	-	-
<b>SUMMARY-TOTAL</b>	<b><u>1,776</u></b>	<b><u>\$ 1,426,680,000</u></b>	<b><u>1,776</u></b>	<b><u>\$ 1,437,491,493</u></b>

**Comparative Personnel Complement by Organizational Unit**

	<u>FY'16 Actual</u>		<u>FY'17 Approved</u>		<u>FY'18 Proposed</u>	
	Authorized Positions	Workyears	Authorized Positions	Workyears	Authorized Positions	Workyears
Commissioners Office/Corporate Secretary's Office	*8	1.0	*8	2.0	*8	2.0
Internal Audit	10	9.0	10	10.0	10	10.0
General Manager's Office	6	5.6	15	15.0	19	19.0
Intergovernmental Relations Office	4	3.4	4	4.0	4	4.0
WSSC Stat Office	7	3.9	4	4.0	4	4.0
General Counsel's Office	16	14.5	16	16.0	16	16.0
Communications & Community Relations Office	18	17.7	19	19.0	19	19.0
Human Resources Office	25	27.3	27	27.0	27	27.0
Small, Local and Minority Business Enterprise Office	9	5.9	9	9.0	9	9.0
Equal Employment Opportunities Office (formerly Fair Practice Office)	1	1.0	1	1.0	1	1.0
Procurement Office	28	23.1	35	35.0	35	35.0
Occupational Health & Safety Group (formerly in General Services Office)	-	7.9	9	9.0	9	9.0
Engineering & Construction Team	378	350.3	378	378.0	376	376.0
Production Team	299	286.7	303	303.0	331	331.0
General Services Office (formerly Logistics Office)	174	141.9	162	162.0	132	132.0
Finance Office	61	54.2	62	62.0	62	62.0
Utility Services Team	503	479.5	504	504.0	504	504.0
Customer Relations Team	96	75.3	107	107.0	107	107.0
Information Technology Team	110	78.7	109	109.0	109	109.0
<b>SUMMARY-TOTAL</b>	<b><u>1,747</u></b>	<b><u>1,586.9</u></b>	<b><u>1,776</u></b>	<b><u>1,776.0</u></b>	<b><u>1,776</u></b>	<b><u>1,776.0</u></b>

\* Commissioners (6) not included in total positions or workyears.

**Salaries and Wages Summary**

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	<b>FY'18 Proposed</b>	
	<u>Workyears</u>	<u>Amount</u>
Base Positions Funded Full Year	1,776	\$ 147,108,078
Overtime		<u>7,919,500</u>
Subtotal		155,027,578
Lapse on Base Positions *		<u>8,976,873</u>
Subtotal		146,050,705
Salary Enhancements		4,799,085
Salary - 6 Commissioners		<u>78,500</u>
<b>TOTAL</b>	<u>1,776</u>	<u>\$ 150,928,290</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; WSSC Stat; General Counsel; Communications and Community Relations; Small, Local and Minority Business Enterprise; Equal Employment Opportunities; Procurement; Human Resources; and the Occupational Safety and Health Group.

- 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; serves as the Commission's primary representative in relations with the County and State governments and other outside parties. In addition, the General Manager's Office identifies the investment needed to sustain the infrastructure (facilities, water transmission and distribution lines, and wastewater collection assets) through the Asset Management Program (AMP).
- *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 *WSSC Stat Office* is a newly created office that will use both real-time and other data to assist various organizations within the Commission to track their performance; and ensure that they provide a more effective and efficient response to our customers.
- 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.



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

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

(Continued)

#### Organizational Descriptions (Continued)

- 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 website; and providing graphic and photographic services.
- 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 *Equal Employment Opportunities Office (formerly Fair Practice Office)* is responsible for planning, directing, and coordinating activities related to Equal Employment Opportunity practices.
- The *Procurement 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.
- 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 *Occupational Safety and Health Group (formerly part of General Services Office)* is responsible for providing a safe and healthy work environment for Commission employees. The Group provides administration of the safety and health programs to ensure compliance with all Federal, State and Local regulations.

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

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 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	\$209,395	\$40,389	\$249,784	1.0	\$273,000	\$85,200	\$358,200	2.0	\$295,535	\$85,200	\$380,735	2.0
<b>TOTAL</b>	\$209,395	\$40,389	\$249,784	1.0	\$273,000	\$85,200	\$358,200	2.0	\$295,535	\$85,200	\$380,735	2.0

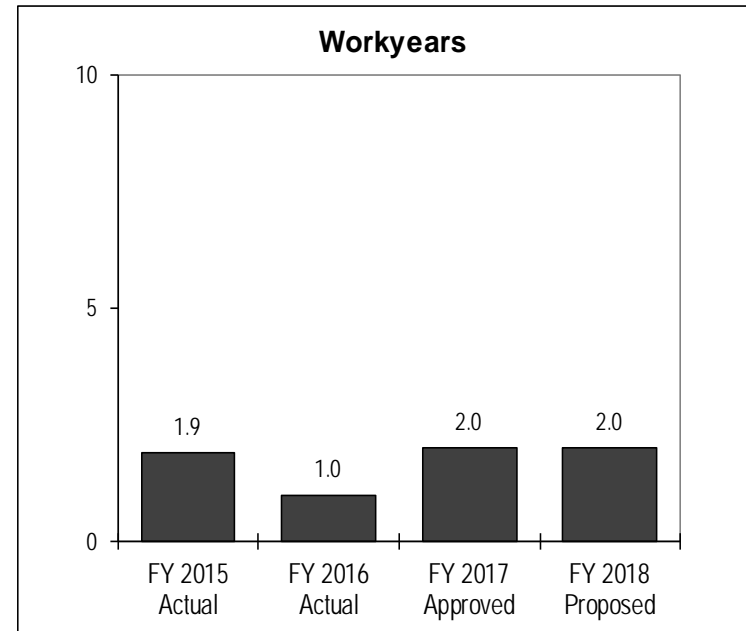
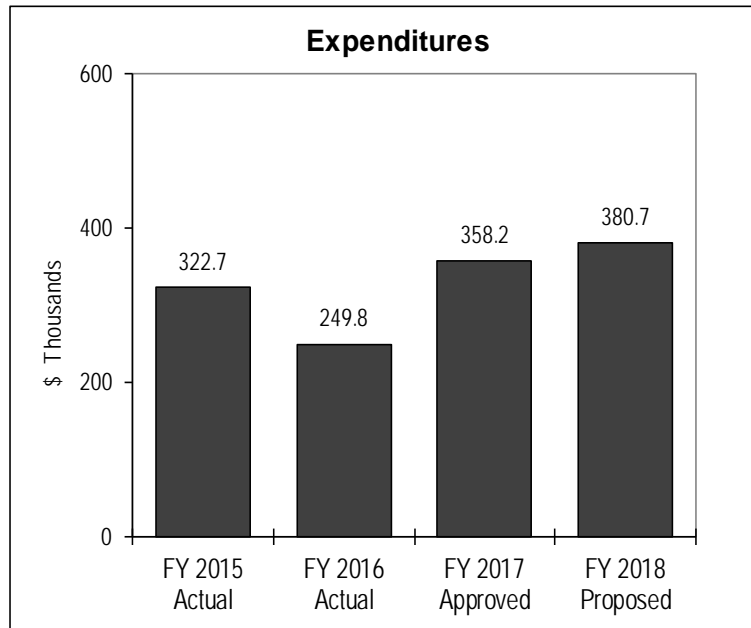
**Mission Statement**

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, guidance, and oversight. The Corporate Secretary is responsible for managing the corporate functions of the Commission.

**Budget Overview**

The FY' 18 Proposed Budget is approximately the same as the FY' 17 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'16 Actual	\$81,459	-
FY'17 Approved	\$102,500	-
FY'18 Proposed	\$102,500	-

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'18 Major Recommended Changes:** None

**Corporate Secretary**

	Expenditures	Workyears
FY'16 Actual	\$168,325	1.0
FY'17 Approved	\$255,700	2.0
FY'18 Proposed	\$278,235	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'18 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### GENERAL MANAGER’S OFFICE

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
General Manager	\$1,060,385	\$151,189	\$1,211,574	5.6	\$2,057,400	\$3,862,600	\$5,920,000	15.0	\$2,393,611	\$2,706,700	\$5,100,311	19.0
<b>TOTAL</b>	\$1,060,385	\$151,189	\$1,211,574	5.6	\$2,057,400	\$3,862,600	\$5,920,000	15.0	\$2,393,611	\$2,706,700	\$5,100,311	19.0

**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.

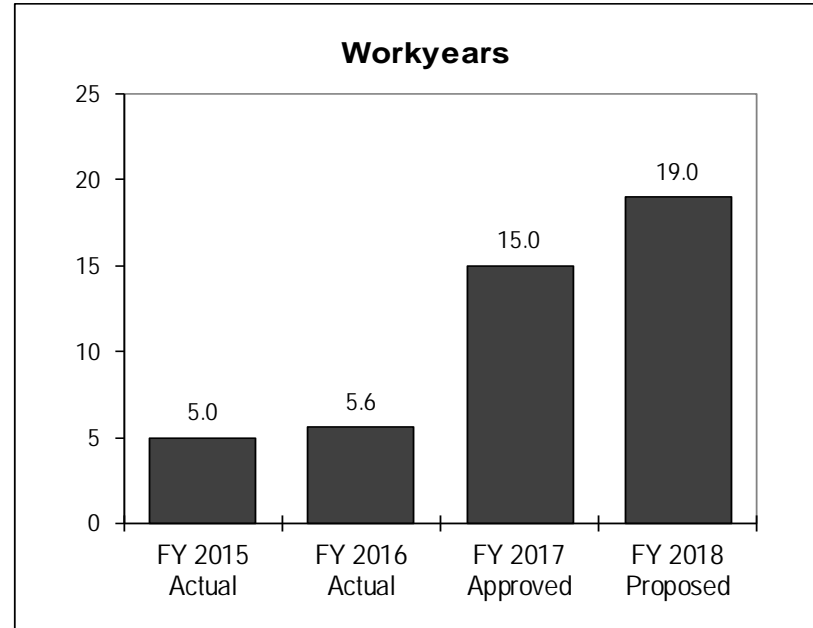
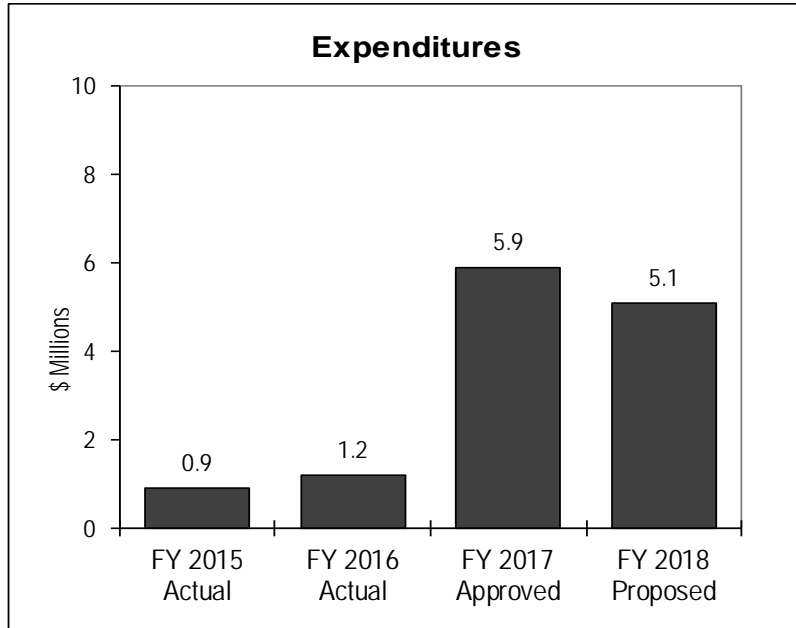
**Budget Overview**

The FY’ 18 Proposed Budget is \$819,689, or approximately 14% less than the FY’17 Approved Budget. A majority of the decrease is reflective of reduction in funding for the Asset Management Program. Four workyears were added to the Office, two workyears to support office administration and two workyears are reserved for implementation of new industrial discharge regulations.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## GENERAL MANAGER'S OFFICE

(Continued)



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### GENERAL MANAGER'S OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### General Manager's

	Expenditures	Workyears
FY'16 Actual	\$1,211,574	5.6
FY'17 Approved	\$1,739,900	8.0
FY'18 Proposed	\$1,909,592	12.0

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

**FY'18 Major Recommended Changes:** The budgeted amount for this activity increased \$169,692, or approximately 10%, from the FY'17 Approved Budget. The increase is primarily due to the addition of two workyears to support the General Manager's Office and two workyears which are reserved for implementation of new industrial discharge regulations.

#### Asset Management Program

	Expenditures	Workyears
FY'16 Actual	-	-
FY'17 Approved	\$4,180,100	7.0
FY'18 Proposed	\$3,190,719	7.0

The Asset Management Program (AMP) focuses on the development of an 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.

**FY'18 Major Recommended Changes:** The budgeted amount for this activity decreased \$989,381, or approximately 24%, from the FY'17 Approved Budget. During FY'17, this activity was transferred from the Engineering & Construction Team to the General Manager's Office. The FY'18 decrease is primarily due to a reduction in funding for the Asset Management Program (AMP).

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**INTERNAL AUDIT**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Internal Audit	\$972,313	\$241,009	\$1,213,322	9.0	\$1,010,700	\$249,500	\$1,260,200	10.0	\$1,059,251	\$249,500	\$1,308,751	10.0
<b>TOTAL</b>	\$972,313	\$241,009	\$1,213,322	9.0	\$1,010,700	\$249,500	\$1,260,200	10.0	\$1,059,251	\$249,500	\$1,308,751	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**

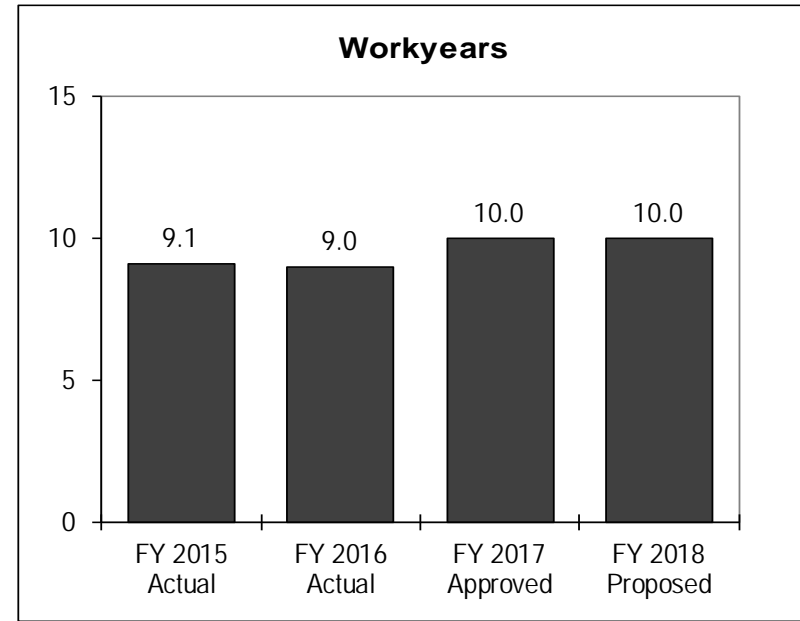
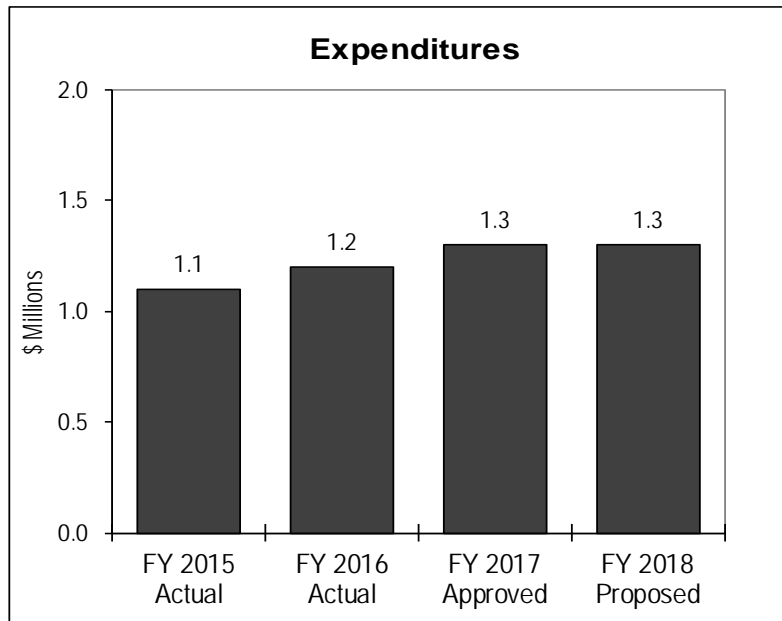
The FY’18 Proposed Budget is approximately the same as the FY’17 Approved Budget.



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INTERNAL AUDIT

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**INTERNAL AUDIT**

(Continued)

**SUMMARY BY ACTIVITY**

**Blue Plains Audits – Non Billable**

	Expenditures	Workyears
FY'16 Actual	\$241,797	2.1
FY'17 Approved	\$254,600	2.4
FY'18 Proposed	\$264,463	2.4

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

**FY'18 Major Recommended Changes:** None

**SDC Credit or Reimbursement Audits**

	Expenditures	Workyears
FY'16 Actual	\$147,759	1.0
FY'17 Approved	\$155,700	1.1
FY'18 Proposed	\$161,715	1.1

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'18 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INTERNAL AUDIT

(Continued)

#### SUMMARY BY ACTIVITY

#### Other Audits

	Expenditures	Workyears
FY'16 Actual	\$316,214	2.4
FY'17 Approved	\$330,000	2.6
FY'18 Proposed	\$342,689	2.6

Other audits are separated into two types: risk-based and special request. Risk-based audits address operational, financial, and compliance issues and consider the effectiveness and efficiency of operations; the reliability of financial reporting; and compliance with applicable laws, regulations, and Commission policies, respectively. Special request audits arise throughout the fiscal year and are performed on an as-needed basis. The specific risk-based audits to be performed in FY'18 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'18 Major Recommended Changes:** None

#### Advisory Services

	Expenditures	Workyears
FY'16 Actual	\$116,155	0.8
FY'17 Approved	\$123,900	1.0
FY'18 Proposed	\$128,647	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'18 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INTERNAL AUDIT

(Continued)

#### SUMMARY BY ACTIVITY

#### Ethics Office Administration

	Expenditures	Workyears
FY'16 Actual	\$296,179	1.9
FY'17 Approved	\$312,100	2.2
FY'18 Proposed	\$324,143	2.2

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'18 Major Recommended Changes:** None

#### Fraud, Waste and Abuse Hotline

	Expenditures	Workyears
FY'16 Actual	\$95,218	0.8
FY'17 Approved	\$83,900	0.7
FY'18 Proposed	\$87,094	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 staffs also serve as primary investigators of occurrences reported through the hotline.

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**INTERGOVERNMENTAL RELATIONS OFFICE**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Intergovernmental Relations	\$398,481	\$258,809	\$657,290	3.4	\$393,200	\$301,400	\$694,600	4.0	\$413,408	\$301,400	\$714,808	4.0
<b>TOTAL</b>	\$398,481	\$258,809	\$657,290	3.4	\$393,200	\$301,400	\$694,600	4.0	\$413,408	\$301,400	\$714,808	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.

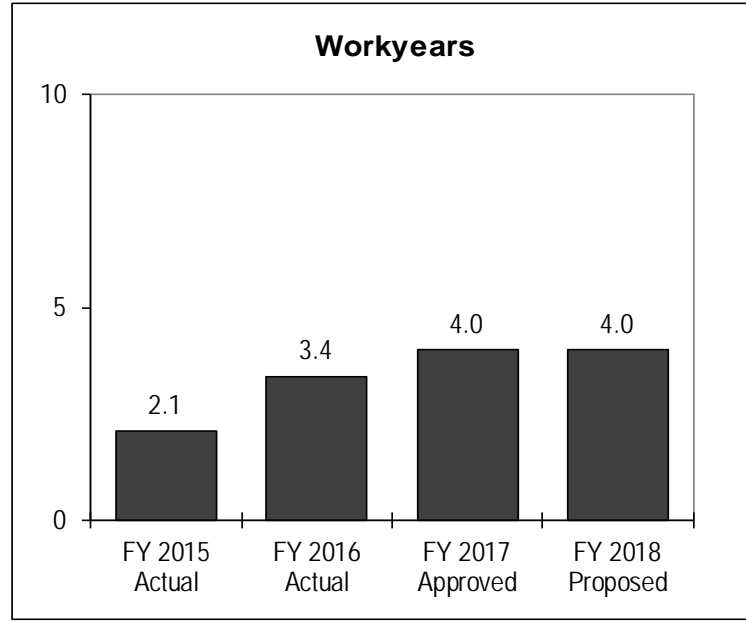
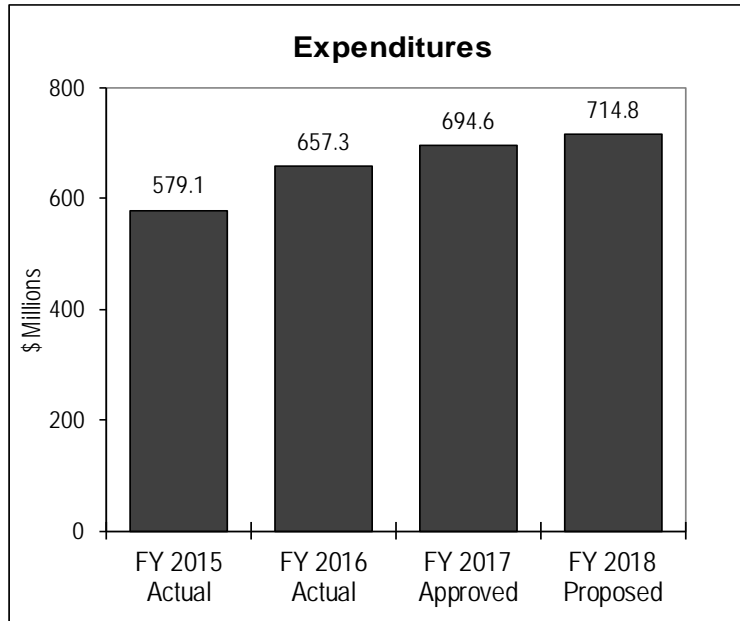
**Budget Overview**

The FY' 18 Proposed Budget is approximately the same as the FY'17 Approved Budget.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## INTERGOVERNMENTAL RELATIONS OFFICE

(Continued)



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INTERGOVERNMENTAL RELATIONS OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Intergovernmental Relations

	Expenditures	Workyears
FY'16 Actual	\$657,290	3.4
FY'17 Approved	\$694,600	4.0
FY'18 Proposed	\$714,808	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'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**WSSC STAT OFFICE**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
WSSC Stat	\$472,132	\$155,674	\$627,806	3.9	\$431,300	\$156,100	\$587,400	4.0	\$534,326	\$151,400	\$685,726	4.0
<b>TOTAL</b>	\$472,132	\$155,674	\$627,806	3.9	\$431,300	\$156,100	\$587,400	4.0	\$534,326	\$151,400	\$685,726	4.0

**Mission Statement**

The mission of the WSSC Stat Office is to implement a performance oversight and monitoring program using both real-time and other data to assist various organizations within the Commission in measuring their performance; and to ensure a more effective and efficient response is provided to our customers.

**Budget Overview**

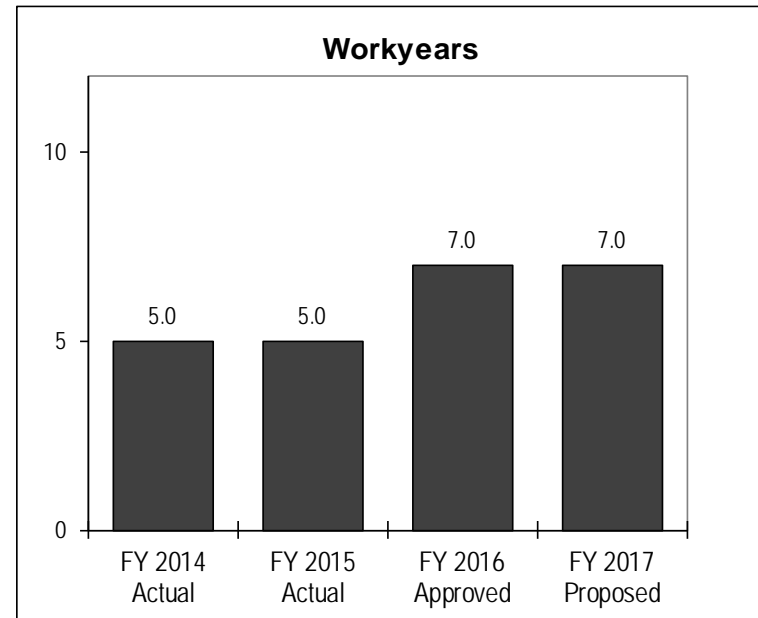
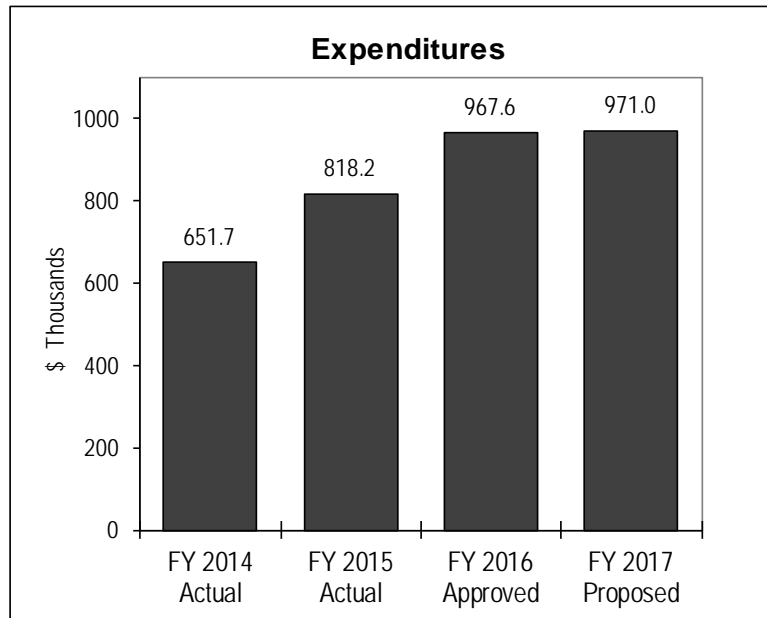
The FY' 18 Proposed Budget is approximately the same as the FY' 17 Approved Budget.



# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## WSSC STAT OFFICE

(Continued)



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### WSSC STAT OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### WSSC Stat Initiatives

	Expenditures	Workyears
FY'16 Actual	\$627,806	3.9
FY'17 Approved	\$587,400	4.0
FY'18 Proposed	\$685,726	4.0

This activity is responsible for implementing a performance oversight and monitoring program by using both real-time and other data to assist various organizations within the Commission in measuring their performance; and ensure that they provide a more effective and efficient response to our customers.

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**GENERAL COUNSEL’S OFFICE**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
General Counsel	\$1,628,746	\$3,202,425	\$4,831,171	14.5	\$1,698,000	\$2,412,800	\$4,110,800	16.0	\$1,807,022	\$2,224,797	\$4,031,819	16.0
<b>TOTAL</b>	\$1,628,746	\$3,202,425	\$4,831,171	14.5	\$1,698,000	\$2,412,800	\$4,110,800	16.0	\$1,807,022	\$2,224,797	\$4,031,819	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.

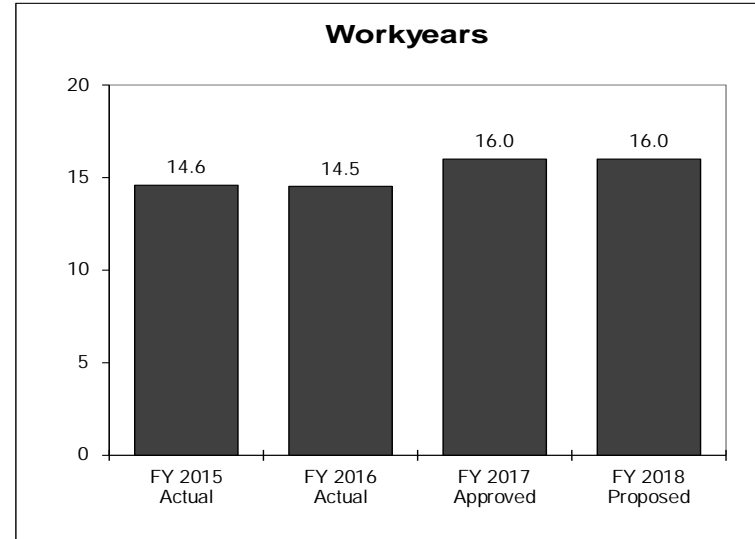
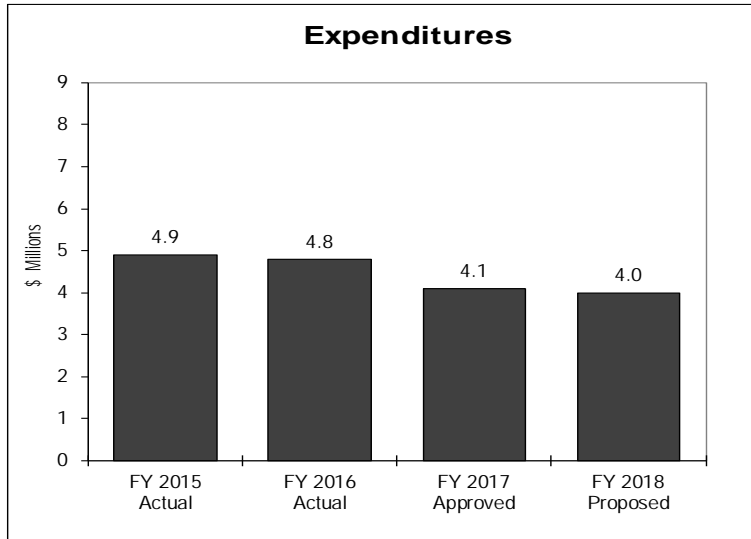
**Budget Overview**

The FY’ 18 Proposed Budget is approximately the same as the FY’17 Approved Budget.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## GENERAL COUNSEL'S OFFICE

(Continued)



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### GENERAL COUNSEL'S OFFICE

(Continued)

#### ACTIVITY INDICATORS

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
Administrative/Refund hearings	88	124	93	106
Petitions for bankruptcies received	392	343	407	367
Cases filed against the WSSC	45	47	57	46
Cases filed by the WSSC	81	65	65	73
Contested civil citations filed by the WSSC	51	39	33	45
Contracts/Agreements negotiated, drafted, or reviewed	166	192	191	179
Deeds, easements, and leases negotiated, drafted, or reviewed	143	93	158	118
Document/Public information requests received	147	138	131	142
Policies/Procedures/Resolutions reviewed	49	39	55	44

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### GENERAL COUNSEL'S OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Legal Services

	Expenditures	Workyears
FY'16 Actual	\$4,831,171	14.5
FY'17 Approved	\$4,110,800	16.0
FY'18 Proposed	\$4,031,819	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.

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**COMMUNICATIONS AND COMMUNITY RELATIONS OFFICE**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 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	\$1,691,617	\$687,280	\$2,378,897	17.7	\$1,733,900	\$1,144,600	\$2,878,500	19.0	\$1,821,622	\$934,600	\$2,756,222	19.0
<b>TOTAL</b>	\$1,691,617	\$687,280	\$2,378,897	17.7	\$1,733,900	\$1,144,600	\$2,878,500	19.0	\$1,821,622	\$934,600	\$2,756,222	19.0

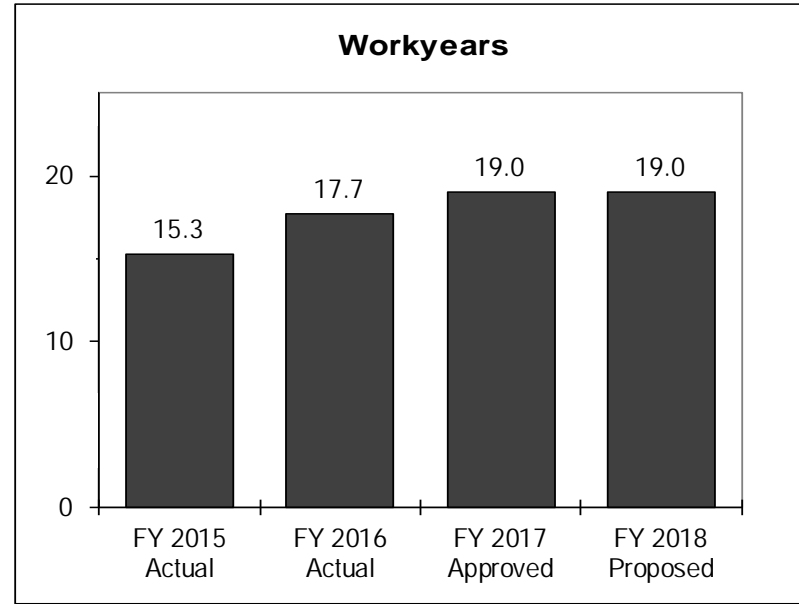
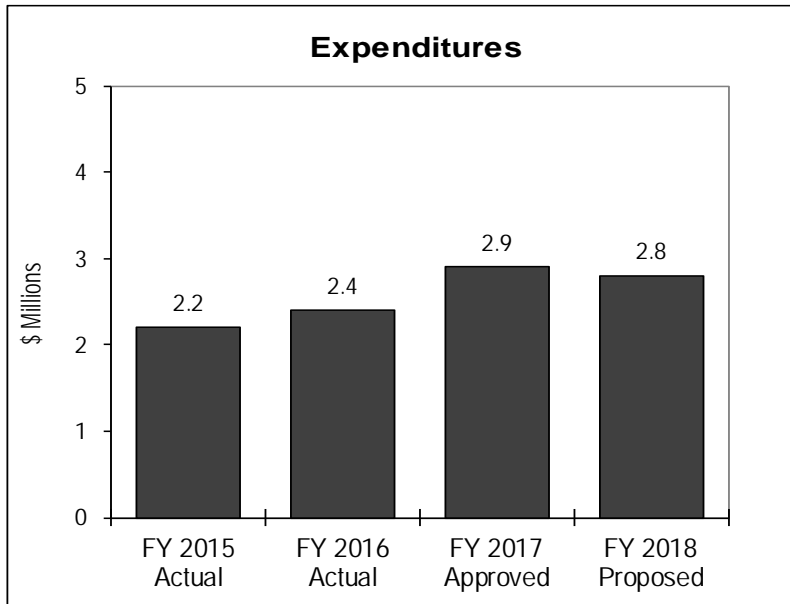
**Mission Statement**

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'18 Proposed Budget is approximately the same as the FY'17 Approved Budget.

**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'16 Actual	\$407,811	3.0
FY'17 Approved	\$505,600	2.8
FY'18 Proposed	\$484,126	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, and managing various platforms of social media.

**FY'18 Major Recommended Changes:** None

**Publications**

	Expenditures	Workyears
FY'16 Actual	\$203,905	1.5
FY'17 Approved	\$214,600	1.8
FY'18 Proposed	\$205,466	1.8

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'18 Major Recommended Changes:** None

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

**SUMMARY BY ACTIVITY**

**Community Outreach**

	Expenditures	Workyears
FY'16 Actual	\$441,796	3.3
FY'17 Approved	\$926,100	3.8
FY'18 Proposed	\$886,801	3.8

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'18 Major Recommended Changes:** None

**Other Public Communications Projects**

	Expenditures	Workyears
FY'16 Actual	\$509,764	3.8
FY'17 Approved	\$538,700	4.3
FY'18 Proposed	\$515,795	4.3

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'18 Major Recommended Changes:** None

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

**SUMMARY BY ACTIVITY**

**Internal Communications and Events**

	Expenditures	Workyears
FY'16 Actual	\$373,826	2.8
FY'17 Approved	\$282,200	2.3
FY'18 Proposed	\$270,168	2.3

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'18 Major Recommended Changes:** None

**Graphics, Photography and Videography Support**

	Expenditures	Workyears
FY'16 Actual	\$441,795	3.3
FY'17 Approved	\$275,100	2.8
FY'18 Proposed	\$263,419	2.8

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

**FY'18 Major Recommended Changes:** None

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

**SUMMARY BY ACTIVITY**

**Web Content Administration**

	Expenditures	Workyears
FY'16 Actual	-	-
FY'17 Approved	\$136,200	1.2
FY'18 Proposed	\$130,447	1.2

This activity includes overall management of content on the WSSC Corporate website and overseeing the web content publication process for each organization of the Commission, including creation, updating, and publishing of Public Notices, Feature Tabs, News Releases, photo galleries, and events calendar. This activity also involves recommending, drafting and editing website content to provide user-friendly information to WSSC customers and stakeholders.

***FY'18 Major Recommended Changes:*** None

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

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 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)	\$579,576	\$819,953	\$1,399,529	5.9	\$769,100	\$599,300	\$1,368,400	9.0	\$778,988	\$599,300	\$1,378,288	9.0
<b>TOTAL</b>	\$579,576	\$819,953	\$1,399,529	5.9	\$769,100	\$599,300	\$1,368,400	9.0	\$778,988	\$599,300	\$1,378,288	9.0

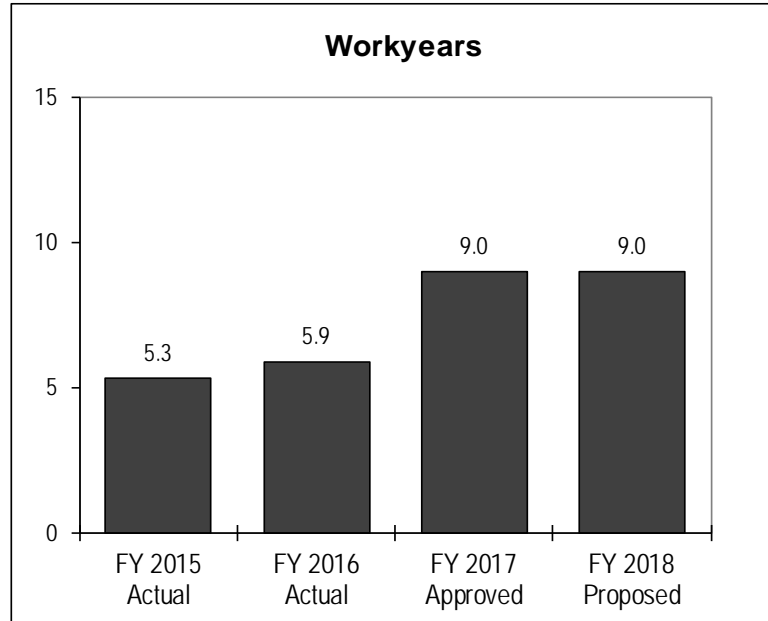
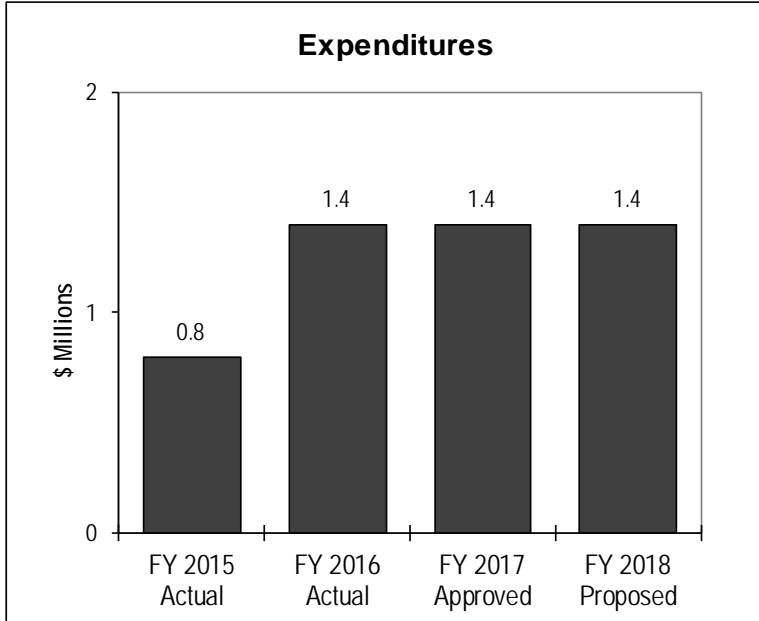
**Mission Statement**

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'18 Proposed Budget is approximately the same as the FY'17 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'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
Number of Small, Local Business Enterprises (SLBEs) registered and approved to do business with the WSSC (Total enrolled)	275	268	281	295
Number of Minority Business Enterprises (MBEs) registered and certified to do business with the WSSC (Newly enrolled)	137	107	140	190
Number of contract awards made to SLBEs	24	19	20	21
Number of contract awards made to MBEs	400	274	288	302

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

**SUMMARY BY ACTIVITY**

**Small, Local and Minority Business Enterprise**

	Expenditures	Workyears
FY'16 Actual	\$1,399,529	5.9
FY'17 Approved	\$1,368,400	9.0
FY'18 Proposed	\$1,378,288	9.0

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'18 Major Recommended Changes:** None



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**EQUAL EMPLOYMENT OPPORTUNITIES OFFICE**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Equal Employment Opportunities	\$136,175	\$3,662	\$139,837	1.0	\$110,300	\$11,000	\$121,300	1.0	\$116,419	\$11,004	\$127,423	1.0
<b>TOTAL</b>	\$136,175	\$3,662	\$139,837	1.0	\$110,300	\$11,000	\$121,300	1.0	\$116,419	\$11,004	\$127,423	1.0

**Mission Statement**

The mission of the Equal Employment Opportunities 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.

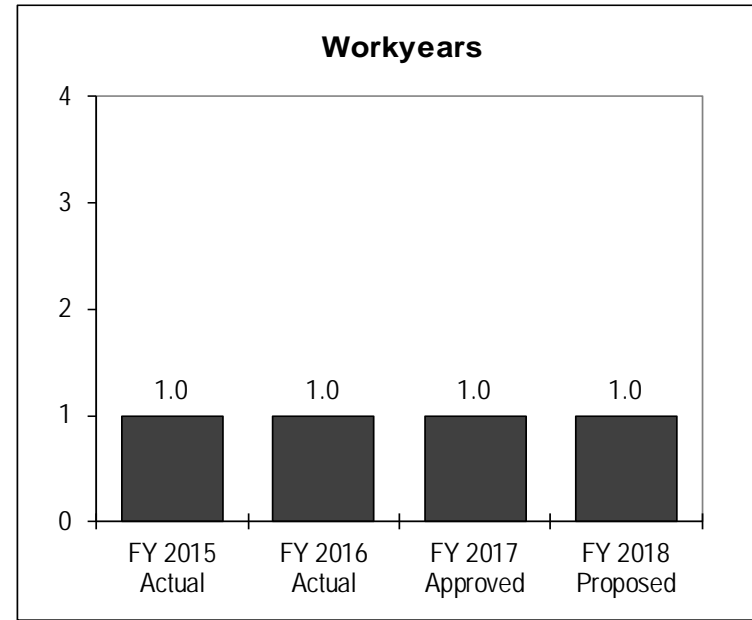
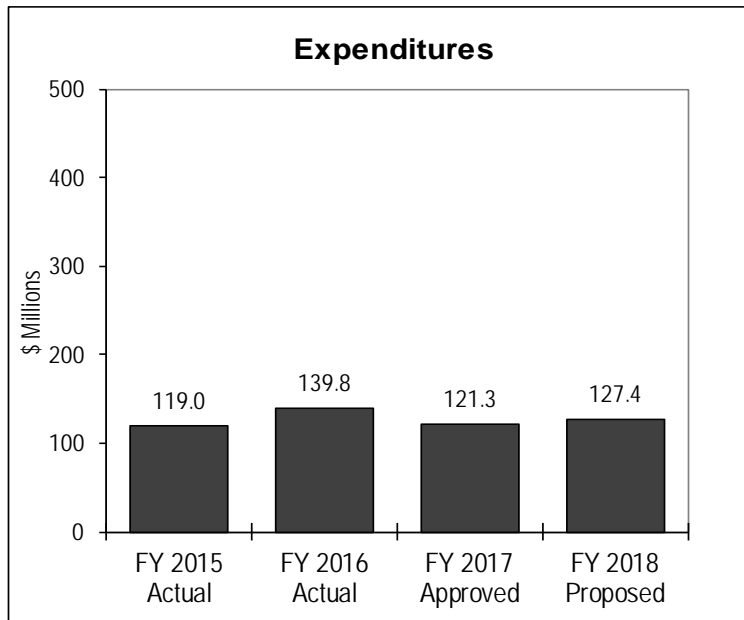
**Budget Overview**

The FY’18 Proposed Budget is approximately the same as the FY’17 Approved Budget.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### EQUAL EMPLOYMENT OPPORTUNITIES OFFICE

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**EQUAL EMPLOYMENT OPPORTUNITIES OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**EQUAL EMPLOYMENT OPPORTUNITIES**

	Expenditures	Workyears
FY'16 Actual	\$139,837	1.0
FY'17 Approved	\$121,300	1.0
FY'18 Proposed	\$127,423	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'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**PROCUREMENT OFFICE**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Procurement	\$1,952,955	\$641,862	\$2,594,817	23.1	\$2,959,100	\$593,300	\$3,552,400	35.0	\$3,143,177	\$244,896	\$3,388,073	35.0
<b>TOTAL</b>	\$1,952,955	\$641,862	\$2,594,817	23.1	\$2,959,100	\$593,300	\$3,552,400	35.0	\$3,143,177	\$244,896	\$3,388,073	35.0

**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.

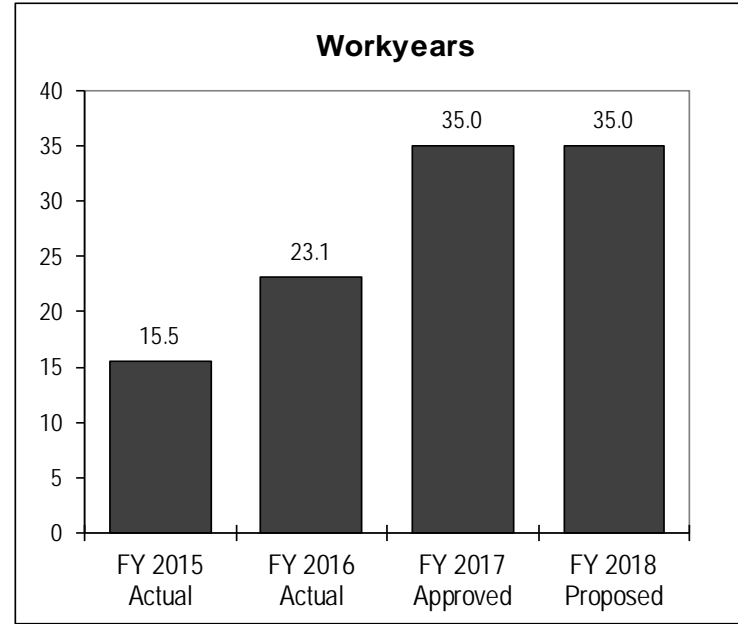
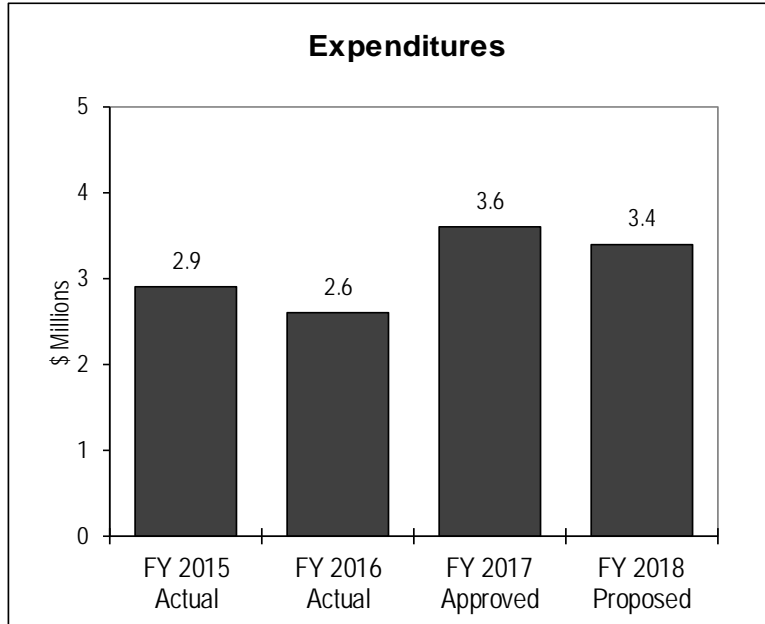
**Budget Overview**

The FY'18 Proposed Budget is \$164,327, or approximately 5%, less than the FY'17 Approved Budget. The decrease is primarily due to exclusion of one-time FY'17 funding associated with the 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'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
Purchase Orders awarded	1,207	1,020	1,200	1,000
Invitations for Bid/Requests for Proposal issued	476	200	450	200
Notices to Proceed issued (number of contracts)	374	361	350	350

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PROCUREMENT OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Procurement Services

	Expenditures	Workyears
FY'16 Actual	\$592,306	5.8
FY'17 Approved	\$813,800	8.8
FY'18 Proposed	\$772,668	8.8

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 solicitations processes which result in the award of contracts which are effectuated by purchase orders 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; and maintaining a complete contract file for all contracts regardless of contracting method.

**FY'18 Major Recommended Changes:** None

#### Operations and Administration

	Expenditures	Workyears
FY'16 Actual	\$656,755	5.8
FY'17 Approved	\$897,900	8.8
FY'18 Proposed	\$856,818	8.8

This activity involves implementing, maintaining and administering systems for WSSC Supplier Portal, Procurement Card Program, and Bonds and Insurance. This activity also involves risk management and operations analysis; coordination with Small, Local and Minority Business Enterprise (SLMBE) by monitoring and reporting of suppliers' sub-contracting participation on contracts; and through participation in outreach events with SLMBE to provide information to perspective suppliers.

**FY'18 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PROCUREMENT OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

##### Contracting Officer Representatives (CORs)

	Expenditures	Workyears
FY'16 Actual	\$860,468	7.2
FY'17 Approved	\$1,174,700	10.9
FY'18 Proposed	\$1,123,342	10.9

This activity includes Contracting Officer Representatives who are responsible for managing all pre-award and post-award contracting functions, including procurement forecasting, Statement of Work (SOW) and specification development support, change orders, task orders and cure notices. CORs are also responsible for assuring suppliers meet the performance requirements and the policies and procedures of a contract in terms of quality, quantity, schedule and cost/price.

**FY'18 Major Recommended Changes:** None

##### Strategic Sourcing

	Expenditures	Workyears
FY'16 Actual	\$485,288	4.3
FY'17 Approved	\$666,000	6.5
FY'18 Proposed	\$635,245	6.5

This activity is responsible for evaluating and managing current and potential sourcing opportunities; building sustainable supplier relationships; formulating and implementing actions, plans and processes for critical commodities or supply networks. This is accomplished by utilizing a fact-based and data driven approach to drive process improvement and to reduce the total cost of operations. This activity also serves as the lead for the Commission for the development of cross functional teams which support the development and implementation of sourcing strategies.

**FY'18 Major Recommended Changes:** None



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**HUMAN RESOURCES OFFICE**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Human Resources	\$2,785,308	\$1,430,295	\$4,215,603	27.3	\$2,855,800	\$1,925,600	\$4,781,400	27.0	\$2,994,166	\$1,845,600	\$4,839,766	27.0
<b>TOTAL</b>	\$2,785,308	\$1,430,295	\$4,215,603	27.3	\$2,855,800	\$1,925,600	\$4,781,400	27.0	\$2,994,166	\$1,845,600	\$4,839,766	27.0

**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.

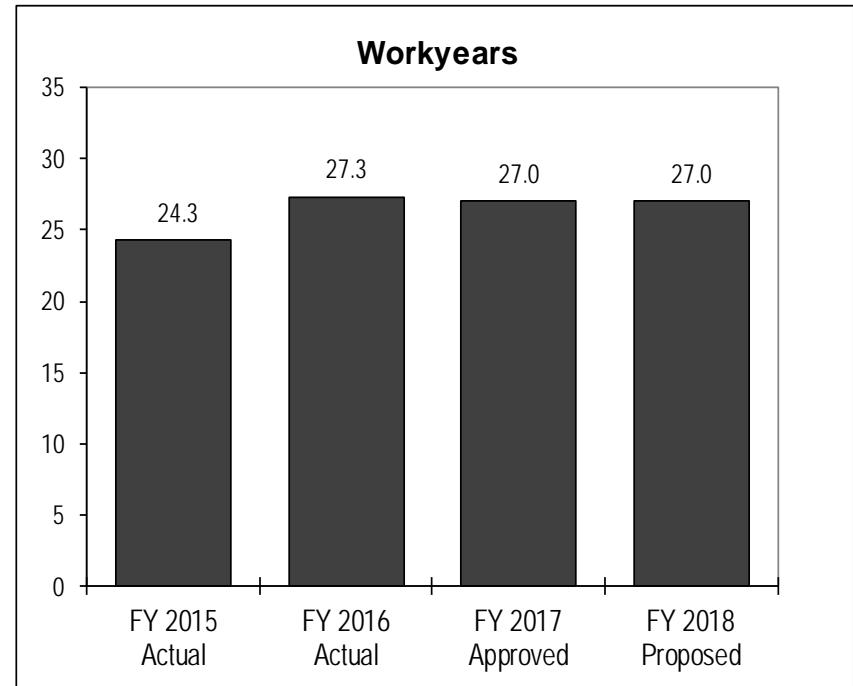
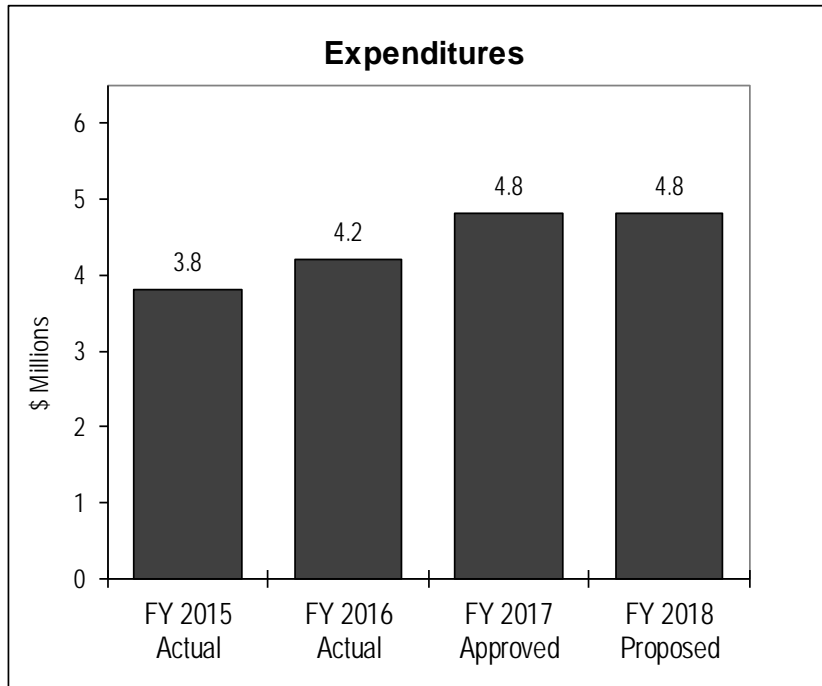
**Budget Overview**

The FY' 18 Proposed Budget is approximately the same as the FY' 17 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'16 Actual	\$1,227,247	4.5
FY'17 Approved	\$1,426,800	4.4
FY'18 Proposed	\$1,436,544	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'18 Major Recommended Changes:** None

**Benefits Administration**

	Expenditures	Workyears
FY'16 Actual	\$902,311	6.8
FY'17 Approved	\$981,600	6.8
FY'18 Proposed	\$996,167	6.8

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. This activity also provides for the MyLife wellbeing program which incorporates ways for employees to become more engaged and make healthier lifestyle choices.

**FY'18 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### HUMAN RESOURCES OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Employee Relations and Talent Management

	Expenditures	Workyears
FY'16 Actual	\$434,877	4.6
FY'17 Approved	\$469,900	4.5
FY'18 Proposed	\$479,644	4.5

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'18 Major Recommended Changes:** None

#### Compensation & Human Resources Management System (HRMS) Management

	Expenditures	Workyears
FY'16 Actual	\$627,585	6.8
FY'17 Approved	\$670,200	6.8
FY'18 Proposed	\$684,767	6.8

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'18 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### HUMAN RESOURCES OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

##### Employment

	Expenditures	Workyears
FY'16 Actual	\$1,023,583	4.6
FY'17 Approved	\$1,232,900	4.5
FY'18 Proposed	\$1,242,644	4.5

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'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**OCCUPATIONAL HEALTH AND SAFETY GROUP**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Occupational Health and Safety	\$673,227	\$150,266	\$823,493	7.9	\$706,100	\$279,200	\$985,300	9.0	\$761,461	\$279,204	\$1,040,665	9.0
<b>TOTAL</b>	\$673,227	\$150,266	\$823,493	7.9	\$706,100	\$279,200	\$985,300	9.0	\$761,461	\$279,204	\$1,040,665	9.0

**Mission Statement**

The mission of the Occupational Safety & Health Group is to provide a safe and healthy work environment for Commission employees. The Group also provides administration of the safety and health programs to ensure compliance with all Federal, State and Local regulations.

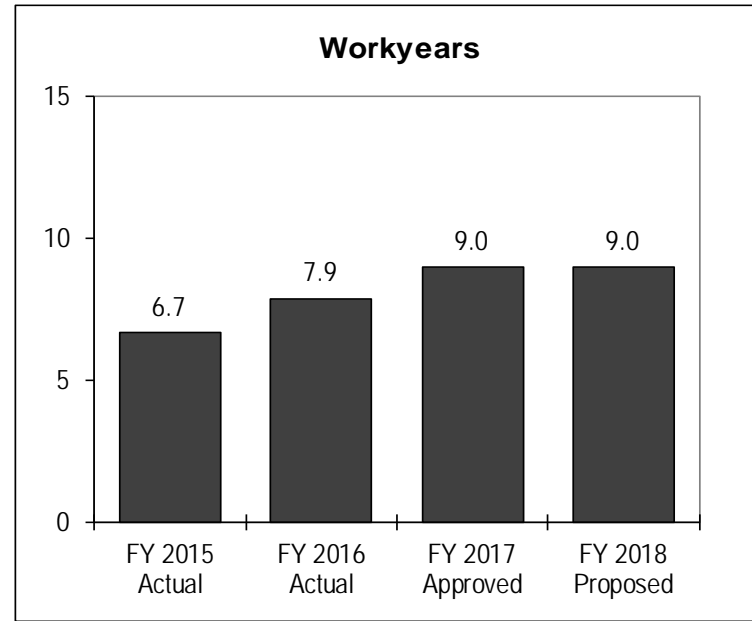
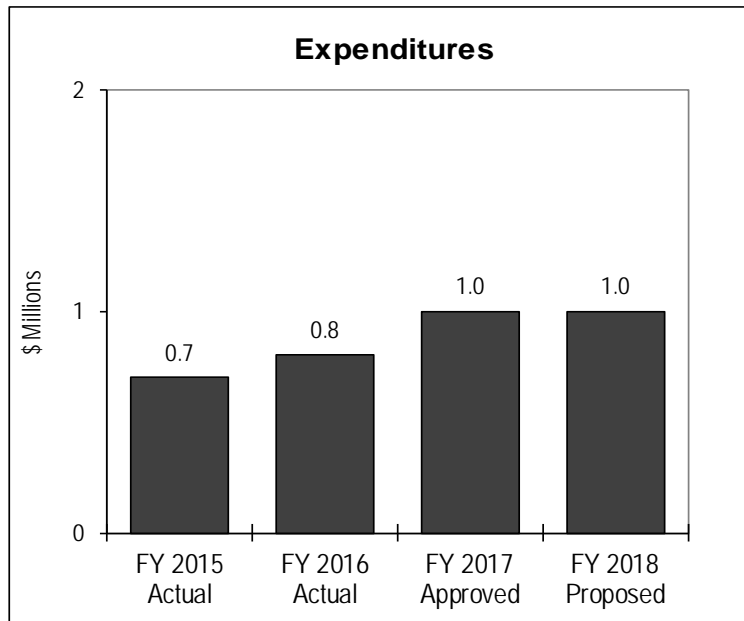
**Budget Overview**

The FY'18 Proposed Budget is approximately the same as the FY'17 Approved Budget. The budget presentation reflects the incorporation of this Group into the Staff Offices from the General Services Office.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### OCCUPATIONAL HEALTH AND SAFETY GROUP

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**OCCUPATIONAL HEALTH AND SAFETY GROUP**

(Continued)

**ACTIVITY INDICATORS**

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
Facility safety inspections	102	106	110	110
Job site inspections	86	162	100	160
Total occupational injuries reviewed	116	131	150	150
Number of employees attending driver improvement classes	195	247	200	250



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### OCCUPATIONAL HEALTH AND SAFETY GROUP

(Continued)

#### SUMMARY BY ACTIVITY

#### OCCUPATIONAL HEALTH & SAFETY

	Expenditures	Workyears
FY'16 Actual	\$823,493	7.9
FY'17 Approved	\$985,300	9.0
FY'18 Proposed	\$1,040,665	9.0

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'18 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

#### Organizational Descriptions

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

- The ***Development Services Group*** is responsible for the integrity of the WSSC's water and sewer system through oversight of Developer planning, design, and construction of water and sewer extensions. The Group is also responsible for the issuance and review of all plumbing, gasfitting, and house connection applications, collection of related fees and charges; and the 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; and represents the WSSC on Blue Plains Committees.
- 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 and best practices.
- 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 for all water and wastewater plants, pumping stations, water storage facilities, metering vaults, and depots.
- 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 Fuel Gas 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 pipeline 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* provides a full range of in-house civil, mechanical and electrical engineering support. This includes technical services for capital planning, design, and construction; maintenance of engineering records and Geographic Information Systems; environmental engineering and science support; infrastructure management; and land services (rights-of-ways, land acquisition & recordation, and land surveys). The Group also supports an Innovation Center that collects, assesses and implements research results to advance technology, new materials, and procedures.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**ENGINEERING & CONSTRUCTION TEAM**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 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	\$312,995	\$5,221	\$318,216	2.0	\$258,600	\$13,132,100	\$13,390,700	2.0	\$269,404	\$14,745,320	\$15,014,724	2.0
Development Services	4,841,660	507,719	5,349,379	52.4	4,688,700	676,900	5,365,600	53.0	5,035,815	676,896	5,712,711	54.0
Planning	1,556,493	123,011,115	124,567,608	14.5	1,033,900	93,217,400	94,251,300	10.0	1,075,242	80,402,492	81,477,734	10.0
Project Delivery	3,234,929	113,286,678	116,521,607	32.8	3,265,700	146,946,300	150,212,000	35.0	3,464,479	144,632,279	148,096,758	35.0
Infrastructure-Systems	2,823,962	27,531,295	30,355,257	32.6	3,772,200	20,246,600	24,018,800	44.0	3,953,415	24,448,596	28,402,011	44.0
Process Control	1,442,844	905,557	2,348,401	12.9	1,486,900	1,030,200	2,517,100	14.0	1,557,670	1,030,000	2,587,670	14.0
Regulatory Services	5,734,549	259,050	5,993,599	71.5	5,826,200	389,100	6,215,300	75.0	5,958,425	389,000	6,347,425	72.0
Systems Inspection	6,031,550	321,326,836	327,358,386	76.8	6,155,700	314,356,000	320,511,700	82.0	6,372,100	319,673,314	326,045,414	82.0
Technical Services	4,978,283	4,510,428	9,488,711	54.8	5,370,100	7,629,200	12,999,300	63.0	5,750,219	9,644,924	15,395,143	63.0
<b>TOTAL</b>	<b>\$30,957,265</b>	<b>\$591,343,900</b>	<b>\$622,301,165</b>	<b>350.3</b>	<b>\$31,858,000</b>	<b>\$597,623,800</b>	<b>\$629,481,800</b>	<b>378.0</b>	<b>\$33,436,769</b>	<b>\$595,642,821</b>	<b>\$629,079,590</b>	<b>376.0</b>

***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.

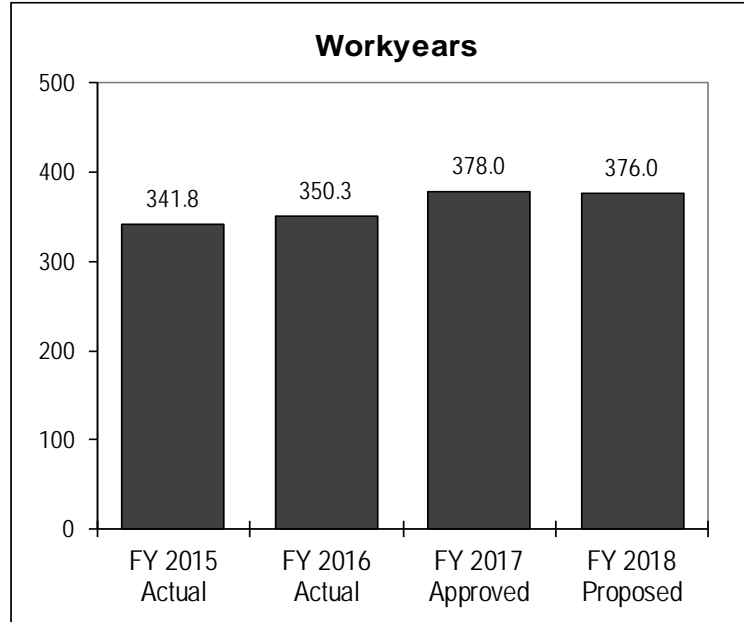
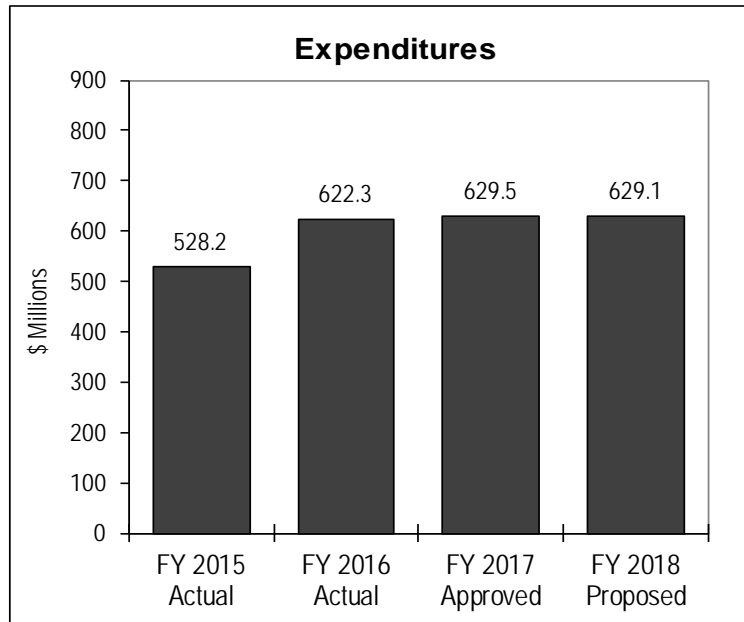
***Budget Overview***

The FY'18 Proposed Budget is approximately the same as the FY'17 Approved Budget. Adjustments to the budget included a decrease in the Blue Plains projects that are partially offset by increases in several other CIP projects. Two workyears were reorganized into the General Manager's Office pending future regulations for industrial discharge.

## 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'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
<i>Development Services Group</i>				
Number of proposed water and sewer service category changes reviewed	33	40	50	45
Number of preliminary subdivision plans reviewed	98	90	150	100
Water and sewer pipeline plans reviewed	231	205	270	230
Percentage of plumbing/gasfitting permits issued within 2 days	100%	100%	100%	100%
Percentage of applicant-built house connection packages issued within 2 days	100%	100%	100%	100%
<i>Planning Group</i>				
Number of reports entered into Consolidated Engineering System	60	117	200	200
Number of plumbing permits assigned to mini-basin numbers	2,627	3,217	2,900	2,900
Number of individual connections entered into Consolidated Engineering System and Permits Processing Information System	154	250	350	350
<i>Project Delivery Group</i>				
Number of active planning and design phase projects	33	10	8	12
Number of active construction phase projects	18	23	22	19
<i>Infrastructure-Systems Group</i>				
Miles of small diameter water mains (<16") designed for rehabilitation	60	56	55	55
Miles of large diameter water mains (>16") designed for rehabilitation	5	7	6	6
Number of large meter and/or pressure reducing valves designed for rehabilitation	45	56	50	50
Miles of sewer main lines designed for lining, bursting and/or grouting	47	56	20	20
Number of manholes designed for rehabilitation	1,186	1,643	301	300
<i>Process Control Group</i>				
Number of programmable logic controllers upgraded	3	3	3	2
Number of uninterruptable power supply systems upgraded	3	4	2	0

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
<i>Regulatory Services Group</i>				
Plumbing and gasfitting plans reviewed	825	781	1,200	1,200
Plumbing and gasfitting license registrations issued	2,099	1,903	2,100	2,100
Plumbing and gasfitting inspections performed	68,453	67,214	70,000	70,000
Industrial discharge investigations performed	197	148	100	60
Industrial discharge samples analyzed	1,158	1,316	1,000	1,100
Number of Fats, Oils, and Grease (FOG) Program inspections	6,335	5,198	6,000	5,500
Number of FOG Program permits issued	289	352	350	350
Number of Cross Connection site inspections performed	3,682	4,422	3,360	3,840
<i>Systems Inspection Group</i>				
Number of contract starts	175	168	170	170
Water Distribution Replacement in miles	50	47	43	43
Water Transmission Replacement in miles	4	8	6	6
Sewer Replacement/Bursting/Lining	26	41	38	38
Number of service connection permits inspected	154	290	300	300
Restoration work orders issued	4,011	4,356	4,000	4,000
<i>Technical Services Group</i>				
Number of contract documents prepared	70	70	100	100
Number of rights-of-way acquisitions	168	228	220	220
Number of in-house engineering designs	39	16	20	20
Number of rights-of-way packages reviewed and transmitted	214	265	250	250
Number of environmental assessment plans reviewed	2,315	2,279	2,500	2,500
Number of Erosion and Sediment Control permits issued	321	328	350	350

## ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Development Design

	Expenditures	Workyears
FY'16 Actual	\$2,305,740	19.0
FY'17 Approved	\$3,169,100	27.7
FY'18 Proposed	\$3,426,680	30.6

This activity relates to the three stages of design: planning, design review, and construction coordination for developer built and WSSC built development projects. Planning, including hydraulic analysis, determines adequacy and service requirements for the various development related submittals, including size and alignment of water/sewer lines, easement issues, and coordination with other jurisdictions. Design review encompasses the review and approval of plans necessary for the construction of new and/or relocated water/sewer mains for both WSSC and large connection private systems associated with new development, issuance of all house connections, plumbing permits and site utility installation permits. Construction coordination involves review and approval of plan revisions during construction, as well as processing partial releases, final releases and work with other WSSC offices to close-out and store data for completed projects.

**FY'18 Major Recommended Changes:** None

#### Permits

	Expenditures	Workyears
FY'16 Actual	\$3,091,555	33.7
FY'17 Approved	\$2,233,900	25.6
FY'18 Proposed	\$2,488,996	23.7

This activity reviews plumbing, gas-fitting, 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'18 Major Recommended Changes:** None



## ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Needs Analysis & Facility Planning

	Expenditures	Workyears
FY'16 Actual	\$2,029,622	6.0
FY'17 Approved	\$2,246,800	7.1
FY'18 Proposed	\$1,662,337	5.0

This activity includes identifying and developing water and sewer system capacities and models, and evaluating development proposals. Other responsibilities include development of long range flow projections; technical support for county ten year water and sewer plan revisions; quarterly reporting on available capacity; and operations analysis in support of PCCP and transmission system inspections and rehabilitation.

***FY'18 Major Recommended Changes:*** The budgeted amount for this activity decreased \$584,463, or approximately 26%, from the Approved FY'17 budget. The decrease is partially due to both a reduction in funding for outside engineering support and presenting Flow Monitoring and Reporting as a separate activity commencing in FY'18.

#### Flow Monitoring and Reporting

	Expenditures	Workyears
FY'16 Actual	-	-
FY'17 Approved	-	-
FY'18 Proposed	\$191,319	1.7

This activity includes flow monitoring, data review, and the reporting of flow for sewer meters that are used for billing and system operations.

***FY'18 Major Recommended Changes:*** This activity was included in Needs Analysis and Facility Planning in prior years.

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Regulatory Permitting & Compliance**

	Expenditures	Workyears
FY'16 Actual	\$90,398	0.7
FY'17 Approved	\$153,600	1.5
FY'18 Proposed	\$175,238	1.7

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'18 Major Recommended Changes:** None

**Regional Water & Wastewater**

	Expenditures	Workyears
FY'16 Actual	\$121,601,466	1.3
FY'17 Approved	\$91,857,900	1.5
FY'18 Proposed	\$79,486,427	1.7

This activity oversees payments for WSSC's share of construction cost for 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'18 Major Recommended Changes:** The budgeted amount for this activity decreased by \$12,371,473, or approximately 13%, from the FY'17 Approved Budget. The decrease is primarily due to reduced costs associated with the WSSC's portion of capital projects for the Blue Plains WWTP moving through construction.

## ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Asset Management Program

	Expenditures	Workyears
FY'16 Actual	\$859,388	6.6
FY'17 Approved	-	-
FY'18 Proposed	-	-

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

**FY'18 Major Recommended Changes:** As of FY'17, Asset Management Program functions were moved to the General Manager's Office.

#### Facility Planning and Design

	Expenditures	Workyears
FY'16 Actual	\$9,213,363	9.1
FY'17 Approved	\$15,355,700	11.7
FY'18 Proposed	\$19,138,214	9.6

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'18 Major Recommended Changes:** The budgeted amount for this activity increased \$3,782,514, or approximately 25%, from the FY'17 Approved Budget. The increase is primarily related to several CIP projects, including Piscataway WWTP Bio-Energy and Broad Creek WWPS Augmentation.

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Facility Construction**

	Expenditures	Workyears
FY'16 Actual	\$107,338,190	23.8
FY'17 Approved	\$134,880,900	23.5
FY'18 Proposed	\$129,090,096	25.6

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'18 Major Recommended Changes:** The budgeted amount for this activity decreased \$5,790,804, or approximately 4%, from the FY'17 Approved Budget. The decrease is primarily due to some significant CIP projects winding down, including the Broad Creek WWPS Augmentation and the Patuxent WFP Phase II Expansion.

**Pipeline Design**

	Expenditures	Workyears
FY'16 Actual	\$29,502,609	27.1
FY'17 Approved	\$21,961,700	37.6
FY'18 Proposed	\$26,462,623	33.8

This activity provides for the preparation and management of contract design documents for CIP water and sewer main projects and the Water and Sewer Reconstruction Programs. 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'18 Major Recommended Changes:** The budgeted amount for this activity increased \$4,500,923, or approximately 20%, from the FY'17 Approved Budget. The increase is primarily due to additional funding for reconstruction programs.

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Water and Sewer Relocations**

	Expenditures	Workyears
FY'16 Actual	\$882,409	5.7
FY'17 Approved	\$2,088,000	6.6
FY'18 Proposed	\$2,104,766	10.4

This activity reviews construction plans for roads 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, county and municipality road projects; and prepares designs for the relocation of existing water and sanitary sewer systems.

**FY'18 Major Recommended Changes:** None

**Corrective Maintenance (Process Control)**

	Expenditures	Workyears
FY'16 Actual	\$100,909	0.6
FY'17 Approved	\$230,700	1.5
FY'18 Proposed	\$135,258	0.8

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

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Enhancement and Upgrade Maintenance (Process Control)**

	Expenditures	Workyears
FY'16 Actual	\$1,749,613	8.6
FY'17 Approved	\$1,380,500	7.0
FY'18 Proposed	\$1,518,404	7.7

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'18 Major Recommended Changes:** None

**Inventory Management (Process Control)**

	Expenditures	Workyears
FY'16 Actual	\$77,004	0.6
FY'17 Approved	\$315,900	0.9
FY'18 Proposed	\$373,024	1.5

This activity provides for the ordering, receipt and database management of materials and inventory.

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**New Facility Support (Process Control)**

	Expenditures	Workyears
FY'16 Actual	\$356,295	2.9
FY'17 Approved	\$340,000	3.3
FY'18 Proposed	\$404,200	2.8

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

**FY'18 Major Recommended Changes:** None

**New Equipment Installation (Process Control)**

	Expenditures	Workyears
FY'16 Actual	\$76,372	0.3
FY'17 Approved	\$259,900	1.5
FY'18 Proposed	\$209,405	1.2

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'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Code Planning and Cross Connection**

	Expenditures	Workyears
FY'16 Actual	\$657,258	6.3
FY'17 Approved	\$1,828,600	22.6
FY'18 Proposed	\$2,007,675	22.7

This activity plans, develops, and maintains the technical aspects of WSSC's plumbing and gas-fitting 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'18 Major Recommended Changes:** None

**Plumbing Inspections**

	Expenditures	Workyears
FY'16 Actual	\$3,546,290	45.6
FY'17 Approved	\$2,287,100	29.8
FY'18 Proposed	\$2,482,083	28.8

This activity inspects the installation of commercial and residential plumbing and gas-fitting 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'18 Major Recommended Changes:** None



**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Industrial Discharge Control Program**

	Expenditures	Workyears
FY'16 Actual	\$911,730	9.5
FY'17 Approved	\$1,099,400	11.7
FY'18 Proposed	\$978,893	9.4

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'18 Major Recommended Changes:*** The budgeted amount for this activity decreased by \$120,507, or approximately 11%, from the FY'17 Approved Budget. The decrease is primarily due to reserving two workyears to the General Manager's Office in anticipation of the implementation of new industrial discharge regulations.

**Fats, Oils, and Grease (FOG) Program**

	Expenditures	Workyears
FY'16 Actual	\$943,655	10.5
FY'17 Approved	\$1,053,000	11.3
FY'18 Proposed	\$1,149,394	11.4

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'18 Major Recommended Changes:*** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Contract Document Review**

	Expenditures	Workyears
FY'16 Actual	\$115,799	1.2
FY'17 Approved	\$55,700	0.8
FY'18 Proposed	\$108,324	1.4

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'18 Major Recommended Changes:** None

**Construction Management (Systems Inspection)**

	Expenditures	Workyears
FY'16 Actual	\$292,448,678	68.1
FY'17 Approved	\$288,901,800	73.3
FY'18 Proposed	\$290,758,807	73.4

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'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Street Repair and Restoration**

	Expenditures	Workyears
FY'16 Actual	\$34,547,451	5.0
FY'17 Approved	\$30,978,100	3.8
FY'18 Proposed	\$34,816,340	3.6

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'18 Major Recommended Changes:** The budgeted amount for this activity increased by \$3,838,240, or approximately 12%, from the FY'17 Approved Budget. The increase is primarily due to adding contract inspectors for paving compaction inspections.

**Electronic As-Built Prep**

	Expenditures	Workyears
FY'16 Actual	\$316,606	3.0
FY'17 Approved	\$633,700	4.5
FY'18 Proposed	\$670,148	4.3

This activity involves preparation of as-builts for pipeline rehabilitation contracts using AutoCad. All appurtenances are now field located using handheld GPS units. The digital information is then added directly to the AutoCad file which is transmitted electronically to the Technical Services Group, greatly improving the accuracy of the delineated alignment in EGIS.

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Construction Contract Services**

	Expenditures	Workyears
FY'16 Actual	\$348,920	3.4
FY'17 Approved	\$797,300	8.7
FY'18 Proposed	\$728,608	7.4

This activity reviews and 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'18 Major Recommended Changes:** None

**Geographic Information System (GIS) Services**

	Expenditures	Workyears
FY'16 Actual	\$1,127,144	7.9
FY'17 Approved	\$938,100	7.6
FY'18 Proposed	\$868,338	7.1

This activity provides for the development and maintenance of the Enterprise-Geographic Information System (EGIS), a web-based GIS application that allows WSSC employees basic access to our GIS data. This includes coordination of development, installation, programmatic oversight, and maintenance of the EGIS to ensure the system meets the needs of the users and maximizes the potential for beneficial use. This activity also includes collaboration with the State, Counties, and other entities to coordinate and share GIS data.

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Electrical / Mechanical Support**

	Expenditures	Workyears
FY'16 Actual	\$17,328	0.2
FY'17 Approved	\$550,100	5.5
FY'18 Proposed	\$622,506	5.4

This activity provides electrical and mechanical support for asset management and on-going project engineering and construction projects, as well as research and evaluation of associated materials and methods. Staff consider emerging technologies along with traditional practices to improve the way WSSC engineers its existing and future assets with respect to 4 major elements: Facility Master Plans, standardization, in-house engineering, and technical support.

**FY'18 Major Recommended Changes:** None

**Civil Engineering Support**

	Expenditures	Workyears
FY'16 Actual	\$784,293	3.3
FY'17 Approved	\$1,172,900	8.2
FY'18 Proposed	\$755,704	9.1

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; and preparing contract documents and specialty designs.

This activity also provides recommendations and specifications with respect to the development and management of the Pipeline Design Manual, the Standard Details for Construction, and the Facility Design Guidelines.

**FY'18 Major Recommended Changes:** The budgeted amount for this activity decreased \$417,196, or approximately 36%, from the FY'17 Approved Budget. The decrease is due to realigning activities, primarily to Infrastructure Management.

## ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Infrastructure Management

	Expenditures	Workyears
FY'16 Actual	\$2,442,461	10.5
FY'17 Approved	\$3,418,800	5.8
FY'18 Proposed	\$3,852,721	4.7

This activity is comprised of two programs. The Dam Safety and Inspection Program ensures the safety of the WSSC's three water supply dams through monthly inspections, piezometer readings, silt measurements, repair recommendations, and preparation of the annual dam report submitted to the State. (A piezometer is an instrument used to measure the pressure of a fluid, or the compressibility of a substance when subjected to such a pressure.)

This activity also includes the Corrosion Management Program, which involves periodic reading of the Commission's approximately 1,500 corrosion test stations, providing and coordinating corrosion designs and repair recommendations, and developing and maintaining the corrosion design guidelines and standard details.

**FY'18 Major Recommended Changes:** The budgeted amount for this activity increased \$433,921, or approximately 13%, from the FY'17 Approved Budget. The increase is primarily due to realignment of activities, particularly from Civil Engineering Support.

#### Property and Rights-of-Way Acquisition

	Expenditures	Workyears
FY'16 Actual	\$1,631,936	6.1
FY'17 Approved	\$3,168,500	2.5
FY'18 Proposed	\$5,066,812	2.7

This activity consists of the day-to-day operations required to acquire real estate and create rights-of-way in support of new development, capital pipelines and facility projects. This includes preparing land plats, land documents, legal descriptions and sketches; and maintaining real property inventory. In-house 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 EGIS.

**FY'18 Major Recommended Changes:** The budgeted amount for this activity increased \$1,898,312, or approximately 60%, from the FY'17 Approved Budget. The increase is due to additional funding for easement and land acquisitions related to CIP project requirements.

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Surveys**

	Expenditures	Workyears
FY'16 Actual	\$364,819	3.9
FY'17 Approved	\$682,100	8.1
FY'18 Proposed	\$758,646	9.0

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 EGIS.

**FY'18 Major Recommended Changes:** None

**Engineering Records**

	Expenditures	Workyears
FY'16 Actual	\$521,332	5.6
FY'17 Approved	\$318,300	3.6
FY'18 Proposed	\$257,720	2.4

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

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Process Engineering and Water Quality Studies**

	Expenditures	Workyears
FY'16 Actual	\$694,960	3.4
FY'17 Approved	\$529,500	3.8
FY'18 Proposed	\$520,596	3.7

This activity provides treatment process expertise and services for in-house efforts, external studies, and designs related to treatment of water and wastewater, managing biosolids and related permits. 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'18 Major Recommended Changes:** None

**Water Resources Protection**

	Expenditures	Workyears
FY'16 Actual	\$550,040	2.6
FY'17 Approved	\$509,400	2.7
FY'18 Proposed	\$528,447	2.6

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 pursue watershed and source water quality protection; collecting 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'18 Major Recommended Changes:** None



**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Pollution Prevention Studies**

	Expenditures	Workyears
FY'16 Actual	\$230,940	0.3
FY'17 Approved	\$416,000	0.4
FY'18 Proposed	\$400,942	0.6

This activity provides support for development and implementation of Pollution Prevention Plans to protect water, air and soil environments and public health from potential discharges of pollutants from WSSC.

**FY'18 Major Recommended Changes:** None

**Environmental Assessment, Permitting, and Enforcement**

	Expenditures	Workyears
FY'16 Actual	\$824,592	7.9
FY'17 Approved	\$542,800	6.3
FY'18 Proposed	\$606,004	6.4

This activity manages environmental assessments, including 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 and approving design plans, issuing permits, conducting field inspections and pursuing enforcement of the WSSC Regulations for erosion and sediment control for Utility Construction.

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Innovation Center**

	Expenditures	Workyears
FY'16 Actual	-	-
FY'17 Approved	-	-
FY'18 Proposed	\$664,891	2.1

This activity relates to research examining problems, developing possible solutions, and testing the results. The activity includes the application of ideas and solutions, increasing customer value and increasing productivity. The workyears include an Engineering Research Specialist and a Research Scientist.

**FY'18 Major Recommended Changes:** The realignment of activities allowed for the funding of this new activity.

**Unsigned System Extension Permit (SEP)**

	Expenditures	Workyears
FY'16 Actual	-	-
FY'17 Approved	\$13,126,000	-
FY'18 Proposed	\$13,609,004	-

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'18 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

#### Organizational Descriptions

The Production Team is led by the Chief of Plant Operations and is comprised of the Potomac, Patuxent, Piscataway, Parkway, Western Branch, and Seneca/Damascus/Hyattstown plants, and the Laboratory Services, Systems Control, Facilities Maintenance, Energy Management, and Operations Support Groups. During FY'17 the Property Management Group was transferred from the General Services Team into the Facilities Maintenance Group. In addition, a portion of the Team Office was reorganized into a new Operations Support Group.

- 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 ***Facilities Maintenance Group (formerly Industrial Assets Management)*** is responsible for providing specialized in-house electrical, mechanical, instrumentation, welding, carpentry, machining, engineering and support for all of WSSC's Production Team facilities, and for buildings and grounds maintenance for all of WSSC's other facilities and depots.
- The Team's ***Energy Management Office (formerly Utility Cost Control)*** is responsible for optimizing the usage, reliability, and cost of electricity, natural gas, fuel oil, propane, and diesel fuel in conjunction with maintaining or improving the quality of operation and maintenance of all water/wastewater treatment plants, pumping stations, storage sites and field offices.
- The ***Operations Support Group (formerly part of the Production Team Office)*** provides support to all Groups in the Production Team. Support includes energy management, training, asset management, biosolids management, emergency planning, and administration of the flexible worker program. This group also provides Commission support for regional programs.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 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	\$1,213,086	\$58,165,215	\$59,378,301	10.7	\$341,200	\$58,500	\$399,700	3.0	\$249,498	\$55,900	\$305,398	2.0
Laboratory Services	2,617,354	1,304,080	3,921,434	31.9	2,621,000	1,458,100	4,079,100	35.0	2,811,950	958,100	3,770,050	35.0
Systems Control	2,941,739	6,344,956	9,286,695	34.3	2,845,700	6,727,000	9,572,700	35.0	2,980,941	9,727,000	12,707,941	35.0
Potomac	2,319,885	5,822,955	8,142,840	30.7	2,413,500	6,936,900	9,350,400	34.0	2,493,943	6,182,700	8,676,643	34.0
Patuxent	1,948,477	1,244,509	3,192,986	22.9	1,865,700	2,048,100	3,913,800	24.0	2,002,989	1,761,600	3,764,589	24.0
Piscataway	2,210,792	4,016,754	6,227,546	26.0	2,187,600	5,256,400	7,444,000	27.0	2,379,408	5,229,200	7,608,608	27.0
Western Branch	2,487,531	3,679,601	6,167,132	31.2	2,403,900	4,380,400	6,784,300	32.0	2,516,849	4,083,400	6,600,249	32.0
Parkway	1,851,776	2,285,612	4,137,388	22.5	1,746,900	2,273,400	4,020,300	23.0	1,783,900	2,195,700	3,979,600	23.0
Seneca/Damascus/Hyattstown	2,802,643	3,123,146	5,925,789	32.8	2,660,800	3,950,300	6,611,100	33.0	2,766,851	3,584,200	6,351,051	33.0
Facilities Maintenance	3,664,510	3,862,908	7,527,418	43.7	3,321,200	4,594,500	7,915,700	42.0	5,512,464	9,514,300	15,026,764	69.0
Energy Management Office	-	22,385,461	22,385,461	-	-	24,011,400	24,011,400	-	-	22,447,193	22,447,193	-
Operations Support	-	-	-	-	1,615,700	81,781,900	83,397,600	15.0	1,767,329	78,936,900	80,704,229	17.0
<b>TOTAL</b>	<b>\$24,057,793</b>	<b>\$112,235,197</b>	<b>\$136,292,990</b>	<b>286.7</b>	<b>\$24,023,200</b>	<b>\$143,476,900</b>	<b>\$167,500,100</b>	<b>303.0</b>	<b>\$27,266,122</b>	<b>\$144,676,193</b>	<b>\$171,942,315</b>	<b>331.0</b>

#### **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.

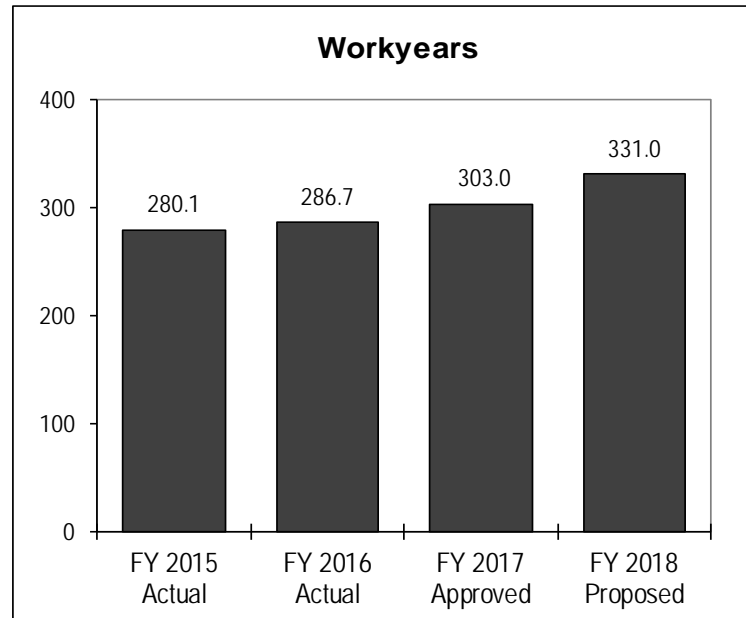
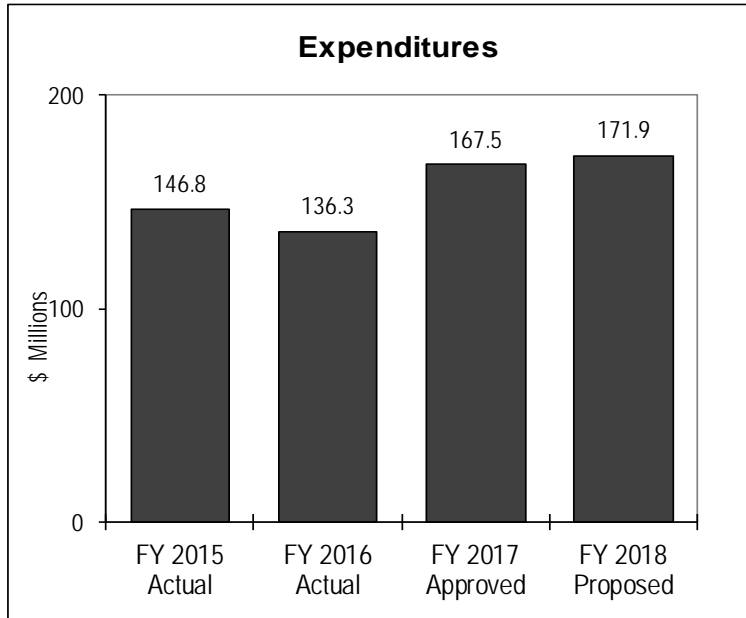
#### **Budget Overview**

The FY' 18 Proposed Budget is \$4,442,215, or approximately 3%, over the FY' 17 Approved Budget. This increase is primarily attributable to the incorporation of the Property Management Group (formerly in the General Services Team) into the Facilities Maintenance Group and an increase in funding for the Water Storage Facility Rehabilitation Program. These increases are partially offset by reductions in energy and sewage disposal hauling costs. The increase of 28 workyears is mostly attributed to incorporation of Property Management into Facilities Maintenance.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

(Continued)



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

(Continued)

#### ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
<i>Laboratory Services Group</i>				
Laboratory analyses performed (by Purpose)				
Clean Water Act	55,708	143,144	180,000	180,000
Safe Drinking Water Act	89,215	163,369	100,000	100,000
Customer Concerns	3,729	7,080	10,000	10,000
Process Control & Support	53,315	145,070	160,000	160,000
Outside Client Support	23,248	71,965	50,000	50,000
Analyses per workyear	8,340	16,634	14,286	14,286
<i>Systems Control Group</i>				
Standpipes, Reservoirs & Elevated Tanks - Total storage capacity (MG)	193.3	197.3	197.3	197.3
Remotely operated valves	82	82	86	87
<i>Potomac Group</i>				
Total filtered water to the distribution system (MG)	40,858	41,368	40,908	40,908
Average daily filtered water to the distribution system (MGD)	111.9	113.0	112.0	112.0
Maximum daily filtered water to the distribution system (MGD)	150.6	141.9	160.0	160.0
Solids handling (wet tons)	18,055	21,152	25,000	26,500
<i>Patuxent Group</i>				
Total filtered water to the distribution system (MG)	18,611	18,736	18,952	18,952
Average daily filtered water to the distribution system (MGD)	51.0	51.2	52.0	52.0
Maximum daily filtered water to the distribution system (MGD)	66.3	65.7	77.0	77.0
Solids handling (dry tons)	1,332	1,341	6,000	6,000
<i>Piscataway Group</i>				
Wastewater treated flow (MGD)	24.3	24.8	25.5	25.6
Biosolids production (wet tons)	36,000	35,000	39,000	39,000

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**PRODUCTION TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
<i>Western Branch Group</i>				
Wastewater treated flow (MGD)	20.7	19.1	24.2	22.3
Biosolids production (wet tons)	27,993	29,677	29,048	30,000
<i>Parkway Group</i>				
Wastewater treated flow (MGD)	6.5	6.4	6.5	7.2
Biosolids production (wet tons)	14,077	13,970	16,200	16,200
<i>Seneca/Damascus/Hyattstown Group</i>				
Wastewater treated flow (MGD)	15.5	15.2	20.2	17.5
Biosolids production (wet tons)	20,245	22,689	29,600	26,092

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Operations

	Expenditures	Workyears
FY'16 Actual	\$46,900,272	121.8
FY'17 Approved	\$53,471,600	123.6
FY'18 Proposed	\$48,872,070	129.1

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.

**FY'18 Major Recommended Changes:** The budgeted amount for this activity decreased \$4,599,530, or approximately 9%, from the FY'17 Approved Budget. The decrease is primarily due to reduced electricity costs and lower landfill charges.

#### Operations Support

	Expenditures	Workyears
FY'16 Actual	\$59,631,796	2.3
FY'17 Approved	\$66,272,600	14.6
FY'18 Proposed	\$65,511,259	16.8

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'18 Major Recommended Changes:** None



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Maintenance

	Expenditures	Workyears
FY'16 Actual	\$11,844,728	73.4
FY'17 Approved	\$10,867,500	75.2
FY'18 Proposed	\$11,150,957	72.4

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

**FY'18 Major Recommended Changes:** None

#### Maintenance Support Services

	Expenditures	Workyears
FY'16 Actual	\$9,060,532	55.8
FY'17 Approved	\$9,612,700	53.7
FY'18 Proposed	\$16,386,739	77.2

This activity provides funding for the operational support of all of the Commission's facilities and properties. This includes specialized maintenance services such as electrical, mechanical, instrumentation, welding, metal fabrication, and carpentry services. These services are provided in the form of enhancements, repairs, replacements, and maintenance services for all buildings and grounds.

**FY'18 Major Recommended Changes:** The budgeted amount for this activity increased \$6,774,039, or approximately 70%, from the FY'17 Approved Budget. This increase is primarily attributable to the incorporation of the Property Management Group into the Facilities Maintenance Group.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Laboratory Services

	Expenditures	Workyears
FY'16 Actual	\$3,840,295	32.6
FY'17 Approved	\$4,125,700	35.4
FY'18 Proposed	\$3,802,540	35.2

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 is the Water Quality Program.

**FY'18 Major Recommended Changes:** The budgeted amount for this activity decreased \$323,160, or approximately 8%, from the FY'17 Approved Budget. This decrease is primarily attributable to the one-time cost of implementing a water quality monitoring system during FY'17.

#### Capital Project Support

	Expenditures	Workyears
FY'16 Actual	\$5,015,367	0.8
FY'17 Approved	\$23,150,000	0.5
FY'18 Proposed	\$26,218,750	0.3

This activity is primarily associated with the management and oversight of the WSSC's Energy Performance Program (EPP) and the Water Storage Facility Rehabilitation Program. The EPP 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 Water Storage Facility Rehabilitation Program provides funding for the comprehensive rehabilitation of the Commission's 59 water storage facilities located throughout the WSSC services area holding 200 million gallons of finished drinking water.

**FY'18 Major Recommended Changes:** The budgeted amount for this activity increased \$3,068,750, or approximately 13%, from the FY'17 Approved Budget. The increase is attributable to additional funding for the Water Storage Facility Rehabilitation Program.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### GENERAL SERVICES OFFICE

#### Organizational Descriptions

This Office is led by the General Services Director and is comprised of the Fleet Services, Materials Management, and Police and Security Services Groups. The Office responsibilities include providing reprographics, mail services and distribution, office supplies, food and vending services, and asset management of furniture and copy machines.

- 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 ***Police and Security 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

### GENERAL SERVICES OFFICE

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
General Services Office	\$1,159,841	\$3,984,855	\$5,144,696	15.3	\$1,280,800	\$2,653,900	\$3,934,700	17.0	\$1,465,529	\$2,803,900	\$4,269,429	18.0
Property Management	1,836,448	5,558,022	7,394,470	24.1	1,967,200	4,983,600	6,950,800	28.0	-	-	-	-
Fleet Services	3,380,987	3,138,647	6,519,634	46.0	3,607,600	4,403,700	8,011,300	49.0	3,474,421	3,607,400	7,081,821	47.0
Materials Management	1,852,602	3,908,252	5,760,854	27.2	1,705,400	4,716,000	6,421,400	27.0	1,796,444	4,516,000	6,312,444	26.0
Police & Security Services	2,255,055	1,434,877	3,689,932	29.3	2,803,400	1,851,300	4,654,700	41.0	3,007,673	2,251,300	5,258,973	41.0
<b>TOTAL</b>	<b>\$10,484,933</b>	<b>\$18,024,653</b>	<b>\$28,509,586</b>	<b>141.9</b>	<b>\$11,364,400</b>	<b>\$18,608,500</b>	<b>\$29,972,900</b>	<b>162.0</b>	<b>\$9,744,067</b>	<b>\$13,178,600</b>	<b>\$22,922,667</b>	<b>132.0</b>

\*In FY'18 Occupational Health and Safety Group and Property Management Group are reorganized into other areas of the Commission.

#### **Mission Statement**

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

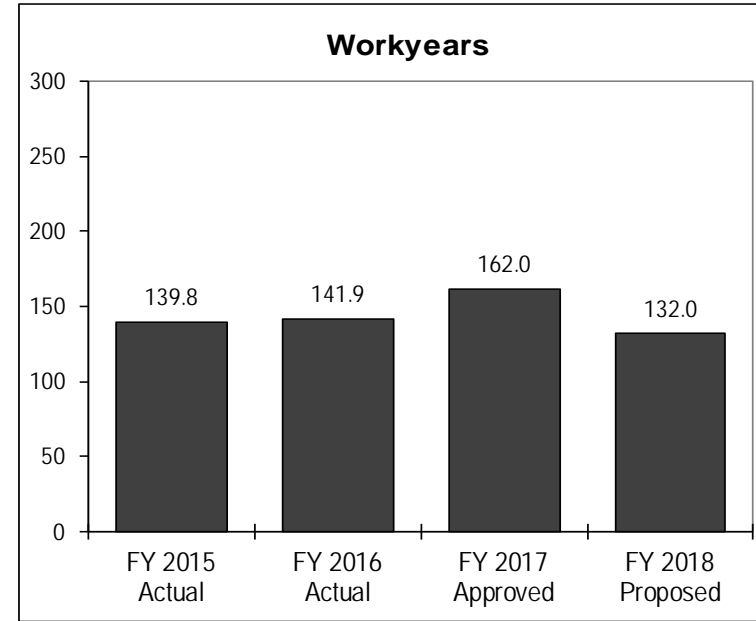
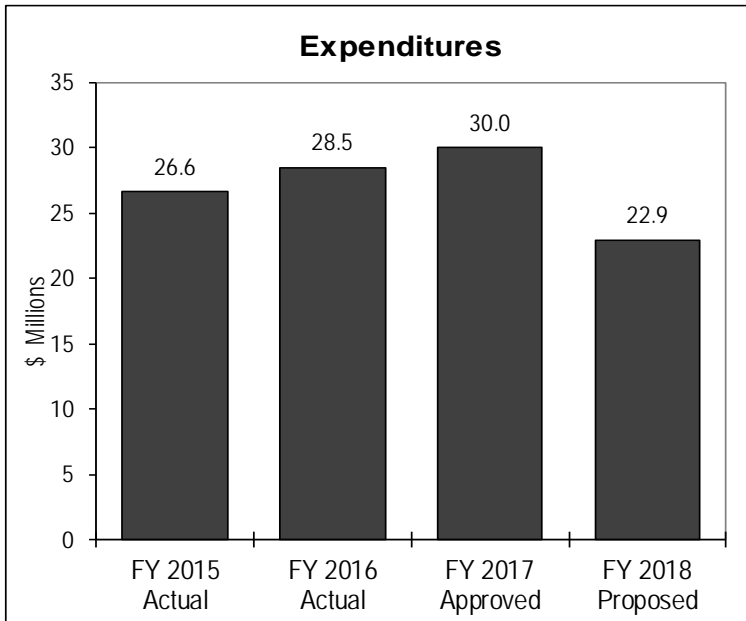
#### **Budget Overview**

The FY'18 Proposed Budget is \$7,050,233, or approximately 24%, less than the FY'17 Approved Budget. This decrease is primarily due to the reorganization of the Property Management Group into the Production Team.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## GENERAL SERVICES OFFICE

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**GENERAL SERVICES OFFICE**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
<i>Team Office</i>				
Copier machine duplications	4,337,537	4,752,110	4,750,000	4,750,000
Mail posted (pieces)	2,349,018	2,468,980	2,650,000	2,650,000
Mail received (pieces)	1,719,452	1,467,998	1,875,000	1,875,000
<i>Fleet Services Group</i>				
Equipment fleet managed (pieces of equipment)	790	765	790	770
Vehicle fleet managed (number of vehicles)	1,004	960	1,047	973
Garages/equipment/body shops managed	6	6	6	6
Complete parts inventories conducted	12	12	12	12
Scheduled preventive maintenance completed on vehicles and equipment	2,945	3,369	2,945	3,000
Other (non-preventative maintenance) vehicle and equipment repairs	4,927	4,553	5,000	4,500
<i>Materials Management Group</i>				
Stock quantities issued	952,813	960,274	1,000,000	1,000,000
Stock line items received	3,546	4,736	4,500	6,000
Supply contracts managed	75	75	80	75
<i>Police and Security Services Group</i>				
Theft of service complaints/responses handled	5	15	20	40
Miles patrolled for preventive measures	195,452	225,000	250,000	300,000
Facility security inspections	25,000	35,000	34,000	50,000

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### GENERAL SERVICES OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Facility Operations & Maintenance Services

	Expenditures	Workyears
FY'16 Actual	\$7,928,773	25.7
FY'17 Approved	\$7,040,400	29.3
FY'18 Proposed	-	-

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'18 Major Recommended Changes:** This activity has been transferred to the Maintenance Services activity within the Production Team.

#### Fleet Services

	Expenditures	Workyears
FY'16 Actual	\$4,387,130	38.7
FY'17 Approved	\$4,111,600	43.0
FY'18 Proposed	\$4,086,669	41.0

This activity involves managing and coordinating services for a vehicle and equipment fleet of 1,837 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'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**GENERAL SERVICES OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Fuel Services**

	Expenditures	Workyears
FY'16 Actual	\$1,421,212	1.6
FY'17 Approved	\$2,549,100	1.1
FY'18 Proposed	\$1,794,233	1.2

This activity manages the automated gasoline and diesel fuel systems 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'18 Major Recommended Changes:** The budgeted amount for this activity decreased \$754,867, or approximately 30%, from the FY'17 Approved Budget. The decrease primarily reflects a reduction in funding for fuel that is based upon historical spend and future projected fuel requirements.

**Management of Fleet Parts and Supplies**

	Expenditures	Workyears
FY'16 Actual	\$1,731,123	8.8
FY'17 Approved	\$1,507,100	7.0
FY'18 Proposed	\$1,598,158	7.0

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'18 Major Recommended Changes:** None



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**GENERAL SERVICES OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Materials Handling**

	Expenditures	Workyears
FY'16 Actual	\$6,363,884	29.0
FY'17 Approved	\$6,507,700	28.2
FY'18 Proposed	\$6,532,194	27.2

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'18 Major Recommended Changes:** None

**General and Administrative Services**

	Expenditures	Workyears
FY'16 Actual	\$2,337,944	6.9
FY'17 Approved	\$3,471,300	10.5
FY'18 Proposed	\$3,305,912	12.6

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'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**GENERAL SERVICES OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Security Services**

	Expenditures	Workyears
FY'16 Actual	\$3,779,957	25.4
FY'17 Approved	\$4,232,100	35.9
FY'18 Proposed	\$4,986,615	36.1

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'18 Major Recommended Changes:** The budgeted amount for this activity increased \$754,515, or approximately 18%, from the FY'17 Approved Budget. The increase is primarily due to increased training costs for police officers and improved security infrastructure for WSSC critical sites.

**Investigative Services**

	Expenditures	Workyears
FY'16 Actual	\$559,563	5.8
FY'17 Approved	\$553,600	7.0
FY'18 Proposed	\$618,886	6.9

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'18 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

#### Organizational Descriptions

This Office is led by the Chief Financial Officer and is comprised of the Retirement, Revenue, Accounting, Disbursements, and Budget Groups. The Team Office administers grant monies received from the Environmental Protection Agency (EPA) and the Maryland Department of the Environment (MDE). The Maryland Water Quality State Revolving Loan Administration activities are also managed by the Team Office.

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

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Finance Office	\$267,693	\$673,332	\$941,025	2.0	\$412,200	\$802,700	\$1,214,900	4.0	\$446,084	\$802,700	\$1,248,784	4.0
Retirement	645,098	188,156	833,254	6.0	619,300	213,400	832,700	6.0	650,645	213,500	864,145	6.0
Revenue	1,068,809	293,649	1,362,458	13.9	1,031,300	380,100	1,411,400	14.0	1,084,991	381,004	1,465,995	14.0
Accounting	1,112,611	68,790	1,181,401	12.2	1,283,100	21,900	1,305,000	15.0	1,322,580	21,900	1,344,480	15.0
Disbursements	1,110,554	125,930	1,236,484	13.0	1,102,400	128,200	1,230,600	14.0	1,111,791	128,200	1,239,991	14.0
Budget	757,455	195,639	953,094	7.1	842,200	140,600	982,800	9.0	881,578	153,996	1,035,574	9.0
<b>TOTAL</b>	<b>\$4,962,220</b>	<b>\$1,545,496</b>	<b>\$6,507,716</b>	<b>54.2</b>	<b>\$5,290,500</b>	<b>\$1,686,900</b>	<b>\$6,977,400</b>	<b>62.0</b>	<b>\$5,497,669</b>	<b>\$1,701,300</b>	<b>\$7,198,969</b>	<b>62.0</b>

#### 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.

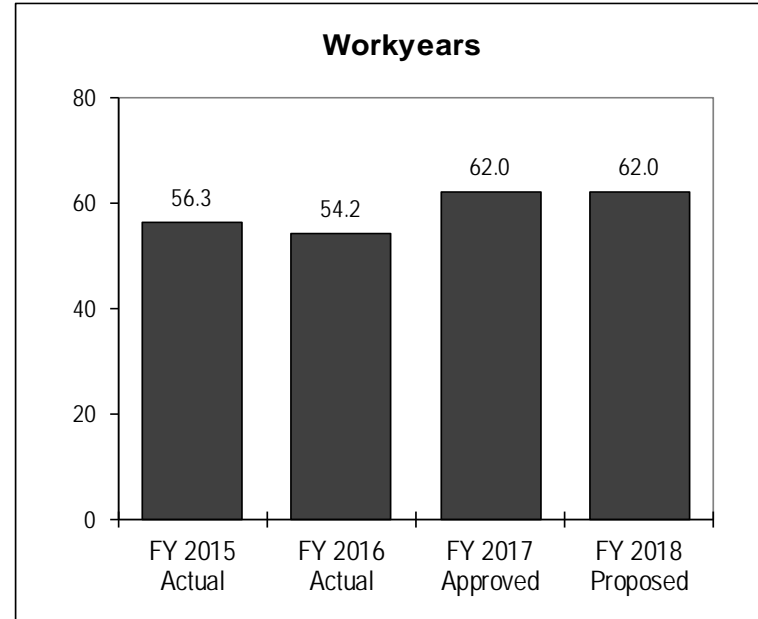
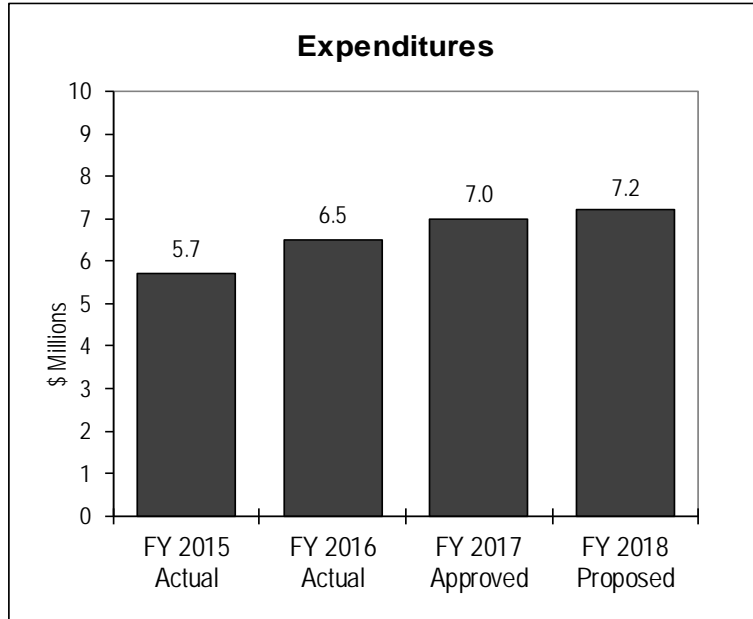
#### Budget Overview

The FY' 18 Proposed Budget is approximately the same as the FY' 17 Approved Budget.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## FINANCE OFFICE

(Continued)



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

(Continued)

#### ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
<i>Retirement Group</i>				
Actuarial valuations for Employees' Retirement Plan and Other Post Employment Benefits (OPEB)	1	2	1	2
Retirement workshops conducted	3	3	3	3
Reports on the Employees' Retirement Plan for the Board of Trustees prepared	10	9	10	9
<i>Revenue Group</i>				
Water and sewer bills processed	2,008,200	2,090,300	1,950,000	2,100,000
Total money processed	\$794,000,000	\$750,000,000	\$775,000,000	\$785,000,000
Percentage of bills processed within 24 hours of receipt	99.7%	99.8%	99.5%	99.5%
Percentage of bills processed without errors	99.9%	99.9%	99.9%	99.9%
Cash receipts processed	3,600	3,420	3,700	3,600
Petty cash vouchers processed	842	980	800	825
Petty cash replenishments	69	70	65	68
Assessments levied	328	362	260	275
New assessment notices generated	301	327	220	235
Reclassification notices generated	27	35	40	40
Annual assessment appeal hearings held, including FFBC Adjudicatory Hearings	0	0	0	0
Plats, splits, and combinations processed	800	700	600	650
Mainline contracts released for service	72	66	60	60
Deeds Stamped - Acquisitions, Condemnations, and Redemptions	95	145	100	100
Development Services contract reviews	60	50	65	55

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
<i>Accounting Group</i>				
Internal financial statements prepared	11	11	11	11
Operational reports provided	276	280	275	275
Audited financial statements prepared	1	1	1	1
Uniform financial statements prepared	1	1	1	1
Account code data 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	19,779	22,323	19,500	21,000
House Connection Cost Studies completed	1	1	1	1
Front Foot Benefit Sufficiency Studies completed	1	1	1	1
Cash monitoring analyses prepared	12	12	12	12
Returned items processed (water and sewer service)	7,308	7,385	7,000	7,500
Customer bankruptcy adjustments completed	568	466	580	500
Claims reimbursement requests processed	46	49	50	50
State fuel usage reports prepared & audit trail maintained for State of Maryland fuel tax auditors	12	12	12	12
Monthly and annual antennae lease collections	387	310	400	310
Fire hydrant meter lease reconciliations prepared	904	862	625	900
Invoices processed	1,170	1,056	1,150	1,150
Reconcile fuel usage data	12	12	12	12

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
<i>Disbursements Group</i>				
Payroll checks and direct deposit statements prepared	46,457	51,284	46,000	52,000
W-2 forms prepared	1,711	1,815	1,750	1,900
Payroll / Levies attachments processed	4,618	4,675	4,500	4,700
Invoices processed, including construction contract payments and consultants	33,506	34,777	33,000	35,000
Corporate credit card transactions processed	10,411	11,764	11,000	12,000
Checks disbursed, ACH and EFT payments processed	10,192	10,088	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	8	26	8
Spending affordability work sessions conducted	2	2	2	2
Six-Year Financial Forecasts completed	17	24	10	10
System Development Charge annual reports prepared	1	1	1	1
Bond rating briefings conducted	3	6	3	3
State and federal grant and loan applications prepared	2	2	2	2



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

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

	Expenditures	Workyears
FY'16 Actual	\$93,241	1.0
FY'17 Approved	\$127,100	1.1
FY'18 Proposed	\$139,259	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'18 Major Recommended Change:** None

#### Retirement Administration

	Expenditures	Workyears
FY'16 Actual	\$421,933	1.6
FY'17 Approved	\$598,600	4.5
FY'18 Proposed	\$675,417	4.5

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'18 Major Recommended Changes:** The budgeted amount for this activity increased \$76,817, or approximately 13%, from the FY'17 Approved Budget. The increase is primarily due to the administration of GASB 67/68 (GASB 67/68 calls for the pension expense and net pension liability to be recognized on the income statement and balance sheet, respectively, of the plan and participating employers).

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Investment Operations

	Expenditures	Workyears
FY'16 Actual	\$508,767	4.5
FY'17 Approved	\$271,600	1.8
FY'18 Proposed	\$303,507	1.8

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

**FY'18 Major Recommended Changes:** The budgeted amount for this activity increased \$31,907, or approximately 12%, from the FY'17 Approved Budget. The increase is primarily due to the administration of GASB 67/68.

#### Revenue Operations

	Expenditures	Workyears
FY'16 Actual	\$930,316	8.5
FY'17 Approved	\$864,500	8.3
FY'18 Proposed	\$997,753	8.3

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'18 Major Recommended Changes:** The budgeted amount for this activity increased \$133,253, or approximately 15%, from the FY'17 Approved Budget. The increase is based upon historical spend.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

##### Assessments Preparation and Services

	Expenditures	Workyears
FY'16 Actual	\$657,893	5.7
FY'17 Approved	\$634,700	6.4
FY'18 Proposed	\$736,058	6.4

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'18 Major Recommended Changes:*** The budgeted amount for this activity increased \$101,358, or approximately 16%, from the FY'17 Approved Budget. The increase is primarily due to increases in fees charged by Montgomery County and Prince George's County for Front Foot Benefit Charges and other collections.

##### General Ledger

	Expenditures	Workyears
FY'16 Actual	\$1,254,898	11.3
FY'17 Approved	\$1,180,600	12.7
FY'18 Proposed	\$820,436	7.9

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'18 Major Recommended Changes:*** The budgeted amount for this activity decreased \$360,164, or approximately 31%, from the FY'17 Approved Budget. The decrease is primarily due to realignment of expenditures to the new Capital Asset activity.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Research, Special Handling, and Special Studies

	Expenditures	Workyears
FY'16 Actual	\$31,432	0.3
FY'17 Approved	\$48,700	0.4
FY'18 Proposed	\$49,077	0.4

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. The expenditures also include cost for implementation, enhancement and testing of IT initiatives.

**FY'18 Major Recommended Changes:** None

#### Capital Assets

	Expenditures	Workyears
FY'16 Actual	-	-
FY'17 Approved	-	-
FY'18 Proposed	\$635,906	6.2

This new activity includes the maintenance, monitoring, tracking, analyzing and reporting of water and sewer lines, water distribution, wastewater collection, multi-purpose facilities, capital equipment and fleet.

**FY'18 Major Recommended Changes:** The realignment of activities to separately recognize the effort associated with recording and maintaining utility assets.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Invoicing and Delinquent Accounts**

	Expenditures	Workyears
FY'16 Actual	\$93,212	0.9
FY'17 Approved	\$169,300	2.6
FY'18 Proposed	\$126,007	1.2

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'18 Major Recommended Changes:** None

**Accounts Payable**

	Expenditures	Workyears
FY'16 Actual	\$788,882	7.6
FY'17 Approved	\$709,900	8.8
FY'18 Proposed	\$819,435	8.7

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'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Maintenance of Debt Service Records**

	Expenditures	Workyears
FY'16 Actual	\$141,175	0.4
FY'17 Approved	\$162,600	0.6
FY'18 Proposed	\$169,045	0.6

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

**FY'18 Major Recommended Changes:** None

**Health, Dental and Other Benefits Accounting**

	Expenditures	Workyears
FY'16 Actual	\$56,551	0.7
FY'17 Approved	\$29,800	-
FY'18 Proposed	\$61,998	0.8

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

**FY'18 Major Recommended Changes:** The budgeted amount for this activity increased \$32,198, or approximately 108%, from the FY'17 Approved Budget. The increase is based upon historical spend.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Bank Account Reconciliations**

	Expenditures	Workyears
FY'16 Actual	\$16,911	0.1
FY'17 Approved	\$49,400	0.8
FY'18 Proposed	\$69,744	1.0

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'18 Major Recommended Changes:** None

**Payroll Processing**

	Expenditures	Workyears
FY'16 Actual	\$444,099	4.4
FY'17 Approved	\$366,500	4.5
FY'18 Proposed	\$387,585	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'18 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Budget and CIP Preparation and Administration

	Expenditures	Workyears
FY'16 Actual	\$430,390	2.9
FY'17 Approved	\$763,300	7.1
FY'18 Proposed	\$786,238	6.3

This activity prepares and transmits a proposed capital and operating budget to the counties by March 1 of each year. This is accomplished by developing assumptions, workload projections, and policies to guide in preparing budget requests; developing appropriate budget procedures and formats; providing guidance and support 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'18 Major Recommended Changes:** None

#### Financial Planning and Studies

	Expenditures	Workyears
FY'16 Actual	\$638,016	4.3
FY'17 Approved	\$1,000,800	2.4
FY'18 Proposed	\$421,504	3.2

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'18 Major Recommended Changes:** The budgeted amount for this activity decreased by \$579,296, or approximately 58%, from the FY'17 Approved Budget. The decrease is due to the expected completion of the rate study during FY'17.



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### UTILITY SERVICES TEAM

#### Organizational Descriptions

This Team, led by the Utility Services Team Chief, is comprised of the Utility Services North, West, Central, South, Utility Enhancement Support, Utility Strategic Development, and Utility Management Groups. The Team is directly responsible for maintaining water and sewer mains throughout the Washington Suburban Sanitary District.

- The ***Utility Services 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 ***Utility Enhancement Support 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 Utility Services 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 ***Utility Strategic Development Group*** is responsible for training Utility Services 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 Utility Services Team.
- The ***Utility Management Group*** is responsible for water distribution and transmission condition assessment activities in line with WSSC's effort to execute the Asset Management Program; 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; and the management of Prestressed Concrete Cylinder Pipe (PCCP) inspections and oversight of Acoustic Fiber Optic (AFO) monitoring of major pipelines.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### UTILITY SERVICES TEAM

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Utility Services Team Office	\$967,348	\$11,844,771	\$12,812,119	8.2	\$912,600	\$24,690,100	\$25,602,700	8.0	\$930,199	\$24,414,600	\$25,344,799	8.0
Utility Services North	5,493,011	2,768,334	8,261,345	65.7	5,323,300	3,184,500	8,507,800	67.0	5,625,765	3,181,097	8,806,862	67.0
Utility Services West	5,329,623	3,501,616	8,831,239	66.3	5,492,600	3,936,700	9,429,300	73.0	5,898,888	3,941,703	9,840,591	73.0
Utility Services Central	5,764,239	8,002,452	13,766,691	66.4	5,441,300	5,786,800	11,228,100	70.0	5,837,612	5,779,388	11,617,000	70.0
Utility Services South	5,515,049	6,748,885	12,263,934	66.6	5,380,400	4,727,900	10,108,300	68.0	5,586,216	4,763,600	10,349,816	68.0
Utility Enhancement Support	6,839,444	3,003,249	9,842,693	117.0	7,163,900	3,237,800	10,401,700	121.0	7,253,693	3,200,700	10,454,393	121.0
Utility Strategic Development	804,888	33,614	838,502	9.6	774,800	35,600	810,400	10.0	825,473	55,604	881,077	10.0
Utility Management	6,446,477	20,306,815	26,753,292	79.7	6,780,500	33,761,400	40,541,900	87.0	7,179,166	30,024,096	37,203,262	87.0
<b>TOTAL</b>	<b>\$37,160,079</b>	<b>\$56,209,736</b>	<b>\$93,369,815</b>	<b>479.5</b>	<b>\$37,269,400</b>	<b>\$79,360,800</b>	<b>\$116,630,200</b>	<b>504.0</b>	<b>\$39,137,012</b>	<b>\$75,360,788</b>	<b>\$114,497,800</b>	<b>504.0</b>

#### **Mission Statement**

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

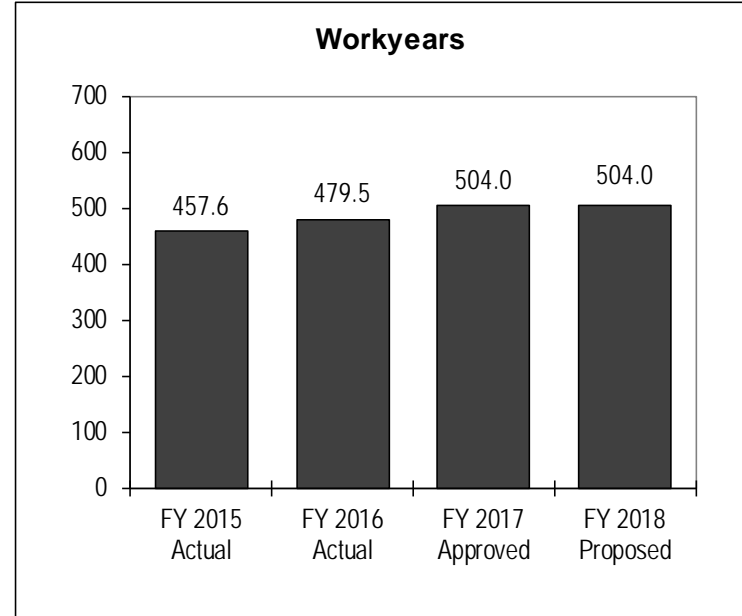
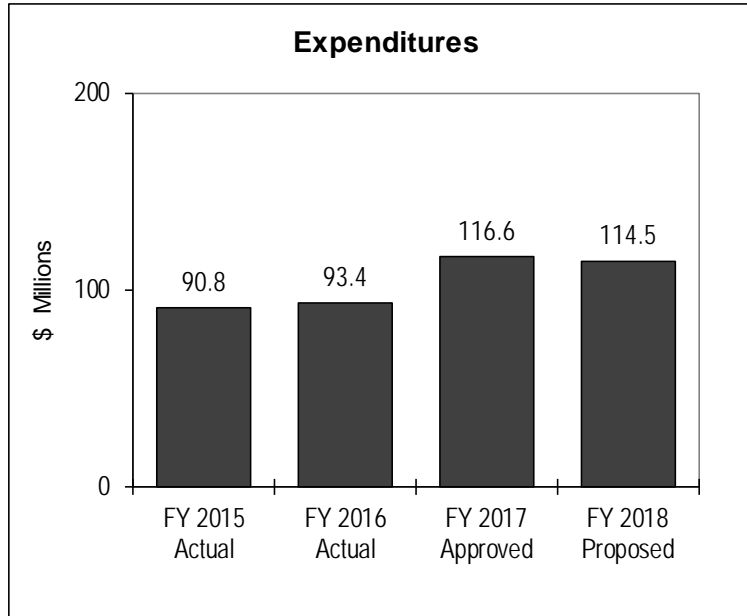
#### **Budget Overview**

The FY'18 Proposed Budget is \$2,132,400, or approximately 2%, less than the FY'17 Approved Budget. The decrease is due primarily to reductions for outside consultants to perform Consent Decree consultations and performance assessments, Sewer System Evaluation Studies and engineering support.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## UTILITY SERVICES TEAM

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**UTILITY SERVICES TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
<i>Utility Services North Group</i>				
Large meter tests and, if necessary, repairs	203	131	203	131
Small meters replaced	1,635	1,623	1,493	1,623
Small meters installed (new connections)	832	713	832	713
Special meter readings completed	4,308	5,066	4,000	5,066
Property inspections performed	184	136	184	136
Collection turn-offs performed	4,078	3,300	4,078	3,300
Routine flush for discolored water	520	336	520	336
Emergency clean sewer service	18	18	18	18
Emergency clean sewer main	137	134	137	134
Emergency flush for discolored water	1,768	1,488	600	1,488
Water main repairs performed	455	386	455	386
Emergency sewer inspections performed	603	655	603	655
Emergency water inspections performed	3,315	3,187	3,315	3,187
Emergency water main shutdowns performed	0	27	10	27
<i>Utility Services West Group</i>				
Large meter tests and, if necessary, repairs	177	150	100	100
Small meters replaced	2,019	2,830	2,800	2,800
Small meters installed (new connections)	733	707	700	700
Special meter readings completed	11,980	13,558	11,000	11,000
Property inspections performed	365	227	350	350
Collection turn-offs performed	4,947	4,282	6,000	6,000
Routine flush for discolored water	72	103	100	100
Emergency clean sewer service	56	36	90	90
Emergency clean sewer main	156	134	200	200

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**UTILITY SERVICES TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
Emergency flush for discolored water	1,211	744	300	300
Water main repairs performed	428	340	400	400
Emergency sewer inspections performed	805	805	800	800
Emergency water inspections performed	3,029	2,763	2,700	2,700
Emergency water main shutdowns performed	64	58	75	75
<i>Utility Services Central Group</i>				
Large meter tests and, if necessary, repairs	206	462	190	300
Small meters replaced	2,616	2,641	3,000	3,000
Small meters installed (new connections)	660	617	500	600
Special meter readings completed	9,253	9,498	9,200	9,200
Property inspections performed	360	222	400	400
Collection turn-offs performed	6,267	4,551	6,000	6,000
Routine flush for discolored water	175	260	150	150
Emergency clean sewer service	13	10	35	35
Emergency clean sewer main	104	111	120	120
Emergency flush for discolored water	567	491	250	300
Water main repairs performed	561	401	500	300
Emergency sewer inspections performed	745	750	730	730
Emergency water inspections performed	3,834	3,246	3,500	3,000
Emergency water main shutdowns performed	38	55	50	60
<i>Utility Services South Group</i>				
Large meter tests and, if necessary, repairs	111	87	250	250
Small meters replaced	5,334	5,479	4,000	4,000
Small meters installed (new connections)	964	835	1,200	1,200
Special meter readings completed	9,699	11,550	8,750	10,000

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**UTILITY SERVICES TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
Property inspections performed	388	331	400	400
Collection turn-offs performed	7,570	4,660	14,000	14,000
Routine flush for discolored water	586	774	500	500
Emergency clean sewer service	19	27	60	40
Emergency clean sewer main	145	126	175	150
Emergency flush for discolored water	802	649	300	300
Water main repairs performed	693	469	750	750
Emergency sewer inspections performed	957	908	1,000	1,000
Emergency water inspections performed	4,560	3,579	5,000	5,000
Emergency water main shutdowns performed	36	31	50	50
<i>Utility Enhancement Support Group</i>				
Fire hydrant meters issued	1,632	1,627	1,600	1,600
Large meter tests and, if necessary, repairs	431	426	368	408
Small meter shop tests	6,091	6,587	5,500	5,500
Miles of water mains replaced by in-house crews	11.5	9.8	12.0	10.0
Fire flow tests performed	177	235	200	240
Regular meter readings completed	1,875,377	2,031,026	1,900,000	2,050,000
Percentage of meter readings secured on first visit	98%	99%	95%	95%
<i>Utility Management Group</i>				
Percentage of on-schedule delivery of federal and state mandated reports	100%	100%	100%	100%
Miles of sewer mains cleaned for preventive maintenance	679	618	700	650
Miles of sewer mains cleaned on emergency basis	11	9	10	9
Emergency clear sewer services performed	775	771	900	800
Number of repeat backups within 90 days of corrective cleaning	1	5	1	1

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### UTILITY SERVICES TEAM

(Continued)

#### ACTIVITY INDICATORS BY ORGANIZATION

Miles of mainline sewer televised for preventative maintenance program (WSSC Crews)	55	55	70	60
Miles of mainline sewer televised for proactive maintenance program (by contract)	124	190	250	225
Number of line blockage analysis reviews completed after CCTV inspection	729	880	650	600
Miles of sewer smoke-tested	2	1	5	2
Manholes inspected (by contract)	4,515	3,366	6,000	5,000
Telemetered gauges operated	231	227	235	235
Calibrations performed	912	865	940	940
Chemical root control (work order count)	2,904	3,294	2,500	2,500

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**UTILITY SERVICES TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Research and Development**

	Expenditures	Workyears
FY'16 Actual	135,292	1.3
FY'17 Approved	128,000	1.6
FY'18 Proposed	124,200	1.6

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'18 Major Recommended Changes:** None

**Temporary Fire Hydrant Meter Leasing and Maintenance**

	Expenditures	Workyears
FY'16 Actual	371,745	4.6
FY'17 Approved	291,100	4.7
FY'18 Proposed	298,800	4.7

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'18 Major Recommended Changes:** None



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**UTILITY SERVICES TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Water Main Replacement**

	Expenditures	Workyears
FY'16 Actual	7,608,562	60.7
FY'17 Approved	6,932,300	63.0
FY'18 Proposed	7,116,200	63.0

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'18 Major Recommended Changes:** None

**Field Crew Scheduling**

	Expenditures	Workyears
FY'16 Actual	74,108	0.8
FY'17 Approved	52,400	0.8
FY'18 Proposed	63,400	0.8

This activity involves simulating and scheduling water main shutdowns.

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**UTILITY SERVICES TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Flow Test**

	Expenditures	Workyears
FY'16 Actual	148,391	1.4
FY'17 Approved	130,300	1.6
FY'18 Proposed	134,100	1.6

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

**FY'18 Major Recommended Changes:** None

**Large Meter Testing, Repair & Replacement**

	Expenditures	Workyears
FY'16 Actual	2,193,817	18.4
FY'17 Approved	1,873,300	18.7
FY'18 Proposed	1,934,000	18.7

This activity involves testing, repairing, and replacing large meters to ensure billing accuracy. 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'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**UTILITY SERVICES TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Small Meter Testing, Repair & Replacement**

	Expenditures	Workyears
FY'16 Actual	2,818,251	26.8
FY'17 Approved	2,197,000	27.0
FY'18 Proposed	2,293,500	27.0

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'18 Major Recommended Changes:** None

**New Meters**

	Expenditures	Workyears
FY'16 Actual	248,736	1.4
FY'17 Approved	327,700	2.4
FY'18 Proposed	272,300	2.4

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'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**UTILITY SERVICES TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Meter Reading**

	Expenditures	Workyears
FY'16 Actual	3,728,863	52.9
FY'17 Approved	3,124,200	53.3
FY'18 Proposed	2,931,300	53.3

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

**FY'18 Major Recommended Changes:** None

**Collections**

	Expenditures	Workyears
FY'16 Actual	747,635	8.6
FY'17 Approved	830,100	15.0
FY'18 Proposed	793,100	15.0

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

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**UTILITY SERVICES TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Maintenance**

	Expenditures	Workyears
FY'16 Actual	36,464,200	187.9
FY'17 Approved	30,659,400	191.9
FY'18 Proposed	31,126,100	191.9

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'18 Major Recommended Changes:** None

**Inspection Maintenance**

	Expenditures	Workyears
FY'16 Actual	2,632,083	20.0
FY'17 Approved	2,061,100	21.1
FY'18 Proposed	2,303,800	21.1

This activity involves routine and emergency inspection of integral components of the water distribution and wastewater collection systems. The primary objective of this activity is to respond to and assess emergency maintenance requests from customers.

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**UTILITY SERVICES TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Capital Project Support**

	Expenditures	Workyears
FY'16 Actual	6,810,099	3.7
FY'17 Approved	26,213,600	4.2
FY'18 Proposed	26,597,200	4.2

This activity involves the maintenance crew support of capital construction projects, such as water main shut downs, locating and exposing facilities, and new house connections.

This activity also provides contract administration for pre-stressed concrete cylinder pipe (PCCP) rehabilitation, which includes pipe replacement, pipe repairs, joint repair, mobilization and excavation. The timing and approach to rehabilitation is determined following PCCP inspection and assessment. Rehabilitation of these mains provides value to the customer by minimizing the risk of failure and ensuring a safe and reliable water supply.

**FY'18 Major Recommended Changes:** None

**Design/Deliver/Evaluate Courses**

	Expenditures	Workyears
FY'16 Actual	1,030,913	9.8
FY'17 Approved	857,100	10.1
FY'18 Proposed	920,200	10.1

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'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**UTILITY SERVICES TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Planning**

	Expenditures	Workyears
FY'16 Actual	5,164,901	24.1
FY'17 Approved	7,172,100	25.3
FY'18 Proposed	6,286,300	25.3

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'18 Major Recommended Changes:** The budgeted amount for this activity decreased \$885,800, or approximately 12%, from the FY'17 Approved Budget. The decrease is primarily due to reductions for consultants to perform Consent Decree consultations and performance assessments based on actual historical spending.

**Field Maintenance**

	Expenditures	Workyears
FY'16 Actual	12,758,516	42.8
FY'17 Approved	18,172,700	44.9
FY'18 Proposed	15,351,800	44.9

This activity provides for the proactive cleaning and/or televising of sewer mains (Proactive Maintenance Program); preventive sewer cleaning in order to reduce or eliminate the possibility of future sewer backups or overflows; corrective sewer main and service cleaning on an emergency basis; and closed circuit television (CCTV) inspection of sewer main lines and service laterals after a customer has experienced a sewage backup into their home or business. It includes the analysis of related videotapes to provide a recommendation for preventive or corrective maintenance.

**FY'18 Major Recommended Changes:** The budgeted amount for this activity decreased \$2,820,900, or approximately 16%, from the FY'17 Approved Budget. The decrease is primarily due to a reduction based on historical spending.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**UTILITY SERVICES TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Condition Assessment**

	Expenditures	Workyears
FY'16 Actual	5,678,402	7.6
FY'17 Approved	8,396,300	7.9
FY'18 Proposed	7,587,800	7.9

The purpose of this activity is to provide condition assessment of the Commission’s water distribution and transmission systems, as well as the wastewater collection and disposal systems. Condition assessment of the water systems (PCCP and Non-PCCP mains) includes leak detection, acoustic testing, and other related techniques to determine pipeline deficiencies and condition ratings. Condition assessment of the wastewater and collections systems involves the investigation of problem sewer basins and development of flow monitoring projects to evaluate the magnitude of the problem(s); physical surveys, smoke testing, dye testing, and internal inspection to identify specific defects; Sewer System Evaluation Surveys (SSES) of selected basins for the purpose of identifying and eliminating extraneous flows; 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'18 Major Recommended Changes:** The budgeted amount for this activity decreased \$808,500, or approximately 10%, from the FY'17 Approved Budget. The decrease is primarily due to reductions for Sewer System Evaluation Surveys based on historical spending.

**Large Valve Assessment, Repair & Replacement**

	Expenditures	Workyears
FY'16 Actual	73,010	1.4
FY'17 Approved	81,400	1.6
FY'18 Proposed	1,924,900	1.6

The purpose of this activity is to provide inspection of the water transmission systems' large valves. This activity systematically inspects, exercises, repairs and replaces (when necessary) large diameter valves located throughout the system. Based upon results of valve condition assessments, annual valve rehabilitations are projected to be approximately 85 repairs and 5 replacements.

**FY'18 Major Recommended Changes:** The budgeted amount for this activity increased \$1,843,500, or approximately 2,265%, from the FY'17 Approved Budget. This activity is ramping up and now shown as a separate activity instead of being combined with PCCP Program Management.



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### UTILITY SERVICES TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### PCCP Program Management

	Expenditures	Workyears
FY'16 Actual	4,682,291	5.3
FY'17 Approved	7,130,100	8.9
FY'18 Proposed	6,438,800	8.9

The purpose of this activity is to provide for engineering, design, construction, inspection, investigation and analysis/assessment of Pre-stressed Concrete Cylinder Pipe (PCCP). PCCP inspection and assessment aid in the determination of the timing and approach to rehabilitation as the project(s) moves on to Capital Project Support.

***FY'18 Major Recommended Changes:*** The budgeted amount for this activity has decreased \$631,300, or approximately 10%, from the FY'17 Approved Budget. This decrease is primarily due to Large Valve Assessment, Repair and Replacement being shown as a separate activity.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### CUSTOMER RELATIONS TEAM

#### Organizational Descriptions

This Team, led by the Customer Relations Team Chief, is responsible for ensuring that customers receive optimum service by generating accurate bills and communicating effectively with customers.

- The ***Customer Relations Group*** is responsible for billing and other routine and/or emergency matters, such as: occupancy changes, high bills, payments and payment extensions, suspension of services due to nonpayment of bills, requests for new meters, and walk-in customer service. In addition, this Group handles 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 Utility Services zones.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**CUSTOMER RELATIONS TEAM**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Customer Relations Team Office	\$ 78,504	\$ 110	\$ 78,614	0.4	\$ 382,200	\$ 10,700	\$ 392,900	3.0	\$ 429,296	\$ 10,696	\$ 439,992	3.0
Customer Relations Group	5,156,377	3,649,101	8,805,478	74.9	6,534,600	7,033,700	13,568,300	104.0	7,388,347	6,283,708	13,672,055	104.0
<b>TOTAL</b>	\$ 5,234,881	\$ 3,649,211	\$ 8,884,092	75.3	\$ 6,916,800	\$ 7,044,400	\$ 13,961,200	107.0	\$ 7,817,643	\$ 6,294,404	\$ 14,112,047	107.0

**Mission Statement**

The mission of the Customer Relations Team is to ensure that customers receive optimum service by generating accurate bills, and communicating effectively with customers.

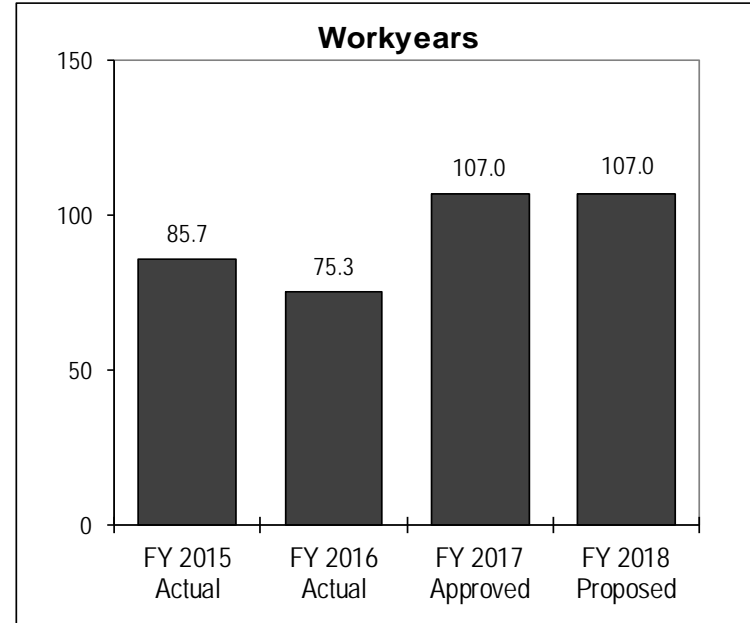
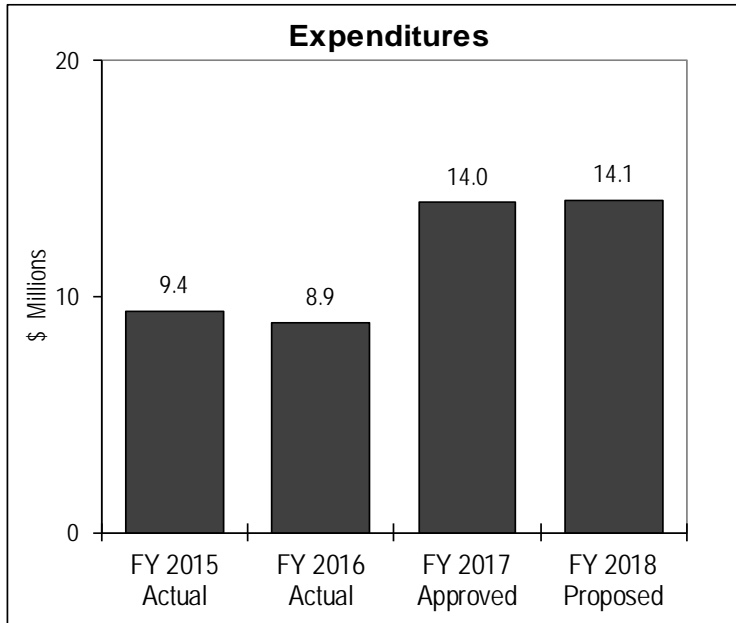
**Budget Overview**

The FY'18 Proposed Budget is approximately the same as the FY'17 Approved Budget.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## CUSTOMER RELATIONS TEAM

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER RELATIONS TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
<i>Customer Relations Group</i>				
Claims received	1,383	1,301	2,000	2,000
Bill adjustments/corrections	13,039	17,063	15,000	20,000
Billed work investigations	570	647	700	700
Correspondence received	8,565	8,125	12,000	10,000
Non-emergency calls received	649,634	666,988	670,000	670,000
Emergency calls from customers answered	83,545	80,129	95,000	95,000
Large meter work orders processed	3,253	2,491	4,500	4,500

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER RELATIONS TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Claims**

	Expenditures	Workyears
FY'16 Actual	\$4,008,551	5.3
FY'17 Approved	\$7,482,000	7.5
FY'18 Proposed	\$6,158,408	7.5

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'18 Major Recommended Changes:** The budgeted amount for this activity decreased \$1,323,592, or approximately 18%, from the FY'17 Approved Budget. The decrease is based upon historical spend.

**Customer Account Maintenance**

	Expenditures	Workyears
FY'16 Actual	\$81,440	0.9
FY'17 Approved	\$99,500	1.4
FY'18 Proposed	\$132,068	1.4

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'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER RELATIONS TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Monthly Bill Customer Account Inquiry**

	Expenditures	Workyears
FY'16 Actual	\$988,767	13.4
FY'17 Approved	\$1,208,900	17.7
FY'18 Proposed	\$1,503,467	17.7

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'18 Major Recommended Changes:** The budgeted amount increased \$294,567, or approximately 24%, from the FY'17 budget. The increase is primarily due to a reorganization of activities.

**Bay Fee Administration**

	Expenditures	Workyears
FY'16 Actual	\$2,483	0.1
FY'17 Approved	\$11,400	0.2
FY'18 Proposed	\$13,530	0.2

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

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER RELATIONS TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Customer Correspondence**

	Expenditures	Workyears
FY'16 Actual	\$371,923	5.0
FY'17 Approved	\$477,600	6.8
FY'18 Proposed	\$573,058	6.8

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'18 Major Recommended Changes:** None

**Dispute Resolution/Refund Hearing**

	Expenditures	Workyears
FY'16 Actual	\$20,320	-
FY'17 Approved	\$11,800	0.1
FY'18 Proposed	\$18,057	0.1

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'18 Major Recommended Changes:** None



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER RELATIONS TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Customer Account Inquiry (Non-Emergency)**

	Expenditures	Workyears
FY'16 Actual	\$2,486,130	39.3
FY'17 Approved	\$3,469,500	54.8
FY'18 Proposed	\$4,095,719	54.8

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'18 Major Recommended Changes:** The budgeted amount increased \$626,219, or approximately 18%, from the FY'17 Approved Budget. The increase is primarily due to a reorganization of activities.

**Customer Account Inquiry (Emergency)**

	Expenditures	Workyears
FY'16 Actual	\$804,236	9.7
FY'17 Approved	\$1,023,900	15.4
FY'18 Proposed	\$1,390,330	15.4

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'18 Major Recommended Changes:** The budgeted amount increased \$366,430, or approximately 36%, from the FY'17 Approved Budget. The increase is primarily due to a reorganization of activities.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER RELATIONS TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Radio Dispatching**

	Expenditures	Workyears
FY'16 Actual	\$120,242	1.6
FY'17 Approved	\$174,500	3.0
FY'18 Proposed	\$222,443	3.0

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'18 Major Recommended Changes:** None

**Meter Ordering**

	Expenditures	Workyears
FY'16 Actual	-	-
FY'17 Approved	\$2,100	0.1
FY'18 Proposed	\$4,967	0.1

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

**FY'18 Major Recommended Changes:** None

## 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, and the Information Technology and Mobility Office. 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; contact 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

(Continued)

- The *Information Technology and Mobility Office* is responsible for refining and implementing WSSC's strategic technical vision and leading significant aspects of the Commission's information technology development by fostering innovation, prioritizing technology initiatives, and coordinating the evaluation, deployment, and management of current and future technology systems across the organization. In addition to the overarching technical leadership responsibilities, the office is also responsible for oversight of the following technical areas: Applications and Services, Data Center and Engineered Systems, Quality Assurance, and Advanced Analytics.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**INFORMATION TECHNOLOGY TEAM**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 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	\$1,459,408	\$16,496,774	\$17,956,182	11.9	\$1,343,300	\$8,357,100	\$9,700,400	13.0	\$1,439,382	\$8,357,097	\$9,796,479	13.0
Information Technology Operations	4,553,555	3,155,086	7,708,641	40.4	3,428,800	2,559,600	5,988,400	33.0	3,337,138	2,159,600	5,496,738	33.0
Network Infrastructure & Data Center	2,185,898	4,690,747	6,876,645	20.8	1,906,300	3,757,000	5,663,300	19.0	1,980,354	3,007,008	4,987,362	19.0
Information Technology Implementations	806,354	11,173,213	11,979,567	5.6	1,087,800	18,820,000	19,907,800	9.0	1,101,121	18,820,009	19,921,130	9.0
Information Technology & Mobility Office	-	-	-	-	3,899,400	-	3,899,400	35.0	4,052,213	1,150,000	5,202,213	35.0
<b>TOTAL</b>	<b>\$9,005,215</b>	<b>\$35,515,820</b>	<b>\$44,521,035</b>	<b>78.7</b>	<b>\$11,665,600</b>	<b>\$33,493,700</b>	<b>\$45,159,300</b>	<b>109.0</b>	<b>\$11,910,208</b>	<b>\$33,493,714</b>	<b>\$45,403,922</b>	<b>109.0</b>

**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.

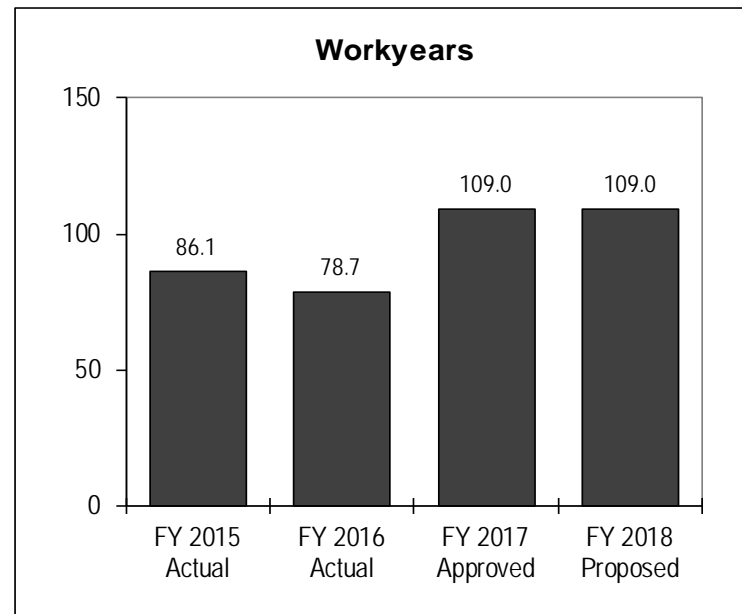
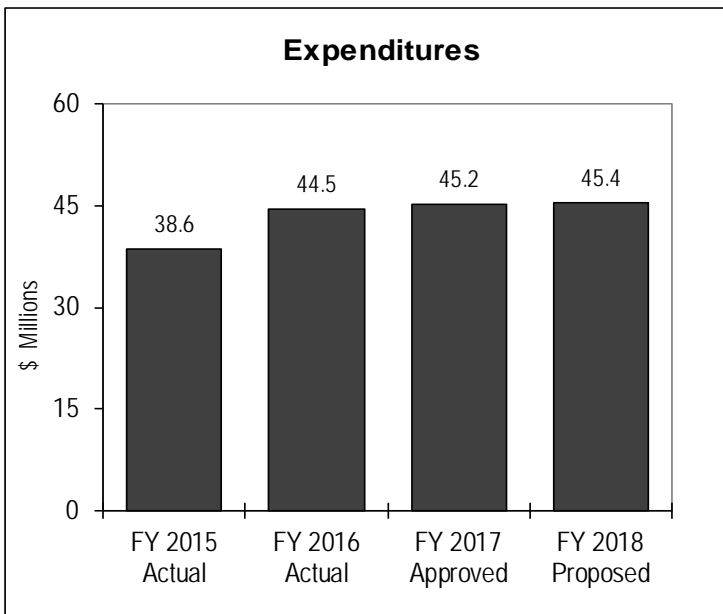
**Budget Overview**

The FY'18 Proposed Budget is approximately the same as the FY'17 Approved Budget.

## 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'15 ACTUAL</i>	<i>FY'16 ACTUAL</i>	<i>FY'17 APPROVED</i>	<i>FY'18 PROPOSED</i>
<i>Information Technology Operations</i>				
Number of calls handled by the IT Solutions Center	29,072	27,857	29,000	29,000
Number of service requests received	3,004	19,183	3,000	10,000
Number of desktops and printers/scanners upgraded	1,031	905	800	900
Number of cell phones and other mobile end-point devices maintained	1,597	1,844	1,800	1,800
<i>Network Infrastructure &amp; Data Center Operations</i>				
Number of Physical servers	75	55	50	50
Number of Virtual servers	650	720	500	500
Total Storage Area Network (SAN) capacity (in terabytes)	400	700	300	300
Number of network infrastructure devices	300	306	400	400
Number of deployed telephones	2,500	2,338	2,550	2,550
Number of telecom infrastructure devices (including microwave)	142	147	200	150
Number of SCADA devices	164	165	165	165
Number of Radio Communications devices	1,120	1,130	1,130	1,130
Number of Audio/Visual Infrastructure devices	150	150	150	150
<i>Information Technology Implementations</i>				
Number of enterprise technology initiatives	15	19	20	20
Percentage of Enterprise Technology Initiatives completed on time and within budget	88%	88%	90%	90%

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**INFORMATION TECHNOLOGY TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**IT Projects – New Systems Implementations**

	Expenditures	Workyears
FY'16 Actual	\$23,095,808	36.9
FY'17 Approved	\$25,979,500	40.0
FY'18 Proposed	\$26,120,230	40.0

This activity encompasses all implementations of new project initiatives for the Commission following project management life cycle practices from planning to project closeout. It involves researching, planning, acquiring, designing, programming, and deploying these implementation initiatives to support the Commission's business units.

**FY'18 Major Recommended Changes:** None

**IT Projects – Existing Applications**

	Expenditures	Workyears
FY'16 Actual	\$398,280	4.2
FY'17 Approved	\$276,700	3.1
FY'18 Proposed	\$278,207	3.1

This activity supports the continued development of new project initiatives coupled with business process improvements to enhance customer service and improve operational efficiencies.

**FY'18 Major Recommended Changes:** None



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**INFORMATION TECHNOLOGY TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**IT Projects – Upgrades/Enhancements to Existing Systems**

	Expenditures	Workyears
FY'16 Actual	\$1,805,305	14.0
FY'17 Approved	\$2,210,000	17.1
FY'18 Proposed	\$2,221,943	17.1

This activity encompasses any hardware upgrades or expansions, software upgrades, system enhancements as they relate to the phases of systems implementation, and methodologies required to streamline and redesign various technologies and business systems Commission-wide.

**FY'18 Major Recommended Changes:** None

**IT Security**

	Expenditures	Workyears
FY'16 Actual	\$135,078	1.1
FY'17 Approved	\$232,100	4.2
FY'18 Proposed	\$233,350	4.2

This activity encompasses all IT projects or initiatives directly supporting the Commission's cyber security programs.

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**INFORMATION TECHNOLOGY TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**IT Maintenance & Operations**

	Expenditures	Workyears
FY'16 Actual	\$19,086,564	22.5
FY'17 Approved	\$15,560,000	40.5
FY'18 Proposed	\$15,644,260	40.5

This activity encompasses all day-to-day operational functions for the Commission's information systems, including break/fixes and emergency repairs 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.

**FY'18 Major Recommended Changes:** None

**IT Annual License/Maintenance Fee**

	Expenditures	Workyears
FY'16 Actual	-	-
FY'17 Approved	\$901,000	4.1
FY'18 Proposed	\$905,932	4.1

This activity covers IT maintenance fees for annual hardware and software licensing and support services.

**FY'18 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE NON-DEPARTMENTAL**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 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	-	\$46,497,300	\$46,497,300	-	-	\$47,489,500	\$47,489,500	-	-	\$51,436,496	\$51,436,496	-
Debt Service	-	\$228,472,000	\$228,472,000	-	-	261,437,000	261,437,000	-	-	271,602,000	271,602,000	-
<b>TOTAL</b>	-	\$274,969,300	\$274,969,300	-	-	\$308,926,500	\$308,926,500	-	-	\$323,038,496	\$323,038,496	-

**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.

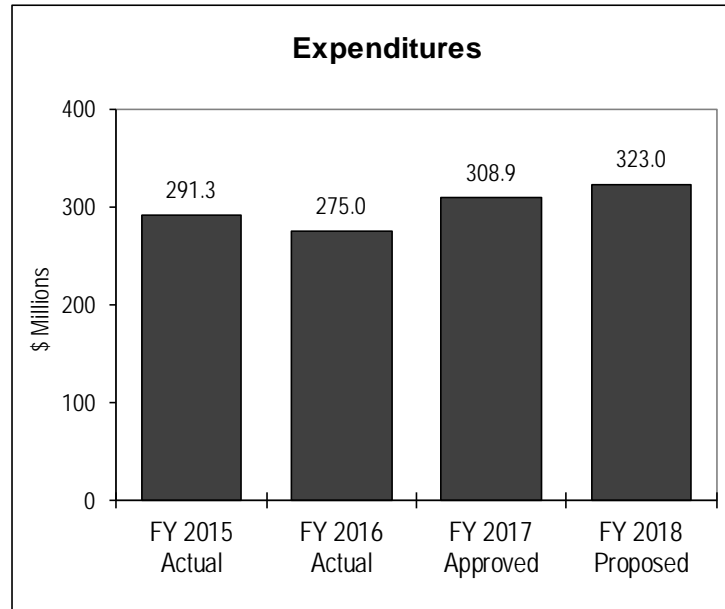
**Budget Overview**

The FY'18 Proposed Budget increased \$14,111,996, or approximately 5%, from the FY'17 Approved Budget. The increase is primarily due to greater bonding requirements in support of small and large diameter pipe reconstruction programs.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## FINANCE OFFICE NON-DEPARTMENTAL

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**HUMAN RESOURCES NON-DEPARTMENTAL**

	FISCAL YEAR 2016 ACTUAL				FISCAL YEAR 2017 APPROVED				FISCAL YEAR 2018 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	-	\$32,544,773	\$32,544,773	-	-	\$35,531,500	\$35,531,500	-	-	\$36,724,900	\$36,724,900	-
<b>TOTAL</b>	-	\$32,544,773	\$32,544,773	-	-	\$35,531,500	\$35,531,500	-	-	\$36,724,900	\$36,724,900	-

**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.

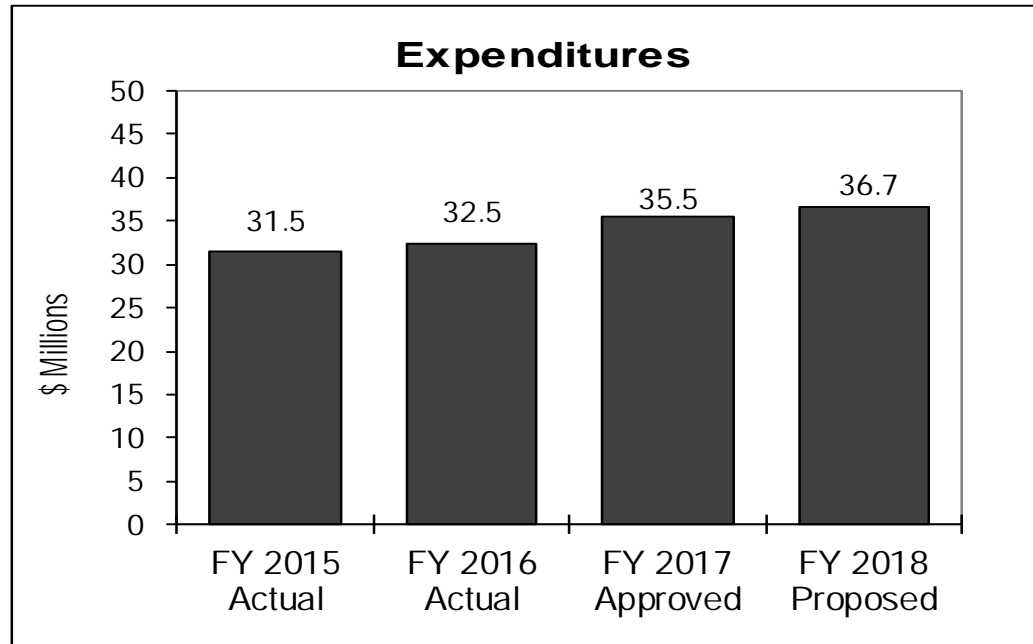
**Budget Overview**

The FY'18 Proposed Budget is \$1,193,400 or approximately 3% greater than the FY'17 Approved Budget. This increase is primarily due to an anticipated increase in health care and employee assistance program 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 that is shared by the District of Columbia, the Fairfax County Water Authority, and the WSSC, 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 approximately 5,600 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 193 million gallons.

### Wastewater Treatment Facilities

The Commission operates six wastewater treatment plants with a total capacity of 95 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 (operated by Charles County, Maryland). Wastewater is conveyed through the Commission’s system of sewage pipelines, which includes approximately 5,500 miles of sewers. These conveyance systems employ 49 pumping stations.

In FY’16, the Blue Plains WWTP received 43.6 billion gallons of sewage from the Commission’s system, while the following flows were handled during the year at Commission-operated facilities: Piscataway Plant, 9.1 billion gallons; Western Branch Plant, 7.0 billion gallons; Parkway Plant, 2.3 billion gallons; Seneca Plant, 5.2 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
2016	1,774,000	5,586	457,393	59,933	164.2	5,451	431,589
2015	1,765,000	5,552	453,004	59,469	162.9	5,424	428,279
2014	1,757,000	5,521	449,333	58,603	160.6	5,402	425,445
2013	1,749,000	5,494	446,453	58,830	161.2	5,376	423,110
2012	1,742,000	5,471	444,184	60,648	165.7	5,363	421,092

## Customer Characteristics

As of December 2016, the Commission had 449,827 active customer accounts. The vast majority of these (94.4%) are residential users, another 4.8% are commercial and industrial customers, and 0.8% are government facilities. Nearly three quarters of the Commission's customer accounts are single-family residences.

### WSSC Active Customer Accounts (As of December 2016)

	Number of <u>Customer Accounts</u>	Percentage of <u>Accounts</u>
<b>Total Customer Accounts</b>	449,827	100.0%
<b>By Type of Customer</b>		
Residential	424,632	94.4%
Commercial and Industrial	21,651	4.8%
Government	3,544	0.8%
<b>By Type of Property</b>		
Single-Family Residence	330,892	73.6%
Townhouse	85,761	19.1%
General Commercial	21,651	4.8%
Garden Apartment	4,187	0.9%
Multi-Unit (individually metered)	3,134	0.7%
High-Rise Apartment	457	0.1%
Other	3,745	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)	495
Population (2015 estimate)	1,040,116
K-12 Public School Enrollment (2016)	156,380
Payroll Employment (2015)	
Government Sector	
Federal	47,321
State	1,249
Local	40,774
Private Sector	
Goods-Producing	35,559
Service-Providing	333,982
Unclassified	—
TOTAL EMPLOYMENT	458,885
Average Monthly Employment (2016)	533,101
Average Unemployment Rate (2016)	3.4%
Largest Private Employers (2015)	
Marriott International, Inc.	Medimmune
Lockheed Martin	Westat
Adventist Health Care	Government Employees Insurance Co. (GEICO)
Holy Cross Health	Henry M. Jackson Foundation for the Advancement of
Giant Food Corporation	Military Medicine
Verizon	Suburban Hospital
Kaiser Foundation Health Plan	
Major Federal Employers (2015)	
National Institutes of Health	National Institute of Standards & Technology
U.S. Food and Drug Administration	U.S. Nuclear Regulatory Commission
Naval Support Activity Bethesda (NSAB)	U.S. Department of Energy
National Oceanic & Atmospheric Administration	Naval Surface Warfare Center, Carderock Division
Per Capita Income (2015 estimate)	\$49,110
Median Household Income (2015 estimate)	\$99,435

## 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 (2015 estimate)	909,535
K-12 Public School Enrollment (2016)	128,936
Payroll Employment (2015)	
Government Sector	
Federal	26,298
State	20,277
Local	41,858
Private Sector	
Goods-Producing	32,195
Service-Providing	185,489
Unclassified	-
<b>TOTAL EMPLOYMENT</b>	<b>306,117</b>
Average Monthly Employment (2016)	474,780
Average Unemployment Rate (2016)	4.5%
Largest Private Employers (2015)	
United Parcel Service (UPS)	Medstar Southern Maryland Hospital Center
Giant Food Corporation	Safeway Stores, Inc.
Verizon	Melwood
Dimensions Health Care System	Target
Marriott International, Inc.	Doctor's Community Hospital
Shoppers Food Warehouse	Walmart
Major Federal Employers (2014)	
Joint Base Andrews Naval Facility Washington	National Maritime Intelligence-Integration Office
U.S. Internal Revenue Service	National Oceanic and Atmospheric Administration
U.S. Census Bureau	Adelphi Laboratory Center
NASA/Goddard Space Flight Center	U.S. Food and Drug Administration
USDA – Beltsville Agricultural Research Center	U.S. National Archives & Records Administration
Per Capita Income (2015 estimate)	\$32,639
Median Household Income (2015 estimate)	\$74,260

## 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 requiring water or sewer service provided by systems, facilities, and/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, 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 lives. Expenditures within capital projects may include costs of planning, design, land, construction, contract supervision, and associated administrative and support costs.
Capitalized Interest	Interest paid from proceeds of bond sales rather than from other operating revenues.

## GLOSSARY

(Continued)

Consumer Price Index	(Also referred to as CPI) A measure that examines the change in the cost of a fixed basket of consumer goods and services, such as housing, utilities, transportation, food and medical care. The CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging the changes; the goods are weighted according to their importance. The CPI is a commonly accepted indicator of inflation, as changes in CPI are used to assess price changes associated with the cost of living.
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 Applicant's projects that extend the existing water or sewer system. Service to properties reviewed under the process usually requires the extension of small-diameter subdivision lines, and may involve program-sized pipe, which must be included in the CIP. DSP projects are funded by the Applicant.
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 to serve new development.

## GLOSSARY

(Continued)

Enhanced Nutrient Removal	(Also referred to as ENR) Enhanced Nutrient Removal is the next step in the natural technological progression of wastewater treatment processes, starting with primary treatment, through secondary and advanced treatment, then biological nutrient removal, and now enhanced nutrient removal. Biological processes are used to further the removal of total nitrogen to levels as low as 3 mg/L and total phosphorus to 0.3 mg/L or less. The Maryland Department of the Environment (MDE) Chesapeake Bay 2000 Agreement calls for the use of ENR.
Enterprise Resource Planning System	(Also referred to as ERP) 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.
Environmental Protection Agency	(Also referred to as EPA) U.S. Federal agency charged with overseeing waterways and water sources, decreasing water pollution and protecting drinking water from known and emerging contaminants that endanger public health.
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.



## GLOSSARY

(Continued)

Fiscal Policy	The WSSC's policies with respect to revenues, spending, and debt management as the policies 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.
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 or FFBC) 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.

## GLOSSARY

(Continued)

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 fiscal 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 for administering the Commission's front foot benefit assessment activities.
General Bond Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with carrying out the activities of designing and constructing the Commission's minor water supply and wastewater collection and disposal systems (water mains less than 16 inches in 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 system that 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, and development planning.
Goal	A long-term, attainable target for an organization – its vision of the future.
Governmental Accounting Standards Board Statement No. 45	(Also referred to as GASB 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.

## GLOSSARY

(Continued)

Haloacetic Acids	(Also referred to as HAAs) A group of chemicals that are formed when chlorine or other disinfectants used to control contaminants in drinking water react with naturally occurring organic and inorganic matter in the water. Five haloacetic acids (referred to as HAA5) that are regulated by the EPA: monochloroacetic acid, dichloroacetic acid, trichloroacetic acid, monobromoacetic acid, and dibromoacetic acid.
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.
Information Only Projects	The CIP document contains an Information Only Projects section. Projects in this section are not required to be in the CIP under Section 23-301 of the Public Utilities Article, WSSD Laws, Annotated Code of Maryland, but may be included for any number of reasons such as: fiscal planning purposes; the reader's improved understanding of the full scope of a specific set of projects; or in response to requests from county governments. Expenditures for Information Only projects are not included as part of the CIP six-year program costs, but are shown separately on the bottom line of the financial summary in the front section of the CIP for informational purposes.
Infrastructure Investment Fee	A fixed fee that funds a portion of the debt service associated with the Commission's water and sewer pipe reconstruction programs.
Level of Service	The 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.

## GLOSSARY

(Continued)

Maryland Department of the Environment	(Also referred to as MDE) The Maryland Department of the Environment was created in 1987 to protect and preserve the state's air, water and land resources and safeguard the environmental health of Maryland's citizens. MDE's duties also encompass enforcement of environmental laws and regulations, long-term planning and research. MDE provides technical assistance to Maryland industry and communities for pollution and growth issues and environmental emergencies.
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 incremental raise in an employee's pay within the salary range for a given class of work to recognize the completion of a period of satisfactory or above service. Merit increase percentages are applied based upon the overall performance review for the employee.
Mission	A written declaration of an organization's core purpose and focus. 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 ethical, sustainable, and financially responsible manner."
Nephelometric	A unit of measure to assess turbidity in a liquid 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 other chlorine-resistant pathogens.
Non-Departmental	Expenditure items essential to the operation of the WSSC which either do not fall within the functional assignment of any office or which provide for expenditures related to more than one office. Examples include fringe benefits and insurance.

## GLOSSARY

(Continued)

National Pollutant Discharge Elimination System	(Also referred to as NPDES) The National Pollutant Discharge Elimination System is a permit program controlling water pollution by regulating point sources that discharge pollutants into waters of the United States. Point sources are discrete conveyances such as pipes or man-made ditches. (Individual homes that are connected to a municipal system, use a septic system, or do not have a surface discharge do not need a NPDES permit; however, industrial, municipal, and other facilities must obtain permits if their discharges go directly to surface waters.)
Objective	A specific measurable and observable result of an organization's activity which advances the organization toward its goal.
Operating Budget	A comprehensive financial plan by which the WSSC's operating programs are funded for a single fiscal year.
Other Post-Employment Benefits	(Also referred to as OPEB) Employees in the public sector may be compensated in a variety of forms in exchange for their services. In addition to salary, employees may earn benefits over their years of service that will not be received until their service has been severed due to retirement or other reasons. The most common type of post-employment benefit is a pension. Other post-employment benefits generally take the form of health insurance, dental, prescription drug, or other health care benefits. It may also include life insurance, legal services, or other benefits.
Outcome Measure	A measure of the degree to which an objective has been achieved. For the WSSC, this usually corresponds to the impact of a service on an organization's key responsibilities, especially the effect on citizens, customers, or other users of the service.
Pay-As-You-GO Financing	(Also referred to as PAYGO) The funding of capital expenditures with operating funds instead of debt.
Potable Water	Clean, safe, drinkable water.

## GLOSSARY

(Continued)

Potomac WFP 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 reduce the amount of solids discharged back into the Potomac River.
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.
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. Maryland state law requires these revenues and expenses to be itemized in the annual budget.
Public Hearing	An opportunity 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 can be 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 General Bond Debt Service 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.

## GLOSSARY

(Continued)

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 located at a remote facility to collect 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.
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.
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.

## GLOSSARY

(Continued)

Sewer Operating Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with carrying out the activities of operating and maintaining the Commission's wastewater collection and disposal system.
Sewer System Evaluation Survey	(Also referred to as SSES) The Sewer System Evaluation Survey is an analytical evaluation of a sanitary sewer system to detect sewer pipe defects, blockages, and capacity problems through the use of techniques such as manhole inspections, trunk sewer inspections, smoke tests, dye tests, closed circuit television (CCTV), flow monitoring, rain monitoring, building service connection location/inspection, and night flow isolations. The SSES is performed to determine the specific 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.
Supervisory Control and Data Acquisition System	(Also referred to as SCADA) The technological system enabling WSSC to use automation to collect data from one or more (remote) facilities and send limited control instructions to those facilities.



## GLOSSARY

(Continued)

Supply Chain Management	The identification, acquisition, access, positioning and management of resources an organization needs or potentially needs in the attainment of its strategic objectives.
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.
Trunk Sewer	As defined in the Sanitary Sewer Overflow Consent Decree, "Trunk Sewer" refers to any sewer lines in WSSC's Collection System that are 15 inches or greater in diameter, 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 Commission	(Also referred to as WSSC or Commission) The Commission is a bi-county agency established by an act of the Maryland General Assembly responsible for planning, designing, constructing, operating, and maintaining water and sewerage systems in Prince George's and Montgomery counties.

## GLOSSARY

(Continued)

Washington Suburban Sanitary District	(Also referred to as WSSD) The area served by the Washington Suburban Sanitary Commission, as specified by state law. The District includes nearly all of Prince George's and Montgomery Counties, with the exception of the municipalities of Bowie, Rockville, and Poolesville, and rural areas in northeastern Montgomery County and southeastern Prince George's County.
Wastewater	Water that originates from a combination of domestic, industrial, commercial or agricultural activities and, due to sewer inflow or infiltration, may also include surface runoff or stormwater.
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

ADC	Average Daily Consumption	CPI	Consumer Price Index
A/E	Architecture/Engineering	CRM	Customer Relations Management
AFO	Acoustic Fiber Optic	CRRT	Contamination Rapid Response Team
AMF	Account Maintenance Fee	CSIS	Customer Service Information System
AMI	Advanced Metering Infrastructure	CY	Calendar Year
AMP	Asset Management Program	DBP	Disinfection Byproducts
AMR	Automated Meter Reading	DCWASA	District of Columbia Water and Sewer Authority
AWWA	American Water Works Association	DOD	Department of Defense
BG	Billion Gallons	DOT	Department of Transportation
BGE	Baltimore Gas & Electric	DSP	Development Services Process
BMP	Best Management Practices	EAM	Enterprise Asset Management
BOA	Basic Ordering Agreement	EEO	Equal Employment Opportunity
BOD	Biological Oxygen Demand	EGIS	Enterprise Geographic Information System
BRF	Bay Restoration Fee	ENR	Enhanced Nutrient Removal
CADD	Computer Aided Design and Drafting	EPA	Environmental Protection Agency
CAP	Customer Assistance Program	EPC	Energy Performance Contract
CC&B	Customer Care & Billing	EPP	Energy Performance Program
CCTV	Closed Circuit Television	ERP	Enterprise Resource Planning
CEPS	Constellation Energy Projects and Services	ESA	Environmentally Sensitive Area
CFR	Code of Federal Regulations	ESP	Engineering Support Program
CIP	Capital Improvements Program	FFBC	Front Foot Benefit Charge
CoE	Center of Excellence	FIS	Financial Information System
COLA	Cost-of-Living Adjustment	FLSA	Fair Labor Standards Act

## ACRONYMS

(Continued)

FM	Fire Meter	KSM	Key Success Measure
FMLA	Family and Medical Leave Act	LBA	Line Blockage Analysis
FOG	Fats, Oils, and Grease	MBE	Minority Business Enterprise
FSE	Food Service Establishment	MCL	Maximum Contaminant Level
FY	Fiscal Year	MDE	Maryland Department of the Environment
GAAP	Generally Accepted Accounting Principles	MG	Million Gallons
GASB	Governmental Accounting Standards Board	MGD	Million Gallons per Day
GBDS	General Bond Debt Service	MMIS	Maintenance Management Information System
GFOA	Government Finance Officers Association	M-NCP&PC	Maryland-National Capital Park & Planning Commission
GIS	Geographic Information System	MOU	Memorandum of Understanding
GPD	Gallons per Day	M & V	Monitoring and Verification
GPS	Global Positioning System	MVR	Meter, Vertical Turbine
HAA	Haloacetic Acid	MWQ	Maryland Water Quality
H/C	House Connection	NPDES	National Pollutant Discharge Elimination System
HR	Human Resources	NTP	Notice to Proceed
HVAC	Heating, Ventilating, and Air-Conditioning	NTU	Nephelometric Turbidity Units
IDCP	Industrial Discharge Control Program	OPEB	Other Post-Employment Benefits
IFB	Invitation for Bid	OSHA	Occupational Safety & Health Administration
I/I	Infiltration and Inflow	PAYGO	“Pay-As-You-GO” Financing
ISD	In-Service Date	PCCP	Pre-stressed Concrete Cylinder Pipe
IT	Information Technology	PEPCO	Potomac Electric & Power Company
IVRS	Interactive Voice Response System	PLC	Programmable Logic Controllers
JBAB	Joint Base Anacostia-Bolling	PMO	Project Management Office

## ACRONYMS

(Continued)

PMP	Proactive Maintenance Program	SQL	Structured Query Language
PPA	Power Purchase Agreement	SSES	Sewer System Evaluation Survey
PPIS	Permits Processing Information System	SSO	Sanitary Sewer Overflow
PRV	Pressure Reducing Valve	SWR	Small Work Requests
PVC	Polyvinyl Chloride	THM	Trihalomethanes
QA	Quality Assurance	TTHM	Total Trihalomethanes
REDO	Reconstruction Debt Service Offset	UPS	Uninterruptable Power Supply
RFI	Request for Information	UV	Ultraviolet
RFP	Request for Proposal	WASA	See DCWASA
RFQ	Request for Qualifications	WEF	Water Environment Federation
RTA	Request to Advertise	WFP	Water Filtration Plant
RTU	Remote Terminal Unit	WPS	Water Pumping Station
SAN	Storage Area Network	WQM	Water Quality Monitoring
SCADA	Supervisory Control and Data Acquisition	WSSC	Washington Suburban Sanitary Commission
SCM	Supply Chain Management	WSSD	Washington Suburban Sanitary District
SDC	System Development Charge	WWOA	Water and Waste Operators Association
SDWA	Safe Drinking Water Act	WWPS	Wastewater Pumping Station
SEP	System Extension Permit	WWTP	Wastewater Treatment Plant
SIU	Significant Industrial User		
SLA	Service Level Agreement		
SLBE	Small, Local Business Enterprise		
SLMBE	Small, Local and Minority Business Enterprise		
SMECO	Southern Maryland Electric Cooperative		