

COMMUNICATIONS AND STAKEHOLDER RELATIONSHIPS

Proactively communicate and maintain strategic partnerships and community relationships with key stakeholders and jurisdictions in support of our mission.

Strategies/Initiatives:

We continued to improve our communications and community outreach strategies in FY 2013 with customers and key stakeholders. For the first time, WSSC released its annual Water Quality Report using e-delivery. We were proud to be among one of the first water utilities to utilize this mode of communication for the federally-required report. We are increasing our use of social media tools such as Facebook, Twitter, and QR codes to expand communications and reach our customers with important news faster than ever. We created new and improved web applications to better serve customers and used radio advertising to successfully increase participation in our Go Green program.

COMMUNICATIONS AND STAKEHOLDER RELATIONSHIPS	FY11	FY12	FY13	RESULTS
Communications and Stakeholder Relationships Increase effectiveness of communications with customers.	🟡	🟢	🟢	In FY 2013 we created the Hy/Lo web application to give real time information to firefighters en route to a fire about any broken hydrants in a neighborhood. We continue to refine interactive web applications (Service Alerts and In Your Neighborhood). Radio ads promoted the financially and environmentally beneficial Go Green billing program.
Increase involvement and partnering in our community.	🟢	🟢	🟢	We increased partnering, promoting WSSC involvement in the community and environmental education, by conducting 253 outreach events in FY 2013 – 11% more than our 228 events in FY 2012. In FY 2013, we increased our community outreach by offering, for the first time in many years, Sewer Science Train the Teacher classes where we worked with teachers from both Montgomery and Prince George's counties to teach principles of wastewater treatment.

ENVIRONMENTAL STEWARDSHIP

Promote safe and responsible stewardship of our water, air, and land using efficient and effective business practices and technology.

Strategies/Initiatives:

In FY 2013, we implemented long term management strategies to keep our watershed properly maintained and secure. We collaborated with a significant number of stakeholders on our watershed property. The Commission adopted new watershed regulations which reflected key findings of an independent report and accommodated reasonable recreational use of the watershed while maintaining WSSC's primary objective of protecting source water quality for our customers. We are moving forward to increase the use of alternative energy sources such as solar power and anaerobic digestion which will help reduce our dependence on fossil fuel generated power and help us reduce our carbon footprint. In fact, in FY 2013 we sourced solar power contracts that will reduce our carbon footprint and reduce energy costs for WSSC. These solar projects will come on-line in FY 2014.

ENVIRONMENTAL STEWARDSHIP	FY11	FY12	FY13	RESULTS
Conservation and Restoration Maintain compliance at our wastewater treatment plants.	🟢	🟢	🟢	In FY 2013, we maintained 100% compliance with our effluent discharge permits at all of our wastewater treatment plants. All of our wastewater treatment plants again received Platinum or Gold Peak Performance Awards for outstanding compliance records and environmental effort during calendar year 2012.
Energy and Natural Resource Conservation Increase use of alternative energy sources.	🟡	🟡	🟡	In FY 2013, 28.2% of our energy usage was from wind - short of our target of 33%. However, this represents an improvement of 3.5% from FY 2012 and translates into about 29,407 metric tons of CO2 reductions which, according to the USEPA, is equivalent to removing approximately 6,126 passenger vehicles from the road for one year.

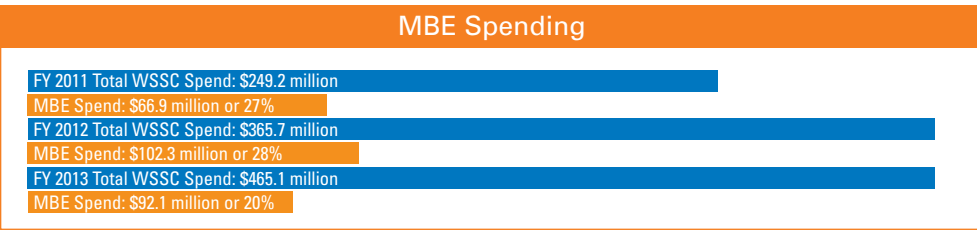
PROCUREMENT

Ensure operational efficiency and reliable service to customers and all stakeholders through transparent, equitable, and responsible procurement practices which enhance the community we serve.

Strategies/Initiatives:

Supplier outreach, advocacy, compliance, and supplier development remain as core strategies for the success of the SLMBE Program. While payments, a lag indicator, to our SLMBE suppliers decreased, our awards, a lead indicator, suggest that we will likely see improved payments in FY 2014. We are initiating a complete transformation of our organization's supply chain designed to drive down WSSC's costs of doing business. In FY 2013, the Procurement Office continued to implement a number of steps in the formation of a Supply Chain Management Initiative, in preparation for a major transformation of the Commissions' supply chain. The Commission adopted a comprehensive set of new procurement regulations and subsequently, new procurement business policies and procedures.

PROCUREMENT	FY11	FY12	FY13	RESULTS
Procurement and SLMBE Improve Minority Business Enterprise (MBE) Payments Percentage.	🟢	🟢	🟡	In FY 2013, the Commission spent \$92.1 million (20%) in total contract payments with MBE firms as compared to \$102.3 million (28%) in FY 2012. The FY 2013 level of spending was \$10.2 million less than FY 2012.
Improve Minority Business Enterprise (MBE) Awards Percentage.	🟢	🟡	🟡	In FY 2013, the Commission awarded \$57 million more to MBEs than in FY 2012 which amounted to \$186.3 million (25%) to MBE firms as opposed to \$129 million (18%) in FY 2012. WSSC's total contract award dollars of \$746.3 million increased in comparison to the \$703 million total contract award dollars for FY 2012.
Improve procurement process cycle time and enhance procurement practices.	🟢	🟢	🟢	In FY 2013, after implementing the WSSC Procurement Regulations, we began an overall plan to enhance the value of our supply chain processes, and continued contract management training. We conducted fourteen education/outreach sessions for suppliers including our "How to Do Business With WSSC" events.
Increase new registrants in WSSC's Centralized Bidders Registration System (CBR).	🟢	🟢	🟢	In FY 2013, we exceeded our target of 336 new registrants in the Centralized Bidders Registration (CBR) System by 742 or 221%.
Increase new Minority Business Enterprise (SLMBE) registrants.	🟢	🟢	🟡	In FY 2013, we missed our target of 200 new SLMBE registrants by 18 or 9%.



SECURITY AND SAFETY

Protect our people, our business, and our community through proactive planning, emergency preparedness and utilization of effective risk management.

Strategies/Initiatives:

In FY 2013, we began our commission-wide Vulnerability Assessment (VA) to make sure we are protecting our facilities and distribution system from natural or man-made disasters. In addition to the wide number of safety trainings we offer, we continue to make driver training and education a critical component of our safety program in order to decrease preventable vehicular accidents which negatively impact employee health and safety. We continue our training efforts designed to reduce the incidence of injuries to employees, most of which are the result of slips, trips, or falls. In an effort to better serve our community, we are developing a regionalized approach for addressing critical water emergencies in collaboration with partnering agencies and jurisdictions.

SECURITY AND SAFETY	FY11	FY12	FY13	RESULTS
Employee and Public Safety Improve employee health and safety.	🟢	🟡	🟡	Employee preventable accidents increased from 118* in FY 2012 to 123 in FY 2013 – an increase of 4%. Of the 123 accidents, 50 are considered OSHA reportable. WSSC is consistently below the national average for the water and wastewater industry. <small>*This FY 2012 data was revised to 118 from 112 in FY 2013.</small>



WSSC Annual Strategic Performance Report FY 2013

Message from the General Manager/Chief Executive Officer

The Washington Suburban Sanitary Commission (WSSC) is proud to present its third Annual Strategic Performance Report which highlights performance in key areas of the 2013 fiscal year (FY). As with previous reports, this report is designed to communicate to our customers WSSC's yearly progress including our successes and opportunities for improvement. This FY 2013 Annual Performance Report provides a look back on our strategic priorities and how we have performed in key areas over the last three fiscal years.

WSSC remains committed to delivering high-quality services, not only in our provision of water and wastewater treatment, but in our issuing of construction permits, gas line inspections, our monitoring of Fats, Oils and Grease (FOG) from restaurants as well. We continue to provide these services while remaining sensitive to delivering the services at the most reasonable rates possible.

WSSC was once again able to exceed our goals for repair, rehabilitation or replacement of our critical infrastructure. And even better, we were able to achieve these infrastructure improvements despite a more difficult winter season in FY 2013, as compared to FY 2012.

Although we did not achieve all of our customer service goals, we experienced marked improvements in our Call Center operations compared to FY 2012. We have greatly improved our use of technology internally to enable improved business operations and externally to provide ease of access to WSSC for all our customers and other stakeholders throughout the region.

WSSC is committed to being the world class provider of safe, reliable water and wastewater services that protects the health, safety and quality of life for our customers. To that end, our monitoring of performance results helps us to be better stewards of our resources by continually evaluating the way we do business and providing effective and efficient services to our community. All of our improvements and accomplishments reflect the hard work and dedication of WSSC's greatest asset – our employees.

At the close of FY 2013, WSSC's Commissioners re-evaluated and renewed WSSC's Mission, Vision, Values, and Strategic Priorities. We remain committed to providing safe and reliable water, life's most precious resource, and returning clean water to our environment, all in an ethical, sustainable, and financially responsible manner. And, we will use the Strategic Priorities and the metrics to ensure that we are making satisfactory progress.

In the fiscal years ahead, we will continue to review our business objectives, practices and processes to build a culture of innovation, operational excellence, and sustainability. While we are continuing to make great strides in our progress, we hope this report helps you understand more about our priorities and the improvements we are making to better serve you. As always, we welcome your feedback.

Jerry N. Johnson
General Manager / CEO

Performance Legend

Positive Performance Mixed results Improvement Needed

WSSC's Overall FY 2013 Performance Summary

Shown below are our eight Strategic Priorities with an indicator summarizing overall FY 2013 performance. Throughout the report you will see examples of the performance objectives and outcomes which were measured in FY 2013. Our performance against individual objectives and measures varied. Not all are presented in this report.

- Infrastructure
- Workforce Management
- Customer Service
- Communications
- Financial Stability
- Procurement
- Security and Safety
- Environmental Stewardship

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.

Strategies/Initiatives:

We are in the process of implementing recommendations of the Bi-County Infrastructure Working Group which is charged with developing strategies to fund infrastructure renewal in our service area. We are committed to reducing the upward trajectory of rate increases for our customers and thinking innovatively about driving costs out of the business by building and strengthening financial stability in collaboration with our stakeholders. WSSC maintained a strong financial position with credit rating agencies providing our customers the advantages of low-cost capital. We are proud that we have continued to make significant progress in addressing customer expectations.

FINANCIAL STABILITY	FY11	FY12	FY13	RESULTS
Financial Management Maintain AAA bond rating.				In FY 2013, we again maintained our AAA Bond Rating, a positive indicator of WSSC's overall financial health that also reduces the cost of borrowing for the \$3.7 billion Capital Improvement Plan.
Improve revenue and expenditure forecasting ratios.				In FY 2013, our actual revenues were 6% lower than our projections; however, our overall expenses were 12% lower than projected.

INFRASTRUCTURE

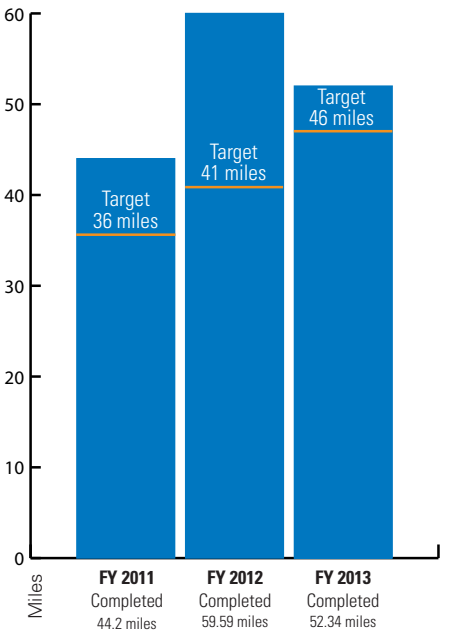
Plan, renew and sustain our infrastructure to meet customer expectations through innovative, cost-effective technology and world class asset management practices.

Strategies/Initiatives:

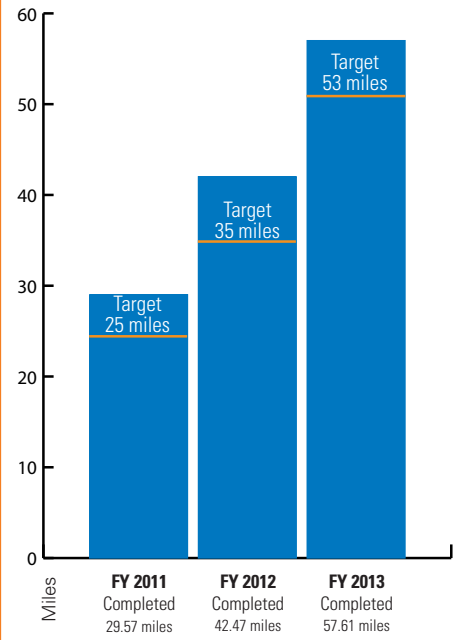
WSSC is a national leader in the development and execution of its Asset Management strategy. The asset management processes and tools developed and implemented during the last five years allow WSSC to make better decisions by balancing required levels of service, costs of service, and acceptable levels of risk. We have made significant progress in planning for our assets through the development of asset management plans, in determining renewal and rehabilitation requirements (especially water and wastewater buried assets), and in examining maintenance strategies needed to sustain our infrastructure. This progress has contributed to improvements in our overall performance. The Commission also approved the WSSC 2013 5-year Information Technology Strategic Plan – a customer focused roadmap informed by fresh, business driven thinking, that outlines solutions for near- and long-term business requirements.

INFRASTRUCTURE	FY11	FY12	FY13	RESULTS
Water Operations Increase the number of water main miles reconstructed.				We exceeded our FY 2013 target of 46 miles by 14% completing 52.34 miles of water main.
Reduce the number of water main breaks and leaks per 100 miles of pipeline.				There were 31.78 water main breaks and leaks per 100 miles of pipeline, better than the FY 2013 goal of no more than 36 water main breaks and leaks per 100 miles of pipe by 12%.
Wastewater Operations Increase the number of sewer miles reconstructed or rehabilitated.				We exceeded our FY 2013 target of 53 miles of sewer line reconstructed or rehabilitated by 9%, completing 57.61 miles of sewer.
Reduce the number of Sewer System Overflows (SSOs) per 100 miles of pipeline.				We bettered, by 12%, our FY 2013 annual goal of incurring no more than 3.00 SSOs per 100 miles of pipeline. We experienced 2.65 SSOs per 100 miles.
Reduce the number of basement back-ups per 100 miles of pipeline.				We missed our FY 2013 annual target of 16 Basement Backups per 100 miles of pipeline by 7%. There were 17.17 backups per 100 miles as compared to the 16.81 backups in FY 2012.
IT Operations Increase IT system reliability.				In FY13, the Commissioners approved the 5-Year IT Strategic Plan. We successfully embarked on several initiatives under this plan and ensured the timely delivery of other system enhancements. Our IT strategic plan will pay significant dividends in enhancing operational efficiency, supporting our financial stability, and improving customer service for both ratepayers and our internal business units.

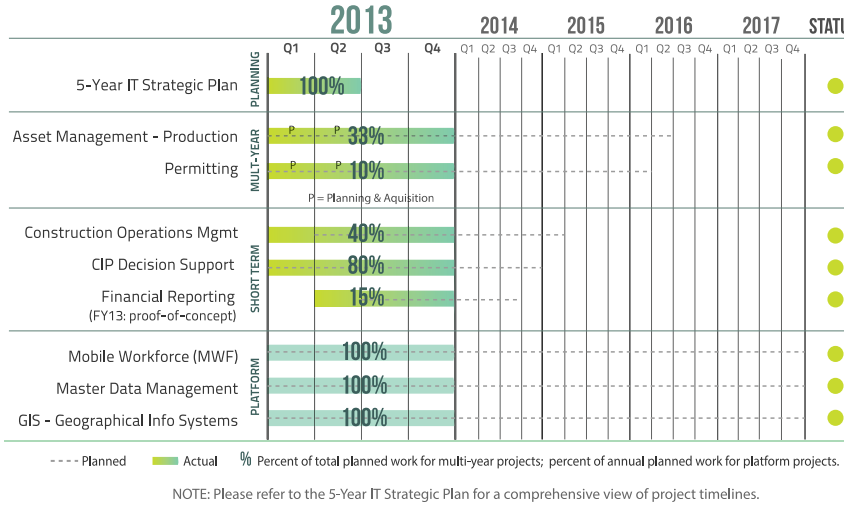
Water Main Mileage Reconstructed



Sewer Main Reconstructed/Rehabilitated



Key IT Projects: 5-Year IT Strategic Plan Initiatives



CUSTOMER SERVICE

Ensure customer confidence through the delivery of timely, high-quality products and services to internal and external customers.

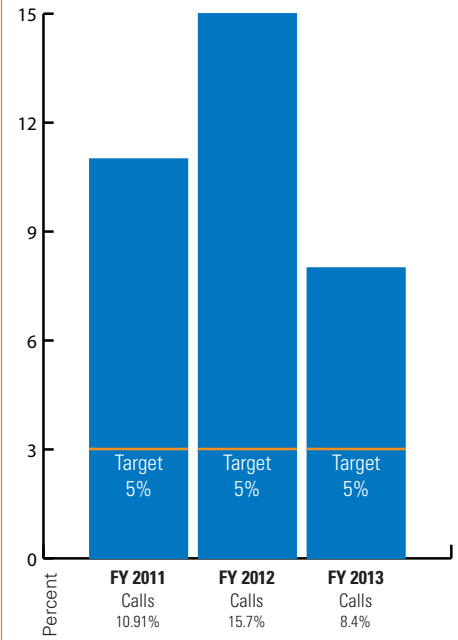
Strategies/Initiatives:

We are proud of the high quality of our water and our employees who work on the front lines to deliver water, treat wastewater, and maintain and repair our infrastructure. We continue to meet or exceed our federal and state drinking water requirements. We stay abreast of leading technologies for generating the safest water in a reliable manner and are committed to excellence in our service delivery. On the Customer Call Center front, we are not where we want to be, but we continue to make steady progress in responding to our customers. In response to customer demand, we extended our service hours and our agents are equipped to handle customer contact through phone, fax and email. Our overall level of contact with customers has increased. This increased level includes responding to more than 2,000 new accounts. While not satisfied with our total progress, our incremental improvements in customer service remain very encouraging.

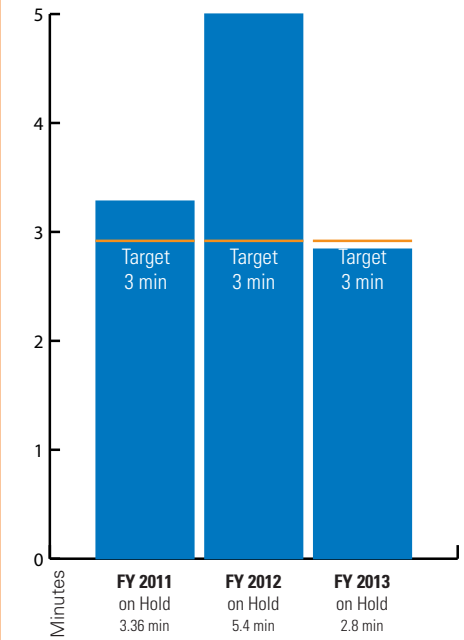
CUSTOMER SERVICE	FY11	FY12	FY13	RESULTS
Customer Relations and Satisfaction Maintain high quality drinking water standards.				In FY 2013, our water filtration plants met or exceeded federal and state Safe Drinking Water Act requirements 100% of the time.
Improve the abandoned call rate in our Call Center (callers that disconnect before speaking with a customer service agent in our Call Center).				In FY 2013, our monthly average abandoned call rate was 8.4%, exceeding our goal of 5% nearly halving the rate from the previous year (15.7%).
Improve our customers' "wait time" in Queue in our Call Center.				In FY 2013, the length of time a caller was on hold before speaking to a representative averaged 2.8 minutes, better than our goal of 3 minutes. This is an improvement of 2.6 minutes from our FY 2012 performance.
Improve our customers' "wait time" in the Bill Pay Queue in our Call Center.				In FY 2013, our wait time in our Call Center Bill Pay Queue averaged 22 seconds. This performance was 63% better than our goal of 60 seconds and is an improvement over FY 2012 by 52%.



Abandoned Call Rate



Wait Time in Call Center



WORKFORCE MANAGEMENT

Sustain a high-performing workplace that attracts and retains diverse, flexible, and knowledgeable employees focused on service excellence.

Strategies/Initiatives:

There are many benefits to working at WSSC including being among some of the most talented and diverse professionals in the region. We continue to address the challenge of recruiting new talent in a timely manner. Subsequently, we've improved the look and feel of our online career center making searching and responding to job vacancies more efficient and user-friendly. We also launched a WSSC Leadership Development Program to equip our leaders and managers with training and development opportunities. The program is designed to increase our ability to execute our strategic priorities and to improve employee engagement. In FY 2014, we will execute specific new strategies to improve our hiring cycle time and further enhance our workplace engagement.

WORKFORCE MANAGEMENT	FY11	FY12	FY13	RESULTS
Our People and Our Workplace Improve WSSC hiring cycle time.				In FY 2013, the average time to recruit and hire new talent was 75 workdays. This average cycle time of 75 workdays was 67% longer than our targeted 45 workdays – a target that is 25% more rigorous than the 60 day target of comparable organizations.