



May 21, 2026

**System Development Charge (SDC) Compliance Audit  
– Calm Retreat , PART A  
Project No. DA6662A19**

Project # 24-SDC-02

A Report to:

**Commissioners:**

Chair, Mark J. Smith

Vice Chair, Jonathan W. Powell

T. Eloise Foster

Jeffrey M. Seltzer

Lynnette D. Espy-Williams

Regina Y. Speed-Bost

**General Manager/CEO:**

Kishia L. Powell

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
(301) 206-8300



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Interoffice Memorandum

**TO:** CHAIR SMITH, VICE CHAIR POWELL  
COMMISSIONER FOSTER, COMMISSIONER ESPY-WILLIAMS,  
COMMISSIONER SELTZER, AND COMMISSIONER SPEED-BOST  
GENERAL MANAGER/CEO POWELL

**THRU:** JON T. RYMER, INSPECTOR GENERAL  
OFFICE OF THE INSPECTOR GENERAL 

**THRU:** DANA E. WHITING, DEPUTY ASSISTANT INSPECTOR GENERAL FOR AUDIT  
OFFICE OF THE INSPECTOR GENERAL 

**FROM:** SUGANDHA SINGH, AUDITOR  
OFFICE OF THE INSPECTOR GENERAL 

**DATE:** MAY 21, 2026

**SUBJECT:** OFFICE OF THE INSPECTOR GENERAL  
COMPLIANCE AUDIT OF SDC CREDITS AND REIMBURSEMENTS  
D.R. HORTON INC.  
CALM RETREAT, PART A  
WSSC PROJECT NO. DA6662A19, CIP NO. S-131.11

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OG #20260401-022232

In accordance with Maryland Code Annotated, Public Utilities Article, § 25-405(d) (2025), and Washington Suburban Sanitary Commission’s (WSSC) Code of Regulations Chapter 5.95 SDC Credits and Reimbursements, the Office of the Inspector General (OIG) audited WSSC Project No. DA6662A19 pursuant to D.R. Horton Inc.’s (D.R. Horton) request for reimbursement of System Development Charges (SDC).

Under the SDC Credit Agreement (Agreement) entered into on April 17, 2023, D.R. Horton installed 2,914 feet of a 15-inch diameter sewer main to serve the Calm Retreat Subdivision, located in Prince George’s County, Maryland. This project was also approved as part of WSSC’s Capital Improvements Program (CIP) in fiscal year 2023, and it was identified as CIP number S-131.11. The auditors conducted the audit in accordance with Generally Accepted Government Auditing Standards.

The SDC Credits under the Agreement totaled **\$368,629.00**. Subsequently, D.R. Horton submitted a request for reimbursement of **\$350,353.94**. As a result of this audit, the submitted costs were adjusted to comply with WSSC’s Code of Regulations.

COMMISSIONERS  
GENERAL MANAGER/CEO POWELL  
OFFICE OF THE INSPECTOR GENERAL  
COMPLIANCE AUDIT OF SDC CREDITS AND REIMBURSEMENTS  
D.R. HORTON INC.  
CALM RETREAT, PART A  
WSSC PROJECT NO. DA6662A19, CIP NO. S-131.11  
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As reflected in the attached Summary of Eligible Qualified Project Costs, this audit determined that the total eligible Qualified Project costs afforded to Calm Retreat, Part A, are **\$270,859.56**. Accordingly, D.R. Horton is authorized to receive SDC credits and reimbursements up to this amount. Further, this Office recommends that WSSC identify SDC receipts available for reimbursement quarterly and process payments to the developer as permitted under WSSC's Code of Regulations.

Attachment

cc: Corporate Secretary, (J. Montes De Oca)  
General Counsel, (N. Hickson)  
Chief of Staff, (J. DeVantier)  
Performance and Accountability Director, (H. Hagos)  
Deputy General Manager of Operations, (A. Tesfaye)  
Permit Services Section Manager, (L. Tapia)  
Acting Development Services Division Manager, (F. Mejias)  
Development Services Project Manager, (K. Yilma)

**Attachment**

**Summary of Eligible Qualified Project Costs  
Contract No. DA6662A19**

Description	Requested Amount	Office of the Inspector General Adjustment	Amount To D. R. Horton Inc.	Notes
Design Costs	\$51,600.00	(\$22,200.00)	\$29,400.00	A
Interest Expense	\$717.94	(\$159.13)	\$558.81	B
WSSC Costs	\$15,261.00	-	\$15,261.00	
Permit Costs	\$35,080.00	(\$33,280.00)	\$1,800.00	C
Construction Costs	\$215,695.00	(\$4,000.00)	\$211,695.00	D
Administrative Costs	\$32,000.00	(\$19,855.25)	12,144.75	E
<b>TOTAL</b>	<b>\$350,353.94</b>	<b>(\$79,494.38)</b>	<b>\$270,859.56</b>	

**NOTES**

- A. The Design Costs were adjusted to exclude expenditures not directly related to the SDC Project, as supporting documentation for certain costs were not provided in accordance with the WSSC Code of Regulations.
- B. Interest expense was calculated using WSSC’s short-term interest borrowing rate, which was determined to be an annual average rate of 3.44% during the construction period. The OIG adjusted the interest in accordance with WSSC’s Standard Procedures.
- C. The Permit Costs were adjusted in accordance with WSSC’s Code of Regulations by limiting the reimbursable amount to the maximum amount authorized under the signed Agreement.
- D. Construction Costs were adjusted in accordance with WSSC’s Code of Regulations to reflect verified and eligible project expenditures.
- E. The Administrative Cost was recalculated at 5% of the final verified eligible project costs in accordance with the WSSC Code of Regulations.