



95<sup>th</sup>  
Anniversary • 1918-2013

# 2013 Annual Report

Change: Modernization, Collaboration,  
and Progress.





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## Change: Modernization, Collaboration, and Progress

Water covers almost 71% of the Earth's surface and is essential for human health, safety, and environmental sustainability. WSSC customers count on us to deliver reliable water and wastewater services, and it remains our goal to meet and exceed their expectations. The theme for this year's Annual Report, "Change: Modernization, Collaboration, and Progress," captures the urgency of our efforts at this moment in time. WSSC is catalyzing change by investing in and implementing new technologies, encouraging effective customer and vendor relations, strengthening our infrastructure, and much more.

We expect these changes will impact everything we do, from customer satisfaction and environmental stewardship, to infrastructure rehabilitation and community collaboration. As this Annual Report will show, the dedication to our mission—providing safe and reliable water to our customers and returning clean water to our environment—guides us in improving our performance, developing opportunities for a brighter future, and leading change in our community Montgomery and Prince George's counties.

We welcome your feedback, and encourage any comments, questions, and ideas that may help us achieve our goals.

## 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 in an ethical, sustainable, and financially responsible manner.

## Our Vision

We will become the world-class provider of safe, reliable water and wastewater services that protects quality of life for our community.

- Customers are delighted with our excellent products and innovative services.
- Relationships with our customers, employees, and business partners surpass expectations.
- The environment is improving as a result of our commitment to sustainability and excellence.

Quality...always.

## About WSSC

WSSC is the largest water and wastewater utility in Maryland and the Washington Metropolitan Area, and one of the largest water and wastewater utilities in the nation. With a service area spanning nearly 1,000 square miles in Montgomery and Prince George's counties, we work 24 hours a day, seven days a week to provide safe, reliable water to 1.8 million residents, consistently meeting or exceeding federal standards for drinking water quality.



## Fast Facts

Established: 1918

Customer accounts: 460,000

Employees: 1,600

Coverage area: 1,000 square miles (three water reservoirs containing 14 billion gallons of water)

Facilities: two water filtration plants, seven wastewater treatment plants, three water storage reservoirs, 54 water storage tanks

Infrastructure systems: 5,600 miles of fresh water pipeline, 5,400 miles of sewer pipeline

Pumping Stations: 14 water, 41 wastewater

Maintenance Service Centers: five



**Chris Lawson, Chair,**  
*Prince George's County (2011- )*

## Message from the Commission Chair

*"Change is the only constant in life."  
Heraclitus, Greek Philosopher*

To our Customers, Employees and Valued Stakeholders:

Throughout its 95-year history, WSSC's mission has remained constant: provide safe and reliable water to Montgomery and Prince George's counties and return clean water to our environment, all in an ethical, sustainable, and financially responsible manner. We have been devoted to the same important vision and values since 1918, delivering quality services to our customers and business partners, protecting our environment, renewing our infrastructure, and so much more.

However, Fiscal Year 2013 has been a year of evolution, transition, and growth at WSSC. Some changes were subtle, some substantial, but all filled with such potential that I cannot help but feel a sense of renewed enthusiasm for WSSC's work. Without a doubt, the regulatory, service and business environments continues to change, and we will apply a forward-thinking approach to capturing all changes as opportunities for improvement.

We work hard to maintain a leadership position on issues important to our community, such as enhancing our role as environmental stewards, modernizing our customer service offerings, and continuing to diversify our business partnerships.

We advanced our green initiatives, laying the groundwork for solar energy to power two wastewater treatment plants and implementing new regulations to protect our watershed. And our Small, Local, Minority Business Enterprise (SLMBE) and Procurement offices have aggressively reached out to the business world in new and effective ways, seeking more participation from women- and minority-owned businesses. This not only increases business opportunities for vendors, but also the value we get for the ratepayers' dollars.

In FY13, WSSC faced challenges, accomplished goals, and prepared for future advancements and initiatives. Whether encouraging everyone to "Can the Grease," live streaming Commission meetings, or providing new services and products to make our customer's lives a little easier, WSSC has been changing for the better.

So along with General Manager and CEO Jerry Johnson, and on behalf of the Commissioners, I present this year's annual report: "Change: Modernization, Collaboration, and Progress."

Sincerely,  
Chris Lawson

The following pages will help illustrate how WSSC has made strides across all eight of the Commission's strategic priorities:

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





Gene W. Counihan, Vice-Chair  
Montgomery County (2007 - )



Melanie Hartwig-Davis  
Prince George's County (2011 - 2013)



Dr. Roscoe M. Moore, Jr.  
Montgomery County (2011 - )



Antonio L. Jones  
Prince George's County (2009 - 2013)



Adrienne A. Mandel  
Montgomery County (2007 - )



## Message from the General Manager/Chief Executive Officer

*"To improve is to change." —Winston Churchill, Prime Minister of the United Kingdom, 1940–1945*

Dear Customers and Other Stakeholders:

In Fiscal Year 2013, my fourth year at WSSC, change permeated every facet of our organization, helping us fulfill our mission—to provide safe and reliable drinking water and return clean water to our rivers and streams—as well as strengthen our operations to ensure a sustainable future. This year's Annual Report theme, "Change: Modernization, Collaboration, and Progress,"

addresses the idea that as time goes by, the challenges facing our community and environment change, requiring that we work to create different solutions.

One area where this approach is most evident, and where we made tremendous progress, is the rehabilitation of our aging **infrastructure**, as we replaced 55 miles of our smaller water pipes, exceeding our current goal. To fund this important initiative that looks to optimize infrastructure performance and helps guarantee the delivery of clean water to our community, we moved forward with the recommendations of the Bi-County Infrastructure Funding Working Group to ease the burden on our ratepayers. Every year the 2017 deadline grows closer to complete our obligations under a Consent Decree to repair the sewer system, and every year we make excellent progress in that area.

In the future these and many other infrastructure improvements will become integrated in WSSC's DNA as we continue to make progress on a comprehensive Asset Management Plan.

We have streamlined our **customer service** organization, expanding our bill payment options to include a free, online, paperless system. Our **environmental stewardship** has grown as we have increased our wide range of green initiatives and joined other area jurisdictions in approving an updated version of the Blue Plains Intermunicipal Agreement, a process that took over ten years. This document serves as the business agreement between WSSC, DCWater, the District of Columbia, Fairfax County, and Montgomery and Prince George's counties on the operation of the Blue Plains Wastewater Treatment Plant, which plays a critical role in cleaning up the environment, and which receives 50% of its funding from WSSC.

Our strategic **workforce management** programs continue to evolve in the areas of recruitment, retention, benefits, training and the use of technology. All the while we've incorporated information technology throughout almost every strategic priority with help from our new five-year Information Technology (IT) Strategic Plan. As

we adapted to the economic challenges and fiscal realities facing the Commission, we leveraged industry best practices to diversify our **procurement** and support valuable **stakeholder relations**. We laid the groundwork for a totally new procurement strategy, Supply Chain Management, with implementation to begin in FY14. Throughout FY13, we kept WSSC's financial stability and cost-effectiveness in mind and we proudly maintained a AAA bond rating—benefits we pass on to our customers.

For WSSC, responsive service and responsible leadership are critical to our success and are demonstrated throughout the organization—at community outreach events, during Commission meetings, and through our Call Center requests. We have made many technological changes to better meet customer needs. The establishment of a new team, Customer Services, means there will be even more focus on the customer. And, we initiated a complete transformation of our procurement process as we convert to Supply Chain Management, designed to drive the costs out of business.

Reflecting back on our work as well as Churchill's adage, "To improve is to change," I would like to express my sincere gratitude to the citizens and businesses of Montgomery and Prince George's counties for their continued confidence, and to WSSC's employees for their hard work throughout the year.

I am proud of our collective dedication to improve and advance, establishing an even stronger foundation for many successful years to come.

Sincerely,

Jerry M. Johnson  
General Manager/CEO



# We're Evolving

*"Change is the law of life. And those who look only to the past or present are certain to miss the future." —John F. Kennedy, 35th President of the United States*

## Stepping Up with Innovations

Kennedy's wise and relevant words resonate with WSSC. We work hard to continually care for our water, which ensures a sustainable future for our community.

WSSC takes pride in delivering safe, reliable water to over 1.8 million residents and returning clean water to our environment. This work comes with challenges:

- 🔥 How do we effectively manage all of the projects that must be done without disrupting water service or the daily commute?
- 🔥 Where can we make advancements in our environmental stewardship and use energy more efficiently and cheaply?
- 🔥 What can we do to aid customer satisfaction, respond to calls more quickly, and improve stakeholder engagement?
- 🔥 What changes must be made?

Managing complex projects and initiatives, while sustaining a high-performing workforce, requires innovative thinking and proactively maintaining assets, particularly when it comes to reducing costs. Changing times means changing solutions.

*WSSC workers coordinate pipe repairs in the field.*



*One of WSSC's earliest water pumping stations.*



*WSSC is using solar power to provide electricity at two of our wastewater treatment plants.*

# ENVIRONMENTAL STEWARDSHIP

## Protecting Our Environment

Though WSSC constantly strives to maintain a modern, forward-thinking approach, our enduring philosophy remains the same: work to protect and enhance our natural resources. Plain and simple, water is our life's work.

Our core mission—to provide safe, reliable water and return clean water to the environment—guides each of our decisions at every level. Although there is no more or less water on this planet today than a thousand years ago, it has become increasingly difficult to manage and deliver fresh water when and where our people need it.

We must find more responsible, more mindful ways to manage our water use. WSSC has invested in smart technologies to find more efficient, more economical ways to manage our water supply and distribution infrastructure so that we can continue to deliver on our commitment to our customers and the environment.

## Going Greener Every Day

In November 2012, WSSC kicked off the "Go Green" program that provides customers with email notifications once their bill is ready to view. Customers can then pay their bill online without incurring a fee. Not only is the program free and convenient, it helps encourage public awareness and water conservation, since customers can go online and analyze their water usage throughout the year.



## Ensuring Safer Water for All

Watershed protection is recognized by the U.S. Environmental Protection Agency (EPA) as a critical strategy for sustainable, clean, reliable water supplies. Protecting our watershed plays a major role in ensuring the sustainability and safety of the land surrounding the two Patuxent River reservoirs that are the source of drinking water for 30% of our customers.

To prevent pollution and protect the water in our Triadelphia and T. Howard Duckett reservoirs, as well as their tributaries on the Patuxent River, WSSC adopted new watershed regulations beginning in March 2013. Some stakeholders disagreed with our initial revised regulations, but we listened to community input and soon reached a deal that addresses many of the concerns expressed by those who use the watershed, shifting challenges into opportunity. The new watershed regulations, along with an enhanced maintenance effort, provide additional protection of the Commission's property surround the reservoirs by helping to prevent vandalism, erosion, and fire, while permitting the use of the reservoirs for fishing, recreational boating, hunting, bird watching, and horseback riding. It was a matter of achieving balance with our first priority to protect the public water supply, and at the same time providing a picturesque setting for our community to enjoy.

## Increasing Energy Efficiency

Working to meet the future clean water needs of Montgomery and Prince George's County residents, WSSC completed energy efficiency upgrades to the Potomac Water Filtration Plant (WFP), which produces approximately 70% of the water used by WSSC's 1.8 million customers. The project will save 4.5 million kilowatt hours (kWH) of electricity annually and save a minimum of \$562,000 per year.

In addition, solar power can provide 12% of the electricity required to operate Western Branch Wastewater Treatment Plant and 21% of the electricity required to operate Seneca Wastewater Treatment Plant after coming online in 2013. Solar power joins wind power in our array of alternative energy initiatives. Wind power now accounts for 28% of WSSC's total electric consumption. By using direct wind power, WSSC is reducing greenhouse gases released into the Washington area by 38,000 tons/year. That is the equivalent of taking 100,000 cars off the Capital Beltway.

WSSC is always mindful of our responsibility to be good environmental stewards. We work to find new ways to conserve natural resources, save energy, shrink our carbon footprint, and educate and involve the public, while delivering safe, clean water to our customers 24/7/365. We have more to discover and much to accomplish as we work together to learn to use our precious resources as efficiently and as wisely as possible.



***For the past 95 years, WSSC has not had a single drinking water violation.***



# FINANCIAL STABILITY

## The Year in Review: WSSC by the Numbers

Well-informed financial decisions are based on a variety of sometimes competing factors. Consideration must be given to the economy, regulatory obligations, market conditions, customer affordability and the environment, to name a few. By adhering to a well-thought-out strategic plan and balancing these factors, WSSC over the years has successfully built and preserved our stable financial foundation. At the same time we provided sound customer service, protected the environment, and measurable quality-of-life changes for the residents of Montgomery and Prince George's counties.

Keeping in mind that our operating expenses are funded almost entirely by charges for water and sewer services

paid by our customers, we work hard to manage our funds in a fiscally responsible manner. As proof of this point, WSSC maintained its AAA bond rating in 2013 from the top three rating agencies (Fitch Ratings, Moody's Investors Service, and Standard & Poor's). These ratings contribute to lower costs for our ratepayers.

## Debt Management

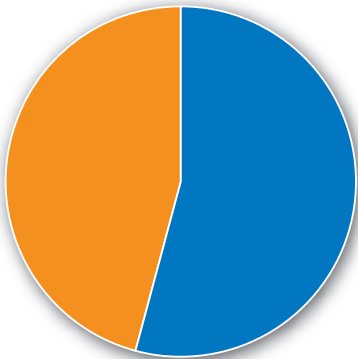
In April 2013, WSSC took advantage of its AAA rating and favorable interest rates to refinance \$101,560,000 of existing bonds, resulting in debt service savings of \$9,200,000 to the Commission's ratepayers over the next 13 years.

## Financial Summary

The following are highlights of WSSC's financial aspects in FY13:

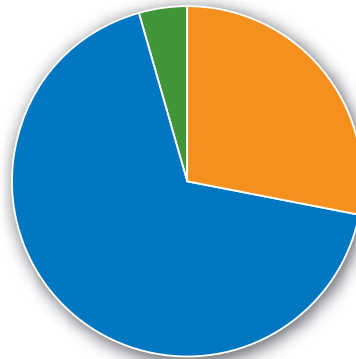
- Maintained AAA bond ratings from top three rating agencies.
- Issued \$400 million of bonds to fund new construction on rehabilitation and replacement of water and sewer mains.
- Took advantage of historically low interest rates and saved ratepayers \$8.5 million by refinancing old debt.

## FY13 Budget (Overall)



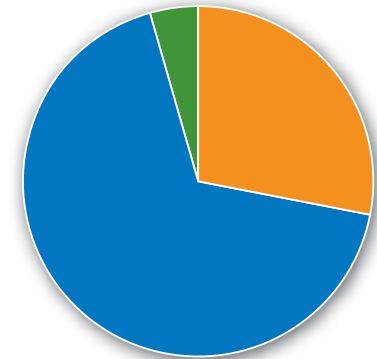
**CAPITAL** = \$788,005,000  
**OPERATING** = \$661,733,000

## FY13 Operating Budget Overview



**WATER OPERATING** = \$269,337,000  
**SEWER OPERATING** = \$350,941,000  
**BOND DEBT SERVICE** = \$41,455,000

## Capital Expenditures by Category



**System Improvements** = \$240,107,000  
**Environmental** = \$527,194,000  
**Growth** = \$19,984,000

*In November 2012 and April 2013, WSSC issued \$250 million and \$150 million, respectively, of Consolidated Public Improvement Bonds to fund new construction on rehabilitation and replacement of water and sewer mains.*

The Commission's financial operations finished FY13 in a positive position:

- 🔥 Total operating revenues were \$39.4 million less than budgeted due to reduced water production.
- 🔥 Operating expenditures were \$68.7 million less than budgeted due to lower debt service costs and a mild winter (resulting in lower costs for chemicals and paving).
- 🔥 This combination resulted in a positive operating surplus of \$34.4 million for FY13.
- 🔥 The Commission continued its investment in infrastructure renewal as evident by the increase of \$204 million in its net position (a 5.3% increase over the previous fiscal year).
- 🔥 Developers constructed \$21.5 million of capital assets and donated them to WSSC (at no cost to the ratepayers).

Overall, the foundation of our fiscal plan is a budget process that focuses on rate stabilization and ensures we will continue to provide safe drinking water, guarantee reliable service, and safeguard the environment—all in a financially responsible manner. In keeping with our long-standing positive record, WSSC's annual financial statements received a "clean" audit opinion by independent certified public accountants—one aspect of WSSC we plan to never change.

The entire audited financial report is available for review on WSSC's website at [www.wsscwater.com](http://www.wsscwater.com) under ABOUT WSSC/Financial Information/Financial Reports/Audited Annual Financial Reports.



***WSSC is a nearly \$1.5 billion utility, with an operating budget of \$661.8 million and capital budget of \$788 million.***



# PROCUREMENT

## Buying Smarter—From Paperclips to Pipes

We need it all! Our Procurement Office is evolving; working to develop a transformational strategy that will lead to increased internal collaboration and cost-saving opportunities on everything we buy. In FY13, we focused on taking WSSC procurement in a new, modern direction. The plan is to get even better value for our ratepayers' dollars, laying the groundwork for Supply Chain Management, designed to drive costs out of the business.

### Key FY13 Procurement Accomplishments Include:

- 🔥 Awarded amount of \$746.3 million increased in comparison to the \$703 million total contracts awarded in FY 2012.
- 🔥 Newly registered 742 firms in the Centralized Bidder Registration system, exceeding our target of 336 by 221 percent.
- 🔥 Developed more than 20 business policies and procedures to support SLMBE regulations adopted in FY12.
- 🔥 Awarded \$186 million in Minority/Women Business Enterprise (M/WBE) contracts in FY13—25 percent of total awards and an increase of \$57 million from FY12.
- 🔥 Completed 11 formal contracting and procurement training classes for over 70 employees and businesses.
- 🔥 Received the largest solicitation response to date from the IT Basic Order Agreement with 108 suppliers.
- 🔥 Hosted three "How to Do Business with WSSC" events, which attracted more than 300 new suppliers.

***In FY13, WSSC awarded \$7.1 million with approved SLBE firms.***

**"I very much enjoyed the 'How to Do Business' seminar. I was very impressed with everyone at WSSC. Every person I met just couldn't have been any nicer or more helpful."  
— Gary Page, Account Executive**

### Committing to Supplier Diversity

WSSC's SLMBE Office focuses its efforts on four primary activities: supplier advocacy, outreach, supplier development, and compliance. In FY13, we initiated a WSSC-wide awareness campaign, "Make Compliance Matter," which included responding to complaints of unsatisfactory compliance, validating subcontractor compliance, attending monthly contract compliance meetings, and providing monthly training to ensure bidders are informed about the solicitation process.

**In FY13, WSSC hosted/participated in approximately 125 procurement fairs, corporate round tables, supplier development trainings, and conferences.**

We are committed to purchasing quality goods and services while providing minority, women, and small, local business enterprises the opportunity to compete for our business, whether directly with WSSC or by subcontracting through our primary suppliers.

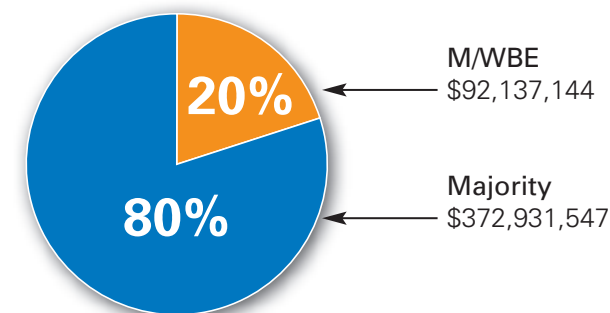
Though we did not reach our overall goal in payments to M/WBE firms in FY13, we continue to show strong performance in contract awards and continue to revise our processes and further our commitment to integrating diversity at every level. A complete look at SLMBE's year can be found in the FY 2013 Legislative Report, which is on the WSSC website, [www.wsscwater.com](http://www.wsscwater.com).

### Changing for the Better

At WSSC, we do not fear change, we embrace it. And it is this philosophy that fuels our vision of becoming the world-class provider of safe, reliable water and wastewater services that improves and protects quality of life for our community. Looking at all we've accomplished in FY13 and all we have yet to achieve, we see opportunities for growth: working smarter for our customers, collaborating with local businesses, increased financial stability, and consistent infrastructure repairs.

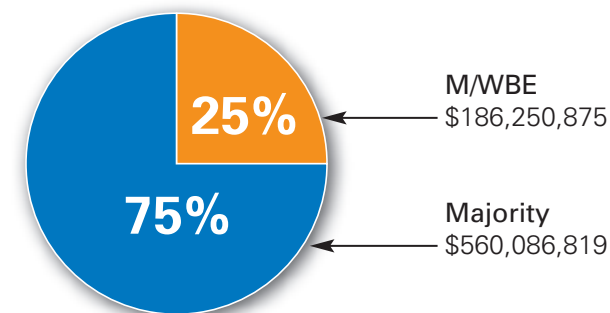
### MBE Contract Payments

Minority Business Enterprise (MBE) \$92.1 million



### MBE Contract Awards

Minority Business Enterprise (MBE) \$186.2 million



## We're Collaborating

*"There is no power for change greater than a community discovering what it cares about."*

*—Margaret J. Wheatley, American Writer and Management Consultant*

At WSSC, we value our staff and community partners. Using technology, repairing aging infrastructure, and delivering clean, safe water would be impossible without the work ethic and collaborative efforts of committed, likeminded people. Additionally, our ability to advance our mission depends on the support, feedback, and cooperation of our elected officials, financial community, and customers alike.

In FY13, strong communication and collaboration with our customers and stakeholders remained an important objective. We have shown our commitment to this goal by expanding our **customer service** offerings, enhancing **communications and stakeholder relations**, and improving our **procurement** processes—instituting change to guarantee the delivery of excellent products and innovative services.



*WSSC holds numerous events with key stakeholders to share information and gather feedback, to help advance our mission.*



# CUSTOMER SERVICE

## Guaranteeing Customer Satisfaction

By using online tools and consistently reaching out to the community, the WSSC Customer Care Team furthers WSSC's vision of surpassing customer and stakeholder expectations. To better focus our efforts, in the coming year the Customer Care Team will be divided. The new Utility Services Team will be responsible for work in the field: replacing and repairing water and sewer lines. The Customer Services Team will focus on billing, the Customer Call Center and related services to provide accurate and timely response to our customers.

WSSC has upgraded its phone system technology, expanded hours and made other changes to improve call answering and call waiting times. But more needs to be done.

**"I cannot tell you how grateful I am to see such a responsive customer care team on the job. Please be sure to let their supervisor know how appreciative I am of their service and customer caring attitude."** —  
*L. Kruppa, WSSC Customer*

Our field teams continue to meet our overall maintenance goals, repairing breaks within a 6-8 hour time frame. We now employ four customer service advocates to track down customer complaints and act on their behalf to resolve situations. The advocates are also tasked with "keeping an ear to the ground" to anticipate and hopefully prevent potential problems or issues that could arise. Our four advocates have become an integral part of our efforts to assist customers.

## Making a Splash with Mobile Apps

WSSC continues to progress with the times, adding new technology so that we can provide faster, cheaper, greener, and more convenient online tools and resources



for our customers. In 2011, WSSC introduced "WSSC Mobile," a free mobile app that allows customers to check service alerts, email questions, report problems, and pay their water and sewer bills electronically. This paperless billing feature is not only convenient, but also helps protect the environment by reducing printing and postage costs.

In FY13, we improved our operational efficiency by building upon the existing WSSC Mobile app to include more customer-centric functions. Customers can now take advantage of the following changes to WSSC Mobile:

- 🔥 Purchase watershed use permits
- 🔥 Access bill and water usage history
- 🔥 View WSSC contracts available for bid
- 🔥 Send photo submissions of meter readings or service problems to dispatch

**"I wish to acknowledge the outstanding efforts of the WSSC employee who responded to several sewer backups at my home in Potomac. He cleared the lines, cleaned our basement, put a new construction plan in place to redo our lines, and helped turn a terrible situation into a tolerable one. I never felt ignored. His diligence resulted in very prompt and major efforts to reconstruct the sewer line."** —

*Sam Charnoff, WSSC customer*

## Keeping Our Customers Informed

Using WSSC's newly launched "In Your Neighborhood" interactive map, customers can find up-to-date information on pipeline projects in various stages of planning, design, and construction. Simply by typing in an address, the map provides updated information on sewer repairs, rehabilitation, and replacement and water main replacement projects across our 1,000-square-mile service area. Customers and stakeholders can find updates on the website, a welcome change which makes staying in the know easier and more convenient than ever.

(<http://gisweb.wsscwater.com/InYourNeighborhood/>)

***As of July 2013, more than 71,000 customers use electronic bill pay, which amounts to a savings of 38 cents per non-printed bill.***

# COMMUNICATIONS & STAKEHOLDER RELATIONS

## Fostering Community Partnerships

In FY13, WSSC worked with many community groups, as well as the public schools, to spread the word about a wide variety of issues relating to our water supply system and WSSC green initiatives. These projects include:

- 🔥 **H2O Summit:** WSSC teamed up with Montgomery County Department of Environmental Protection to coordinate a series of outreach events to inform the public on storm water and legislative monitoring. Over 40 vendors and 400 people participated.
- 🔥 **Sewer Science:** WSSC selected high schools in Montgomery and Prince George's counties to participate in an action-packed, information-filled program about what it takes to be a wastewater treatment plant operator. Students gained hands-on experience in a simulated laboratory and learned how their math and science studies can be incorporated in a real world setting.
- 🔥 **"How I Use Water Wisely" Calendar Contest:** Students in second through fifth grades were encouraged to submit original artwork that addressed the theme "How I Use Water Wisely." The contest urged the students to consider the importance of wise water use and spread the message that clean water is vital to the future of our region and our nation. Winning entries, from more than 500 submissions, were used in WSSC's 2013 Kids Calendar.

- 🔥 **Kids for Science:** WSSC sponsored a special award for environmental entries at the Prince George's County "Kids for Science" STEM Fair. The event showcased young scientists of Prince George's County Public Schools to promote an interest in the environment, technology, engineering, and mathematics.

We always strive to be good neighbors to our community partners, making a concerted effort to join forces with other utilities, government entities, and stakeholders for a variety of projects and programs.

## Bringing Commission Meetings to Life—Live & On the Web

The six commissioners place a great deal of importance on organizational transparency. This means making Commission meeting information accessible to everyone interested in staying informed about recent news, projects, and initiatives. This past summer, WSSC initiated an important change; we began to live stream video webcasts of all Commission meetings. The public, county partners, elected officials, members of the media, employees, and other key stakeholders who can't attend the meetings in person can watch the meetings via webcast, or browse the archives to view the recording of the meetings, and read staff reports, presentations, and other materials related to Commission meetings. Additionally, WSSC now has the option of streaming other events such as public hearings and internal presentations and trainings for the benefit of our employees.



*In FY13, WSSC provided staffing to 89 community events, including school visits to classrooms to talk about water, the environment, and career opportunities.*



# We're Making Progress

*"Dripping water hollows out stone not through force, but through persistence."*

*—Ovid, Roman Poet*

More than 5,500 miles of water service lines deliver water directly to neighborhoods. As WSSC seeks new ways to maintain our aging infrastructure, we face the challenge of repairing damaged and deteriorating pipes and valves while keeping in mind the impact our work has on our customers' daily lives, the community, and the environment. But as George Bernard Shaw once said, "Progress is impossible without change."

We are implementing our **infrastructure** repair and replacement plans as we continue to evaluate how we will maintain and enhance **financial stability**. The goal is increased accountability and better affordability as we replace 55 miles of pipe per year, every year, beginning in FY15.

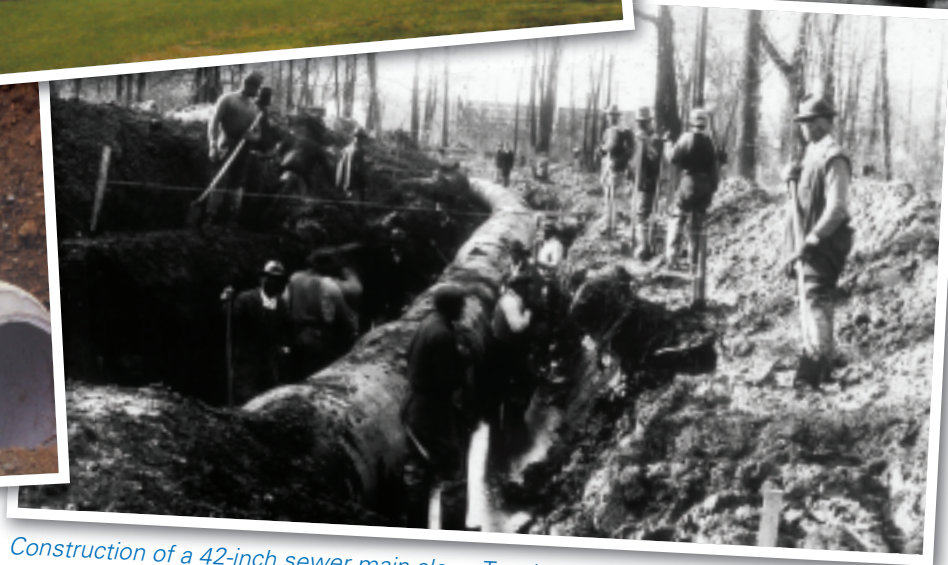
*Hampshire Greens water tanks in Spencerville represent modern day storage technology.*



*District Heights water tower from the mid-1920s.*



*Workers use modern equipment to rebuild a large water main.*



*Construction of a 42-inch sewer main along Tanglewood Drive in 1924.*

# INFRASTRUCTURE

## Planning for Repairs

Aging infrastructure in need of repair and replacement is one of the most significant impediments to maintaining a sufficient supply of safe water to thousands of communities across the country. By FY15, WSSC expects to replace 55 miles of water main per year and for every year from that point on.

With an average cost of \$1.4 million to replace each mile of water main, securing appropriate funding for infrastructure repairs is vital.

WSSC's Bi-County Infrastructure Funding Working Group, composed of two WSSC commissioners, the General Manager/CEO, representatives of the Prince George's and Montgomery County legislative and executive branches, as well as WSSC management staff, continued to look for ways to help finance infrastructure renewal and ease the burden on our ratepayers. We are always seeking new ways to keep rates reasonable while we consider what needs to be done for the future.

Extending service to these potential customers means improved sustainability both in terms of service and the environment. Prince George's and Montgomery counties continue to look for solutions for properties served by wells or septic systems that are at risk of failure (i.e., not connected to WSSC or other centralized water and sewer systems).

Making smart, informed decisions about funding requirements for reinvestment in our water and sewer infrastructure enables WSSC to continue to provide high levels of service for our customers. The working group's recommendations and the Commissioners' effort will not lower water rates, but it will ease the burden on customers by lessening what could be a steeper increase in rates.

## Designing, Rehabilitating, & Replacing Water Mains

Rehabilitating and sustaining our aging infrastructure was a top priority in FY13. We were able to meet customer and stakeholder expectations by adjusting our rehabilitation plans using innovative, cost-effective technology and world-class asset management practices.

### This year WSSC replaced:

- 47.95 miles of distribution pipeline (exceeding the FY13 goal of 45 miles)
- 4.6 miles of transmission pipeline (exceeding the FY13 goal of 4 miles)
- 6 miles of structural lining (exceeding the FY13 goal of 5 miles)

Additionally, we invested in our Prestressed Concrete Cylinder Pipe (PCCP) management program. The large diameter transmission pipes carry water long distances across the WSSC service area. The American Concrete Pressure Pipe Association (ACPPA) reports that 90 out of the 100 largest water utilities in the United States use Prestressed Concrete Cylinder Pipe (PCCP) in their water systems. WSSC is at the forefront of PCCP management, using state-of-the-art inspection, condition assessment, and monitoring techniques.

*Crews close the valve at the site of a water main break.*



***FY12 41 Water Main Replacement (WMR) miles goal; 59.59 WMR miles achieved.  
FY13 46 WMR miles goal; 55.01 WMR miles achieved.***



In 2007, WSSC began adding Acoustic Fiber Optics (AFO) to detect the sounds associated with prestressed wire breaks on PCCP sections while the pipelines are in service. Once installed, the AFO system continuously monitors the integrity of all the pipes and provides notification to trained personnel if a potential problem is detected in any pipe section.

By the end of FY13, all 77 miles of WSSC's PCCP water transmission mains 48 inches and larger were equipped with AFO. Also, beginning in FY13, the program added 36-inch and 42-inch diameter PCCP to the inventory of pipelines we inspect.

To date, the PCCP Management Program has successfully identified and repaired numerous pipe sections in states of varying distress in a cost-effective, efficient, and safe manner. Now approaching its fifth year of implementation, our management program has reduced the risk of PCCP transmission main failures and extended the useful life of these valuable assets.

By using various inspection and analysis methods, as well as long term acoustic monitoring, WSSC has implemented one of the most comprehensive PCCP pipeline management programs in the world.

### Establishing a Roadmap

A major initiative to support this effort and ensure timely maintenance and replacement of assets is being accomplished through the implementation of an Asset Management Program and an Enterprise Resource Planning/Enterprise Asset Management System. Essentially, we have created a roadmap to aid us in establishing the process and methodology for rebuilding our infrastructure.

### The Asset Tracker Software Benefits the Commission by:

- 🔥 Providing an audit trail of each of the sewer mains, pumping stations and other assets being addressed/rehabilitated under the Consent Decree.
- 🔥 Unifying and automating our financial, human and information resources, and business and production processes, to more effectively implement an infrastructure program at lower costs.

### Protecting Nature's Water

Protecting water is a primary Commission objective. We work to not only keep our drinking water safe, but also our streams, rivers, lakes and reservoirs. In 2005, as the result of Consent Decree with the Environmental Protection Agency (EPA), WSSC embarked on a 12-year action plan to dramatically minimize and eliminate, where possible, sewage overflows. This Consent Decree, similar to many others enacted throughout the country, creates long-range positive improvements for the environment, enhancing our ability to meet the public health needs of our customers and return clean water to our waterways. WSSC's plan augments our existing efforts to maintain, identify, and repair problem areas within our 5,400-mile sewer system.

### Modernizing Information Technology (IT)

Just as Information Technology (IT) is driving our society, IT also drives WSSC. WSSC recognizes the strategic value of using technology to achieve business goals, as evidenced throughout this report. In FY13, WSSC employed and leveraged IT to benefit our infrastructure rehabilitation plans, advancing change through innovation.

To meet and exceed customer expectations and increase efficiency, the Commissioners adopted the WSSC 2013 5-Year IT Strategic Plan. The plan addresses our short-, medium-, and longer-term business goals and clearly identifies how we will leverage information technology to enhance operational productivity.

The following IT efforts streamlined our workflow and brought tangible benefits to our customers, increasing organizational transparency and supporting our commitment to environmental stewardship:

- 🔥 Construction Operations Management – This new system handles the Commission's host of complex projects and resources at different levels across the organization. A dashboard presents monthly reports that accurately portray the current status of each milestone within the individual sewer basins and determines if individual activities are ahead of, or behind schedule, and, over or under budget.
- 🔥 Decision Support System (DSS) – This new software provides a consistent approach to the development and implementation of the Commission's Asset Management Program. DSS allows us to better assess the health of WSSC's water/sewer operational assets and helps predict asset replacement timeframes and strategies.

***In FY13, we piloted the implementation of wireless communications in 24 trucks. This allowed field crews to link directly to our maintenance database, which increased response time and efficiency.***

### Creating New Online Options

Our new e-Plan Review system makes life easier for our development partners. This change, updating to an online system, eliminated the need for our partners to drive to Laurel to exchange paperwork during the pipeline plan review process. WSSC can now share plans more efficiently and quickly review comments with the counties, developers, consultants, and other departments.

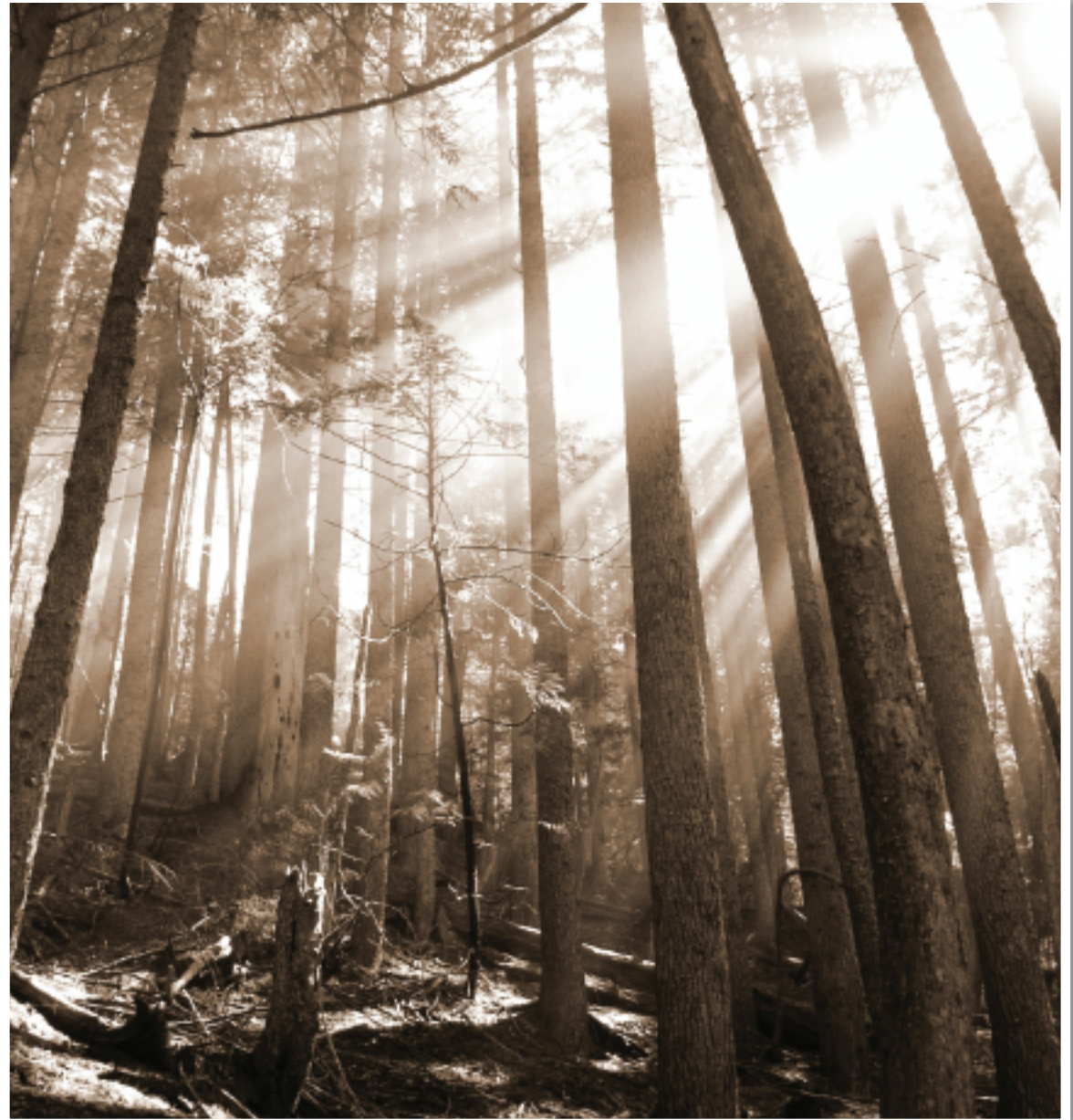
**e-Plan has saved approximately 50 trees since implementation.**

We also premiered two new hydrant-related applications: the hydrant locator app (HyLo), which supports community safety by assisting county firefighters in identifying the nearest accessible hydrant, and the Firebook inspection app, which automates the existing process of managing, updating, and reporting fire hydrant inspections for our field crews and their supervisors.

### **These innovations help enhance overall productivity and optimize resources by:**

- 🔥 Maximizing customer satisfaction while lowering the overall cost of service delivery
- 🔥 Reducing paperwork and improving field worker efficiency with more accurate and timely data
- 🔥 Ensuring allocation of appropriately skilled workers to each job

The 5-Year IT Strategic Plan is available on our website <http://www.wsscwater.com/home/jsp/content/strategic-plan.faces>.



*WSSC's 5,600-acre watershed, which protects millions of gallons of drinking water.*



# WORKFORCE MANAGEMENT

## Encouraging New Employees

WSSC, through the assistance of IT and Human Resources (HR), took a major step in streamlining our ability to recruit, hire and onboard new employees. This year we launched PeopleAdmin, a paperless online system that makes it easier for candidates to apply for jobs and for WSSC to track applicants and the hiring process. Prospective employees, in effect, establish and manage their own accounts where they can save their resumes and their applications which can be re-used as new positions within their field come open.

Internally, candidate information is shared electronically among the hiring team. Environmentally friendly, it eliminates printing and delivery costs, as well as the environmental impact associated with paper applications. PeopleAdmin greatly improves WSSC's ability to sustain a high-performing workplace that attracts a diverse, knowledgeable and flexible workforce that strives for excellence.

## Supporting Our Staff

Our Human Resources Office further champions employee, team, and organizational success by providing training and programs to strengthen knowledge and skills and to encourage healthy lifestyle shifts that increase productivity and long-term employee retention.

In addition to year-round computer software classes focused on enhancing employees' skills, HR partnered with the Customer Care Team to offer a workshop customized especially for WSSC on exceeding customer expectations. Other seminars and workshops addressed topics such as, project management, life balance and writing and communications.

The wellbeing of our employees is paramount. Toward that end, a variety of wellness programs educating employees about diabetes awareness, healthy eating, stress reduction, fitness and financial health were offered. For the second year in a row, HR partnered with Kaiser Permanente to present Thrive Across America, a program that encourages employees to get moving for better health. Employees logged their daily activity and followed healthy eating tips online for eight weeks. Several employees not only lost weight, but also lowered their blood pressure and cholesterol levels and improved their overall fitness.

# SECURITY & SAFETY

## Keeping Our Work & Water Safe

Safety is a part of everything we do. Using proper safety procedures and equipment not only protects our employees, but also helps ensure the quality of our water and the security of our facilities. In FY13, the Safety and Security Services Group took action toward achieving renewed safety and security measures that will make WSSC well positioned to coordinate efforts with regional, state, and federal agencies in the future.

A Continuity of Operations Plan (COOP) has been developed that would enable WSSC to continue its mission in the wake of a catastrophic event. The plan was developed in conjunction with a consultant, including input from every area of the organization.

The Commission has its own Police Department, created by the Maryland legislature in 2002, to protect the area's water supply and infrastructure against sabotage or acts of terrorism. Uniformed officers patrol more than 1,000 square miles of WSSC's sanitary district, encompassing the vast majority of Prince George's and Montgomery counties. The officers are also responsible for protecting approximately 6,000 acres of watershed property and more than 250 facilities, as well as ensuring the safety of more than 1,500 employees and 100,000 annual visitors to our recreational areas.

WSSC meets or exceeds all applicable state and federal Occupational Safety and Health Act (OSHA) standards, and rigorously monitors its operations to ensure compliance with the occupational health and safety requirements of the Maryland Occupational Safety and Health Act (MOSHA), as well as the Federal Occupational Safety and Health Act.

The WSSC Safety Office provides a list of programs and services that ensure compliance with all Federal, State and Local regulations. These programs and services include, but are not limited to: safety training, accident prevention, first aid/CPR, automated external defibrillation (AED), inspections and audits, accident analysis, emergency response plans, random drug and alcohol testing, environmental monitoring and driver safety programs.





# AWARDS & RECOGNITION

What we get by achieving our goals is not as important as what we become. At WSSC, we are becoming a leader in our field because of our dedicated and experienced employees. Our staff—experts in the fields of engineering, architecture, information technology, and biochemistry—provide a wealth of knowledge that translates into benefits for our customers, community, and organization.

Below is a list of awards and recognitions WSSC earned in FY13 for our water quality, financial management, environmental stewardship, communications, and more:

## National Association of Clean Water Agencies (NACWA) Peak Performance Awards

- 🔥 Seneca WWTP: Platinum
- 🔥 Damascus WWTP: Platinum
- 🔥 Parkway WWTP: Platinum
- 🔥 Piscataway WWTP: Gold
- 🔥 Western Branch WWTP: Gold
- 🔥 Hyattstown WWTP: Gold

## Video Awards

- 🔥 Anacostia 102-inch Sewer Condition Assessment - **Award of Excellence** (government)
- 🔥 WSSC Watershed - **Award of Distinction** (environmental issue)
- 🔥 WSSC Fire Hydrant Locator App - **Award of Distinction** (government)
- 🔥 Water Main Replacement - **Honorable Mention** (government)

## Computerworld Honors Laureate Program

- 🔥 **2013 Laureate for Innovation** - Water Cleanliness Mobile App

## Telly Video Awards 2013

- 🔥 **Bronze** - Anacostia 102-inch Sewer Condition Assessment
- 🔥 **Bronze** - WSSC e-Plan Review

## Hermes Creative Video Awards 2013

- 🔥 **Platinum Award** - Anacostia 102-inch Sewer Condition Assessment
- 🔥 **Gold Award** - Water Main Replacement
- 🔥 **Honorable Mention** - Bay Restoration Fund Fee

## Additional Awards

- 🔥 American Water Works Association (AWWA) **Partnership for Safe Water Director's Award** – Patuxent Plant
- 🔥 Potomac WFP: Maintained its **AWWA Partnership for Safe Water Director's Award**
- 🔥 Patuxent WFP: Earned the **Partnership for Safe Water Director's Award**
- 🔥 The Society of Protective Coatings' **William Johnson Award** – Germantown Tank rehabilitation and recoating work
- 🔥 Wastewater treatment plants given **awards for 100% compliance** with discharge permits
- 🔥 The Government Finance Officers Association (GFOA) presented WSSC's Budget Group with its **Distinguished Budget Presentation Award** for the 18th consecutive year
- 🔥 Maryland/DC Minority Development Council – **Supplier Advocate of the Year**
- 🔥 Women Empowered to Achieve the Impossible (WETATI) – **Distinguished Community Service Award**
- 🔥 Women's Business Enterprise National Council (WBENC) – **Hall of Fame Inductee**
- 🔥 **Women Presidents' Educational Organization Recognition** for continued support and partnering
- 🔥 25 Influential Women in Business – **Making a Difference Award**
- 🔥 **WATERiD Utility Award**

# Looking Forward

*"Excellence is to do a common thing in an uncommon way." –Booker T. Washington, African American Educator, Author and Orator*

One thing has remained constant and will persist at WSSC: our mission to provide safe and reliable water and return clean water to our environment. For 95 years we have managed to maintain our mission, pursue our vision, and take on new responsibilities.

Fiscal Year 2013 was a year of progress across all facets of our operation: infrastructure repair and replacement, customer and communications upgrades, green initiatives, and the use of technology to increase our productivity. Our commitment to embrace change benefited our employees, customers, and stakeholders and resulted in a more efficient, customer-oriented water and wastewater utility. We will continue to encourage and champion growth and advancement in the years to come.

As we continue on the path of modernization, collaboration, and progress, we look forward to many exciting developments in FY14 and beyond, including:

- 🔥 **Enhanced Nutrient Removal (ENR)** at Seneca and Western Branch wastewater treatment plants, which will reduce nitrogen and phosphorus entering the Chesapeake Bay.
- 🔥 Information Technology and Customer Service innovations including development and implementation of a web-based **Enterprise Permitting System**, which will allow applicants to obtain permits online without having to visit WSSC's permit services center.
- 🔥 Solar power at two wastewater treatment plants.

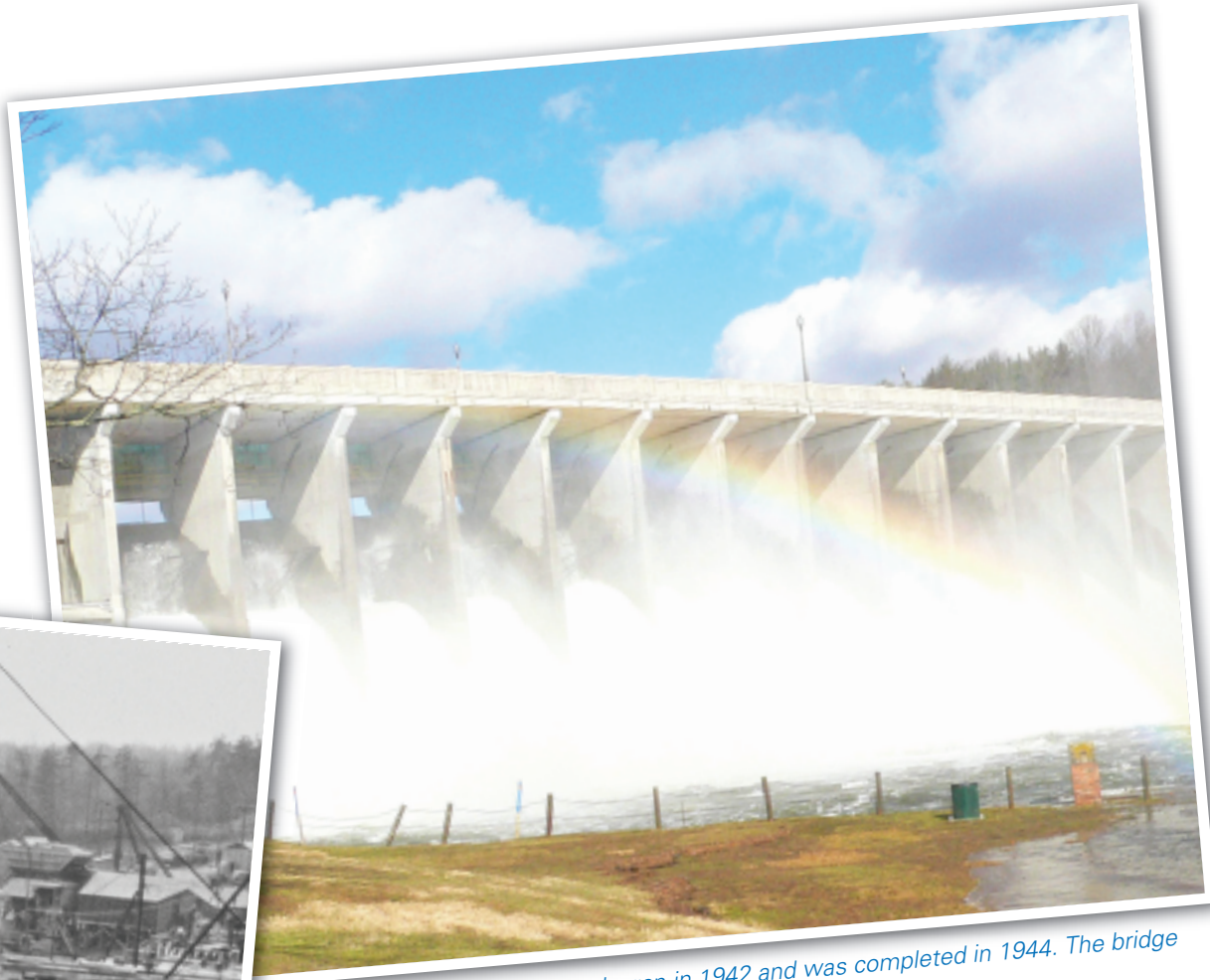
- 🔥 Completion of the Bi-County Water Tunnel to ensure adequate water for the future.
- 🔥 Updated security and safety measures, including employee security training program, and **water quality monitoring/early warning systems**.
- 🔥 Developing a **strategic procurement plan** that supports a best-in-class supply chain management organization model and better supplier relations.

Our future success will be achieved by capitalizing on our strengths, not by focusing on our weaknesses. The French scientist and conservationist Jacques Cousteau once said that the water cycle and the life cycle are one. At WSSC, we are reminded of this fact every day as we set new goals and initiatives in motion to deliver safe and reliable water and wastewater services to Montgomery and Prince George's counties.



*WSSC is looking forward to installing two solar fields at its Western Branch and Seneca Wastewater Treatment Plants.*





*Construction of Brighton Dam began in 1942 and was completed in 1944. The bridge over the dam connects Montgomery and Howard counties.*





# *In Memory*

Richard G. Hocevar (1926-2012)

As we look to the future, let us take a moment to reflect on the past, specifically former General Manager Richard G. Hocevar. WSSC mourned the loss of Mr. Hocevar this year when he passed away at the age of 86. Mr. Hocevar was a hardworking, personable “people’s GM” who spent 38 years serving WSSC’s community, customers and employees.

Under Mr. Hocevar, WSSC became the first municipal utility in the United States to use a trenchless pipe rehabilitation technology from England. And he succeeded where others failed, obtaining the approval of the county executives and councils of both counties in 1987 to build a new consolidated headquarters for WSSC in Laurel, MD. The building was later named in his honor.

We thank Mr. Hocevar for the legacy he left of leadership and innovation. And WSSC continues to carry his spirit into the future with modernization, collaboration, and progress.



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