



January 28, 2019

**System Development Charge (SDC) Compliance
Audit – Beech Tree South Village, Part 12A
WSSC Project No. DA2453K99**

Project # 18-SDC-04

A Report to:

Commissioners:

Chair, T. Eloise Foster
Vice Chair, Chris Lawson
Fausto R. Bayonet
Omar M. Boulware
Howard A. Denis
Thomasina V. Rogers

General Manager/CEO:

Carla A. Reid

Corporate Secretary:

Sheila R. Finlayson, Esq.




**Washington Suburban
Sanitary Commission**


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WASHINGTON SUBURBAN SANITARY COMMISSION

Interoffice Memorandum

TO: CHAIR FOSTER, VICE CHAIR LAWSON
COMMISSIONER BAYONET, COMMISSIONER BOULWARE,
COMMISSIONER DENIS AND COMMISSIONER ROGERS
GENERAL MANAGER REID

THRU: ARTHUR A. ELKINS, JR., INSPECTOR GENERAL 
OFFICE OF THE INSPECTOR GENERAL

THRU: MAXENE M. BARDWELL, AUDIT DIRECTOR 
OFFICE OF THE INSPECTOR GENERAL

FROM: JAMES A. WALL, JR., SENIOR AUDITOR 
OFFICE OF THE INSPECTOR GENERAL

DATE: JANUARY 28, 2019

SUBJECT: **COMPLIANCE AUDIT OF SDC CREDITS AND REIMBURSEMENTS
V.O.B. LIMITED PARTNERSHIP
BEECH TREE SOUTH VILLAGE - PART 12A
WSSC PROJECT DA2453K99, CIP PROJECT NO. S-86.14 AND W-123.17**

In accordance with Maryland Code Annotated, Public Utility Article, § 25-405(d), System Development Charge (SDC), and WSSC Standard Procedure ENG 04-01, SDC Applicant Credits and Reimbursements, we audited V.O.B. Limited Partnership's (the "Developer") request for reimbursement for WSSC Project No. DA2453K99. On this contract, the Developer designed and constructed the water and/or sewer extensions located in the Beech Tree South Village – Part 12A Subdivision of Prince George's County in Maryland, approved in the Capital Improvements Program (CIP Project No. S-86.14 and W123.17). We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. (*Standards*)

The Developer and WSSC signed the SDC Agreement (Agreement) on June 1, 2005 and there were no amendments to the signed agreement. The SDC Credits Estimate under the Agreement was **\$368,260.00**. The Developer submitted a request of **\$372,619.10** for reimbursement. As a result of our audit, we adjusted the submitted costs in order for the Eligible Qualified Project costs to be in compliance with the above WSSC guidelines.

As shown by the attached Summary of Eligible Qualified Project Costs, we determined the actual total eligible Qualified Project costs are **\$359,686.44**. The Developer is authorized to receive SDC Credits and Reimbursements up to this amount. In accordance with Standard Procedure ENG 04-01, WSSC will identify SDC receipts available for reimbursement on a quarterly basis and process payments to the developer.

Attachment

cc: Corporate Secretary, (S. Finlayson)
DGM for Operations (J. Price)
Chief of Staff, (J. Vincent)
Development Services Division, (R. Chicca)
Permit Services Section Manager, (L. Tapia)
Development Design Section Manager, (T. Gingrich)

Attachment

**Summary of Eligible Qualified Project Costs
Contract No. DA2453K99**

Description	Requested Amount	Internal Audit Adjustment	Amount to V.O.B. Limited Partnership	Notes
Design costs	\$5,842.42	(\$3,757.20)	\$2,085.22	A
Bond/Permit costs	\$8,113.52	\$0.00	\$8,113.52	
GEO Technical costs	\$32,200.00	(\$3,523.70)	\$28,676.30	B
Administrative costs	\$6,805.00	\$0.00	\$6,805.00	
Interest cost	\$12,087.00	(\$1,007.00)	\$11,080.00	C
WSSC costs	\$32,456.40	\$0.00	\$32,456.40	
Construction costs	\$275,114.76	(\$4,644.76)	\$270,470.00	D
Total	\$372,619.10	(\$12,932.66)	\$359,686.44	

NOTES

- A. The contract included CIP and Non-CIP costs. We allocated the requested Design Costs to reflect the CIP portion of the contract.
- B. The contract included CIP and Non-CIP costs. We allocated the requested Geo-technical Costs to reflect the CIP portion of the contract.
- C. Interest was calculated using the annual average rate of 3.06% of WSSC's short-term construction loan for the period and adjusted according to WSSC's Standard Procedure ENG 04-01.
- D. The contract included both CIP and non-CIP costs. We allocated the requested Construction Costs to reflect the CIP portion of the contract.