



AGENDA CATEGORY: Finance Department

ITEM NUMBER:


DATE: February 17, 2021

SUBJECT	Vote - Approve Transmittal of FY 2022 Proposed Budget
SUMMARY	This action transmits WSSC Water's Proposed FY 2022 Operating and Capital Budget to the County Executives of Prince George's and Montgomery Counties.
SPECIAL COMMENTS	Section 17-202 of the Public Utilities Article requires WSSC Water to prepare, and submit to the two County Executives, a Proposed Operating and Capital Budget by March 1 of each year.
CONTRACT NO./ REFERENCE NO.	Not Applicable
COSTS	Proposed Operating and Capital total is \$1,555,838,353
AMENDMENT/ CHANGE ORDER NO. AMOUNT	Not Applicable
MBE PARTICIPATION	Not Applicable
PRIOR STAFF/ COMMITTEE REVIEW	Public Hearings February 2 and February 3, 2021 Carla A. Reid, General Manager/CEO <i>CR</i> ^{DS}
PRIOR STAFF/ COMMITTEE APPROVALS	Joseph F. Beach, Deputy General Manager <i>JFB</i> ^{DS} Patricia A. Colihan, Chief Financial Officer <i>PC</i> ^{DS} Letitia Carolina-Powell, Budget Division Manager <i>LC</i> ^{DS}
RECOMMENDATION TO COMMISSION	Approve for transmittal to Prince George's and Montgomery Counties.
COMMISSION ACTION	



Interoffice Memorandum

TO: COMMISSIONERS

FROM: CARLA A. REID
GENERAL MANAGER/CEO ^{DS}

DATE: FEBRUARY 17, 2021

SUBJECT: FY 2022 PROPOSED BUDGET

Your approval for transmittal of the Fiscal Year 2022 (FY 2022) Proposed Budget to the Montgomery and Prince George's County Executives is recommended. This budget, totaling \$1.556 billion, is \$2.8 million higher than the FY 2022 Preliminary Proposed Budget that was presented to the Commission on December 18, 2020. The increase is all for capital funding to expand water meter replacements and to fund six previously frozen positions in the Engineering and Construction Department.

The proposed budget document recommends a 5.9% average rate increase. This proposed increase is in accordance with the 5.9% Spending Affordability Guidelines approved by Prince George's and Montgomery Counties. The rate increase will add \$3.94 per month or \$11.83 per quarter to the bill of a customer who is using 165 gallons per day.

Also, attached for your information is a copy of the transmittal letter to both County Executives for signature; copies of written testimony received; and the Commission Chair's Proposed Budget letter for signature with tables showing Comparative Expenditures by Fund and Major Expense Category, Summary of Revenues & Expenditures, the Proposed Rate Impact, Annual Customer Bills at Various Consumption Levels, Proposed Water/Sewer Rate Schedules, Account Maintenance Fees, Infrastructure Investment Fees, and Proposed Changes to Miscellaneous Fees & Charges.

As you are aware, Public Hearings were held on February 2, and February 3, 2021. The Commissioners will be provided with any additional written correspondence received during the comment period. Additionally, a copy of the transcripts from the hearings will be provided to the Commissioners' Office when available.

Attachments

TRANSMITTAL LETTERS

COMMISSIONERS

Howard A. Denis, Chair
Keith E. Bell, Vice Chair
Fausto R. Bayonet
T. Eloise Foster
Chris Lawson
Sandra L. Thompson

GENERAL MANAGER

Carla A. Reid



March 1, 2021

The Honorable Angela D. Alsobrooks
Prince George's County Executive
1301 McCormick Drive
Suite 4000
Largo, MD 20774

The Honorable Marc Elrich
Montgomery County Executive
Executive Office Building
101 Monroe Street - 2nd Floor
Rockville, MD 20850

Dear County Executive Alsobrooks and County Executive Elrich:

Pursuant to the provisions of Section 17-202, of the Public Utilities Article, WSSD Laws, Annotated Code of Maryland, transmitted herewith are the proposed capital and operating budgets for WSSC Water for the fiscal year commencing July 1, 2021. Public hearings were held via virtual livestream video on Tuesday, February 2 and Wednesday, February 3.

Our Proposed Fiscal Year 2022 (FY 2022) Budget for all operating and capital funds totals \$1.556 billion or \$100.8 million (6.9%) more than the FY 2021 Approved Budget and includes a 5.9% average increase in water and sewer consumption rates. This proposed increase meets the Spending Affordability Guidelines as both Prince George's and Montgomery Counties recommended a 5.9% limit. The FY 2022 Proposed Operating Budget of \$852.1 million represents an increase of \$2.4 million (0.3%) over the FY 2021 Approved Budget. The request is primarily a same service level budget with modest increases for essential improvements. The FY 2022 Proposed Capital Budget of \$703.7 million represents an increase of \$98.3 million (16.2%) from the FY 2021 Approved Budget. The increase is mostly due to the ramping up of construction on the Piscataway Bioenergy Project and the addition of five new wastewater pumping stations and force main replacement projects to address aging assets.

WSSC Water rates continue to be favorable when compared to other comparable water and sewer utilities, and the average WSSC Water residential bill is approximately 1% of the median household income. The proposed budget document includes graphic representation of these comparisons. The impact of the rate increase will add approximately \$3.94 per month or \$11.83 per quarter to the bill of a customer using 165 gallons per day.

The proposed budget includes the rehabilitation of 31 miles of smaller water mains (<16-inches in diameter), as we begin to ramp back up toward our asset management plan goal of 55 miles per year, continued development of our enhanced pipe condition assessment program, and evaluation of new water main rehabilitation technologies to help control costs while also minimizing disruption for our customers.

For large diameter water mains, the Pre-stressed Concrete Cylinder Pipe (PCCP) Program provides for the ongoing acoustic fiber optic (AFO) monitoring of more than 118 miles of pipe, ongoing inspection, and rehabilitation and replacement of large diameter pipes. The program will replace one-half mile of pipe in FY 2022, eventually building up to two miles per year. Inspection, rehabilitation, and replacement of large valves continues at a pace of two per year. Replacement of ferrous pipes is projected at six miles. Funding is also included for the continued compliance with all requirements of the SSO and Potomac Water Filtration Plant (WFP) Consent Decrees.

In addition to our ongoing investments in WSSC Water's physical infrastructure, the FY 2022 budget invests in our organizational infrastructure. Funding is included to enhance our cybersecurity program to efficiently and effectively mitigate risks by ensuring our electronic data and computer systems and networks are protected from theft, attack or unauthorized access. Cybersecurity program initiatives include artificial intelligence threat detection, new end-user security awareness training and risk reduction of identity theft through two-step authentication.

The budget also provides for an Enterprise Asset Management/Work Management system. This comprehensive solution provides applications, modules, tools and supporting data for managing and monitoring all activities required for operations, maintenance, repair and capital planning for water/wastewater underground infrastructure.

To keep the Councils apprised of the budget status, copies of this letter with the enclosures are being sent to Prince George's Council Chair Hawkins and Montgomery Council President Hucker. If any additional information is needed, please contact us.

Sincerely,

Howard A. Denis,
Chair

Enclosures

cc: The Honorable Calvin S. Hawkins, Chair
Prince George's County Council

The Honorable Tom Hucker, President
Montgomery County Council

**FOR INCLUSION IN
BUDGET BOOK**



COMMISSIONERS
Howard A. Denis, Chair
Keith E. Bell, Vice Chair
Fausto R. Bayonet
T. Eloise Foster
Chris Lawson
Sandra L. Thompson

GENERAL MANAGER
Carla A. Reid

March 1, 2021

The Honorable Angela D. Alsobrooks, Prince George's County Executive
The Honorable Marc Elrich, Montgomery County Executive
The Honorable Calvin S. Hawkins, Chair, Prince George's County Council
The Honorable Tom Hucker, President, Montgomery County Council

Dear Ms. Alsobrooks, Mr. Elrich, Mr. Hawkins, and Mr. Hucker:

We are hereby transmitting WSSC Water's Proposed Fiscal Year 2022 (FY 2022) Capital and Operating Budget document. 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 our customers 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 WSSC Water's mission through the following strategic priorities:

- Enhance Customer Experience
- Optimize Infrastructure
- Spend Customer Dollars Wisely
- Transform Employee Engagement
- Protect Our Resources

FY 2022 PROPOSED CAPITAL AND OPERATING BUDGETS

The FY 2022 Proposed Budget for all operating and capital funds totals \$1.556 billion or \$100.8 million (6.9%) more than the Approved FY 2021 Budget. The Proposed Operating Budget of \$852.1 million represents an increase of \$2.4 million (0.3%) over the FY 2021 Approved Operating Budget of \$849.7 million. This is basically a same service level budget with modest increases to fund essential improvements, including much needed repairs at our facilities, Triadelphia Reservoir dredging to remove accumulated sediment, and cybersecurity enhancements to protect customer information. Funding is also included for organizational development to enable successful transitions to new and

upgraded systems and a Drinking Water Treatment Master Plan Study. The costs of these improvements are partially offset by reduced debt service expenses.

The Proposed Capital Budget of \$703.7 million represents an increase of \$98.3 million (16.2%) from the FY 2021 Approved Capital Budget of \$605.4 million. This increase is due to the ramping up of construction on the Piscataway Bioenergy Project and the addition of five new wastewater pumping stations and force main replacement projects to address aging assets that are at or beyond their useful life. All costs and related increased revenues associated with the Advanced Metering Infrastructure Project have been removed from the Proposed FY 2022 operating and capital budgets.

The Proposed Budget calls for a combined 5.9% average increase in water and sewer consumption revenue. This proposed increase meets the Spending Affordability Guidelines as recommended by both Prince George's and Montgomery counties. Of the increase, 5.1% is driven by an expected decrease in sewer revenue based on historic trends, lower projected interest income and a reduced reliance on fund balance. Even with this change, WSSC Water rates continue to be favorable when compared to many similar sized water and sewer utilities. The average WSSC Water customer's residential bill is approximately 1.0% of the median household income (see Section 2). As the account maintenance and infrastructure investment fees remain flat for the sixth year, the rate increase will add approximately \$11.83 (5.2% bill increase) per quarter to the bill of a customer using 165 gallons per day, based upon an average per person consumption of 55 gallons per day for a three-person household.

It is important to point out that WSSC Water's budget is capital intensive and driven by changes in the construction market, commodity prices and tariffs, rather than the more commonplace consumer price index. Other investments drive our budget, including: compliance with the Sanitary Sewer Overflow (SSO) and the Potomac Plant Consent Decrees; environmental regulation directives; maintaining the security of our water infrastructure and for our employees working in the field; and, Information Technology improvements to streamline our business processes and safeguard our networks. Many of these costs are legally mandated and not easily deferred or reduced.

FINANCIAL ASSISTANCE PROGRAMS

Like many utilities across the country, WSSC Water 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 safe, clean drinking water and efficient wastewater treatment compares favorably to other household utilities and expenses, more residents are struggling to meet their monthly expenses during these unprecedented and uncertain times. The Customer Assistance Program (CAP), created in FY 2016 to help financially struggling customers by providing assistance with water and sewer bills, has provided relief to thousands of our customers this year. The CAP will continue in FY 2022 and is proposed to increase by \$1.2 million from the FY 2021 budgeted revenue offset of \$888,000 to \$2.1 million.

In addition, in accordance with House Bill 408, enacted in the FY 2018 legislative session, the Proposed Budget includes \$100,000 to fund the third year of the Pipe Emergency Replacement Loan Program (PipeER), which provides loans of up to \$5,000 per eligible residential customer to finance the replacement of leaking on-property water service lines. The remaining balance in the loan fund is

returned to WSSC Water. Beginning in FY 2021, WSSC Water will transfer those available funds to the Water Fund.

SPENDING AFFORDABILITY GUIDELINE LIMITATIONS

To reconcile our departments' initial FY 2022 requests with the counties' Spending Affordability Guidelines, a funding gap of \$14 million was closed. Actions included limiting growth for certain programs and the very difficult decision not to reinstate important programs and functions that were removed in previous fiscal years.

Although we are not able to reinstate several programs, this budget funds essential maintenance that supports our strategic priorities. It should be noted that we must continue to defer implementing some important improvements that would support and advance our strategic priorities including:

- Implementing a system-wide flushing program of our water distribution pipe network to reduce discolored water complaints;
- Testing all 43,000 fire hydrants in our service area on a 10-year cycle, a best practice recommended by the American Water Works Association;
- Increasing the number of regulatory inspectors allowing more time per inspection to perform gas-fitting and plumbing inspection. This ensures installations are not rushed due to staffing shortages that are a result of a steady increase in the number of inspections requested from applicants; and
- Increasing workyears and funding to adequately support the pipe relocations required for projects such as the I-495/I-270 widening and the MAGLEV High Speed Rail from Baltimore to DC.

COST-SAVING MEASURES

This budget reflects WSSC Water's continuing commitment to maintaining affordability through the active pursuit and implementation of cost-saving measures. In addition to the reductions in the operating and capital budgets noted above, we have several ongoing strategies to identify more cost-effective ways of providing clean water to our customers including the following:

- Our efforts in the Supply Chain Management Transformation Project, which has been supported by the Commission and both counties since FY 2013, have produced cost reductions in excess of \$41 million in the operating and capital budgets since the inception of this program and cost avoidance savings of nearly \$37 million during the same period. If not for these intensive efforts in contract negotiation and cost management, additional rate increases, or service reductions, would have been necessary;
- For the first time since FY 2017, this budget includes funding for additional positions. After a thorough analysis of departmental work backlogs, WSSC Water is proposing two positions in Production, two positions in Customer Service and unfreezing six CIP funded positions in Engineering and Construction to meet mission-critical needs. Twenty-four positions remained frozen.

- Our Innovation Program has identified promising methods for locating and remediating water system leakages and extending pipe life, as well as developing new approaches to wastewater treatment that have the potential to significantly reduce processing costs while also improving our environmental stewardship efforts; and
- Changes made in monitoring and supervision of overtime costs have reduced these expenses by \$4.7 million since FY 2017.

OPTIMIZE INFRASTRUCTURE

The proposed budget includes the rehabilitation of 31 miles of smaller water mains (<16-inches in diameter), as we begin to ramp back up toward our asset management plan goal of 55 miles per year, continued development of our enhanced pipe condition assessment program, and evaluation of new water main rehabilitation technologies to help control costs while also minimizing disruption for our customers.

For large diameter water mains, the Pre-stressed Concrete Cylinder Pipe (PCCP) Program provides for the ongoing acoustic fiber optic (AFO) monitoring of more than 118 miles of pipe, ongoing inspection, and rehabilitation and replacement of large diameter pipes. The program will replace one-half mile of pipe in FY 2022, eventually building up to two miles per year. Inspection, rehabilitation, and replacement of large valves continues at a pace of two per year. Replacement of ferrous pipes is projected at six miles. Funding is also included for the continued compliance with all requirements of the SSO and Potomac Water Filtration Plant (WFP) Consent Decrees.

INFORMATION TECHNOLOGY MODERNIZATION

In addition to our ongoing investments in WSSC Water's physical infrastructure, the FY 2022 budget invests in our organizational infrastructure. Funding is included to enhance our cybersecurity program to efficiently and effectively mitigate risks by ensuring our electronic data and computer systems and networks are protected from theft, attack or unauthorized access. Cybersecurity program initiatives include artificial intelligence threat detection, new end-user security awareness training and risk reduction of identity theft through two-step authentication.

The budget also provides for an Enterprise Asset Management/Work Management system. This comprehensive solution provides applications, modules, tools and supporting data for managing and monitoring all activities required for operations, maintenance, repair and capital planning for water/wastewater underground infrastructure.

SPENDING AFFORDABILITY

WSSC Water, in cooperation with the Montgomery and Prince George's County governments, continues to participate in the spending affordability process. This 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. Last fall, the Montgomery and Prince George's county councils approved resolutions establishing four limits on WSSC Water's FY 2022 budget. As indicated in the following table, the proposed budget meets the spending affordability limits for New Water and Sewer

Debt, Debt Service and Average Water/Sewer Rate Increase. The Water/Sewer Operating Expenses meet the intent of the limit as the excess is covered by non-rate-related revenues.

WSSC WATER FY 2022 PROPOSED BUDGET VS. SPENDING AFFORDABILITY LIMITS
(\$ in Millions)

	FY 2022 Proposed Budget	Prince George's County Limit	Montgomery County Limit
New Water and Sewer Debt	\$409.7	\$427.9	\$427.9
Total Water and Sewer Debt Service	\$309.0	\$309.7	\$309.7
Total Water/Sewer Operating Expenses	\$842.3*	\$841.4	\$841.4
Water/Sewer Rate Revenue Increase	5.9%	5.9%	5.9%

*Exceedance covered by offsetting funding sources

The Proposed Budget provides for:

- Implementing the first year of the FYs 2022-2027 Capital Improvement Program (CIP);
- Paying WSSC Water's share of operating (\$59 million in FY 2022) and capital costs (\$55 million in FY 2022; \$392 million in FYs 2022-2027) for the District of Columbia Water and Sewer Authority's (DC Water) Blue Plains Wastewater Treatment Plant;
- Paying debt service of \$316.8 million - of which \$309.0 million is in the Water and Sewer Operating Funds;
- Holistically rehabilitating the Piscataway basin to reduce infiltration and inflow;
- Funding additional operating costs at the Piscataway Water Resource Recovery Facility (WRRF) due to increased flows;
- Funding maintenance and repairs at critical facilities;
- Replacing 31 miles of small diameter and 6.5 miles of large diameter water mains
- Rehabilitating 31 miles of small diameter sewer mains and lateral lines and 14.4 miles of large diameter sewer mains;
- Funding \$5.3 million for water meter replacements;
- Funding \$71.1 million for large diameter pipe rehabilitation. This includes \$35.3 million for PCCP inspection, repair, and acoustic fiber optic monitoring of the pipes' condition; \$32.4 million for large diameter repairs and cathodic protection; \$3.4 million for large valve inspections, replacement, and repairs;
- Complying with the SSO and the Potomac WFP Consent Orders;

- Operating and maintaining a system of three reservoirs impounding 14 billion gallons of water, two water filtration plants, six WRRF's, 6,000 miles of water main, and over 5,700 miles of sewer main 24 hours a day, seven days a week; and
- Proposing limited compensation enhancements considering the very challenging fiscal environment.

In addition to reviewing expenses and revenues for water and sewer services, we have analyzed the cost and current fee levels for other WSSC Water services. Based upon these analyses, and to better align fees with program costs, adjustments to current fees are recommended (Section 2).

SYSTEM DEVELOPMENT CHARGE

State law provides that the System Development Charge (SDC), a charge to new applicants for WSSC Water service, which is intended to recover growth costs, may be adjusted annually by the change in the Consumer Price Index for the Urban Wage Earners and Clerical Workers (CPI-W) in the Washington, D.C. metropolitan area. 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. An increase to the SDC for FY 2022 is currently being evaluated by the Bi-County SDC Policy and Rates Workgroup.

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, 2021.

Sincerely,

Howard A. Denis
Commission, Chair

cc:
Members of Prince George's County Council
Members of Montgomery County Council
Members of the Maryland General Assembly

COMPARATIVE EXPENSES

Comparative Expenses by Fund

(\$ in thousands)	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2022 Proposed	FY 2022 Over/(Under) FY 2021	% Change
Operating Funds							
Water Operating	\$ 320,088	\$ 339,200	\$ 338,471	\$ 365,190	\$ 380,565	\$ 15,375	4.2 %
Sewer Operating	385,527	419,633	413,421	470,833	461,734	(9,099)	(1.9)%
General Bond Debt Service	19,108	18,847	14,292	13,633	9,794	(3,839)	(28.2)%
Total Operating	\$ 724,723	\$ 777,680	\$ 766,184	\$ 849,656	\$ 852,093	\$ 2,437	0.3 %
Capital Funds							
Water Supply Bond	261,602	210,783	162,378	256,499	291,667	35,168	13.7 %
Sewer Disposal Bond	190,058	152,891	211,729	308,014	384,600	76,586	24.9 %
General Construction	23,555	23,121	20,278	40,869	27,478	(13,391)	(32.8)%
Total Capital	\$ 475,215	\$ 386,795	\$ 394,385	\$ 605,382	\$ 703,745	\$ 98,363	16.2 %
Grand Total	\$ 1,199,938	\$ 1,164,475	\$ 1,160,569	\$ 1,455,038	\$ 1,555,838	\$ 100,800	6.9 %

Comparative Expenses by Major Expense Category

(\$ in thousands)	FY 2020 Actual			FY 2021 Approved			FY 2022 Proposed		
	Capital	Operating	Total	Capital	Operating	Total	Capital	Operating	Total
Expense Categories									
Salaries & Wages	\$ 26,388	\$ 132,574	\$ 158,962	\$ 27,826	\$ 128,369	\$ 156,195	\$ 27,449	\$ 133,730	\$ 161,179
Heat, Light & Power	155	15,534	15,689	277	20,431	20,708	222	18,501	18,723
Regional Sewage Disposal	-	56,414	56,414	-	58,000	58,000	-	59,160	59,160
Contract Work	211,404	18,342	229,746	353,066	22,846	375,912	444,405	21,337	465,742
Consulting Engineers	44,478	18,534	63,012	77,183	19,326	96,509	79,614	19,890	99,504
Debt Service	-	292,322	292,322	-	325,593	325,593	-	316,827	316,827
All Other	111,960	232,464	344,424	147,030	275,091	422,121	152,055	282,648	434,703
Grand Total	\$ 394,385	\$ 766,184	\$ 1,160,569	\$ 605,382	\$ 849,656	\$ 1,455,038	\$ 703,745	\$ 852,093	\$ 1,555,838

OPERATING REVENUE & EXPENSE BY MAJOR SOURCE CATEGORY AND FUND TYPE

(\$ in thousands)	Water Operating		Sewer Operating		General Bond Debt Service		Total		% Chg
	FY 2021 Approved	FY 2022 Proposed	FY 2021 Approved	FY 2022 Proposed	FY 2021 Approved	FY 2022 Proposed	FY 2021 Approved	FY 2022 Proposed	
Operating Revenues									
Water Consumption Charges	\$ 295,512	\$ 318,941	\$ -	\$ -	\$ -	\$ -	\$ 295,512	\$ 318,941	7.9 %
Sewer Use Charges	-	-	393,698	398,862	-	-	393,698	398,862	1.3 %
FFBC & H/C Charges	-	-	-	-	10,378	8,428	10,378	8,428	(18.8)%
Account Maintenance Fees	16,503	16,251	15,857	15,615	-	-	32,360	31,866	(1.5)%
Infrastructure Investment Fees	20,099	19,792	19,311	19,016	-	-	39,410	38,808	(1.5)%
Plumbing & Inspection Fees	8,380	8,180	6,090	6,170	-	-	14,470	14,350	(0.8)%
Rockville Sewer Use	-	-	3,000	3,100	-	-	3,000	3,100	3.3 %
Miscellaneous	10,500	10,200	10,301	11,400	229	130	21,030	21,730	3.3 %
Interest Income	1,000	500	9,000	500	600	-	10,600	1,000	(90.6)%
Total Operating Revenues	\$ 351,994	\$ 373,864	\$ 457,257	\$ 454,663	\$ 11,207	\$ 8,558	\$ 820,458	\$ 837,085	2.0 %
Other Credits and Transfers									
Use of Fund Balance	4,080	-	3,920	-	-	-	8,000	-	(100.0)%
Other	-	-	-	-	9,500	6,000	9,500	6,000	(36.8)%
REDO	4,845	3,060	4,655	2,940	(9,500)	(6,000)	-	-	0.0 %
SDC Debt Service Offset	2,731	2,731	3,041	3,041	-	-	5,772	5,772	0.0 %
Premium Transfer	692	-	808	-	-	-	1,500	-	(100.0)%
Underwriters Discount Transfer	848	910	1,152	1,090	-	-	2,000	2,000	0.0 %
Total Funds Available	\$ 365,190	\$ 380,565	\$ 470,833	\$ 461,734	\$ 11,207	\$ 8,558	\$ 847,230	\$ 850,857	0.4 %
Operating Expenses									
Salaries & Wages	69,910	72,834	57,816	60,205	643	691	128,369	133,730	4.2 %
Heat, Light & Power	11,671	10,541	8,752	7,952	8	8	20,431	18,501	(9.4)%
Regional Sewage Disposal	-	-	58,000	59,160	-	-	58,000	59,160	2.0 %
All Other	140,636	147,825	144,357	147,152	1,254	1,313	286,247	296,290	3.5 %
Total Operating Expenses	\$ 222,217	\$ 231,200	\$ 268,925	\$ 274,469	\$ 1,905	\$ 2,012	\$ 493,047	\$ 507,681	3.0 %
Debt Service									
Principal Payments	72,416	73,453	104,606	97,449	8,796	5,803	185,818	176,705	(4.9) %
Interest Payments	60,588	67,045	76,255	71,098	2,932	1,979	139,775	140,122	0.2 %
Total Debt Service	\$ 133,004	\$ 140,498	\$ 180,861	\$ 168,547	\$ 11,728	\$ 7,782	\$ 325,593	\$ 316,827	(2.7) %
Other Transfers									
PAYGO	9,969	8,867	21,047	18,718	-	-	31,016	27,585	(11.1)%
Total Expenses	\$ 365,190	\$ 380,565	\$ 470,833	\$ 461,734	\$ 13,633	\$ 9,794	\$ 849,656	\$ 852,093	0.3 %
Net Revenue (Loss)	\$ -	\$ -	\$ -	\$ -	\$ (2,426)	\$ (1,236)	\$ (2,426)	\$ (1,236)	(49.1)%
Fund Balance - July 1	\$ 34,469	\$ 41,201	\$ 113,136	\$ 121,090	\$ 21,818	\$ 19,392			
Net Increase (Decrease) in Fund Balance	-	-	-	-	(2,426)	(1,236)			
Adjustments	6,732	-	7,954	-	-	-			
Fund Balance - June 30	\$ 41,201	\$ 41,201	\$ 121,090	\$ 121,090	\$ 19,392	\$ 18,156			

Assumptions:

Adjustments shown for FY 2021 reflect prior period adjustment and the COVID-19 savings plan.

CAPITAL FUNDING & EXPENSE BY MAJOR SOURCE CATEGORY AND FUND TYPE

(\$ in thousands)	Water Supply Bond		Sewer Disposal Bond		General Construction Bond		Total		% Chg
	FY 2021 Approved	FY 2022 Proposed	FY 2021 Approved	FY 2022 Proposed	FY 2021 Approved	FY 2022 Proposed	FY 2021 Approved	FY 2022 Proposed	
Funds Provided									
Bonds & Notes Issues/Cash on Hand	\$ 235,617	\$ 251,069	\$ 255,183	\$ 329,510	\$ 40,859	\$ 27,187	\$ 531,659	\$ 607,766	14.3 %
PAYGO	9,969	8,867	21,047	18,718	-	-	31,016	27,585	(11.1) %
Anticipated Contributions:									
Federal & State Grants	1,500	4,120	21,500	20,351	-	-	23,000	24,471	6.4 %
SDC	8,057	24,718	1,473	6,611	-	-	9,530	31,329	228.7 %
Other Contributions	1,356	2,893	8,811	9,411	10	290	10,177	12,594	23.7 %
Total Funds Provided	\$ 256,499	\$ 291,667	\$ 308,014	\$ 384,601	\$ 40,869	\$ 27,477	\$ 605,382	\$ 703,745	16.2 %
Construction Costs									
Salaries & Wages	16,095	15,601	8,568	8,521	3,163	3,327	27,826	27,449	(1.4) %
Contract Work	143,327	174,144	206,567	267,089	3,172	3,172	353,066	444,405	25.9 %
Consulting Engineers	33,642	34,681	20,778	38,901	22,763	6,032	77,183	79,614	3.1 %
All Other	63,435	67,241	72,101	70,090	11,771	14,946	147,307	152,277	3.4 %
Total Construction Costs	\$ 256,499	\$ 291,667	\$ 308,014	\$ 384,601	\$ 40,869	\$ 27,477	\$ 605,382	\$ 703,745	16.2 %

PROPOSED RATES, FEES AND CHARGES

COMBINED WATER AND SEWER OPERATING FUNDS - PROPOSED RATE IMPACT

5.9% Average Water and Sewer Rate Increase

		FY 2022 Proposed (\$ in thousands)
FUNDING SOURCES		
<u>Revenues at Current Rates</u>		
Consumption Charges	\$	677,812
Account Maintenance Fees		31,866
Infrastructure Investment Fees		38,808
Miscellaneous Revenues		40,050
Subtotal	\$	788,536
<u>Other Credits and Transfers</u>		
Reconstruction Debt Service Offset		6,000
Systems Development Charges (SDC) Debt Service Offset		5,772
Underwriters Discount Transfer		2,000
Total Funding Sources	\$	802,308
EXPENSES		
Operating, Maintenance & Support Services Expenses		505,669
Debt Service		309,045
Pay-As-You-GO (PAYGO)		27,585
Total Expenses	\$	842,299
Shortfall to be Covered by Rate Increase	\$	<u>(39,991)</u>
Proposed Average Water and Sewer Rate Increase (Shortfall divided by Consumption Charges)		<u>5.9 %</u>

The Fiscal Year (FY) 2022 Budget calls for a combined 5.9% average increase in water consumption and sewer use revenue. This proposed increase meets the 5.9% Spending Affordability Guidelines (SAG) limit recommended by both Prince George's and Montgomery Counties. Even with this increase, WSSC Water rates remain favorable when compared to many other comparable water and sewer utilities as shown on page 2-5.

QUARTERLY CUSTOMER BILLS AT VARIOUS CONSUMPTION LEVELS

Meter Size	Average Daily Consumption (Gallons Per Quarter)	Approved FY 2018	Approved FY 2019	Approved FY 2020	Approved FY 2021	Proposed FY 2022
3/4" Residential Meter	100 (9,125 gal/qtr)	\$ 122.72	\$ 127.01	\$ 138.94	\$ 145.58	\$ 152.48
3/4" Residential Meter	165 (15,056 gal/qtr)	206.12	213.95	217.83	229.21	241.04
3/4" Residential Meter	500 (45,625 gal/qtr)	816.40	851.99	794.66	840.78	888.79
2" Meter	1,000 (91,250 gal/qtr)	1,878.23	1,952.14	1,903.02	2,004.81	2,110.76
3" Meter	5,000 (456,250 gal/qtr)	9,169.19	9,552.44	9,736.92	10,284.01	10,853.51
6" Meter	10,000 (912,500 gal/qtr)	19,085.00	19,878.88	19,748.55	20,852.26	22,001.19

Amounts include the Account Maintenance Fees and Infrastructure Investment Fees shown on pages 2-7 and 2-8.

WATER AND SEWER RATE SCHEDULES

Proposed Rate Schedule Effective July 1, 2021

Average Daily Consumption During Billing Period (Gallons Per Day)	FY 2022 July 1, 2021 Proposed		Total
	Water Rates	Sewer Rates	Combined
	Per 1,000 Gallons		
0 - 80.9999	\$ 5.76	\$ 7.58	\$ 13.34
81 - 165.9999	6.51	8.42	14.93
166 - 275.9999	7.50	10.57	18.07
276 & Greater	8.79	13.96	22.75

Proposed Flat Rate Sewer Charge - \$142.00 per quarter.

Current Rate Schedule

Average Daily Consumption During Billing Period (Gallons Per Day)	FY 2021 July 1, 2020 Approved		Total
	Water Rates	Sewer Rates	Combined
	Per 1,000 Gallons		
0 - 80.9999	\$ 5.35	\$ 7.25	\$ 12.60
81 - 165.9999	6.04	8.06	14.10
166 - 275.9999	6.96	10.10	17.06
276 & Greater	8.15	13.33	21.48

Approved Flat Rate Sewer Charge - \$135.00 per quarter.

ACCOUNT MAINTENANCE FEES

Proposed For Implementation July 1, 2021

Meter Size	FY 2021 Current Quarterly Charges	FY 2022 Proposed Quarterly Charges
<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</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 quarterly fee is prorated based on the number of days in the billing cycle.

INFRASTRUCTURE INVESTMENT FEES

Proposed For Implementation July 1, 2021

Meter Size	FY 2021 Current Quarterly Charges		FY 2022 Proposed Quarterly Charges	
<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 quarterly fee is prorated based on the number of days in the billing cycle.

MISCELLANEOUS FEES AND CHARGES - PROPOSED FOR IMPLEMENTATION JULY 1, 2021

WSSC Water 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, 2021.

Fee/Charge Number and Name	Current	FY 2022 Proposed	Charge Change
INSPECTIONS, LICENSES AND PERMITS			
I Inspection Fees - Water/Sewer Connection Hookup, Well/Septic Hookup, Plumbing and Gas-fitting Inspections			
<u>Plumbing and Gas-fitting Inspections</u>			
New Single Family Detached Dwellings and Townhouses	\$ 1,011	\$ 1,112	Yes
New Attached Dwellings (townhouses/multiplex excluding apartments)	1,011	1,112	Yes
<u>All Other Residential</u>			
Water/Well Hookup	132	145	Yes
Meter Yoke Inspection (meter only installation)	132	145	Yes
Water Hookup Converting from Well (includes 2 inspections)	264	290	Yes
Sewer/Septic Hookup	132	145	Yes
First Plumbing Fixture	132	145	Yes
Each Additional Fixture	53	61	Yes
SDC Credit Fixture Inspection (per fixture)	48	53	Yes
Minimum Permit Fee	242	263	Yes
Permit Reprocessing Fee	73	75	Yes
Long Form Permit Refund Fee	242	263	Yes
Long Form Permit Re-Issue Fee	242	263	Yes
<u>All Non-Residential</u>			
<u>Plan Review without Permit Application</u>			
25 Fixtures or Less	534	550	Yes
26-200 Fixtures	2,038	2,344	Yes
Over 200 Fixtures	4,061	4,670	Yes
<u>2nd or 3rd Review (with or without permit application)</u>			
25 Fixtures or Less	187	202	Yes
26-200 Fixtures	457	526	Yes
Over 200 Fixtures	973	1,119	Yes
Water/Well Hookup	235	259	Yes
Meter Yoke Inspection (meter only installation)	235	259	Yes
Sewer/Septic Hookup	235	259	Yes
FOG Interceptor	235	259	Yes
First Plumbing Fixture	235	259	Yes
Each Additional Fixture	59	64	Yes
SDC Credit Fixture Inspection (per fixture)	48	53	Yes
Minimum Permit Fee	337	371	Yes
Permit Reprocessing Fee	73	75	Yes
Long Form Permit Refund Fee	352	383	Yes
Long Form Permit Re-Issue Fee	352	383	Yes

MISCELLANEOUS FEES AND CHARGES - PROPOSED FOR IMPLEMENTATION JULY 1, 2021

Fee/Charge Number and Name	Current	FY 2022 Proposed	Charge Change
INSPECTIONS, LICENSES AND PERMITS (Continued)			
2 License Fees for the Regulated Trades			
<u>Reciprocal Master Plumber, Gas-fitter</u>			
Initial Registration per type (for 2 years)	\$ 123	\$ 135	Yes
Registration Renewal all types (for 2 years)	106	117	Yes
Late Registration Renewal	63	69	Yes
<u>Examined Master Plumber, Gas-fitter</u>			
Initial Registration per type (for 4 years)	130	143	Yes
Registration Renewal all types (for 4 years)	130	143	Yes
Late Registration Renewal	63	69	Yes
Cross-connection Technician Registration	32	35	Yes
Sewer and Drain Registration and Renewal (for 2 years)	53	61	Yes
Sewer and Drain Late Renewal Fee	24	26	Yes
<u>Journeyman License Registration</u>			
Initial Registration per type (for 2 years)	37	41	Yes
Registration Renewal (for 2 years)	37	41	Yes
Late Registration Renewal	25	27	Yes
License Transfer Fee	31	31	-
License Replacement Fee	18	19	Yes
Apprentice License Registration Renewal	13	14	Yes
3 Short Form Permit Fee (up to 3 fixtures) - Non-Refundable	113	124	Yes
4 Long Form Permit Transfer Fee (with inspection)	194	213	Yes
5 Tapper License Fees			
Permit Fee	363	363	-
Duplicate	36	36	-
6 Watershed Use Permit Fees			
<u>Boat Removal and Impoundment Fees</u>			
Boat/Craft Removal and Impoundment Fee	103	105	Yes
Removed Boat/Craft Storage Fee (Monthly)	82	80	Yes
<u>Watershed Use Permit Fees</u>			
Watershed Use Permit (January 1-December 31)	72	70	Yes
Watershed Use Permit (Single Day)	6	5	Yes
Open Season Boat Mooring (March 15 - November 30)	82	80	Yes
Winter Boat Mooring (December 1 - March 14)	57	60	Yes
Azalea Garden Rental (4 hours)	77	75	Yes
Bio-Brick Pavilion Rental (4 hours)	77	80	Yes
Boarding Stable Entrance Permit (Single Day)	258	260	Yes
Adjacent Landowner Entrance Permit (Single Day)	82	80	Yes
<u>Picnic Permit</u>			
Picnic Permit - Groups of 1-5 Persons (Single Day)	6	5	Yes
Picnic Permit - Groups of 6-10 Persons (Single Day)	12	10	Yes
Picnic Permit - Groups of 11-15 Persons (Single Day)	18	15	Yes
7 Site Utility Inspection Fees (Non-Minor)			
Base Fee	1,133	1,133	-
Pipeline (per foot)	6	6	-

MISCELLANEOUS FEES AND CHARGES - PROPOSED FOR IMPLEMENTATION JULY 1, 2021

Fee/Charge Number and Name	Current	FY 2022 Proposed	Charge Change
DISCHARGE AND WATER PROTECTION			
8 Septic Hauler Discharge Permit Fees			
<u>Category I - Residential & Septic Waste & Grease</u>			
1-49 gallons (per vehicle)	\$ 257	\$ 257	-
50-799 gallons (per vehicle)	5,578	6,136	Yes
800-2,999 gallons (per vehicle)	15,910	17,501	Yes
3,000 gallons & up (per vehicle)	34,754	38,229	Yes
January thru June (50% of fee)	50% of fee	50% of fee	-
Transfer and/or Replacement Permit Sticker	130	143	Yes
Industrial/Special Waste Disposal Fee (per 1,000 gallons)	366	377	Yes
Zero Discharge Permit Fee	130	143	Yes
Temporary Discharge Permit Fee <u>plus</u> sewer rate per 1,000 gallons	130	156	Yes
Sewer Rate - Hauled Waste (1,000 gallons of truck capacity)	47	48	Yes
9 Industrial Discharge Control Program Fees By Category			
<u>Industrial Users Subject to Categorical Pretreatment Standards</u>			
Less than 5,000 gpd (double visit)	5,594	6,153	Yes
Greater than 5,000 gpd (double visit)	8,571	9,428	Yes
Non-Discharging Categorical Industries (zero discharge)	1,507	1,658	Yes
<u>Significant Industrial Users</u>			
Less than 25,000 gpd (single visit - priority pollutant sampling)	5,594	6,153	Yes
Greater than 25,000 gpd (double visit - priority pollutant sampling)	8,571	9,428	Yes
Penalty Charge for Late Fee Payment	5% of fee	5% of fee	-
10 Discharge Authorization Permit Fees			
Significant Industrial User - Initial Permit (for 4 years)	6,651	7,316	Yes
Significant Industrial User - Renewal (for 4 years)	3,259	3,585	Yes
Initial Zero-Discharge CIU Permit (for 4 years)	2,526	2,779	Yes
Reissued Zero-Discharge CIU Permit (for 4 years)	1,684	1,852	Yes
Temporary Discharge Permit (non-SIU)	6,651	7,316	Yes
11 Discharge Fees - Food Service Establishment			
Full Permit FSE	537	537	-
BMP Permit FSE	152	152	-
12 Cross Connection Fees			
Test Report Fee (per report)	42	46	Yes
Base Fee for High Hazard Commercial Water Customer (per month)	18	20	Yes
Base Fee for All Other Commercial Water Customer (per month)	9	10	Yes

MISCELLANEOUS FEES AND CHARGES - PROPOSED FOR IMPLEMENTATION JULY 1, 2021

Fee/Charge Number and Name	Current	FY 2022 Proposed	Charge Change
METERS AND RELATED SERVICES			
13 Small Meter Replacement Fee (at Customer Request)	\$ 215	\$ 215	-
14 Meter Replacement Fees (Damaged or Stolen Meter)			
5/8" w/ touch pad (inside w/remote)	152	157	Yes
5/8" w/ pit pad (outside w/o remote)	150	150	-
5/8 Meter - pad encoder	127	131	Yes
5/8" x 3/4" w/ touch pad (inside w/ remote)	129	133	Yes
3/4" w/ touch pad (inside w/ remote)	160	160	-
3/4" w/ pit pad (outside w/o remote)	157	162	Yes
1" w/ touch pad (inside w/ remote)	202	202	-
1" w/ pit pad (outside w/o remote)	199	205	Yes
1" Kamstrup Meter, UT	319	329	Yes
1 1/2" Badger Flanged Meter	567	584	Yes
1 1/2" Flanged Meter	750	750	-
1 1/2" Nipple Meter	739	761	Yes
2" Flanged Meter	1,100	1,100	-
2" 15 1/4 Flanged Meter	1,207	1,243	Yes
3" Compound Meter	3,190	3,190	-
4" Compound Meter	3,960	3,960	-
6" Compound Meter	5,830	5,830	-
Turbine, Horizontal 3" Neptune w/ pit pad	1,475	1,519	Yes
Turbine, Horizontal 4" Neptune w/ pit pad	1,975	2,034	Yes
2" Hersey MVR Turbine	1,210	1,210	-
3" Hersey MVR Turbine	2,296	2,296	-
4" Hersey MVR Turbine	3,216	3,216	-
6" Hersey MVR Turbine	4,970	4,970	-
2" Detector Check	4,615	4,753	Yes
4" Detector Check	3,275	3,373	Yes
6" Detector Check	3,850	3,966	Yes
8" Detector Check	4,986	5,136	Yes
10" Detector Check	6,350	6,541	Yes
12" Detector Check	22,211	22,877	Yes
4" Fire Service Meter	8,239	8,239	-
6" Fire Service Meter	10,037	10,338	Yes
8" Fire Service Meter	12,502	12,877	Yes
10" Fire Service Meter	14,389	14,821	Yes
12" Fire Service Meter	20,403	21,015	Yes
3" Octave UT L=24	3,095	3,188	Yes
4" Octave UT L=29/ L=33	4,095	4,218	Yes
6" Octave UT L=45	6,026	6,207	Yes
8" Octave UT L=53	9,677	9,967	Yes
10" Octave UT L=68	13,080	13,472	Yes
15 Meter Testing Fees			
5/8" to 1"	261	261	-
1-1/2"	424	424	-
2" and up	473	473	-

MISCELLANEOUS FEES AND CHARGES - PROPOSED FOR IMPLEMENTATION JULY 1, 2021

Fee/Charge Number and Name	Current	FY 2022 Proposed	Charge Change
METERS AND RELATED SERVICES (Continued)			
16 Sub-Meter Installation Fees			
One-time Sub-Meter Charge - Small	\$ 261	\$ 261	-
One-time Sub-Meter Charge - Large	528	528	-
One-time Inspection Fee	66	76	Yes
Minimum Permit Inspection fee	220	242	Yes
17 Water Turn-Off, Turn-On Fees*			
Small Meter Turn-Off	80	80	-
Small Meter Turn-On	100	100	-
Large Meter Turn-Off	203	203	-
Large Meter Turn-On	241	241	-
18 Call Back Fee (small meters, plumbers)	93	93	-
19 Call Back Fee (large meters, plumbers)	301	346	Yes
20 Missed Appointment Fees			
First Missed Appointment or Restoration of Service Turn-On	97	97	-
Each Additional Missed Appointment	110	110	-
21 Meter Reinstallation Correction Fee	388	388	-
22 Sewer Meter Maintenance Fee (per year)	13,803	15,873	Yes
Quarterly Calibrations (per quarter)	3,451	3,969	Yes
23 Property Inspection Fee	119	119	-
24 Warehouse Restocking Fee	47	56	Yes

* Currently under review.

MISCELLANEOUS FEES AND CHARGES - PROPOSED FOR IMPLEMENTATION JULY 1, 2021

Fee/Charge Number and Name	Current	FY 2022 Proposed	Charge Change
FIRE HYDRANT SERVICES			
25 Temporary Fire Hydrant Connection Fees			
<u>3/4" Meter - Deposit</u>			
2 Weeks or Less with/Approved Payment Record	No fee	Delete	Yes
3/4" Meter Deposit	\$ 379	\$ 379	-
<u>3" Meter - Deposit</u>			
2 Weeks or Less with/Approved Payment Record	No fee	Delete	Yes
3" Meter Deposit	2,420	2,420	-
<u>Service Charge</u>			
2 Weeks or Less (3/4" meter)	68	75	Yes
2 Weeks or Less (3" meter)	130	130	-
Over 2 Weeks (3/4" and 3" meters)	175	175	-
Water Consumption - 3/4" meter (Minimum charge or Tier 4 rate per 1,000 gallons flat rate)	36	37	Yes
Water Consumption - 3" meter (Minimum charge or Tier 4 rate per 1,000 gallons flat rate)	229	242	Yes
Late Fee for Return of Meter (per day)	10	10	-
Fee on Unpaid Temporary Fire Hydrant Billings	1.5% per month	1.5% per month	-
Loss/Destruction of Meter	Replacement cost	Replacement cost	-
Loss/Destruction of Wrench	40	40	-
26 Truck Inspection Fee with Attached Fire Hydrant Meter (for 2 years)	52	52	-
27 Fire Hydrant Inspection Fee (per hydrant)	158	Delete	Yes
Controlled Access Surcharge Fee	30	Delete	Yes
28 Fire Hydrant Flow Test Fees			
No Current Test	693	693	-
Current Test	83	83	-

MISCELLANEOUS FEES AND CHARGES - PROPOSED FOR IMPLEMENTATION JULY 1, 2021

Fee/Charge Number and Name	Current	FY 2022 Proposed	Charge Change
DEVELOPMENT SERVICES			
29 Feasibility Review Fees (WSSC Water Built)			
Feasibility Submission Fee (non-refundable)	\$ 1,956	\$ 1,956	-
Feasibility Review & Report Fee Deposit (can be deferred as deficit when extension is completed)	13,048	14,353	Yes
30 Construction Services Fee	9.3% of WSSC Water's unit cost estimate or 12% of contractor's cost estimate	9.3% of WSSC Water's unit cost estimate or 12% of contractor's cost estimate	-
31 Design Review			
Development is More than 10 Residential Units or Commercial	6,500	6,500	-
Development is 10 Residential Units or Less	3,250	3,250	-
32 Extra Review Fees			
<u>Per SEP Plan Review</u>			
Minor Additional Reviews of Unsigned or Signed Plans (per review)	1,322	1,454	Yes
Major/Splitting Additional Reviews of Unsigned or Signed Plans (per review)	2,698	2,968	Yes
<u>Per Site Utility/Minor Utility Additional Unsigned or Signed Plan Review</u>			
Site Utility (per review)	1,604	1,764	Yes
Minor Site Utility (per review)	417	459	Yes
-			
Additional Review of Required Data (per application)	904	994	Yes
33 Hydraulic Planning Analysis and System Planning Forecast			
Modeling and Re-Modeling Fee - Up to 3 parts	2,116	2,433	Yes
Modeling and Re-Modeling Fee - per part over 3	765	842	Yes
Pressure Sewer System Review Fee (per system)	404	444	Yes
34 In-House Design Deposit	Deposit	Deposit	-
35 Partial Release Fee	1,468	1,541	Yes
36 Off-Property Service Connection Reimbursement	Reimbursement	Reimbursement	-
37 Service Connection Application and Inspection Fee (per permit)	2,434 water and/or sewer connection	2,434 water and/or sewer connection	-
38 Government Referred Plan Review			
Major Development - Over 10 Units	1,693	1,693	-
Minor Development - 10 or Less Units	791	791	-
Re-Review Fee for Major Development	791	791	-
Re-Review Fee for Minor Development	396	396	-
39 Pre-Screen Fee All Plan Types	394	404	Yes
40 Site Utility (On-site) Review Fees			
Base Fee	3,631	3,921	Yes
Additional Fee per 100 feet	352	380	Yes
Minor (Waived) Site Utility (On-Site) Fee	1,217	1,314	Yes
41 Name/Transfer of Ownership Change Fee	275	303	Yes
42 Variance Review Fee	1,362	1,498	Yes

MISCELLANEOUS FEES AND CHARGES - PROPOSED FOR IMPLEMENTATION JULY 1, 2021

Fee/Charge Number and Name	Current	FY 2022 Proposed	Charge Change
PIPELINE, ENGINEERING AND ENVIRONMENTAL SERVICES			
43 Shutdown/Charge Water Main Fee	\$ 1,177	\$ 1,177	-
Shutdown Complex Water Main Fee	2,144	2,144	-
44 Review and Inspection Fees for Site Work Potentially Impacting WSSC			
Water Pipelines			
Simple Review	399	399	-
Complex Review / Non-DR Developer Review	3,138	3,766	Yes
Inspection for Minor Adjustment / Non-DR Developer (per inspection)	266	266	-
45 Relocation Fee			
Inspection for MOU project (minimum charge up to 4 hours)	600	600	-
46 Connection Abandonment Fees			
County Roads (except Arterial Roads) - Water	1,474	1,474	-
County Roads (except Arterial Roads) - Sewer	1,873	1,873	-
State Roads and County Arterial Roads - Water	1,778	1,778	-
State Roads and County Arterial Roads- Sewer	2,200	2,200	-
47 Chlorination Confirmation Test Fee (per first test)	247	247	-
Re-Test or Additional Tests (per hour)	173	182	Yes
48 Re-Test or Additional Tests Chlorination and Pressure Test (per test)	173	182	Yes
Inspector Overtime (per hour)	206	206	-
49 Review Fee for Additional Reviews of Contract Documents As-Builts (per hour)	206	206	-
50 Residential Outside Meter Housing Upgrade/Pipe Alteration	6,805	6,805	-
51 Utility Erosion and Sediment Control Permit Fees (per linear foot)			
Minor Projects (<125 linear foot OR less than 42 inch deep and 20 inch width)	0.26	0.30	Yes
Major Projects	0.39	0.45	Yes
Minimum Charge for Major Projects	124	124	-
52 Right-of Way Release (or Subordination) Review Fee (per document)	1,335	1,442	Yes
53 Right-of Way Acquisition and Condemnation for SEP Projects	Reimbursement	Reimbursement	-
54 Environmental Site Review Fee			
With Database Search Submitted by Applicant	381	438	Yes
55 Feasibility Report and Committee Review Fee for On-Site Takeover Projects	1,288	1,481	Yes

MISCELLANEOUS FEES AND CHARGES - PROPOSED FOR IMPLEMENTATION JULY 1, 2021

Fee/Charge Number and Name	Current	FY 2022 Proposed	Charge Change
PUBLICATIONS AND ADMINISTRATIVE			
56 Plans, Plats and 200' Reference Maps Copies			
Xerographic bond paper copy (per sheet)	\$ 6	\$ 6	-
57 WSSC Water Plumbing and Fuel Gas Code (Plumbing Code)			
Sale of Plumbing Regulation (per book)	46	51	Yes
58 Contract Specifications, Contract Specification Books, Drawings, Design Manuals, Standard Details and General Conditions			
<u>Construction Specifications/Drawings</u>			
Utility Contracts (up to \$20)	11-20	11 - 20	-
Facility Contracts (up to \$450)	40 - 450	40 - 450	-
Construction Standard Details	66	73	Yes
Construction General Conditions & Standard Specifications	61	70	Yes
SEP Construction General Conditions & Standard Specifications	61	70	Yes
<u>Procurement Specifications/Drawings/General Conditions</u>			
With Routine Specifications	No charge	No charge	-
With Complex/Voluminous Specifications (up to \$200)	40 - 200	40 - 200	-
59 Photocopies of WSSC Water Documents Charges			
Readily Available Source Material (per single sided page)	0.30	0.30	-
Certified Copy of Readily Available Source Material (per single sided page)	0.60	0.60	-
Scanning Documents (per single sided page)	0.30	0.30	-
(A reasonable fee may be charged for time in excess of two hours expended by WSSC Water in searching for requested records or preparing such records for inspection and copying)			
60 WSSC Water Pipeline Design Manual Fee	90	90	-
61 WSSD Laws			
Bound Volume	83	83	-
Supplements	45	45	-
62 Transcribed Tape of a Hearing or Meeting Fee	Prevailing fee charged by vendor	Prevailing fee charged by vendor	-

MISCELLANEOUS FEES AND CHARGES - PROPOSED FOR IMPLEMENTATION JULY 1, 2021

Fee/Charge Number and Name	Current	FY 2022 Proposed	Charge Change
OTHER FEES AND CHARGES			
63 Patuxent Watershed Civil Citation Fees (State Mandated)			
First Offense	\$ 150	\$ 150	-
Each Additional Offense within Calendar Year	300	300	-
64 Civil Citation Fees - Sediment Control, Theft of Service and Plumbing Civil Citations (State Mandated)			
First Offense	250	250	-
Second Offense	500	500	-
Third Offense	750	750	-
Each Violation in Excess of Three	1,000	1,000	-
65 Lobbyist Registration Fee (Code of Ethics)	110	121	Yes
66 Dishonored Check Fee & Electronic Payment Fee (applies to all dishonored checks and dishonored electronic payments)	46	35	Yes
67 Credit Card Surcharge (Applies to customer payment of any fee/charge by credit card other than water and sewer billing)	2% of amount charged	2% of amount charged	-
68 Protest Filing Fee	847	857	Yes
69 Preparation of Hold Harmless Agreement Fee	1,351	1,486	Yes
70 Connection Redemption Fee	44	22	Yes

SYSTEM DEVELOPMENT CHARGE – PROPOSED FOR IMPLEMENTATION JULY 1, 2021

SDC Category	FY 2021 Current Charges	FY 2022 Proposed Charges	Current Maximum Allowable	Proposed Maximum Allowable
Apartment				
Water	\$ 896	\$ 896	\$ 1,346	\$ 1,368
Sewer	1,140	1,140	1,714	1,741
1-2 toilets/residential				
Water	1,344	1,344	2,022	2,054
Sewer	1,710	1,710	2,568	2,609
3-4 toilets/residential				
Water	2,240	2,240	3,368	3,422
Sewer	2,850	2,850	4,285	4,354
5 toilets/residential				
Water	3,135	3,135	4,714	4,789
Sewer	3,991	3,991	6,000	6,096
6+ toilets/residential (per fixture unit)				
Water	88	88	134	136
Sewer	115	115	175	178
Non-residential (per fixture unit)				
Water	88	88	134	136
Sewer	115	115	175	178

No increase is proposed for the System Development Charge for FY 2022 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 1.6% change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for all items in the Washington, D.C. metropolitan area from November 2019 to November 2020.

WRITTEN TESTIMONY

1

My name is Molly Hauck and I Oppose A WSSC rate increase 2/2/21 monthly WSSC meeting

I. WSSC has an aging infrastructure and isn't maintaining it adequately so it is passing the cost onto ratepayers.

- - A. Their large pipe & large valve replacement has declined over the years (verify numbers)
 - 1. Out of the \$1.553 Billion budget:
 - 6.5 miles of large diameter water mains
 - Only \$3.4M for large valve inspections, replacement, and repairs—only 2% of the budget
 - 2. It is more costly to repair water mains after a break than to do regular maintenance and replace old pipes.
 - B. Small water main breaks in neighborhoods
 - 1. It sometimes takes 48 hours for emergency teams to respond.
 - 2. A lot of water is lost because it goes into storm drains.
 - C. Infiltration & inflow

43% of sewage treated is not from customers. Because there are a lot of defective pipes, stream water gets into them. If the pipes were maintained water couldn't leak into the pipes and sewage couldn't leak out.

II. WSSC's approach is to recover costs through rate increases, rather than dealing with problems proactively. Their budget doesn't show any plan/project that corrects the problem. Instead, they pass the buck to ratepayers with rate increases. Lost water = loss revenue = higher rate increase

WSSC has asked for a 5.9% rate increase in 2021 and will ask for an 8% rate increase in 2022. They have gotten rate increases every year since 2003, averaging 6.7% and they plan to ask for more rate increases every year through 2027. This would not be necessary if they maintained the aging infrastructure on a regular basis. (See table below.) They often defer maintenance, which results in water main breaks that result in lost water. The one on River Road in 2008 is the most memorable one. They lose a lot of money because of being sued for leaking pipes. Ratepayers foot the bill for WSSC's negligence. If WSSC dealt with the aging infrastructure on a regular basis, they would not lose as much water or have as many lawsuits and consent decrees—at least 3 in the past 15 years with EPA, the Dept. of Justice, and ?.

1. One was a \$1 million civil penalty in Nov., 2004 which resulted from a lawsuit with the U.S. Department of Justice because of sewage overflow. This was a violation of the Clean Water Act.

The **Sanitary Sewer Overflow (SSO) Consent Decree cost WSSC rate payers more than \$1 billion since 2005** (pg 106,

<https://www.wsscwater.com/files/live/sites/wssc/files/Commission%20Agendas/2021%2>

[0agendas/january/SSO%20Consent%20Decree%20Update%20FINAL%201.27.21.pdf](#) p
g. 7, news release -->

2. .A second consent decree resulted from a problem with the sewer that started in 2005 and is still going on. This cost more than a billion dollars. Because a lot of WSSC pipes were defective they were leaking sewage into the Patuxent River (?).
3. A third consent decree occurred in 2015 when WSSC put dirty water in the Potomac, water that had too many chemicals in it so EPA sued them. The Potomac River Restoration cost WSSC \$203 million, which included \$103 million for supplemental environmental projects to bring them into compliance with the EPA.

<https://www.wsscwater.com/contents/news/2005/wssc-reaches-agreement-with-epa.html>). WSSC put water with too many chemicals into the Potomac River so the EPA sued them AGAIN (consent decree = \$203M total) (pg 97). If they dealt with the aging infrastructure on a regular basis, they would not lose as much water or have lawsuits.

- III. WSSC spends a lot of money on projects that don't benefit the public. The logo/name change cost about \$860,000. The proposed AMI smart meters is expected to cost \$1 million and is controversial.
-
- IV. WSSC has a lot of debt. They could reduce it if they paid top management less and workers more. They pay top management a great deal. The General Manager, Carla Reid, makes \$294,000 plus \$12,000 for vehicle allowance, for a total of \$306,000.

All 3 Deputy General Managers make between \$235- \$243K; IG = \$214,200; General Counsel = \$205k. Compare this with senators and Congresspeople, who make \$174,000; Montgomery and Prince George's County executives, who make \$192,000; and the Vice-President of the United States, who makes \$255,000. They underpay their workers and don't give them enough PPE and safety gear.

I request the following:

1. An independent audit on lost water.
2. An independent audit of their pipe and valve inspection program
3. Reduce current and future rate increases until WSSC has dealt with the aging infrastructure proactively.

Summary: WSSC's approach is to recover costs through rate increases, rather than deal with the problems proactively. Their budget doesn't show any plan/project that corrects the problem. Instead, they pass the buck to ratepayers with rate increases. Lost water = loss revenue = higher rate increase.

Footnotes:

"Should the revenues from these sources be inadequate to service the debt repayments, state law provides for the levy of ad valorem taxes, annually, against all the assessable property within the Washington Suburban Sanitary District (WSSD) by the County Councils of Montgomery and Prince George's Counties, sufficient to pay principal and interest when due and payable." (pg 104)]

See rate table on page 3, see next year increase page 20

https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2020/20200929/20200929_9.pdf

See revised budget proposal

here: <https://www.wsscwater.com/files/live/sites/wssc/files/Financial/WSSC%202022%20Proposed%20Budget%20For%20Printing%20-%20Budget%20Book%20Compilation%20Document%201.14.21.pdf>

WSSC Rate Increases—every year since 2003, and plan rate increases every year until at least 2027 (24 years in a row).

5/7/18: 15 years in a row (every year since 2003) and they plan to ask for rate increases every year until 2027. Average rate increase: 6.7%

Source: Bethesda Magazine, Andrew Metcalf

2008 6.5%

2009 8%

2010 9%

2011 8.5%

2012 8.5%

2013 7.25%

2014 7.3%

2015 5.5%

2016 6.0%

2017 6.5

2018 3.5%

2019 4.5%

4

2020 5.0%

2008-2020: average rate increase of 6.6%

2021 6%

2022 6.6%

2023 8.0%

2024 8%

2025 7.0%

2026 6.5%

2027 6.0%

Average rate increase 2021-2027 6.8%

Molly Hauck
3900 Decatur Ave.
Kensington, MD 20895-1531

From: [BudgetGroup](#)
To: [Houston, John](#)
Cc: [Pohutsky, Julie](#)
Subject: FW: Protecting Brains from fluoride- NIEHS'past director OP-ED
Date: Wednesday, February 3, 2021 2:59:00 PM
Attachments: [image001.png](#)

From: MontesDeOca, Julianne <Julianne.MontesDeOca@wsscwater.com>
Sent: Wednesday, February 3, 2021 2:11 PM
To: BudgetGroup <BudgetGroup@wsscwater.com>
Cc: Brown, Charles V. <Charles.Brown@wsscwater.com>
Subject: FW: Protecting Brains from fluoride- NIEHS'past director OP-ED

From Ms. Erville who testified at the budget hearing last night.



WSSC Water is the proud provider of safe, seamless and satisfying water services, making the essential possible every day.

JULIANNE MONTES DE OCA

Acting Corporate Secretary
Commission Office
Associate Counsel I
General Counsel's Office

240.564.0384 (C)
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julianne.montesdeoca@wsscwater.com

-
14501 Sweitzer Lane
Laurel, Maryland 20707

wsscwater.com

From: Cynthia Erville <ervillec@aol.com>
Sent: Wednesday, February 3, 2021 2:03 PM
To: MontesDeOca, Julianne <Julianne.MontesDeOca@wsscwater.com>
Subject: Protecting Brains from fluoride- NIEHS'past director OP-ED

EXTERNAL EMAIL!

Dear WSSC Governance and Leadership, Below is the op op-ed last night I mentioned last night. *Linda Birnbaum, PhD, is Scientist Emeritus and Former Director, National Institute of Environmental Health Sciences and National Toxicology Program of the National Institutes of Health.* Dr Birnbaum's sub heading, "Costs outweigh benefits" refers to children, but it also refers to WSSC outlay for HFSA "fluoride" water treatment chemicals even as you again raise rates. Paying more for washing and flushing makes it even harder to afford safe fluoride-free water for mixing infant formula. WSSC's paying to dispose of stockpiles as hazardous waste as will be required will cost much less than buying tons more HFSA. The video in the op-ed is compelling. Please read and watch. (I had trouble seeing NTP's systematic fluoride review at the link in the article, as well as at their website. The NTP review is also covered with other trending banner

articles at fluoridealert.org). Thank you, submitted by Cynthia Erville, volunteer DC liaison with the Fluoride Action Network, which stands ready to help WSSC transition.-----Oct 07, 2020 Environmental health News [https://www.ehn.org/fluoride-and-childrens-health-2648120286/particle-](https://www.ehn.org/fluoride-and-childrens-health-2648120286/particle-5)

Op-ed: It is time to protect kids' developing brains from fluoride

Mounting evidence suggests fluoride may be hampering brain development and reducing kids' IQ. The US needs to rethink this exposure for pregnant women and children.

[Bruce Lanphear](#)

,

[Christine Till](#)

and

[Linda S. Birnbaum](#)

The debate on the fluoridation of drinking water—one of the most polarized, long-running, and high-decibel controversies in public health—has been reignited as new studies find that fluoride is toxic to the developing brain.

Last week, the U.S. National Toxicology Program (NTP) released a systematic [review](#) of all published studies evaluating the potential neurotoxicity of fluoride; the benefits of fluoride with respect to reducing tooth decay were not addressed. A committee of the National Academy of Science, Medicine, and Engineering will review it this fall. This comprehensive report scrutinized hundreds of human and animal studies on the impact of fluoride on brain and cognitive function. Most, but not all, of the high-quality studies evaluated fluoride concentrations that were about twice the level added to drinking water or higher. However, when considering all the evidence, their conclusion was "fluoride is presumed to be a cognitive developmental hazard to humans."

The NTP's conclusion was strengthened by a synthesis of high-quality studies showing that children who were exposed to higher amounts of fluoride during early brain development scored about 3 to 7 points lower on their IQ tests.

Their conclusion is consequential; about 75 percent of Americans on community water systems have fluoride in their tap water. Water is the main source of fluoride for people who live in communities with water fluoridation.

When do we know enough to revise long-held beliefs? We are reminded of the discovery of neurotoxic effects of lead that led to the successful banning of lead in gasoline and paint. Despite early warnings of lead toxicity, regulatory actions to reduce childhood lead exposures were not taken until decades of research had elapsed and millions more children were poisoned.

We know that the developing brain is exquisitely sensitive to minute concentrations of lead and other toxic chemicals. Moreover, toxic chemicals' irreversible effects on

children's rapidly growing brains emphasize the need for prevention.

Failing to act on accumulated evidence raises deep and unsettling questions.

Why are beliefs about the safety of fluoride so intransigent in the face of consistent evidence to the contrary?

Costs outweigh benefits

Fluoride offers no benefits to the fetus and infant and – as shown in the [video below](#)– new evidence suggests that fluoride is toxic to the developing brain at levels routinely found in the general population.

The benefits of fluoride in the prevention of tooth decay are predominately topical, occurring only after teeth appear in the child's mouth. Fortunately, pregnant women can use fluoridated toothpaste and, if they want to do more to prevent cavities, they can limit their consumption of sugar, a leading cause of tooth decay.

The loss of a single IQ point for an individual child is imperceptible, but the societal cost of millions of children losing 5 IQ points, or more is enormous. A decrement of even one IQ point translates to a 2 percent reduction in lifetime economic productivity (roughly \$20,000), not to mention the additional educational costs required for children with lower IQs.

Many health and dental organizations in North America recommend community water fluoridation. Given the weight of evidence that fluoride is toxic to the developing brain, it is time for health organizations and regulatory bodies to review their recommendations and regulations to ensure they protect pregnant women and their children.

We can act now by recommending that pregnant women and infants reduce their fluoride intake.

Specialized water filtration systems can be used to remove fluoride from tap water for pregnant women and infants fed formula. Pregnant women can also avoid black tea, which hyper-accumulates fluoride. The good news for all women is that there is little fluoride in breast milk. Bottled water typically contains lower amounts of fluoride than fluoridated tap water.

Some health advocates are going a step further. In 2016, a group of citizens petitioned the U.S. Environmental Protection Agency (EPA) to stop adding fluoride to drinking water because it is toxic. The EPA rejected the petition. In response, the citizen's group took an unprecedented step and sued the EPA in federal court. EPA lawyers argued half-heartedly that the science was insufficient and said the Agency does not have the resources to regulate fluoride under the Toxic Substances Control Act (TSCA).

In August, Judge Edward Chen of the Ninth Circuit deferred his ruling on whether fluoridation poses an unreasonable risk until the NTP released their report.

New evidence questions existing policies about the safety of fluoride for babies' developing brains. Given that safe alternatives are available and that there is no benefit of fluoride to babies' teeth before they erupt or appear, it is time to protect those who are most vulnerable.

Bruce Lanphear, MD, is a physician and professor at Simon Fraser University in Vancouver, Canada.

Christine Till, PhD, is an associate professor of Psychology at York University in

Toronto, Canada.

Linda Birnbaum, PhD, is Scientist Emeritus and Former Director, National Institute of Environmental Health Sciences and National Toxicology Program of the National Institutes of Health.

Their views do not necessarily represent those of Environmental Health News, The Daily Climate or publisher, Environmental Health Sciences.

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