OFFICIAL STATEMENT DATED OCTOBER 26, 2017

NEW ISSUE – Book-Entry Only

Fitch Ratings: AAA
Moody's Investors Service: Aaa
Standard & Poor's Ratings Services: AAA
See "Ratings" herein.

In the opinion of Bond Counsel, (i) under existing statutes, regulations and decisions, interest on the Bonds is exempt from taxation by the State of Maryland, its counties and municipalities; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the interest on the Bonds; and (ii) assuming compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations and decisions. Interest on the Bonds, for federal income tax purposes, is not includable in the alternative minimum taxable income of individuals, corporations or other tax payers as an enumerated item of tax preference or other specific adjustment; however, interest on the Bonds may be taken into account in determining "adjusted current earnings" for purposes of computing the alternative minimum tax for corporations, and interest on the Bonds will be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States of America. See "TAX MATTERS."

$679,430,000

WASHINGTON SUBURBAN SANITARY DISTRICT, MARYLAND

(MONTGOMERY AND PRINCE GEORGE'S COUNTIES, MARYLAND)

$459,250,000	$220,180,000
Consolidated Public Improvement Bonds of 2017	**Consolidated Public Improvement Refunding Bonds of 2017**

Dated:	Date of Delivery
Due:	June 15 for the Construction Bonds and June 1 for the Refunding Bonds, as shown on the inside front cover
Interest Payment Date:	June 15 and December 15, beginning June 15, 2018 for the Construction Bonds and June 1 and December 1, beginning June 1, 2018 for the Refunding Bonds
Denomination:	$5,000 or any integral multiples thereof
Form:	Registered, book-entry only through the facilities of The Depository Trust Company
Optional Redemption:	Construction Bonds maturing on or after June 15, 2028 are subject to redemption prior to maturity without premium. Refunding Bonds maturing on or after June 1, 2028 are subject to redemption prior to maturity without premium. See "Description of the Bonds - Redemption Provisions."
Sources of Payment and Security:	Debt service on the Bonds is expected to be paid from revenues generated in the District from fees, charges, rates and assessments and other available funds. In the event of a deficiency of such revenues for the purpose of paying the principal of and interest on the Bonds, the Public Utilities Article of the Annotated Code of Maryland provides that the county councils of Montgomery County and Prince George's County shall impose *ad valorem* taxes upon all the assessable property within the District. See "Summary of District Ad Valorem Taxes and Other Charges and Revenues Therefrom." *To date, ad valorem tax revenues have not been required from such counties to pay debt service on any of the Commission's outstanding bonds.*
Purpose:	The proceeds of the Bonds and investment earnings thereon will provide funding for (i) the construction or reconstruction of water supply facilities, water supply lines and transmission mains, sewage disposal facilities, sewer collection mains and trunk sewers, (ii) the refunding of the Refunded Bonds (as defined herein), and (iii) paying costs of issuance related to the Bonds.
Bond Counsel:	McKennon Shelton & Henn LLP
Financial Advisor:	Wye River Group, Incorporated
Paying Agent, Bond Registrar and Escrow Deposit Agent:	The Bank of New York Mellon Trust Company, N. A.

FOR MATURITY SCHEDULES, INTEREST RATES, YIELDS AND CUSIP NUMBERS, SEE INSIDE FRONT COVER

The Bonds are offered when, as and if issued and subject to the unqualified approving opinion of McKennon Shelton & Henn LLP, Baltimore, Maryland and other conditions specified in the Notices of Sale. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company, New York, New York, on or about November 9, 2017.

MATURITY SCHEDULES, INTEREST RATES, YIELDS AND CUSIP NUMBERS

$459,250,000 CONSOLIDATED PUBLIC IMPROVEMENT BONDS OF 2017

Maturity June 15	Principal Amount	Interest Rate**	Yield**	CUSIP Number†	Maturity June 15	Principal Amount*	Interest Rate**	Yield**	CUSIP Number†
2018	$5,600,000	5.00%	0.950%	940157N48	2033	$15,315,000	4.00 %	2.850%*	940157Q37
2019	7,885,000	5.00	1.030	940157N55	2034	15,925,000	3.00	3.160	940157Q45
2020	8,280,000	5.00	1.140	940157N63	2035	16,405,000	4.00	2.960*	940157Q52
2021	8,690,000	5.00	1.240	940157N71	2036	17,060,000	3.00	3.250	940157Q60
2022	9,125,000	5.00	1.390	940157N89	2037	17,575,000	3.125	3.280	940157Q78
2023	9,585,000	5.00	1.540	940157N97	2038	18,120,000	4.00	3.090*	940157Q86
2024	10,065,000	5.00	1.640	940157P20	2039	18,845,000	4.00	3.120*	940157Q94
2025	10,565,000	5.00	1.760	940157P38	2040	19,600,000	4.00	3.150*	940157R28
2026	11,095,000	5.00	1.910	940157P46	2041	20,385,000	4.00	3.220*	940157R36
2027	11,650,000	5.00	2.030	940157P53	2042	21,200,000	4.00	3.240*	940157R44
2028	12,230,000	5.00	2.130*	940157P61	2043	22,050,000	3.375	3.480*	940157R51
2029	12,845,000	5.00	2.210*	940157P79	2044	22,790,000	4.00	3.270*	940157R69
2030	13,485,000	5.00	2.300*	940157P87	2045	23,705,000	4.00	3.280*	940157R77
2031	14,160,000	4.00	2.700*	940157P95	2046	24,650,000	4.00	3.290*	940157R85
2032	14,725,000	4.00	2.780*	940157Q29	2047	25,640,000	4.00	3.300*	940157R93

$220,180,000 CONSOLIDATED PUBLIC IMPROVEMENT REFUNDING BONDS OF 2017

Maturity June 1	Principal Amount	Interest Rate**	Yield**	CUSIP Number†
2018	$3,170,000	5.000%	0.950%	940157S27
2019	175,000	5.000	1.030	940157S35
2020	185,000	5.000	1.110	940157S43
2021	195,000	5.000	1.210	940157S50
2022	14,485,000	5.000	1.360	940157S68
2023	14,760,000	5.000	1.510	940157S76
2024	22,550,000	5.000	1.640	940157S84
2025	22,925,000	4.000	1.860	940157S92
2026	22,945,000	3.000	2.170	940157T26
2027	22,725,000	3.000	2.320	940157T34
2028	22,510,000	3.000	2.510*	940157T42
2029	22,285,000	3.000	2.680*	940157T59
2030	22,055,000	3.000	2.820*	940157T67
2031	21,815,000	3.000	2.920*	940157T75
2032	7,400,000	3.000	3.040	940157T83

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* Yield to first call date.

** The rates shown above are the rates payable by the District resulting from the successful bid for the Bonds of each series on October 26, 2017 by a group of banks and investment banking firms. The successful bidders have furnished to the Commission the yields and prices shown above. Other information concerning the terms of the reoffering of the Bonds of each series, if any, should be obtained from the successful bidders and not from the Commission. See "Sale at Competitive Bidding."

† CUSIP (Committee on Uniform Securities Identification Procedures) numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association (the "ABA") by S&P Capital IQ. "CUSIP" is a registered trademark of the ABA. The Commission is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products. The Commission has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the assigned CUSIP numbers set forth above. The use of CUSIP numbers in this Official Statement is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services.

WASHINGTON SUBURBAN SANITARY COMMISSION

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FINANCIAL ADVISOR

Wye River Group, Incorporated

BOND REGISTRAR, PAYING AGENT AND ESCROW DEPOSIT AGENT

The Bank of New York Mellon Trust Company, N.A.

Additional copies of this Official Statement may be obtained from J.D. Noell, Disbursements Group Leader, Washington Suburban Sanitary Commission, 14501 Sweitzer Lane, Laurel, Maryland 20707 (301-206-7069), or from Wye River Group, Incorporated (410-267-8811). Copies of the latest Official Statements of Montgomery County, Maryland and Prince George's County, Maryland are available at the offices of the respective counties. THE WASHINGTON SUBURBAN SANITARY COMMISSION HAS NOT UNDERTAKEN TO AUDIT, AUTHENTICATE OR OTHERWISE VERIFY THE INFORMATION SET FORTH IN ANY OFFICIAL STATEMENT OF MONTGOMERY COUNTY, MARYLAND OR PRINCE GEORGE'S COUNTY, MARYLAND. REFERENCE TO THE OFFICIAL STATEMENTS OF MONTGOMERY COUNTY, MARYLAND AND PRINCE GEORGE'S COUNTY, MARYLAND IS INCLUDED HEREIN FOR CONVENIENCE ONLY AND ANY INFORMATION INCLUDED IN SUCH OFFICIAL STATEMENTS IS NOT INCORPORATED HEREIN, BY REFERENCE OR OTHERWISE.

This Official Statement is provided in connection with the issuance of the Bonds referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. The information contained in this Official Statement has been derived from information provided by the Commission and other sources which are believed to be reliable. Additional information, including financial information, concerning the Commission is available from the Commission's website. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. This Official Statement is not to be construed as a contract or agreement between the Commission and the purchasers or holders of any of the Bonds.

No dealer, broker, salesperson or other person has been authorized by the Commission to give any information or to make any representations with respect to this offering, other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Commission. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Bonds have not been registered with the U.S. Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon exceptions contained in the Securities Act of 1933. Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Bonds or passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

The order and placement of information in this Official Statement, including the appendices, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or selection in this Official Statement.

Some statements contained in this Official Statement reflect not historical facts but forecasts and "forward-looking statements." In this respect, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe," "plan," "budget," and similar expressions are intended to identify forward-looking statements. Projections, forecasts, assumptions, expressions of opinions, estimates and other forward-looking statements are not to be construed as representations of fact and are qualified in their entirety by the cautionary statements set forth in this Official Statement. The achievement of results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Commission does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur or do not occur.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Commission since the date hereof.

All references in this Official Statement to the Commission's website are provided for convenience only. The information on the Commission's website is NOT incorporated herein, by reference or otherwise.

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SUMMARY OF OFFICIAL STATEMENT

This Official Statement, including the cover page, inside front cover, and appendices hereto, sets forth certain information concerning the $459,250,000 Consolidated Public Improvement Bonds of 2017 (the "Construction Bonds") and the $220,180,000 Consolidated Public Improvement Refunding Bonds of 2017 (the "Refunding Bonds" and, together with the Construction Bonds, the "Bonds") of the Washington Suburban Sanitary District (the "District"). The following summary is qualified in its entirety by the detailed information in this Official Statement, including the cover page and appendices hereto. This summary is only a brief description of the offering and potential investors should review this entire Official Statement. The Official Statement speaks only as of its date, and the information contained herein is subject to change.

The District

The District is a sanitary district incorporated under Chapter 122 of the Acts of the General Assembly of 1918, as amended. It is governed by and is under the jurisdiction of a commission of six members constituting a statutory body corporate under the name of the Washington Suburban Sanitary Commission (the "Commission"). Three of the Commissioners are required to be from, and are appointed by, the County Executive of Montgomery County, Maryland and three of the Commissioners are required to be from, and are appointed by, the County Executive of Prince George's County, Maryland. The District operates as a public corporation of the State of Maryland under the Public Utilities Article of the Annotated Code of Maryland, as amended (the "Public Utilities Article"). Through its governing body, the Commission, it provides, as authorized, water and sewerage systems, including water supply and sewage disposal facilities for Montgomery and Prince George's Counties. The area initially incorporated in the District has been expanded by legislative enactments to its present boundaries encompassing over 950 square miles within Montgomery and Prince George's Counties effectively representing 95% of the land area of both counties. See "Washington Suburban Sanitary District - Establishment, Powers and Service Area."

Authorization of Bonds

Bonds of the District, including the Bonds offered by this Official Statement, are issued upon the basis of authorizations, under the Constitution, the Public Utilities Article and other applicable law, and by the Commission through the adoption of resolutions or orders. See "Bonded Indebtedness of the District - Authorization of Debt."

Purpose of Bonds

Proceeds of the Construction Bonds will be used to (i) finance the costs of the construction or reconstruction of water supply facilities, water supply lines and transmission mains, sewage disposal facilities, sewer collection mains and trunk sewers, and (ii) pay the costs of issuing the Construction Bonds. See "Use of Proceeds of the Construction Bonds."

Proceeds of the Refunding Bonds will be used to (i) refund certain maturities of the Refunded Bonds, and (ii) pay the costs of issuing the Refunding Bonds. See "Refunding Plan."

Sources of Payment and Security for Bonds

Debt service on the Bonds is expected to be paid from revenues generated in the District from fees, charges, rates and assessments and other available funds. However, in the event of a deficiency of such revenues, for the purpose of paying the principal of and interest on bonds and notes of the District, including the Bonds, the Public Utilities Article provides that the County Council of Montgomery County and the County Council of Prince George's County, respectively, shall levy, annually, against all the assessable property within the District *ad valorem* taxes sufficient to pay such principal and interest when due. Due to the level of revenues generated in the District from fees, charges, rates and assessments, the Commission has not needed to seek *ad valorem* tax revenues from such counties to pay debt service on any of its outstanding bonds and notes since the incorporation of the District and does not anticipate the need to cause the counties to levy *ad valorem* taxes to pay the debt service on the Bonds. See "Summary of District Ad Valorem Taxes and Other Charges and Revenues Therefrom" herein.

Denominations

The Bonds will be issued in denominations of $5,000 each or any integral multiple thereof.

Book-Entry Only System

The Depository Trust Company ("DTC") will act as the securities depository for the Bonds. The Bonds will be issued on a book-entry only basis. Beneficial Owners (defined herein) will not receive certificates representing their ownership interest in the Bonds except in the event of termination of the book-entry only system. Principal of and interest payments on the Bonds will be made to DTC or its nominee, Cede & Co., as registered owner of the Bonds. Payments by Direct Participants and Indirect Participants (each as defined herein) to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name." For a more complete description, see Appendix E herein.

Redemption

Construction Bonds maturing on or after June 15, 2028 and Refunding Bonds maturing on or after June 1, 2028 are callable for redemption prior to their respective maturities, at the option of the Commission, from any money that may be made available for such purpose. Any such redemption may be made on not fewer than 20 days' notice by mail, either in whole or in part on any date not earlier than June 15, 2027 with respect to the Construction Bonds, and June 1, 2027 with respect to the Refunding Bonds, at the principal amount of such Bonds to be redeemed, with interest thereon accrued to the date fixed for redemption, without premium, as more fully described herein under "Description of the Bonds - Redemption Provisions."

Tax Matters

In the opinion of Bond Counsel, (i) under existing law, interest on the Bonds is exempt from taxation by the State of Maryland, its counties and municipalities; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the interest on the Bonds; and (ii) assuming compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations and decisions. Interest on the Bonds for federal income tax purposes is not includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment; however, interest on the Bonds may be taken into account in determining "adjusted current earnings" for purposes of computing the alternative minimum tax for corporations, and interest on the Bonds will be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States of America. See "Tax Matters."

Continuing Disclosure

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the Commission will execute and deliver a continuing disclosure certificate on or before the date of issuance of the Bonds pursuant to which it will undertake to provide certain information annually and notices of certain events. See "Continuing Disclosure" and Appendix C herein.

Litigation

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings and authority under which they are to be issued.

There are miscellaneous claims now pending against the Commission, including claims currently in litigation. See "Litigation."

Limitation on Offering or Reoffering Securities

No dealer, broker, sales agent, financial consultant or any other person has been authorized by the Commission, Montgomery County or Prince George's County to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

OFFICIAL STATEMENT

WASHINGTON SUBURBAN SANITARY
DISTRICT, MARYLAND
(MONTGOMERY AND PRINCE GEORGE'S COUNTIES, MARYLAND)

$459,250,000	**$220,180,000**
Consolidated Public Improvement Bonds of 2017	**Consolidated Public Improvement Refunding Bonds of 2017**

INTRODUCTORY STATEMENT

The purpose of this Official Statement, including the cover page, inside front cover, and appendices hereto, is to set forth certain information concerning the $459,250,000 Consolidated Public Improvement Bonds of 2017 (the "Construction Bonds") and the $220,180,000 Consolidated Public Improvement Refunding Bonds of 2017 (the "Refunding Bonds" and, together with the Construction Bonds, the "Bonds"), of the Washington Suburban Sanitary District (the "District"). The proceeds of the Bonds will be used to (i) finance the construction or reconstruction of water supply facilities, water supply lines and transmission mains, sewage disposal facilities, sewer collection mains and trunk sewers, (ii) refund the maturities of certain outstanding bonds of the District described herein under "Refunding Plan," and (iii) pay the costs of issuing the Bonds.

The District is a sanitary district incorporated under Chapter 122 of the Acts of the General Assembly of 1918, as amended. It is governed by and under the jurisdiction of a commission of six members constituting a statutory body corporate under the name of the Washington Suburban Sanitary Commission (the "Commission"). See "Washington Suburban Sanitary District - Commission" herein.

Amounts herein relating to tax collections, front foot benefit charges, water and sewer charges and the District's financial position have been taken from official records of the Commission. All estimates and assumptions herein have been based upon information believed to be reliable and correct; however, statements made involving estimates and assumptions, whether or not expressly so stated, are intended merely as such and not as representations of facts.

SECURITY

Bonds and Notes Are Currently Paid from Revenues Other Than Taxes

Currently all of the debt service on bonds and notes of the District is being paid from revenues generated in the District from fees, charges, rates and assessments and other available funds. The Commission has not sought *ad valorem* tax revenues from Montgomery County or Prince George's County to pay debt service on any of its outstanding bonds or notes and does not anticipate the need to levy *ad valorem* taxes to pay the debt service on the Bonds, or for any of its operations. However, the underlying security for all bonds and notes of the District is the levy of *ad valorem* taxes on the assessable property as stated in the following paragraph. See "Summary of District Ad Valorem Taxes and Other Charges and Revenues Therefrom" herein.

Levy of Taxes to Pay Bonds and Notes

For the purpose of securing the principal of and interest on bonds and notes of the District, including the Bonds, in the event of a deficiency of the above referenced revenues, the Public Utilities Article provides for the levy, annually, against all the assessable property within the District by the County Council of Montgomery County and the County Council of Prince George's County, respectively, of *ad valorem* taxes sufficient to pay such principal and interest when due and payable.

After receiving from the County Executive of each County the assessed valuations of the taxable property in the District, the Commission determines the amount necessary to be raised, taking into account the amount available from other sources, by the levy of taxes for the next taxable year for the payment of interest on all outstanding bonds and notes due and payable in such year. The Commission shall determine the number of cents per $100 valuation necessary to raise such amount and shall so certify to the two county councils. Each of the county councils in its next annual levy is required to levy and to collect such tax as county taxes are levied and collected. The tax so levied and collected shall be remitted to the Commission.

Charges and Assessments

While the Bonds constitute general obligations of the District, the Commission fixes and collects the following charges and assessments which have been and are currently estimated to be sufficient to pay all expenses of the Commission including principal of and interest on the Bonds.

Water Consumption Charge: The Commission fixes and collects a water consumption charge, which is based upon metered water use on all properties connected to the water supply system of the District. The proceeds of the water consumption charges are applied to the payment of principal of and interest on the water supply bonds and notes of the District (including that portion of the Bonds allocable to water supply projects), and to the payment of the cost of operating and maintaining the water supply system.

Sewer Usage Charge: The Commission fixes and collects a sewer usage charge, which is based on metered water use on all properties connected to the sewage disposal system of the District. Sewer only customers are billed a flat rate on a quarterly basis. The proceeds of the sewer usage charges are applied to the payment of the principal of and the interest on all sewage disposal bonds and notes of the District (including that portion of the Bonds allocable to sewage disposal projects), and to the payment of the costs of operating and maintaining the sewage disposal system.

Ready to Serve Charge: The Ready to Serve Charge is comprised of two components: the Account Maintenance Fee (AMP) and the Infrastructure Investment Fee (IIF). The AMF is a fixed fee that recovers the costs associated with the expenses and overhead of maintaining and servicing each account. The IIF is a fixed fee that funds the debt service associated with the Commission's water and sewer pipe reconstruction program in the approved Capital Improvements Program. Both fees will remain fixed until fiscal year 2020.

Front Foot Benefit Charge: The Commission assesses, on certain property benefiting from water mains or sewers, front foot benefit charges in amounts sufficient to pay debt service on said bonds as such debt service becomes due. The front foot benefit charges are payable in annual installments during the term of the respective bonds issued for the particular improvements. Proceeds of such front foot benefit charges are applied to the payment of the principal of and the interest on the general construction bonds of the District.

The assessment of front foot benefit charges normally begins the calendar year (January 1 through December 31) following the completion of or actual connection to the newly constructed water and/or sewer lines. Once construction is completed, those property owners directly benefitting from the newly constructed water and/or sewer mains receive in writing a "Notice of Benefit Assessment." This notice is accompanied by a letter which includes the property's classification, footage, rate(s), and amount of the proposed front foot benefit charges.

In regards to customer appeal rights, after owners are notified in writing of their assessments, customers are requested to contact the Property Assessment staff with any questions or concerns they may have about the proposed assessments. Also, the customer may elect to be represented at the informal hearing. Following the informal hearing, the customer is provided a written decision by the Commissioner with whom he/she met, and the customer is informed of his/her right to additionally appeal the Commissioner's decision to the full Commission. Hearings with the full Commission are held in accordance with the State's Administrative Procedures Act.

Annually following a public hearing, the Commission establishes a "base" water and sewer rate which is used to assess properties abutted or served by the Commission's water and/or sewer lines. After the base rate is established, a property's front foot benefit charge is determined by multiplying its assessment rate(s) by its assessable front footage and each property is classified as subdivision residential, multi-unit residential, small acreage, industrial or single business, multi-unit Business, or agricultural.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds to accomplish the purposes of the Bonds are expected to be as follows:

	Construction Bonds	Refunding Bonds	Total
Sources of Funds:			
Par Amount of Bonds	$459,250,000	$220,180,000	$679,430,000
Reoffering Premium	41,913,890	18,095,614	60,009,504
Total Sources of Funds	**$501,163,890**	**$238,275,614**	**$739,439,504**
Uses of Funds:			
Deposit to Construction Fund	$500,000,000	$ -	$500,000,000
Deposit to Escrow Fund	-	237,210,658	237,210,658
Underwriter's Discount	1,161,903	1,062,494	2,224,397
Rounding Amount	1,987	2,462	4,449
Total Uses of Funds	**$501,163,890**	**$238,275,614**	**$739,439,504**

USE OF PROCEEDS OF THE CONSTRUCTION BONDS

The Construction Bonds will provide funding for the construction or reconstruction of water supply facilities, water supply lines and transmission mains, sewage disposal facilities, sewer collection mains and trunk sewers. The Construction Bonds may also be issued to replace short-term bond anticipation notes.

REFUNDING PLAN

Use of Proceeds of Refunding Bonds

The proceeds of the Refunding Bonds will be used to refund the maturities of the Commission's bonds listed in Appendix H (referred to herein as the "Refunded Bonds"). See "Estimated Sources and Uses of Funds."

Refunding Program

The Commission has heretofore developed a refunding plan designated "Washington Suburban Sanitary Commission Debt Refunding Plan" (the "Plan"). Section 22-114 of Division II of the Public Utilities Article requires that the Plan be approved by the Commission and by the respective county councils and the county executives of Montgomery County and Prince George's County, and the Plan has been approved. It has been determined that the refunding pursuant to the Plan will produce total savings in debt service costs.

The proceeds of the Refunding Bonds will be used to refund the Refunded Bonds. The refunding method being used is frequently termed a "net defeasance" in that provision is made to set aside immediately, from the proceeds of a refunding bond issue and other funds then available for debt service on the refunded bonds, monies for investment which, together with the interest to be received thereon, shall be sufficient to satisfy all payments of principal of and premium, if any, and interest on the refunded bonds to and including the dates on which such bonds mature or are redeemed.

Deposits to Escrow Deposit Fund

Proceeds of the Refunding Bonds will be applied to the purchase of non-callable direct obligations of, or obligations the timely payment of principal and interest upon which is unconditionally guaranteed by, the United States of America (the "Federal Securities") and which will be held by The Bank of New York Mellon Trust Company, N. A. (the "Escrow Deposit Agent") pursuant to an escrow deposit agreement (the "Escrow Deposit Agreement") between the Escrow Deposit Agent and the Commission. The Federal Securities on deposit under the Escrow Deposit Agreement will mature at stated fixed amounts as to principal and interest at such times as will be sufficient to pay interest when due on the Refunded Bonds and to redeem the principal amount and pay the redemption premium thereon, if any, on the anticipated call dates, as applicable. The Federal Securities will be pledged only to the payment of the Refunded Bonds, and are not available for the payment of principal, premium, if any, or interest on the Bonds. The sufficiency of the

Federal Securities, earnings thereon and other funds deposited under the Escrow Deposit Agreement will be independently verified by The Arbitrage Group, Inc.

DESCRIPTION OF THE BONDS

General

The Bonds will be dated the date of their initial delivery and will bear interest at the rates and mature in the amounts and at the times set forth on the inside front cover page hereof. Interest on the Construction Bonds will be payable semi-annually on each June 15 and December 15, commencing June 15, 2018 until maturity or earlier redemption. Interest on the Refunding Bonds will be payable semi-annually on each June 1 and December 1, commencing June 1, 2018 until maturity or earlier redemption.

The Bonds shall be fully registered bonds in the denomination of $5,000 or any integral multiple thereof. The Bond Registrar and Paying Agent shall be The Bank of New York Mellon Trust Company, N.A. (the "Bond Registrar" or "Paying Agent"), having a corporate trust office in Pittsburgh, Pennsylvania, which shall register the Bonds and the transfer of Bonds on the District's bond registration books. The payment of interest on each Bond shall be made by the Bond Registrar and Paying Agent on each interest payment date to the person appearing on the bond registration books as the registered owner of such Bond (or the previous bond or bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date, which shall be the date fifteen (15) days prior to such interest payment date, by check or draft mailed to such person at his address as it appears on the registration books. The payment of principal shall be made to the owner registered on the bond registration books upon presentation and surrender thereof to The Bank of New York Mellon Trust Company, N.A. at the office of its affiliate, The Bank of New York Mellon, in New York, New York or Dallas, Texas. The Bonds may be transferred or exchanged subject to the requirements prescribed by the respective resolutions authorizing their issuance, including provisions that the Bond Registrar shall not be required to exchange or register the transfer of any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the resolutions.

Redemption Provisions

Construction Bonds which mature on or after June 15, 2028 and Refunding Bonds which mature on or after June 1, 2028, are callable for redemption prior to their respective maturities, at the option of the Commission, from any money that may be made available for such purpose. Any such redemption may be made on not fewer than 20 days' notice by mail, either in whole or in part on any date not earlier than June 15, 2027 with respect to the Construction Bonds and June 1, 2027 with respect to the Refunding Bonds, at the principal amount of such Bonds to be redeemed, with interest thereon accrued to the date fixed for redemption, without premium. If less than all of the Bonds of any one maturity shall be called for redemption, the particular bonds of such maturity to be redeemed shall be selected by lot; except that so long as the Depository Trust Company ("DTC" or, together with any successor securities depository for the Bonds, the "Securities Depository") or its nominee is the sole registered owner of the Bonds, the particular Bond or portion to be redeemed shall be selected by DTC in such manner as DTC shall determine. In selecting Bonds for redemption, the Bond Registrar shall treat each bond of a denomination higher than $5,000 as representing that number of bonds which is equal to the principal amount of such bond divided by $5,000.

Book-Entry Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co., DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate of the Bonds will be issued for each maturity of the Bonds in principal amount equal to the aggregate principal amount of the Bonds of such maturity and will be deposited with DTC. Beneficial Owners (as defined in Appendix E) will not receive certificates representing their ownership interest in the Bonds except in the event of termination of the book-entry only. Principal of and interest payments on the Bonds will be made to DTC or its nominee, Cede & Co., as registered owner of the Bonds. Payments by Direct Participants and Indirect Participants (each as defined in Appendix E) to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name." For a more complete description, see Appendix E herein.

Annual Debt Service on the Bonds

	Construction Bonds			Refunding Bonds			
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total	Total Debt Service
2018	$5,600,000.00	$11,435,733.75	$17,035,733.75	$3,170,000.00	$4,458,055.83	$7,628,055.83	$24,663,789.59
2019	7,885,000.00	18,779,556.26	26,664,556.26	175,000.00	7,786,550.00	7,961,550.00	34,626,106.26
2020	8,280,000.00	18,385,306.26	26,665,306.26	185,000.00	7,777,800.00	7,962,800.00	34,628,106.26
2021	8,690,000.00	17,971,306.26	26,661,306.26	195,000.00	7,768,550.00	7,963,550.00	34,624,856.26
2022	9,125,000.00	17,536,806.26	26,661,806.26	14,485,000.00	7,758,800.00	22,243,800.00	48,905,606.26
2023	9,585,000.00	17,080,556.26	26,665,556.26	14,760,000.00	7,034,550.00	21,794,550.00	48,460,106.26
2024	10,065,000.00	16,601,306.26	26,666,306.26	22,550,000.00	6,296,550.00	28,846,550.00	55,512,856.26
2025	10,565,000.00	16,098,056.26	26,663,056.26	22,925,000.00	5,169,050.00	28,094,050.00	54,757,106.26
2026	11,095,000.00	15,569,806.26	26,664,806.26	22,945,000.00	4,252,050.00	27,197,050.00	53,861,856.26
2027	11,650,000.00	15,015,056.26	26,665,056.26	22,725,000.00	3,563,700.00	26,288,700.00	52,953,756.26
2028	12,230,000.00	14,432,556.26	26,662,556.26	22,510,000.00	2,881,950.00	25,391,950.00	52,054,506.26
2029	12,845,000.00	13,821,056.26	26,666,056.26	22,285,000.00	2,206,650.00	24,491,650.00	51,157,706.26
2030	13,485,000.00	13,178,806.26	26,663,806.26	22,055,000.00	1,538,100.00	23,593,100.00	50,256,906.26
2031	14,160,000.00	12,504,556.26	26,664,556.26	21,815,000.00	876,450.00	22,691,450.00	49,356,006.26
2032	14,725,000.00	11,938,156.26	26,663,156.26	7,400,000.00	222,000.00	7,622,000.00	34,285,156.26
2033	15,315,000.00	11,349,156.26	26,664,156.26	-	-	-	26,664,156.26
2034	15,925,000.00	10,736,556.26	26,661,556.26	-	-	-	26,661,556.26
2035	16,405,000.00	10,258,806.26	26,663,806.26	-	-	-	26,663,806.26
2036	17,060,000.00	9,602,606.26	26,662,606.26	-	-	-	26,662,606.26
2037	17,575,000.00	9,090,806.26	26,665,806.26	-	-	-	26,665,806.26
2038	18,120,000.00	8,541,587.50	26,661,587.50	-	-	-	26,661,587.50
2039	18,845,000.00	7,816,787.50	26,661,787.50	-	-	-	26,661,787.50
2040	19,600,000.00	7,062,987.50	26,662,987.50	-	-	-	26,662,987.50
2041	20,385,000.00	6,278,987.50	26,663,987.50	-	-	-	26,663,987.50
2042	21,200,000.00	5,463,587.50	26,663,587.50	-	-	-	26,663,587.50
2043	22,050,000.00	4,615,587.50	26,665,587.50	-	-	-	26,665,587.50
2044	22,790,000.00	3,871,400.00	26,661,400.00	-	-	-	26,661,400.00
2045	23,705,000.00	2,959,800.00	26,664,800.00	-	-	-	26,664,800.00
2046	24,650,000.00	2,011,600.00	26,661,600.00	-	-	-	26,661,600.00
2047	25,640,000.00	1,025,600.00	26,665,600.00	-	-	-	26,665,600.00
Total	**$459,250,000.00**	**$331,034,477.69**	**$790,284,477.69**	**$220,180,000.00**	**$69,590,805.83**	**$289,770,805.83**	**$1,080,055,283.53**

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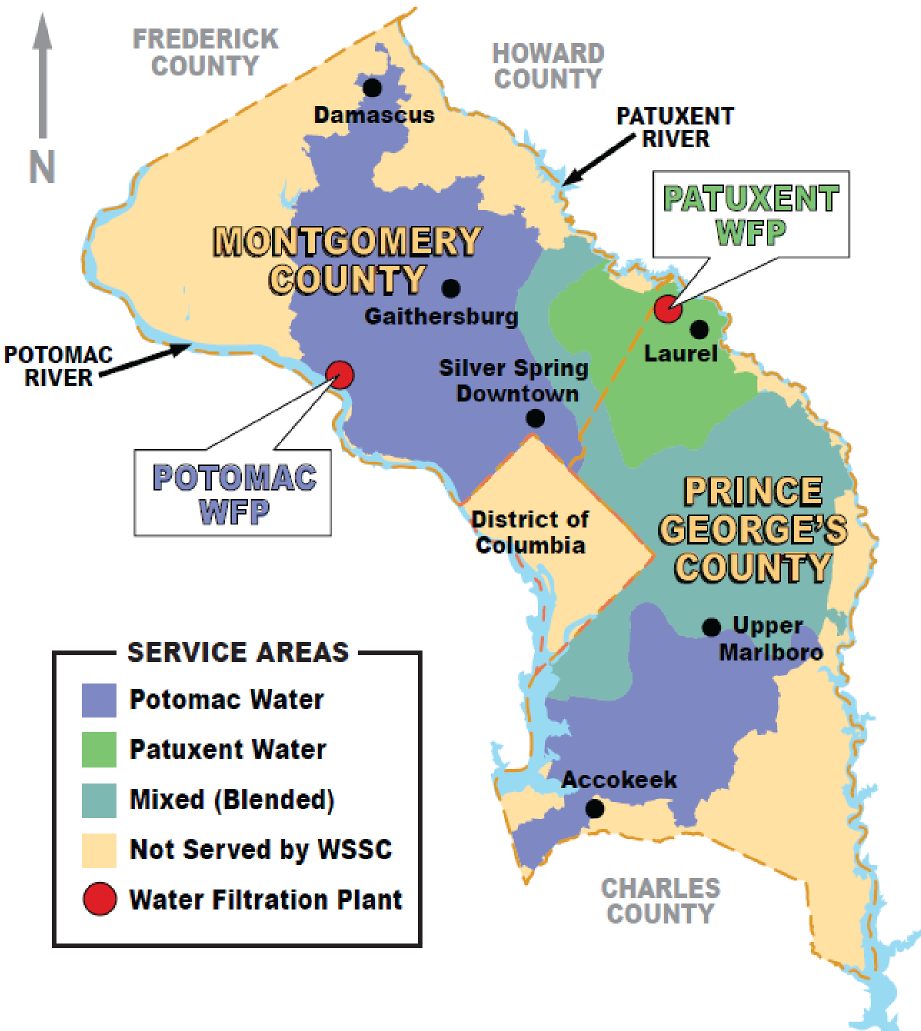
WASHINGTON SUBURBAN SANITARY DISTRICT

Establishment, Powers and Service Area

The District was created in 1918 and operates as a public corporation of the State of Maryland under the Public Utilities Article. Through its governing body, the Commission, it provides, as authorized, water and sewerage systems, including water supply and sewage disposal facilities for Montgomery and Prince George's Counties, Maryland. The area initially incorporated in the District has been expanded by legislative enactments to its present boundaries encompassing over 950 square miles within Montgomery and Prince George's Counties.



Commission

The District is under the jurisdiction of, and its governing body is, the Commission, a body corporate consisting of six members who are required to be residents of the District. Three Commissioners are required to be from, and are appointed by, the County Executive of Montgomery County, subject to their confirmation by the county council thereof, and three Commissioners are required to be from, and are appointed by, the County Executive of Prince George's County, subject to their confirmation by the county council thereof. The term of office for the Commissioners is four years, with termination dates on a staggered year basis. At the end of a term a commissioner continues to serve until a successor is appointed and takes the oath of office. The Chair and the Vice-Chair of the Commission are elected by the Commission and may not be from the same county. These two offices rotate annually between the two counties unless waived, as provided by law. The Commission may conduct business with a quorum of four Commissioners.

The County Executive of each of the two counties may, with the approval of the majority of the members of the county council of the respective county, remove any Commissioner appointed from such county from such Commissioner's current term of office prior to the completion of such term. In addition, a majority of the County Council of Montgomery County, by resolution, may, unless the County Executive of Montgomery County disapproves the resolution in writing within 30 days of its adoption, remove any Commissioner appointed from Montgomery County prior to the completion of his or her term. In either event, a public hearing must be held thereon unless waived in writing by the Commissioner sought to be removed.

Powers and Responsibilities of the Commission

The powers and responsibilities of the Commission as set forth in the Public Utilities Article include, among others:

(i) providing for the construction, reconstruction, operation and maintenance of water supply and sanitary sewerage facilities in the District;

(ii) establishing water rates, sewer usage rates, connection charges, front foot benefit charges and permit fees, and causing *ad valorem* taxes to be levied;

(iii) issuing bonds and notes of the District, including refunding bonds and bond anticipation notes;

(iv) exercising the power of eminent domain;

(v) providing for the construction, reconstruction, operation and maintenance of water and sewer house connection lines from the Commission's mains to abutting property lines;

(vi) approving the location of, and issuing permits for, all utilities to be installed in public ways;

(vii) reviewing preliminary subdivision plans as to suitability of water and sewer design and reviewing street grades for those streets in which there are Commission facilities;

(viii) formulating regulations governing all plumbing and gas fitting installations;

(ix) issuing permits for the installation of and inspection of all plumbing and gas fitting connections; and

(x) licensing master and journeyman plumbers and gas fitters.

Commission Membership

Thomasina V. Rogers: Ms. Rogers was appointed to the Commission from Prince George's County in June 2016 and was elected Chair in June 2017. Prior to retirement from the Executive Branch of the Federal Government in 2015, Ms. Rogers held high level positions as both a political appointee in three Presidential administrations and as a career civil servant. She is the former and longest standing Chair of the Occupational Safety and Health Review Commission, an independent agency in the executive branch of the federal government that adjudicates contests involving violations of the Occupational Safety and Health Act, and led the Administrative Conference of the United States, a bipartisan effort to improve the operation and administration of government. Before these appointments, Ms. Rogers headed the Office of Legal Counsel, U.S. Equal Employment Opportunity Commission, where she received a Presidential Rank Award (Meritorious Executive in the Senior Executive Service) for spearheading the development of regulations and policies to prohibit workplace discrimination. She is most notably responsible for leading the development and promulgation of the regulations for implementation of the Americans with Disabilities Act of 1990. Ms. Rogers has served as a trustee on numerous boards, including the Children's National Medical Center in Washington, D.C. and the American Arbitration Association. Ms. Rogers received her undergraduate degree in journalism from Northwestern University and her law degree from Columbia University School of Law. Ms. Rogers' term expires in June 2019.

T. Eloise Foster: Ms. Foster was appointed to the Commission from Montgomery County in June 2016 and was elected Vice Chair in June 2017. When she was appointed as the Secretary of the Maryland Department of Budget and Management in 2000, she became the first African American woman to hold this statewide office in the nation. Although she left the position in 2003, she returned to the role in 2007 under Governor Martin O'Malley and served until her retirement in 2015. She also served as Deputy Secretary of Budget & Management and Assistant Secretary of Budget & Fiscal Planning for the State of Maryland and as Assistant Dean for Business Affairs and Program Development at the University of Maryland School of Medicine. Earlier in her career, Ms. Foster was a legislative officer for Maryland Governor William Donald Schaefer and an analyst for the Maryland General Assembly. She is an honorary lifetime member of the National Association of State Budget Officers and a former member of the National Forum for Black Public Administrators. She has served on the Arts and Humanities Council of Montgomery County and is a trustee on the Board of the Financial Accounting Foundation. She also serves as Chair of the Maryland Supplemental Retirement Programs, a $3 billion program offering three plans; the 457 Deferred Compensation Plan, the 403(b) Tax Deferred Annuity Plan, and the 401(k) Savings and Investment Plan. Ms. Foster was named one of Maryland's Top 100 Women in 2002, 2007 and 2010, qualifying her for entrance into the Circle of Excellence, and has received various notable honors and awards for her distinguished public service. Ms. Foster earned her bachelor's degree in Business Administration from Howard University and her M.B.A. from American University's Kogod School of Business. She also has completed Harvard University's Senior Executives in State and Local Government Program. Ms. Foster's term expires in May 2021.

Fausto R. Bayonet: Mr. Bayonet was appointed to the Commission from Montgomery County in June 2015 and served as the Commission's Chair from June 2016 to June 2017. An architect who has worked in the architectural and engineering fields for three decades, Mr. Bayonet has lived in Montgomery County for more than 40 years. A native of the Dominican Republic, he earned his bachelor's degree in Architecture from that country's Eastern Central University, and furthered his architectural studies at the University of Maryland when he came to the Washington area in 1971. Mr. Bayonet has had a role in the design of numerous commercial and government projects throughout the Washington Metropolitan area, such as renovations to University of Maryland's Byrd Stadium, the Embassy of Nicaragua and the U.S. District Courthouse in Alexandria, Virginia. He has also done consulting work for the University of Maryland's Office of Architectural Services. He is also a licensed real estate agent in the State of Maryland and member of the Greater Capital Area Association of Realtors, the National Association of Realtors and the Maryland Association of Realtors. As 20-year member of the Montgomery County Democratic Party, Mr. Bayonet is a veteran campaigner, having done volunteer work for county executives and Council members, governors, lieutenant governors, delegates, congressmen and senators. He is also a member of the Hispanic Democratic Club of Montgomery County and served on its executive board. Mr. Bayonet's term expires in May 2019.

Christopher Lawson: Mr. Lawson was appointed to the Commission from Prince George's County in May 2011 and has previously served as Chair and Vice Chair of the Commission. Mr. Lawson, President and Principal at Insuraty Inc., is a CPLH licensed insurance broker and Advisor to mid-sized companies and organizations in the area of employee benefits consulting, brokerage and administration including 401k retirement plan advisory and administration and human resource management. Mr. Lawson comes from Raleigh, North Carolina, where he studied Business Administration at Saint Augustine's College before moving to the Washington metropolitan area 25 years ago and starting his business career representing corporations such as American Express Corporate Services and Cigna Healthcare in sales, business development and management. Mr. Lawson has been honored by his community on various occasions and has received numerous awards in his industry such as the Guardian Life Insurance Company Gold Producers Award, Allianz Life Insurance Company Gold Masters Club Award, Prince George's Chamber of Commerce Distinguished Service Award and the Prince George's County Boys and Girls Club Inc. Man of the Year Award. Mr. Lawson was an original member of the Washington D.C. Board of Directors for the National Association of African American Insurance Agents, serving as its Vice President, and is a current member of the Society for Human Resource Management and the National Association of Health Underwriters. In 2006 Lawson led the campaign efforts as Chairman to elect Rushern L. Baker III for Prince George's County Executive. Mr. Lawson's term expires in June 2019.

Omar M. Boulware: Mr. Boulware was appointed to the Commission from Prince George's County in November 2013 and has previously served as Chair of the Commission. Mr. Boulware has a long history of military, public and community service. A Navy veteran, Mr. Boulware is a congressional relations officer in the Department of Veterans Affairs and advises the Secretary of Veterans Affairs on Congressional interests, including veteran outreach, veteran small business, and collaboration between the Veterans Affairs and the Department of Defense. His areas of expertise include budgeting, financial management and legislation. While attending the University of North Carolina at Chapel Hill, Mr. Boulware volunteered for service in the United States Navy, where he served a three-year tour of duty on the staff for Chief of Naval Operations in the Pentagon. Upon completion of active duty, he entered federal civil service as a legislative liaison in the Department of the Navy's Office of Legislative Affairs. He concurrently served in the U.S. Navy Reserve from 2000 to 2012, earning the rank of Petty Officer First Class. Mr. Boulware and his family live in Mitchellville, where he is involved in the community. He is vice president of the Greater Marlboro Democratic Club and former president of the Prince George's County Young Democrats. In addition to his membership on various civic associations, he served as a member of the Prince George's County Personnel Board, and in 2011 as a member of County Executive Rushern Baker's transition committee. Mr. Boulware is a 2005 honors graduate of Strayer University with a BBA degree in Management and a minor in Economics. He is also a 2007 Rawlings Fellow at University of Maryland's James McGregor Burns Academy of Leadership. Mr. Boulware's term expires in June 2017.

Howard A. Denis: Mr. Denis, a former Maryland State Senator and Montgomery County Council member, was appointed Commissioner from Montgomery County in January 2016. Prior to his retirement in December 2015, Mr. Denis was part of the Congressional Staff on the House Oversight & Government Reform Committee, where he had served since 1995. Mr. Denis has 40 years of experience in public service and a strong track record diligently representing his constituency, having served 18 years as a Maryland State Senator (1977-1995); six years on the Montgomery County Council (2000-2006); and, as a five-time delegate to the Republican National Convention. He also served on the Maryland State Lottery Commission and has extensive knowledge in land-use and planning in Montgomery County. A long-time resident of Chevy Chase, Maryland, Mr. Denis graduated from Bethesda-Chevy Chase High School; received his undergraduate degree in Government from Georgetown College and law degree from Georgetown University Law Center. Mr. Denis' term expires in May 2019.

Management and Operations

The daily operation of the Commission is supervised by the General Manager/CEO.

Senior Staff

A brief resume of the Commission's senior staff is shown below:

Carla A. Reid, General Manager/CEO: Carla A. Reid was appointed in January 2016 as General Manager and Chief Executive Officer of the Commission. She is the 12th General Manager and the first woman to serve in this capacity in the Commission's 98-year history. Ms. Reid began her 20-year career at the Commission in 1986, ultimately serving as Deputy General Manager from 2005-2006. In addition to Deputy General Manager at the Commission, Ms. Reid also served as Chief of Mission Support, Chief of Customer Care, Meter Services Division Manager, Northern Meter Operations Section Head, Meter Maintenance Head, Field Operations Supervisor and Civil Engineer. Prior to re-joining the Commission in January 2016, Ms. Reid worked for the County Executive of Montgomery County, Isiah Leggett, as the Director of the Department of Permitting Services. In 2011, she joined newly elected Prince George's County Executive Rushern L. Baker's staff as Deputy Chief Administrative Officer for Economic Development and Public Infrastructure. In this position, she led all operations related to economic development including permitting, transportation, environmental matters and tourism. For seven years, Ms. Reid was an adjunct professor at the University of the District of Columbia, where an award was created in her name to recognize outstanding teaching on the UDC staff. She holds a Bachelor of Science degree in civil engineering from Howard University and a master's degree in business administration from the University of Maryland, University College. She is an active member of her community, having served on several boards for organizations such as DC Water, Melwood, Montgomery Alliance, the Prince George's County Revenue Authority and Arts on the Block.

Sheila R. Finlayson, Esq., Corporate Secretary: Ms. Finlayson joined the Commission in May 2013 as Corporate Secretary. She is one of the Commission's corporate officers and the executive officially authorized to attest documents on behalf of the Commission and to act as the custodian of the Commission's official files and records, including the minutes of open and closed meetings that are subject to the Maryland Open Meetings Act. Ms. Finlayson also manages the day-to-day administrative functions of the Office of the Commission/Corporate Secretary's Office and serves as parliamentarian at the Commission's meetings. Ms. Finlayson received her law degree from Howard University School of Law in Washington, D.C. and her undergraduate degree from the University of Maryland at College Park, Maryland. Ms. Finlayson has extensive corporate secretarial and governance experience, having previously served as the Corporate Secretary and Director of Board Relations for the Society for Human Resource Management, a professional human resources membership association in Alexandria, Virginia, and as Vice President, Counsel and Corporate Secretary for Independence Federal Savings Bank, a federally-chartered stock savings bank in Washington, D.C. Ms.

Finlayson is licensed to practice law and is a member in good standing of the Bar of the Commonwealth of Pennsylvania.

Amanda Stakem Conn, General Counsel: Ms. Conn was appointed General Counsel of the Commission on November 14, 2016. She is the first female general counsel in WSSC's 98-year history. A legal professional with 20 years of experience in the public and private sector, Ms. Conn previously served as deputy secretary of the Maryland Department of Planning, a position she filled after serving that agency as their Counsel and Assistant Attorney General for several years. She also served as an assistant county attorney in the Baltimore County Office of Law specializing in zoning, planning, preservation and County Council matters. The 2012 recipient of the Outstanding Achievements in the Legal Field award from the University of Baltimore Women's Bar Association, she is a frequent lecturer on statutory construction, land use and zoning-related topics. She was an attorney at Funk & Bolton, P.A., in Baltimore, representing local governments across the state on a variety of issues. Ms. Conn earned her bachelor's degree in Government and Politics from the University of Maryland and her law degree from the University of Baltimore School of Law. Ms. Conn is a member of the state and federal bars in Maryland, as well as the Fourth Circuit Court of Appeals and the Supreme Court.

Joseph F. Beach, Chief Financial Officer and Treasurer: Mr. Beach joined the Commission in June 2016. He came to WSSC from Montgomery County Government in Maryland, where he held the positions of Assistant Chief Administrative Officer, Office of Management and Budget Director and, most recently, Finance Director. As Finance Director, Mr. Beach was responsible for directing all of the activities of the county's Department of Finance including issuing debt, revenue collection, risk management, preparation of financial statements and developing and implementing sound fiscal policies. A graduate of the University of Michigan, Mr. Beach also holds a master's degree in Public Affairs from the George Washington University and a J.D. from the University of Baltimore. He was admitted to the State Bar of Maryland in December 1995.

Labor Relations

On June 30, 2016, the Commission had 1,658 full time employees of whom approximately 550 are represented by the American Federation of State, County and Municipal Employees. The Commission considers its labor relations to be satisfactory.

Employees' Retirement Plan

Substantially all Commission employees participate in either the closed or open version of the contributory Washington Suburban Sanitary Commission Employees' Retirement Plan (the "Retirement Plan"). The closed version of the Retirement Plan is applicable only to participants as of June 30, 1978 who did not elect to change to the open version. The open version of the Retirement Plan is mandatory for all employees who commenced employment on or after July 1, 1978, and all other employees who elected to change to the open version.

The Retirement Plan, including the books and records thereof, is an entity distinct from the Washington Suburban Sanitary Commission. Its assets are managed by an independent board of trustees comprised of two Commissioners, four Commission employees, two commission retirees, two members of the business community, and the Executive Director of the Retirement Plan. The Retirement Plan's valuation is prepared annually by an independent actuarial firm.

As of June 30, 2015, the Commission adopted Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27. Based on actuarial valuations as of June 30, 2015 and June 30, 2014, which were rolled forward to December 31, 2015 and December 31, 2014, the Retirement Plan's independent actuaries determined that, at December 31, 2015 and 2014 (the measurement dates), the Retirement Plan's total pension liability exceeded its fiduciary net position by $210.6 million and $175.5 million, respectively.

The Retirement Plan began using the average value method to determine actuarial asset value effective July 1, 2007. This smoothing method explicitly recognizes each year's investment gain or loss over a five-year period with the final actuarial value not less than 80% or more than 120% of the market value of assets. The Retirement Plan implemented Governmental Accounting Standards Board ("GASB") Statement No. 67 Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25 in fiscal year 2014. As required by GASB Statement No. 67, the Plan's fiduciary net position as a percentage of total pension liability was 76.9% as of December 31, 2015 and 80.9% as of December 31, 2014.

For additional information concerning the Retirement Plan, see Appendix A, "Notes to Financial Statements," Note L, Retirement Plan.

Other Post-Employment Benefits

The Commission obtains an actuarial report (the "OPEB Report") addressing the extent of its projected liability to its retirees for other post-employment benefits at least biennially. The OPEB Report is prepared in accordance with the standards set forth in GASB Statement 45. The OPEB Report is subject to a number of actuarial and economic assumptions; these assumptions are generally similar to the assumptions used in evaluating the Commission's pension fund liabilities.

The Commission's 2016 and 2015 annual OPEB cost was $14.8 million and $16.8 million, respectively. In 2016 and 2015 the Commission pre-funded $10 million and $10 million, respectively, as the initial installments of a phase-in of the required pre-funding level. Amounts funded exceeded OPEB costs by $6,583,000 and $5,613,000 in 2016 and 2015, respectively, and appropriate adjustments were made to the OPEB liability. The cumulative liability will be adjusted and paid with interest over a twenty-nine year period from fiscal year 2008. For additional information concerning the OPEB Plan, see Appendix A, "Notes to Financial Statements," Note M, Other Post-Employment Benefits within the financial statements.

Leases and Agreements

During fiscal year 1985, the Commission entered into an agreement with a partnership for the provision and operation of a concrete water storage tank. Associated with this transaction, the Commission was obligated to pay certain fees and charges over the life of the agreement. Upon the expiration of the lease agreement in fiscal year 2015 the Commission purchased the storage tank from the lessor.

The Commission is party to certain agreements to provide water service to Howard County, Maryland on an as-available basis and sewage service to the City of Rockville, Maryland. The Commission considers its present capacity to be adequate to continue providing water and sewerage services under these contracts and is of the opinion at the present time that no new capital expenditures will be required of the Commission to fulfill these obligations.

Refunding Bonds and Bonds Refunded

From time to time, refunding bonds of the District have been issued pursuant to the terms of the Public Utilities Article in order to yield savings to the Commission in debt service payments. The proceeds of such refunding bonds have been used to purchase United States government obligations, which have been deposited with escrow agents. As evidenced by the respective verification reports prepared by independent verification agents, the principal of and interest on such government obligations held by the respective escrow agents will provide sufficient money to pay, when due, all of the principal of, redemption premium and interest on, the refunded bonds up to and including their retirement.

The following chart sets forth the refunding bonds of the District as of June 30, 2017:

Refunding Bonds	**Date of Refunding Issue**	**Escrow Agent**	**Amount of Refunded Bonds Outstanding as of June 30, 2017**
Consolidated Public Improvement Refunding Bonds of 2015……	11/24/2015	The Bank of New York Mellon	83,805,000
			$ 83,805,000

The outstanding refunding bonds of the District, including refunding bonds issued to refund water supply bonds of the District, are required by the Public Utilities Article to be included in the debt limitation mentioned under the heading "Bonded Indebtedness of the District - Borrowing Limitation" below. The outstanding refunded bonds are not required to be included within such debt limitation.

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BONDED INDEBTEDNESS OF THE DISTRICT

Bond Program

The Commission issues bonds to provide funding for the construction or reconstruction of (i) water supply facilities, water supply lines and transmission mains (the "Water Supply Bonds"), (ii) sewage disposal facilities, sewer collection mains and trunk sewers (the "Sewage Disposal Bonds"), and (iii) Commission-built water/sewer pipes in subdivisions (the "General Construction Bonds"). The bonds may also be issued to replace short-term bond anticipation notes. Pursuant to Section 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended, the Water Supply Bonds, the Sewage Disposal Bonds and the General Construction Bonds may be consolidated for sale and sold, issued and delivered as a single issue of bonds that are designated as the "Consolidated Public Improvement Bonds."

Maryland Water Quality Debt

The Maryland Water Quality Revolving Loan Fund is administered by the Maryland Water Quality Financing Administration. As of June 30, 2017, the Commission had $250,069,313 of outstanding debt under this program. The Commission's obligation to repay this amount is evidenced by Commission bonds, which are payable over a 20-year period at below-market interest rates and on parity with the bonds of the Commission. The source of repayment and security for such Commission obligations is the same as that for the Commission's Water Supply Bonds and Sewage Disposal Bonds, respectively.

Washington Suburban Sanitary Commission Debt Statement

	Bonds Outstanding June 30, 2017
Bonds Outstanding[1][2]:	
General Construction Bonds (self-supporting)[3]	$ 155,889,641
Water Supply Bonds (self-supporting)[4]	948,314,724
Sewage Disposal Bonds (self-supporting)[5]	1,256,495,635
Maryland Water Quality Loan Fund (self-supporting)[5]	250,069,313
Total Bonds Outstanding	2,610,769,313
Less:	
Self-supporting Bonds	2,610,769,313
Bonds Outstanding Exclusive of Self-supporting Bonds	$ 0
Assessed Valuation[6], All Property within District	$ 284,821,913,285
Per Capita: (Population estimated at 1,934,877)	
Bonds Outstanding Total	$ 1,349
Bonds Outstanding Exclusive of Self-supporting Bonds	$ 0

(1) Excludes $83,805,000 principal amount of bonds outstanding as of June 30, 2017 which have been refunded.
(2) Excludes $202,600,000 principal amount of bond anticipation notes outstanding as of June 30, 2017. See "Short-Term Financing Program" below.
(3) Front foot benefit charges are levied sufficient to pay debt service.
(4) Water consumption charges are fixed sufficient to pay all operating expenses and debt service.
(5) Sewage usage charges are fixed sufficient to pay all operating expenses and debt service.
(6) Includes the assessed valuation for Montgomery County and Prince George's County as of June 30, 2017.

Bonded Debt Outstanding and Changes from June 30, 2016 to June 30, 2017(1)(2)

	Bonds Outstanding June 30, 2016	Issued	Defeased	Redeemed	Bonds Outstanding June 30, 2017
General Construction Bonds…………	$ 174,284,641	$ 0	$ 0	$ 18,395,000	$ 155,889,641
Water Supply Bonds ………………	818,937,395	178,000,000	0	48,622,671	948,314,724
Sewage Disposal Bonds ……………	1,111,682,964	203,810,000	0	58,997,329	1,256,495,635
Maryland Water Quality Loan Fund…	245,446,876	20,302,263	-	15,679,826	250,069,313
Total…………………………	$2,350,351,876	$ 402,112,263	$0	$141,694,826	$2,610,769,313

(1) Excludes $83,805,000 principal amount of bonds outstanding as of June 30, 2017 which have been refunded.
(2) Excludes $202,600,000 principal amount of bond anticipation notes outstanding as of June 30, 2017. See “Short-Term Financing Program” below.

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Adjusted Debt Service

The following table shows principal, interest, and total debt service on the District's outstanding bonds.

Outstanding Bonds
June 30, 2017(1)(2)

Fiscal Year	Principal	Interest	Total
2018	$ 144,657,578	98,366,433	243,024,011
2019	139,442,111	92,108,935	231,551,046
2020	144,482,787	86,117,355	230,600,142
2021	142,507,790	80,062,789	222,570,579
2022	136,246,230	74,549,206	210,795,436
2023	133,243,823	69,457,583	202,701,406
2024	132,255,455	64,505,211	196,760,666
2025	131,549,592	59,713,119	191,262,711
2026	124,142,946	55,186,187	179,329,133
2027	120,653,213	50,875,690	171,528,903
2028	118,545,781	46,567,676	165,113,457
2029	110,209,566	42,357,229	152,566,795
2030	100,302,970	38,606,034	138,909,004
2031	88,138,405	35,151,125	123,289,530
2032	74,668,705	32,171,773	106,840,478
2033	56,254,743	29,740,827	85,995,570
2034	57,891,525	27,857,720	85,749,245
2035	49,911,947	25,826,323	75,738,270
2036	50,090,881	23,794,317	73,885,198
2037	51,990,940	21,692,854	73,683,794
2038	54,020,999	19,509,332	73,530,331
2039	56,146,059	17,252,855	73,398,914
2040	58,185,267	15,059,997	73,245,264
2041	60,310,000	12,787,471	73,097,471
2042	62,525,000	10,432,150	72,957,150
2043	64,820,000	7,990,521	72,810,521
2044	67,220,000	5,459,404	72,679,404
2045	50,525,000	2,898,746	53,423,746
2046	29,830,000	1,022,129	30,852,129
Total	$2,610,769,313	$ 1,147,120,990	$ 3,757,890,303

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(1) Excludes $83,805,000 principal amount of bonds outstanding as of June 30, 2017 which have been refunded.
(2) Excludes $202,600,000 principal amount of bond anticipation notes outstanding as of June 30, 2017. See "Short-Term Financing Program" below.

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Summary of Outstanding Debt Service as of June 30, 2017[(1)(2)]

	Principal	Interest To Maturity	Total Debt Service
	$		
General Construction Bonds	155,889,641	$ 33,339,862	$ 189,229,503
Water Supply Bonds	948,314,724	467,712,889	1,416,027,613
Sewage Disposal Bonds..	1,256,495,635	628,209,402	1,884,705,037
Maryland Water Quality Loan Fund................................	250,069,313	17,858,837	267,928,150
Total..	$2,610,769,313	$1,147,120,990	$3,757,890,303

(1) Excludes $83,805,000 principal amount of bonds outstanding as of June 30, 2017 which have been refunded.
(2) Excludes $202,600,000 principal amount of bond anticipation notes outstanding as of June 30, 2017. See "Short-Term Financing Program" below.

Authorization of Debt

The Bonds are issued upon the basis of authorizations under the Constitution and laws of the State of Maryland, including Titles 16 through 25 of Division II of the Public Utilities Article, particularly Titles 22 and 25 thereof and other applicable law, and by the Commission through the adoption of Resolution No. 2018-2163 and Resolution No. 2018-2164 or orders of the Commission.

Borrowing Limitation

The Public Utilities Article limits the amount of bonds and notes issued by the District that may be outstanding at any time. The aggregate principal amount of bonds and notes of the District (excluding refunded bonds and certain short-term instruments) outstanding at any time may not exceed the sum of: (i) 3.8% of the total assessable tax base of all real property assessed for county tax purposes within the District, and (ii) 7.0% of the total assessable personal property and operating real property assessed for county tax purposes within the District (or such respective percentages of such tax bases as of July 1, 1997, if larger).

Shown below are the latest certified assessed valuations of those portions of the Counties that lie within the District, and the ratio of debt to permitted debt.

	Total Assessed Valuation (000)	Maximum Debt Permitted (000)	Total Debt Outstanding (000)	Ratio of Debt Outstanding to Debt Permitted
June 30, 2017................................	284,821,913	10,734,054	2,813,369	26.2 %
June 30, 2016................................	273,112,412	10,451,218	2,470,352	23.6
June 30, 2015................................	242,885,625	9,289,681	1,961,364	21.1
June 30, 2014................................	240,410,073	9,197,332	1,952,543	21.2
June 30, 2013	240,018,093	9,180,923	1,878,296	20.5

Short-Term Financing Program

On June 24, 2003, the Commission established a $465,000,000 short-term borrowing facility whereby it may issue and redeem its General Obligation Multi-Modal Bond Anticipation Notes (the "BANs") from time to time. The BANs are general obligations of the District. On November 19, 2008, the Commission amended the previous note program to expand the authority to issue notes up to an additional $600,000,000. The BANs are tax-exempt variable rate demand notes, the interest rates on which are reset weekly. The BANs are subject to optional redemption by the Commission at par on not less than fifteen days' notice to the holders thereof. Debt service on the BANs is expected to be paid from revenues generated in the District from fees, charges, rates and assessments and other available funds and, in the event of a deficiency, are secured by *ad valorem* taxes upon all the assessable property within the District, without limitation as to rate or amount. The principal of the BANs is payable from the proceeds of the long-term water supply bonds and sewage disposal bonds of the District and other available funds. Until such time as they are redeemed from bond proceeds, the Commission generally amortizes the BANs principal over a 20-year term.

On August 28, 2013, the Commission replaced its liquidity facility provider, Helaba, with two new facilities; TD Bank N.A. and State Street Bank and Trust Company respectively. On that date, the outstanding Series A BANs in the aggregate principal amount of $130,100,000 were fully redeemed and reissued in two separate series, Series A Notes and Series B Notes. On February 26, 2014 and June 24, 2015, the Commission issued $50,000,000 and $90,000,000 aggregate principal amount of BANs respectively. On August 31, 2016, the Commission issued $95,000,000 aggregate principal amount of BANs.

The Series A Notes are secured by a Standby Note Purchase Agreement between the Commission and TD Bank, N.A. in the aggregate principal amount of $107,500,000 and the Series B Notes are secured by a Standby Note Purchase Agreement between the Commission and State Street Bank and Trust Company in the aggregate principal amount of $107,500,000. Under each Standby Note Purchase Agreement, the applicable banks are obligated, subject to certain terms and conditions of a note order, to purchase the notes secured thereby, or portions thereof tendered for purchase and not remarketed. Each Standby Note Purchase Agreement is scheduled to expire on August 28, 2019.

The Commission has issued $786,100,000 aggregate principal amount of BANs since the short-term borrowing facility was established on June 24, 2003. Of that amount, $583,500,000 has been redeemed, leaving a balance of $202,600,000 aggregate principal amount of BANs outstanding as of June 30, 2017. The proceeds of the BANs are used to provide interim financing for the water and sewer projects comprising a portion of the Commission's capital program.

Record of No Default

The Commission has never defaulted on any bonded indebtedness.

Front Foot Benefit Charges and Historic Collections

For meeting debt service on its outstanding $155,889,641 of general construction bonds as of June 30, 2017, there have been assessed front foot benefit charges in amounts sufficient, taking delinquencies in account, to pay debt service on the general construction bonds as such debt service becomes due. Front foot benefit charges are payable in annual or semi-annual installments. There are no operations, repair or maintenance costs paid from front foot benefit charges.

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Summary of Operating Revenues, Expenses and Net Revenues (Loss) (Dollars in Thousands)(1)

	Fiscal Year ended June 30,				
	2017 (unaudited)	2016	2015	2014	2013
Gross Revenues Available for Debt Service	$ 724,804	$ 644,611	$ 643,046	$ 623,021	$ 598,510
Debt Service:					
Bonds Redeemed and Sinking Fund Contributions	151,995	150,399	173,642	180,025	161,921
Interest on Bonds and Notes Payable	98,750	78,073	74,380	69,042	65,710
Total	250,745	228,472	248,022	249,067	227,631
Net Revenues Available for Operations	474,059	416,139	395,024	373,954	370,879
Operating Expense Exclusive of Depreciation and Amortization	436,601	405,078	415,684	365,963	356,527
Net Revenue (Loss)	$ 37,458	$ 11,061	$ (20,660)	$ 7,991	$ 14,352
Composed of:					
Water Operating (1)	$ 23,303	$ (4,914)	$ (20,085)	$ (11,357)	$ 9,986
Sewer Operating (1)	16,796	15,291	6,271	30,721	12,057
Other Operating Funds	(2,641)	684	(6,846)	(11,373)	(7,691)
Total	$ 37,458	$ 11,061	$ (20,660)	$ 7,991	$ 14,352

(1) Operating losses were planned uses of existing prior year surpluses within the operating funds accomplished by restraining rate increases in the respective year.

Source: Washington Suburban Sanitary District.

The Commission's operating revenues derived from water and sewer charges vary from year to year, as water usage fluctuates in response to a variety of factors (such as changing weather patterns and economic conditions, for example). The Commission's policy is to maintain a reserve in the amount of at least 10% of budgeted water and sewerage operating revenues to offset any shortfall in such revenues. In those years in which water or sewerage operating revenues exceed budgeted amounts, the Commission generally accrues the resulting surplus in the respective Operating Fund(s) to be utilized in future years' budgets for fiscally prudent purposes, including rate increase mitigation, one-time expenditures, increasing the Commission's reserve, and applying the surplus against future capital costs on a pay-as-you-go basis. In those years in which water or sewer operating revenues do not reach budgeted amounts, the Commission adjusts its then-current budget by reducing expenditures and by drawing upon the reserve, if necessary. In the event that the reserve is inadequate to cover such shortfall, the Commission may implement a mid-year rate increase after notifying the respective County Councils, although this has never been required. The Commission did not draw upon the reserve during fiscal year 2014, fiscal year 2015 or fiscal year 2016. The Commission increased the reserve target by $2.3 million in fiscal year 2015 and has further increased the reserve target by $6.3 million in fiscal year 2016, with a goal of maintaining a reserve of 10%. At June 30, 2016 the reserve target amounted to $61.9 million, which is approximately 10.6% of budgeted water and sewer rate revenue while the actual fund balance was $149.9 million (excludes the ending general bond debt service fund balance of $57.5 million). The fiscal year 2017 budgeted addition is expected to maintain a reserve percentage of 10.5%.

Budget

The Public Utilities Article requires the Commission, prior to January 15 preceding the respective fiscal year, to prepare operating and capital budgets (the "Budget") for the ensuing fiscal year.

The Budget is prepared to reflect the total funding and staffing requirements of the Commission as well as its individual programs and organizational components. The Budget is divided into two major sections, the Operating Budget and the Capital Budget. The Operating Budget reflects the Commission's resource requirements to operate and maintain its completed plants and other installations. The Operating Budget consists of three separate funds: Water

Operating, Sewer Operating, and General Bond Debt Service. The Capital Budget reflects the Commission's plan to receive and expend funds for capital projects including those identified in the first year of its Six Year Capital Improvements Program (see "Capital Improvements Program - Six Year Capital Program"), reconstruction programs and other capital programs. The Capital Budget consists of three separate funds: Water Supply Bond, Sewage Disposal Bond and General Construction Bond funds.

The Budget process begins with submission of requests by all organizational units. The Finance Office compiles and presents the budget to the General Manager for review. After review, the General Manager submits this Budget with his recommendations to the Commissioners. The Commissioners review the Budget and make changes they deem necessary in order to arrive at the Commission's proposed Budget.

The Public Utilities Article requires that the Proposed Budget be published by January 15. Copies of the Proposed Budget are available to the public. The Commission holds public hearings on the Proposed Budget prior to February 15 after providing 21 days' notice of such hearing by publication in at least two newspapers published and generally circulated in Montgomery County and two newspapers published and generally circulated in Prince George's County.

The Commission is required to transmit the Proposed Budget by March 1 to the County Executives of Prince George's and Montgomery Counties. The County Executives make recommendations on the Proposed Budget by March 15 to their respective County Councils. The County Councils may hold public hearings and conduct work sessions with Commission personnel during the months of April and May. Each County Council may add to, delete from, increase or decrease any item of the Proposed Budget and shall transmit by May 15 any proposed changes to the other County Council for review and concurrence. Each County Council must approve all amendments to the Proposed Budget and, prior to June 1, approve the Budget.

In the event both County Councils fail to concur on a change with respect to any item in such Proposed Budget by June 1, that failure shall constitute approval of the item as submitted by the Commission.

Finally, upon receipt of the joint resolutions of the two County Councils, the Commission adopts the Budget and approves the water and sewer rates, other charges and fees, and *ad valorem* tax rates required to fund the approved expenditure levels.

The Commission's audited financial statements (Appendix A) are prepared in accordance with generally accepted accounting principles. Comparison of the audited financial statements to the debt service method statements requires adjustments for several differences, including depreciation, bond principal redemption, capitalized interest and unfunded pension costs.

SUMMARY OF DISTRICT AD VALOREM TAXES AND OTHER CHARGES AND REVENUES THEREFROM

Ad Valorem Tax Rate

At present, no *ad valorem* taxes are levied pursuant to Commission certification for the payment of debt service on outstanding bonds. Debt service on the Bonds and other outstanding bonds of the District is expected to be paid from revenues generated in the District from fees, charges, rates and assessments and other available funds.

Tax Collection Procedures

Pursuant to Section 22-106 of Division II of the Public Utilities Article, in order to retire and pay the interest on bonds of the District each year the county councils of Montgomery County and Prince George's County shall impose against the assessable property located in the District a tax sufficient to pay the principal of and interest on the bonds, as and when due and until paid in full. Each year the Commission shall determine the amount necessary to pay the principal and interest on bonds issued and shall set aside such amount from water service charges, sewer usage charges, house connection charges, and any other charges imposed by the Commission as the Commission determines to be fair and equitable. The amount set aside shall be deducted from the amount that the Commission determines to be necessary to be raised by taxation.

At least 30 days before the taxable year for property taxes, the county executives of Montgomery County and Prince George's County shall certify to the Commission the total valuation of assessable property within the District in each county. The Commission shall determine the amount necessary, for the next taxable year, to pay: (i) interest on all outstanding bonds; (ii) principal of all serial bonds maturing during the year; and (iii) the proportionate part of principal of all outstanding sinking fund bonds as determined by the usual table of redemption of bonds by annual deposit in a sinking fund.

After deducting all amounts applicable to payment of interest and principal on the bonds, the Commission shall certify to the county councils of Montgomery County and Prince George's County the number of cents per $100 necessary to raise the amount determined to pay the debt service.

Each year the county councils of Montgomery County and Prince George's County shall impose a tax in the amount determined by the Commission under the Public Utilities Article on all assessable property within the District. The taxes imposed under this Act shall (i) have the same status as county taxes; and (ii) be imposed and collected by the tax collecting authority for each county as county taxes. Every 60 days, each county shall pay to the Commission the taxes collected under the Public Utilities Article.

Front Foot Benefit Charges and Historic Collections

For meeting debt service on its outstanding $155,889,642 of general construction bonds as of June 30, 2017, there have been assessed front foot benefit charges in amounts sufficient, taking delinquencies in account, to pay debt service on the general construction bonds as such debt service becomes due. Front foot benefit charges are payable in annual or semi-annual installments. There are no operations, repair or maintenance costs paid from front foot benefit charges.

Front foot benefit charges for water and sewer lines placed in service during 2016 and 2015, as shown in the table below, became effective January 1, 2017 and 2016, respectively. The charges are payable over 20-years.

	Annual Rates per linear front foot*			
	Effective January 1, 2017		Effective January 1, 2016	
	Water	Sewer	Water	Sewer
Subdivision	$4.80	$7.18	$4.80	$7.18
Business (First 200 feet)	6.39	9.55	6.39	9.55
Small Acreage (First 150 feet)	4.80	7.18	4.80	7.18
Multi-Unit Residential Apartment	4.80	7.18	4.80	7.18
Townhouse	4.80	7.18	4.80	7.18
Agricultural (First 150 feet)	4.80	7.18	4.80	7.18

*The total amount of assessment can be redeemed at any time by the property owner.

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Front foot benefit charges and deferred house connection charges are levied on a calendar year basis prior to July 1 of each year. Charges can be paid in two installments, the first due prior to October 1 and the second due prior to January 1. Levies, and collections for the five calendar years through 2017 as supplied by the counties, are shown in the following table:

	Montgomery County			Prince George's County		
Levy Year(2)	Amount Levied	Total Collections	Percent Collected(1)	Amount Levied	Total Collections	Percent Collected(1)
2016	$11,069,499	$11,041,420	99.75%	$12,393,181	$12,353,323	99.68%
2015	12,053,519	12,048,529	99.96	14,219,942	14,200,124	99.86
2014	15,647,153	15,643,060	99.97	17,905,730	17,889,577	99.91
2013	19,593,246	19,591,074	99.99	22,718,507	22,702,159	99.93
2012	23,767335	23,741,325	99.89	27,158,108	27,140,015	99.93

(1) Collections are applied to their respective levy years regardless of the year of collection.
(2) Original levies adjusted by subsequent additions, deletions and collections as of June 30, 2017. Assessments are levied on construction completed in the previous calendar year.

Water and Sewer Charges

Water consumption charges are collected to pay the operation, repair and maintenance costs of, and the debt service on bonds and notes issued for, water supply projects. Sewer usage charges are collected to pay the operation, repair and maintenance costs of, and the debt service on bonds and notes issued for, sewerage projects. *Ad valorem* taxes are not presently levied for such purposes.

Under the Public Utilities Article, the Commission imposes a 5% late payment charge on any water/sewer bill outstanding after 30 days for residential customers and 20 days for commercial customers. If payment is not made within an additional 15 days, a termination notice is forwarded to a delinquent property owner advising that service will be discontinued by a specified date without further notice. Should this fail, and if any bill shall remain unpaid for 60 days from the date fixed for payment, it is collectible against the owner of the property served. As of this date of the Official Statement, historically the bad debt write-off has never been material to the Commission.

The Commission employs a conservation oriented multi-rate structure for both water and sewer usage. The structure applies a sliding schedule of rates per thousand gallons of use with a level of charges determined by the customer's average daily consumption ("ADC") during each billing period. The rates as of July 1, 2017 range from $3.53 to $8.16 per thousand gallons for water consumption and $4.42 to $11.20 per thousand gallons for sewer usage. The schedule starts at a base consumption level of 1-49 gallons a day where the lowest water and sewer rates apply and moves up in sixteen increments to a top ADC threshold at 9,000 gallons or more where the highest water/sewer rates apply to the total consumption by the customer unit. Sewer-only customers are charged a flat rate. In addition, all customers are assessed Ready-to-Serve fees, based on meter size, in cumulative amounts ranging from $27.00 to $6,203.00 per quarter.

Other Charges

The Commission collects other charges and fees, namely, house connection fees, plumbing and gas connection inspection fees and system development charges, as mentioned below.

Sub-district Charges

In order to expedite ahead of schedule, the construction of water and/or sewer facilities to serve certain sub-districts within the District, the Commission established individual sub-district charges in the Olney, Mattawoman, Green Branch, Mill Branch and Clopper Road Sub-districts to help defray the cost of capital construction therein. The

Commission has suspended the collection of sub-district charges, because system development charges provide sufficient growth-related cost recovery. See “System Development Charge” below.

House Connection Fees

On January 1, 2005, to reflect the construction cost differential, the Commission’s pricing of house connections for residential customers changed to one in which unimproved and improved connections receive different rates for each different sized connection. Beginning January 1, 2017, the rate for standard one-inch or one and one-half inch residential water connections in an unimproved area is $2,250, whereas a standard one-inch or one and one-half inch residential water connection in an improved area is $7,250. A standard residential sewer connection in an unimproved area is $3,500, whereas a standard residential sewer connection in an improved area is $13,000. Commercial customers are charged different rates for larger sized improved and unimproved area connections to reflect the construction cost differential for these two types of connections.

Plumbing and Gas Connection Inspection Fees

The Commission inspects the installation of all plumbing and gas facilities throughout the bi-county area. This affords standardization of materials and methods for plumbing and gas systems in the District. The Commission charges certain fees for such inspections.

System Development Charge

The Commission is authorized by the Public Utilities Article to impose a system development charge at the time of filing of each plumbing permit application. The charge is applicable to each first-time connection to the water or sewer systems of the District, and to each additional connection or increase in water meter size due to a change in property use, a connection of the improvement or building through an existing onsite system, or an increase in demand at a property already connected to the system. The amount of the charge is established and annually revised by the Montgomery County Council and the Prince George’s County Council. The charge is applied based on the number of plumbing fixtures at the subject property. The rate schedule in effect as of July 1, 2017 imposes charges of between $22 and $264,000 for 75 categories of non-residential fixtures, and between $44 and $880 for 21 categories of residential fixtures. The system development charge is capped at $2,036 per apartment unit, $3,054 for dwellings with one or two toilets, $5,090 for dwellings with three or four toilets, and $7,126 for dwellings with five toilets. The Commission may apply the proceeds of the system development charge only to pay for new treatment, transmission and collection facilities, the need for which is directly attributable to the addition of new service, or to amortize bonds issued in connection with the construction of such facilities.

INFORMATION REGARDING MONTGOMERY AND PRINCE GEORGE’S COUNTIES

Montgomery County and Prince George’s County are each a body politic and corporate and a political subdivision of the State of Maryland. The populations of Montgomery County and Prince George’s County are shown below:

	1990	2000	2010
Montgomery County	$ 757,027	$ 873,341	$1,004,709
Prince George’s County	728,553	801,515	881,138
Total	$ 1,485,580	$1,674,856	$1,885,847

Source: U.S. Census of Counties.

Additional information regarding Montgomery County and Prince George’s County, including detailed governance, demographic, economic and financial information is set forth in Appendix B and can be obtained from the most recent Official Statements of such counties. The information regarding Montgomery County and Prince George’s County set forth in Appendix B to this Official Statement has been provided to the Commission by Montgomery County and Prince George’s County, respectively. The Commission has not undertaken to audit, authenticate or otherwise verify the information set forth in Appendix B or any Official Statement of Montgomery County or Prince George’s County. The Commission makes no guaranty, warranty or other representation respecting the accuracy and completeness of the information set forth in Appendix B or any such Official Statement. The Commission is not in a position to, and will not, undertake to update any information set forth in Appendix B or in any Official Statement of Montgomery County or Prince George's County. Reference to the Official Statements of Montgomery County and Prince George's County is included herein for convenience only and any information included in such Official Statements is not incorporated herein, by reference or otherwise.

CAPITAL IMPROVEMENTS PROGRAM

Ten Year Plan

The State of Maryland requires that every county in the State have a ten-year water and sewerage plan. The Commission, as the provider of water and wastewater services for Montgomery County and Prince George's County, has assisted in the preparation of the ten-year plans since 1971. The County 10-year plans provide the overall guidance for the timing and capacity for planned implementation of new water filtration plants, pumping stations, transmission lines and storage facilities and sewage treatment plants, pumping stations, force mains and interceptor sewers and related facilities. Local water distribution and sewage collection systems are approved by Commission authority consistent with service policies in the ten-year plans.

Six Year Capital Program

Each year the Commission prepares a six-year projection of capital expenditures for new major water and sanitary sewerage facilities constituting its Capital Improvements Program ("CIP"). In addition, six-year projections are made for existing water and sewer systems reconstruction activities, a planned program for rehabilitating the older or deficient portions of these systems. The principal objective of the CIP is the six-year programming of planning, design, land acquisition, and construction activities on a yearly basis for major water and sewerage infrastructure projects and programs. These projects and programs may be necessary for system improvements for service to existing customers (82% of the CIP), to comply with federal and/or state environmental mandates (7%), or to support new development in accordance with the counties' approved plans and policies for orderly growth and development (11%). The projects within the approved six-year program include an aggressive program to rehabilitate or replace the older portions of the Commission's 5,500 miles of water mains and 5,400 miles of sewer mains, provide for growth as needed and ensure compliance with the 2005 sanitary sewer and 2016 Potomac Water Filtration Plant consent decrees. The projects are generally categorized as follows:

Capital Improvements Program (CIP) & Allocated Costs
Systems Reconstruction Program
Engineering Support Program (ESP)
Energy Performance Program (EPP)
Other Capital Projects
General Construction

Working to protect clean water, in July of 2005 the Commission joined U.S. Representative Chris Van Hollen, Lieutenant Governor Michael S. Steele and representatives from the Anacostia Watershed Society, Natural Resources Defense Council (NRDC), Audubon Naturalist Society and Friends of Sligo Creek to announce agreement on a multi-year action plan to dramatically minimize, and eliminate where possible, sewage overflows. A sanitary sewer overflow (SSO) is an event where untreated or partially treated wastewater discharges from a sanitary sewer system into the surrounding areas.

The comprehensive plan settles a lawsuit filed by the U.S. Department of Justice (DOJ) in November 2004 on behalf of the U.S. Environmental Protection Agency (EPA) regarding overflows in the Commission's wastewater collection system. The Commission has worked closely with its partners at the federal, state and local levels to develop a proactive plan that will augment its existing efforts to maintain, identify and repair problem areas within its 5,400-mile sewer system. This sanitary sewer consent decree, similar to many others enacted throughout the country, will enhance the Commission's ability to meet the public health needs of our customers. The Commission is well underway on this program and all funding required has been incorporated within the existing CIP. On June 26, 2016, the sanitary sewer consent decree deadline was extended for an additional six years.

In February 2014, the Potomac Riverkeeper, Inc. ("PR") and the Chesapeake Bay Foundation, Inc. ("CBF") filed a complaint for injunctive relief and penalties in U.S. District Court in Maryland alleging violations of the Clean

Water Act ("CWA") by the Commission (the "Issuer"). Under a Consent Decree executed by the District Court of Maryland on April 15, 2016, the Commission is required to undertake short-term operational changes and long-term capital improvements at the Potomac Water Filtration Plant that will enable WSSC to reduce solids discharged to the river, and to plan, design and implement upgrades or new construction to achieve requirements established by MDE and incorporated in a new discharge permit. The Audit report and Long-Term Upgrade Plan were submitted by WSSC for consideration in December 2016. Costs for implementation of improvements are estimated at $157.5 million, and are to be expended over at least 7 years, all of which is expected to be incurred after fiscal year 2016. The costs for the improvements are included in WSSC's proposed budget and capital improvements programs.

The Commission has approved water and sewer CIP, Engineering Support and Energy Performance Program projects with a value of nearly $2.2 billion for fiscal years 2018-2023, and over $1.1 billion for water and sewer system reconstruction projects during the same period. Of this amount, over $2.7 billion is anticipated to be funded through the sale of Commission bonds. The remaining amount is expected to be funded through federal and state grants, operating funds, and contributions from other sources.

The following table shows the approximate funding schedule (subject to adjustment for inflation) for approved CIP and system reconstruction projects (dollars in thousands).

	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23	6-Yr.-Total
Water CIP/ESP/EPP	$ 230,002	$ 192,675	$ 174,686	$ 151,685	$ 135,036	$ 121,299	$ 1,005,383
Sewer CIP/ESP/EPP	304,149	272,052	269,095	167,586	87,941	85,138	1,185,961
System Reconstruction	177,456	186,453	186,493	196,483	197,106	205,679	1,146,670
	$ 711,607	$ 648,180	$ 630,274	$ 515,754	$ 420,083	$ 412,116	$ 3,338,014
Bond Funding	$566,008	$505,739	$531,240	$428,640	$350,797	$336,887	$2,719,311
% of Capital Program	80%	78%	84%	83%	84%	82%	81%

The funds necessary to finance general construction projects are not included in the above six year projections. In accordance with amendments to the Public Utilities Article enacted in 1998, general construction projects begun after June 30, 2001 will generally be financed by private developers rather than the Commission.

WATER AND SEWERAGE FACILITIES, SERVICE CENTERS AND STATISTICS

The Commission currently operates water filtration plants, raw water reservoirs, wastewater treatment plants (in addition to sharing the use of regional facilities) and maintenance service centers.

Water Sources and Filtration Facilities

The Commission has multiple sources of raw water available for processing and delivery to its customers. These sources are supplemented by a number of reservoirs containing an aggregate of 17 billion gallons of raw water storage, and up to an additional 17 billion gallons of water for river quality and flow. The water filtration facilities (Potomac and Patuxent), which have a combined peak production capacity of more than 300 million gallons of water per day (mgd), are strategically located to meet all of the needs of the Commission's customers. The water system is designed with a focus on sufficient redundancy to ensure adequate overlapping coverage for the Commission's service area.

The Commission maintains a water distribution network containing more than 5,500 miles of mains. There are filtered water storage structures located at strategic points along this network to assist in meeting peak customer demands and fire protection requirements. These structures have a combined gross storage capacity of more than 200 million gallons.

Wastewater Treatment Facilities

The Commission's wastewater plants located throughout the District are as follows:

Seneca Plant	Piscataway Plant	Parkway Plant
Damascus Plant	Western Branch Plant	Hyattstown Plant

Blue Plains Plant (developed and operated by the District of Columbia Water and Sewer Authority; capacity is shared by the Commission under regional agreements)

Mattawoman Plant (developed and operated by Charles County, Maryland; the Commission has purchased 15% of the plant's capacity under a regional agreement)

Poolesville Plant (owned and operated by the Town of Poolesville, Maryland; the Commission has purchased 20,000 gpd capacity at the plant under an agreement with the Town)

In recent years, in response to efforts to improve water quality in the Chesapeake Bay, emphasis has been placed on the expansion and improvement of wastewater treatment facilities to serve current and future needs of the Commission's bi-county service area. Every plant receiving wastewater from the Commission's system is equipped to provide advanced treatment. In 2004 the State of Maryland passed the Chesapeake Bay Restoration Act into law to provide funding to remove additional nitrogen at wastewater treatment plants statewide to achieve Enhanced Nutrient Removal (ENR). Construction is now complete to upgrade all Commission facilities to the ENR technology. The State of Maryland had previously provided funds on a 50% cost share basis to upgrade plants statewide to Biological Nutrient Removal (BNR). The Commission has previously constructed BNR facilities at the Piscataway, Western Branch, Parkway, Seneca and Damascus Plants. Each of the prior nitrogen removal projects allowed the Commission plants to meet or surpass the BNR goals and produce effluents of < 8 mg/l nitrogen. The additional ENR upgrades further reduce nitrogen in the effluent to approximately 3 mg/l which is considered the limit of technology.

Approximately 65% of the District's sewage flow travels through the regional system in Maryland and the District of Columbia to the Blue Plains Plant Advanced Wastewater Treatment Plant in Washington, D.C. ("Blue Plains"). The Blue Plains Plant is an advanced wastewater treatment plant with treatment capacity of 370 mgd. Blue Plains enhanced nitrogen removal facilities are currently under construction. The Commission has contributed to the capital cost of these upgrades. This project continues to receive grant funding annually from previously-appropriated federal (EPA) and State pollution control grant programs. During fiscal year 2017, the Blue Plains Plant received 41.3 billion gallons (bg) of sewage from the Commission system, while the following flows were handled during the year at Commission-operated facilities: Piscataway Plant, 8.7 bg; Western Branch Plant, 7.3 bg; Parkway Plant, 2.2 bg; Seneca Plant, 5.1 bg; and Damascus Plant, 0.3 bg. In addition, the Mattawoman Plant received 0.5 bg of sewage from the Commission system.

Wastewater is conveyed through the Commission pipeline system, which contains more than 5,400 miles of sewer mains.

Service Centers

The Commission operates four service centers throughout the service area Through facilities in Anacostia, Gaithersburg, Lyttonsville and Temple Hills, the Commission provides warehouse management, fleet services and meter operations to ensure that appropriate materials and transportation is available for the maintenance and repair of the vast water and wastewater system. In addition, the Commission operates a state-of-the-art laboratory which performs an estimated 500,000 tests annually to ensure water safety and quality.

Fiscal Year Ended June 30,	Estimated Population Served	Miles of Water Mains	Water Connections	Water Delivered (000,000 gal.)	Average mgd.	Miles of Sewer Mains	Sewer Connections
2017………………………	1,783,000	5,606	458,604	59,860	162.7	5,476	433,479
2016………………………	1,774,000	5,586	457,393	59,933	164.2	5,451	431,589
2015………………………	1,765,000	5,552	453,004	59,469	162.9	5,424	427,279
2014………………………	1,757,000	5,521	449,333	58,603	160.6	5,402	425,445
2013………………………	1,749,000	5,494	446,453	58,830	161.2	5,376	423,110
2012………………………	1,742,000	5,471	444,184	60,648	165.7	5,363	421,092

INSURANCE

The Commission maintains insurance on its property (structures, contents, boilers and machinery, etc.) for physical damages. The Commission also maintains Employee Dishonesty and Terrorism insurance.

The Commission is self-insured for all liability except fiduciary liability insurance which the Commission maintains in connection with its Employees Retirement Plan. Each year, the Commission budgets funds to pay for expected claims, based on past loss experience. However, should the actual claims be significantly higher than budgeted, or should a catastrophic loss occur, then funds to pay for such loss or losses would have to be obtained from *ad valorem* taxation or other sources of revenue, since a self-insurance fund has not been established.

The Commission is self-insured for Workers' Compensation benefits per the applicable statutory requirements of the State of Maryland.

The Commission's insurance policies contain varying self-insured retention levels. All such policies are subject to their terms, conditions, exclusions, definitions and limitations.

INVESTMENT OF OPERATING AND CAPITAL FUNDS

Commission funds held for operating and capital purposes are invested by the Commission Treasurer's Office in accordance with the Commission's investment policy, which conforms to State of Maryland law on the investment of public funds. The Commission does not leverage its investment portfolio, buy reverse repurchase agreements, invest in investment pools or enter into interest rate swaps or other derivatives. The Commission does not borrow or lend securities. The Commission invests primarily in obligations of the United States government, its agencies or instrumentalities, repurchase agreements, and bankers' acceptances. The repurchase agreements into which the Commission enters are collateralized by United States government treasury obligations and obligations of agencies and instrumentalities of the United States government, held by an independent third party custodian and marked to market daily.

LITIGATION

In February 2014, the Potomac Riverkeeper, Inc. ("PR") and the Chesapeake Bay Foundation, Inc. ("CBF") filed a complaint for injunctive relief and penalties in U.S. District Court in Maryland alleging violations of the Clean Water Act ("CWA") by the Commission; in May 2014, the Maryland Department of the Environment ("MDE") notified the Commission of its intention to file its own CWA complaint against the Commission. The parties agreed to a Consent Decree that was approved by the U.S. District Court on April 15, 2016, ending the litigation. The Consent Decree obligates WSSC to make immediate, short (3 years), and long-term (10 years) investments at the Commission's Potomac Water Filtration Plant that are designed to attain proposed performance metrics. The level of improvements and any civil and stipulated penalties and other expenditures required under the Consent Decree are not expected to have a material adverse effect on the Commission's ability to satisfy its debt service requirements for the Bonds or any other debt obligations of the District.

RATINGS

Fitch Ratings, Inc. ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Rating Services ("S&P") have assigned the Bonds long-term ratings of "AAA" (with a stable outlook), "Aaa" (with a stable outlook) and "AAA" (with a stable outlook), respectively. No application was made to any other rating agency for the purpose of obtaining a rating on the Bonds.

The Commission furnished to such rating agencies certain information and materials respecting the Bonds, the District, the Commission, Prince George's County and Montgomery County. Generally, rating agencies base their ratings on investigations, studies and assumptions that they made, in addition to the information and materials provided by the Commission. Such ratings express only the views of the respective rating agencies. There is no assurance that the ratings mentioned above will remain in force for any given period of time or that the ratings may not be lowered or withdrawn by the rating agencies or any of them. Any such lowering or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

TAX MATTERS

The following discussion does not describe all aspects of federal income taxation that may be relevant to a particular holder of Bonds in light of his or her particular circumstances and income tax situation. Each holder of Bonds should consult such holder's tax advisor as to the specific tax consequences to such holder of the ownership and disposition of such Bonds, including the application of state, local, foreign and other tax laws.

State of Maryland Taxation

In the opinion of Bond Counsel, under existing law, interest on the Bonds is exempt from taxation by the State of Maryland, its counties and municipalities; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the interest on the Bonds. Interest on the Bonds may be subject to state or local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws. Purchasers of the Bonds should consult their own tax advisors with respect to the taxable status of the Bonds in jurisdictions other than Maryland.

Federal Income Taxation

In the opinion of Bond Counsel, under existing statutes, regulations and decisions, assuming compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes.

Under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the Bonds in order that the interest thereon be excludable from gross income. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the Bonds; and (iii) other requirements applicable to the use of the proceeds of the Bonds and the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The Commission has covenanted to take all actions necessary to maintain the exemption of interest on the Bonds from federal income taxation in the Resolutions.

Further, under existing statutes, regulations and decisions, Bond Counsel is of the opinion that interest on the Bonds is not included in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to such tax may be required to increase its alternative minimum taxable income by 75% of the amount by which its "adjusted current earnings" exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For such purposes, "adjusted current earnings" may include, among other items, interest income from the Bonds. In addition, interest income on the Bonds will be subject to the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States of America.

In rendering its opinion with respect to the Bonds, Bond Counsel will rely, without independent investigation, on certifications provided by the Commission with respect to certain material facts within its knowledge relevant to the tax-exempt status of interest on the Bonds. See Appendix D – Forms of Opinion of Bond Counsel.

Certain Other Federal Tax Consequences Pertaining to Bonds

There are other federal income tax consequences of ownership of obligations such as the Bonds under certain circumstances, including the following: (i) deductions are disallowed for certain expenses of taxpayers allocable to interest on tax-exempt obligations, as well as interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations and interest expense of financial institutions allocable to tax-exempt interest; (ii) for property and casualty insurance companies, the amount of the deduction for losses incurred must be reduced by 15% of the sum of tax-exempt interest received or accrued and the deductible portion of dividends received by such companies; (iii) interest income which is exempt from tax must be taken into account for the purpose of determining whether, and what amount of, social security or railroad retirement benefits are includable in gross income for federal income taxation purposes; (iv) for S corporations having Subchapter C earnings and profits, the receipt of certain levels of passive investment income, including interest on tax-exempt obligations such as the Bonds, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status; and (v) net gain realized upon the sale or other disposition of the Bonds generally must be taken into account when computing the 3.8% Medicare tax with respect to net investment income imposed on certain high income individuals and specified trusts and estates.

Tax Accounting Treatment of Discount Bonds

Certain maturities of the Bonds may be issued at an initial public offering price that is less than the amount payable on such Bonds at maturity (the "Discount Bonds"). The difference between the initial offering price at which a substantial amount of the Discount Bonds of each maturity was first sold and the principal amount of such Discount Bonds payable at maturity constitutes the original issue discount. The amount of such original issue discount that is treated as having accrued, with respect to such Discount Bonds, is added to the original cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, early redemption or repayment at maturity). For federal income tax purposes, (a) any holder of a Discount Bond will recognize gain or loss upon the disposition of such Discount Bond (including sale, early redemption or payment at maturity) in an amount equal to the difference between (i) the amount received upon such disposition and (ii) the sum of (1) the holder's original cost basis in such Discount Bond, and (2) the amount of original issue discount attributable to the period during which the holder held such Discount Bond, and (b) the amount of the basis adjustment described in clause (a)(ii)(2) will not be included in the gross income of the holder.

Original issue discount on Discount Bonds will be attributed to permissible compounding periods during the life of such Discount Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the Discount Bonds of each maturity is determined using permissible compounding periods. In general, the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the Discount Bonds and must begin or end on the date of such payments. Such yield then is used to determine an amount of accrued interest for each permissible compounding period. For this purpose, interest is treated as compounding periodically at the end of each applicable compounding period. The amount of original issue discount that is treated as having accrued in respect of a Discount Bond for any particular compounding period is equal to the excess of (a) the product of (i) the yield for such Discount Bond (adjusted as necessary for an initial short period) divided by the number of compounding periods in a year and (ii) the amount that would be the tax basis of such Discount Bond at the beginning of such period if held by an original purchaser who purchased at the initial public offering price, over (b) the amount actually payable as interest on such Discount Bond during such period. For purposes of the preceding sentence, the tax basis of a Discount Bond, if held by an original purchaser, can be determined by adding to the initial issue price of such Discount Bond, the original issue discount that is treated as having accrued during all prior compounding periods. If a Discount Bond is sold or otherwise disposed of between compounding dates, then interest, which would have accrued for that compounding period for federal income tax purposes, is to be apportioned in equal amounts among the days in such compounding period.

Holders of Discount Bonds should note that under the tax regulations, the yield and maturity of a Discount Bond are determined without regard to commercially reasonable sinking fund payments and any original issue discount remaining unaccrued at the time that a Discount Bond is redeemed in advance of stated maturity will be treated as taxable gain. Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable upon the occurrence of certain contingencies.

The yields (and related prices) provided by the purchasers of the Bonds and shown on the inside cover of this Official Statement may not reflect the initial issue prices for purposes of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Discount Bonds, but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Discount Bonds. In addition, prospective corporate purchasers should consider possible federal tax consequences arising from original issue discount on the Discount Bonds under the alternative minimum tax or the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount.

Purchasers with questions concerning the detailed tax consequences of transactions in the Discount Bonds should consult their tax advisors.

Purchase, Sale and Retirement of Bonds

Except as noted below in the case of market discount, the sale or other disposition of a Bond will normally result in capital gain or loss to its holder. A holder's initial tax basis in a Bond will be its cost. Upon the sale or retirement of a Bond, for federal income tax purposes, a holder will recognize capital gain or loss upon the disposition of such security (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the tax basis in such Bond, determined by adding to the original cost basis in such Bond the amount of original issue discount that is treated as having accrued as described above under "Tax Accounting Treatment of Discount Bonds." Such gain or loss will be a long-term capital gain or loss, if at the time of the sale or retirement, the Bond has been held for more than one year. Present law taxes both long and short-term capital gains of corporations at the rates applicable to ordinary income. For noncorporate taxpayers, however, short-term capital gains are taxed at the rates applicable to ordinary income, while net capital gains are taxed at lower rates. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses.

Market Discount

If a holder acquires a Bond after its original issuance at a discount (or in the case of a Bond issued at an original issue discount, at a price that produces a yield to maturity higher than the yield to maturity at which such Bond was first issued), the holder will be deemed to have acquired such Bond at "market discount," unless the amount of market discount is *de minimis*, as described in the following paragraph. If a holder that acquires a Bond with market discount subsequently realizes a gain upon the disposition of such Bond, such gain shall be treated as taxable interest income to the extent such gain does not exceed the accrued market discount attributable to the period during that the holder held such Bond, and any gain realized in excess of such market discount will be treated as capital gain. Potential purchasers should consult their tax advisors as to the proper method of accruing market discount.

In the case of a Bond not issued at an original issue discount, market discount will be *de minimis* if the excess of the stated redemption price of such Bond at maturity over the holder's cost of acquiring such Bond is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years between the date the holder acquires such Bond and its stated maturity date. In the case of a Bond issued with original issue discount, market discount will be *de minimis* if the excess of the revised issue price of such Bond over the holder's cost of acquiring such Bond is less than 0.25% of the revised issue price multiplied by the number of complete years between the date the holder acquires such Bond and its stated maturity date. For this purpose, the "revised issue price" of a Bond is the sum of (a) its original issue price and (b) the aggregate amount of original issue discount that is treated as having accrued with respect to such Bond during the period between its original issue date and the date of acquisition by the holder.

Amortizable Bond Premium

A Bond will be considered to have been issued at a premium if, and to the extent that, the holder's tax basis in such Bond exceeds the amount payable at maturity (or, in the case of a Bond callable prior to maturity, the amount payable on the earlier call date). Under the tax regulations applicable to the Bonds, the amount of the premium would be determined with reference to the amount payable on that call date (including for this purpose the maturity date) that produces the lowest yield to maturity on such Bonds. The holder will be required to reduce his tax basis in such Bond for purposes of determining gain or loss upon disposition of the Bond by the amount of amortizable bond premium that accrues determined in the manner prescribed in the regulations. Generally, no deduction (or other tax benefit) is allowable in respect of any amount of amortizable bond premium on the Bonds.

Legislative Developments

Legislation recently under consideration or proposed after issuance and delivery of the Bonds could adversely affect the market value of the Bonds. Further, if enacted into law, any such proposal could cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation and could otherwise alter or amend one or more of the provisions of federal tax law described above or their consequences. Prospective purchasers of the Bonds should consult with their tax advisors as to the status and potential effect of any legislative proposals, as to which Bond Counsel expresses no opinion.

CERTIFICATE CONCERNING OFFICIAL STATEMENT

Concurrently with the delivery of the Bonds, one or more Officers of the Commission will certify that, to the best of their knowledge, the Official Statement did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading in any material respect.

SALE AT COMPETITIVE BIDDING

The Bonds were offered by the Commission by a competitive sale occurring on October 26, 2017, in accordance with the Notices of Sale. The Notices of Sale for the Bonds are attached hereto as part of Appendix F. The interest rates shown on the inside cover page of this Official Statement for the Bonds are the interest rates resulting from the award of the Bonds at the competitive sale. The yields or prices shown on the inside cover page of this Official Statement were furnished by the successful bidders for the Bonds. All other information concerning the nature and terms of any reoffering should be obtained from the successful bidders for the Bonds and not from the Commission.

FINANCIAL ADVISOR

Wye River Group, Incorporated, Annapolis, Maryland is an independent registered municipal advisor (the "Financial Advisor") that has rendered financial advice to the Commission regarding the issuance of the Bonds and the preparation of this Official Statement. The Financial Advisor has not been engaged, nor has it undertaken, to audit, authenticate or otherwise verify the information set forth in this Official Statement, or any other related information available to the Commission, with respect to accuracy and completeness of disclosure of such information. The Financial Advisor makes no guaranty, warranty or other representation respecting the accuracy and completeness of this Official Statement or any other matter related to the Official Statement. The Financial Advisor does not engage in the underwriting, selling, or trading of securities.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by The Arbitrage Group, Inc. relating to (a) computation of forecasted receipts of principal and interest on the acquired obligations and the forecasted payments of principal and interest to redeem the Refunded Bonds, and (b) computation of the yields on the Bonds and the Federal Securities was examined by The Arbitrage Group, Inc.. Such computations were based solely on assumptions and information supplied by the Commission. The Arbitrage Group, Inc. has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

APPROVAL OF LEGAL PROCEEDINGS

The legality of the Bonds, based upon the documents and proceedings relative to the authorization, issuance and delivery thereof, is subject to the approval of McKennon Shelton & Henn LLP, Bond Counsel, whose approving opinions will be delivered with the Bonds. The proposed forms of bond counsel opinions are set forth in Appendix D.

FINANCIAL STATEMENTS

The financial statements of the Commission as of June 30, 2017 and 2016 and for the years then ended, included in Appendix A, have been audited by BCA Watson Rice LLP, independent auditors, as stated in their report appearing herein.

CONTINUING DISCLOSURE

The Commission will execute a Continuing Disclosure Certificate (the “Disclosure Undertaking”) in connection with the issuance of the Bonds to assist the bidders in complying with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended. The Disclosure Undertaking requires the Commission to file the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) (i) certain annual financial information and operating data and (ii) certain event notices. The form of the Disclosure Undertaking is attached as Appendix C. The Commission may amend the Disclosure Undertaking in the future so long as such amendments are consistent with the Rule as then in effect.

A default by the Commission under the Disclosure Undertaking is not an event of default with respect to the Bonds. Except as described below, during the last five years, the Commission has not failed to comply, in all material respects, with its continuing disclosure undertakings.

- Due to an administrative error, the Commission did not file updated financial information for fiscal year 2010 until October 28, 2011, however the Commission did post the required fiscal year 2010 financial information in the Official Statement dated September 14, 2010 for the $240,000,000 Washington Suburban Sanitary District, Maryland Consolidated Public Improvement Bonds of 2010.

- The Official Statement dated November 1, 2011 for the $300,000,000 Washington Suburban Sanitary District, Maryland Consolidated Public Improvement Bonds of 2011, containing the fiscal year 2011 additional financial information required to comply with the Commission’s annual disclosure requirements for fiscal year 2011, was posted on EMMA but not posted as part of its annual disclosure information and cross referenced with the CUSIP numbers of the outstanding bonds.

- Financial information posted on October 28, 2011 for fiscal year 2010 was not appropriately linked to the Commission’s debt issued in 2002 and 2003. This administrative error was corrected by the Issuer on October 13, 2015.

- Certain operating data for fiscal year 2011 was not appropriately linked to all of the CUSIP numbers of the outstanding bonds until October 13, 2015.

- Due to an administrative oversight, the Issuer did not appropriately link on EMMA, certain operating data for the fiscal year ending June 30, 2013, required to comply with the Issuer’s annual disclosure requirements. The

Official Statement dated April 15, 2014, for the Commission's $150,000,000 Washington Suburban Sanitary District, Maryland Consolidated Public Improvement Bonds of 2014 and $47,395,000 Washington Suburban Sanitary District, Maryland Consolidated Public Improvement Refunding Bonds of 2014, containing the requisite operating data for the fiscal year ending June 30, 2013 was posted on EMMA but not posted as part of the Issuer's annual disclosure information for the Issuer's $215,000,000 Washington Suburban Sanitary District, Maryland Multi-Modal Bond Anticipation Notes. On May 18, 2016, the Issuer corrected the administrative oversight.

- Due to an administrative oversight, a material event notice originally posted by the Commission on December 23, 2015 was not appropriately linked to the Issuer's debt issued in 2015. This administrative error was corrected by the Commission on August 24, 2016.

The Commission has put in place internal procedures intended to ensure that all required information is provided to the MSRB for posting on EMMA on a timely basis and to all outstanding CUSIP numbers in accordance with its continuing disclosure undertakings. All annual financial statements, operating data and event notices posted on EMMA are current as of the date of this Official Statement.

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APPROVAL OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement have been approved by Washington Suburban Sanitary Commission.

WASHINGTON SUBURBAN SANITARY COMMISSION

By: */s/* Thomasina V. Rogers

Thomasina V. Rogers, Chair

By: */s/* Carla A. Reid

Carla A. Reid, General Manager/CEO

APPENDIX A

AUDITOR'S REPORT DATED SEPTEMBER 15, 2017, AND COMPARATIVE FINANCIAL STATEMENTS OF THE COMMISSION FOR FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

APPENDIX B

SELECTED INFORMATION RESPECTING MONTGOMERY COUNTY AND PRINCE GEORGE'S COUNTY

MONTGOMERY COUNTY

General

The information contained under the heading "Montgomery County" has been provided by Montgomery County**. The Commission has not undertaken to audit, authenticate or otherwise verify the information regarding Montgomery County set forth in this Appendix B. The Commission makes no guaranty, warranty or other representation respecting the accuracy and completeness of such information. The Commission is not in a position to, and will not, undertake to update any information set forth herein regarding Montgomery County.**

Montgomery County is located adjacent to the nation's capital, Washington, D.C., and includes 496 square miles of land area. The topography is rolling with small hills. Elevations range from 52 feet above sea level at the junction of the Potomac River and the District Line, to 850 feet in the northern portion of the County near Damascus. Bordering the County are Howard County to the northeast, Prince George's County to the southeast, Frederick County to the northwest, the District of Columbia to the south, and Virginia to the southwest.

Government

The County Council is comprised of nine members, four of whom are elected by the qualified voters of the entire County. Each of the five other members of the Council must, at the time of their election, reside in a different one of five Council manic districts of the County and each of these five members shall be nominated and elected by the qualified voters in their respective districts. Populations of the Council manic districts are substantially equal.

The County Executive, who must be a qualified voter of the County for the five years preceding his or her election and who may not be less than thirty years of age, is elected by the qualified voters of the entire County at the same time as the Council. Both the County Executive and the County Council members serve a four-year term. Montgomery County voters in November 2016 approved a referendum to limit the County Executive and Councilmembers to three four-year terms. The first election that this change will impact is in 2018.

Population

The population of the County, according to the 2010 Census, was 971,777, an increase of 10.6 percent since the 2000 Census and exceeded 1 million in 2012.

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Households and Population

	Households	Population	Population Percent Change from Prior Census
2016 (est.)	375,173	1,049,477	8.0%
2015	371,468	1,040,116	7.0
2014	364,854	1,030,447	6.0
2013	364,743	1,016,677	4.6
2012	361,116	1,004,709	3.4
2011	359,496	989,794	1.9
2010 (U.S. Census)	357,086	971,777	10.6
2009	345,301	959,013	9.1
2008	341,812	942,748	7.3
2007	343,540	931,694	6.0
2006	341,438	926,492	5.4
2005	339,628	921,531	4.9
2004	337,838	914,991	4.1
2000 (U.S. Census)	324,565	878,683	15.7

Note: Data for households and total population from 2011 to 2015 from the American Community Survey, U.S. Census Bureau. Data for households from the American Community Survey are defined as occupied housing units. The estimate of households and population in 2016 derived by the Montgomery County Department of Finance from using average annual rate from 2010 to 2015 from MWCOG (Round 8.4).

Median Age

	1960	1970	1980	1990	2000	2010	2015
Median Age	28.1	27.9	32.1	33.9	36.8	38.5	38.9

Sources: For 2010 and 2015 the American Community Survey, U.S. Bureau of the Census. For previous years, Decennial Census, U.S. Bureau of the Census.

Employment

The County's economic structure reveals a diversified economy with a strong service sector. The total private sector (trade, information services, financial activities, professional services, education and health, and hospitality) employed 80.5 percent of the total workforce in 2015, the latest available annual data. The following tables present the County's employment by industrial sector.

Payroll Employment

	2010	2014	2015
TOTAL PRIVATE SECTOR	358,172	365,763	369,541
PUBLIC SECTOR EMPLOYMENT:			
Federal	45,072	46,678	47,321
State	1,199	1,207	1,249
Local	37,140	41,695	40,774
TOTAL PUBLIC SECTOR	83,411	89,580	89,344
GRAND TOTAL	441,583	455,343	458,885

Notes: The following groups are excluded from the payroll count. Federal, military, self-employed, railroad workers and domestic employees. Payroll employment represents the total number of jobs covered by the Maryland Unemployment Insurance Program.
Source: State of Maryland, Department of Labor, Licensing and Regulation.

Payroll Employment Shares by Industry

.	2014	2015
TOTAL PRIVATE SECTOR	80.3%	80.5%
PUBLIC SECTOR EMPLOYMENT:		
Federal	10.3	10.3
State	0.2	0.3
Local	9.2	8.9
TOTAL PUBLIC SECTOR	19.7	19.5
GRAND TOTAL	100.0%	100.0%

Source: State of Maryland, Department of Labor, Licensing and Regulation.

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Payroll Employment
(NAICS Series)*

	2014	2015	Difference	Percent Change
TOTAL PRIVATE SECTOR	365,763	369,541	3,778	1.0%
GOODS-PRODUCING	35,270	35,559	289	0.8%
Natural Resources and Mining	304	308	4	1.3%
Construction	23,662	23,585	(77)	-0.3%
Manufacturing	11,304	11,666	362	3.2%
SERVICE PROVIDING	330,493	333,982	3,489	1.1%
Trade, Transportation, and Utilities	57,824	57,695	(129)	-0.2%
Information	12,608	12,354	(254)	-2.0%
Financial Activities	30,040	30,607	567	1.9%
Professional and Business Services	98,782	99,022	240	0.2%
Education and Health Services	67,618	69,925	2,307	3.4%
Leisure and Hospitality	41,005	41,827	822	2.0%
Other Services	22,616	22,552	(64)	-0.3%
PUBLIC SECTOR EMPLOYMENT	89,580	89,344	(236)	-0.3%
Federal Government	46,678	47,321	643	1.4%
State Government	1,207	1,249	42	3.9%
Local Government	41,695	40,774	(921)	-2.2%
GRAND TOTAL	455,343	458,885	3,542	0.8%

* North American Industrial Classification System.

During calendar year 2015 the County's unemployment rate averaged 3.4 percent.

Montgomery County's Resident Labor Force
Employment & Unemployment

	Labor Force	Employment	Unemployment	Unemployment
2016*	549,900	531,400	18,500	3.4%
2015**	549,287	527,510	21,777	4.0%
2014**	544,718	520,811	23,907	4.4%
2013**	542,828	515,888	26,939	5.0%
2012**	540,621	512,679	27,942	5.2%
2011**	536,832	508,549	28,283	5.3%
2010	532,549	502,710	29,839	5.6%
2009	522,421	494,565	27,856	5.3%
2008	515,987	499,705	16,282	3.2%
2007	509,769	496,401	13,368	2.6%

Source: State of Maryland, Department of Labor, Licensing and Regulation and the Bureau of Labor Statistics (BLS).
* Estimated by the Montgomery County Department of Finance.
** Data for 2011 through 2015 were revised by BLS.

Federal Government Employment

The County is home to 18 Federal agencies in which over 55,000 civilians are employed. The National Institutes of Health in Bethesda (part of the Department of Health and Human Services) is one of the nation's premier centers of medical research. The following is a partial list of Federal agencies in the County and their estimated employment in 2015.

Department of Health and Human Services (HHS) National Institutes of Health Food and Drug Administration	30,430
Department of Defense Walter Reed National Military Center Carderock Naval Surface Warfare Center	13,270
Department of Commerce National Oceanic & Atmospheric Administration National Institute of Standards & Technology	7,330
Nuclear Regulatory Commission	2,700
Department of Energy	1,800

Source: Maryland Department of Commerce.

Private Sector Employment

There are several thousand private sector employers in Montgomery County. Below is a listing of some of the County's largest employers.

Name of Firm	Est. No. of Employees
Marriott International, Inc. (Headquarters)	5,500
Lockheed Martin	4,690
Adventist Hospital	4,290
Holy Cross Hospital	3,900
Giant Food Corporation	3,150
Verizon	2,870
Kaiser Permanente of the Mid-Atlantic States	2,640
MedImmune/Astra Zeneca	2,290
Westat, Inc.	2,280
Government Employee Insurance Company (GEICO)	2,270
Henry M. Jackson Foundation	1,780
Suburban Hospital	1,770
Red Coats/Admiral Security Services	1,640

Source: Maryland Department of Commerce.

Personal Income

Actual personal income of County residents reached $79.9 billion in calendar year 2015 which is an increase over the 2014 amount of $75.8 billion. The County's total personal income experienced an increase of 5.4 percent in 2015, greater than the nation's increase of 4.5 percent, and greater than the State's rate of 4.1 percent. The County's total personal income increase of 5.4 percent is greater than the ten-year (2005-2014) annual average growth rate of 3.1 percent.

The County accounts for 23.8 percent of the State's personal income in 2015, which is a percentage that has ranged from a low of 23.5 percent in 2014 to a high of 24.5 percent in 2012.

Total Personal Income
($ millions)

Calendar Year	Montgomery County	Maryland	U.S.	Montgomery County as Percent of Maryland
2015	$79,946	$336,187	$15,463,981	23.8 %
2014	75,841	322,885	14,801,624	23.5
2013	74,018	312,370	14,068,960	23.7
2012	76,994	314,160	13,904,485	24.5
2011	73,818	304,388	13,233,436	24.3
2010	69,149	288,737	12,459,613	23.9
2009	66,148	279,901	12,079,444	23.6
2008	67,564	280,995	12,492,705	24.0
2007	63,700	267,774	11,995,419	23.8
2006	62,576	257,913	11,381,350	24.3
2005	58,924	242,159	10,610,320	24.3

Notes: Data for 2005 to 2015 from U.S. Department of Commerce, Bureau of Economic Analysis, revised November 2016 (County, State, and U.S.).

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Average Household and Per Capita Personal Income

According the Bureau of Economic Analysis, U.S. Department of Commerce, the County's total personal income reached $79.9 billion in calendar year 2015, up from $75.8 billion in 2014, while per capita income reached $76,863 in 2015, up from $73,598 in 2014. Average household income increased from a revised $207,870 in 2014 to $215,223 in 2015.

Per Capita and Average Household Income, 2015

County	Per Capita Income	County	Average Household Income
Marin, CA	$109,076	Fairfield, CT	$302,392
Fairfield, CT	106,382	San Mateo, CA	283,505
San Mateo, CA	97.553	Marin, CA	269,087
Westchester. NY	93.229	Westchester. NY	269,062
Williamson, TN	87.419	Williamson, TN	254,019
Morris, NJ	86.582	Santa Clara, CA	250,445
Somerset, NJ	86.468	Somerset, NJ	246,167
Arlington, VA	86.161	Nassau, NY	242,484
Santa Clara, CA	82,756	Morris, NJ	240,965
Norfolk, MA	80,711	Fairfax, VA	225,088
Collier, FL	78,473	Loudon, VA	217,774
Nassau, NY	77,762	Norfolk, MA	215,720
Montgomery, MD	**76,863**	**Montgomery, MD**	**215,223**
Bergen, NJ	75,849	Bergen, NJ	211,434
Fairfax, VA	74,923	Collier, FL	207,840
Chester, PA	73,803	Lake, IL	202,957
Middlesex, MA	73,265	Chester, PA	202,412
Montgomery, PA	71,306	Howard, MD	198,841
Howard, MD	69,991	Middlesex, MA	198,695
Loudon, VA	69,895	Arlington, VA	190,942

Notes: A major affluent suburban county is defined as a county in either a Metropolitan Statistical Area (MSA) or a Primary Metropolitan Statistical Area (PMSA) with a population of at least 200,000 where income levels are considerably higher than in the central city and other jurisdictions in the area.

Source: U.S. Department of Commerce, Bureau of Economic Analysis (BEA), November 2016 for total personal income and per capita data; the Department of Finance used the number of households from the American Community Survey, U.S. Census Bureau, and the total personal income from the BEA.

Property Tax Information

The County levies real and personal property taxes on all taxable property within its boundaries. Annual payments of taxes are due in full on July 1 and become delinquent on the following October 1. Semi-annual payments are the standard in Maryland for residential property and small business owners only, with the semi-annual payments becoming delinquent after September 30 and December 31. Tax sales to recover delinquent real property taxes are held on the second Monday in June in the fiscal year that taxes are due and payable. Legal action may be taken to enforce payment of both real and personal property taxes.

Property Tax Assessments

The assessment of all real and tangible personal property for purposes of property taxation by State and local governmental units is the responsibility of the State Department of Assessments and Taxation (SDAT). Assessment rolls are maintained in each county seat and in Baltimore City. Real property is valued at market value (full cash value) and assessed in each year at a percentage of market value. One-third of the real property base is reassessed every three years. An increase in full cash value arising from such reassessment is phased in over the ensuing three tax years in equal annual amounts. A decline in assessed valuation becomes fully effective in the first year.

As the level of new construction was less than $1.7 billion in FY10, less than $1.0 billion in FY11, less than $0.6 billion in FY12, and less than $1.5 billion in FY13, coupled with a decline in the valuation of properties, the real property taxable base decreased at an average annual rate of 2.9 percent, measured from FY11 to FY13, compared to a modest growth rate of 0.4 percent from FY10 to FY11. That two-year decline was attributed to the dramatic decreases in the reassessment rates in FY10, FY11, and FY12. As such real property taxable assessments declined 3.3 percent in FY12 and 2.4 percent in FY13. However, in FY14, real property taxable assessment increased 1.0 percent and 2.4 percent in FY15. Due to a decline in business investment in personal property between FY10 and FY13, attributed to an adjustment by the SDAT to assessments of individual personal property, the personal property base decreased at an average annual rate of 4.4 percent during the four-year period (from FY10 to FY13). In FY14, personal property taxable assessment increased 2.9 percent but decreased 1.5 percent in FY15. In FY16, real property taxable assessment increased 4.0 percent and personal property taxable assessment increased 6.3 percent. The increase in real property taxable assessment is due to the increase in the triennial reassessment rates for residential and commercial properties in Group Three.

Assessed Value of All Taxable Property by Class and Fiscal Year

Fiscal Year	Real Property	Personal Property	Total Assessed Value	Percent Change From Prior Year	Ratio of Assessment to Full Market Value
2016	$170,176,446,052	$3,884,349,017	$174,060,795,069	4.03%	92.56%
2015	163,656,758,206	3,655,133,210	167,311,891,416	2.27	92.55
2014	159,891,865,334	3,709,327,508	163,601,192,842	1.06	91.77
2013	158,272,830,848	3,604,478,750	161,877,309,598	-2.43	93.05
2012	162,197,149,758	3,718,945,710	165,916,095,468	-3.34	93.05

Sources: Montgomery County Department of Finance, Comprehensive Annual Financial Reports.

Tax-exempt properties are excluded from the above figures. In FY16, such exemptions for real property owned by Federal, State, County, and other governmental units, and certain non-profit organizations totaled nearly 21,000 accounts at the beginning of the fiscal year based on data from the State Department of Assessments and Taxation. Tax-exempt real property constitutes 6.1 percent of the total number of accounts for the real property assessable base. The SDAT grants exemptions from property taxes, pursuant to State law. The ratio of total assessed value to total full market value is based on studies conducted by the SDAT.

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Tax Levies and Revenue

Fiscal Year	County Tax Levy	Revenue From Current Year Assessment	Ratio of Current Yr Revenue to Tax Levy	Revenue From Prior Year Assessment	Total Revenue	Ratio Of Total Revenue to Tax Levy	Accumulated Delinquent Taxes	Ratio of Accumulated Delinquent Taxes to Current Year Tax Levy
2016	$1,172,889,804	$1,148,375,647	97.91%	($21,380,048)	$1,125,995,599	96.00%	$13,853,525	1.18%
2015	1,133,030,658	1,108,320,647	97.82	(21,354,590)	1,086,966,057	95.93	15,573,609	1.37
2014	1,148,085,538	1,126,029,910	98.08	(18,755,733)	1,107,274,177	96.45	14,453,739	1.26
2013	1,081,306,701	1,056,688,995	97.72	(23,627,793)	1,033,061,202	95.54	18,400,655	1.70
2012	1,089,656,756	1,068,630,086	98.07	(26.293.427)	1,042,336,659	95.66	16,292,469	1.50

Tax Rates and Tax Levies, by Purpose

	General County		Transit		State		Total	
FY	Rate	Levy	Rate	Levy	Rate	Levy	Rate	Levy
2016	$0.723	$1,171,363,784	$0.060	$96,861,676	$0.112	$191,350,411	$0.895	$1,459,575,871
2015	0.732	1,133,030,658	0.040	61,702,899	0.112	183,907,978	0.884	1,378,641,535
2014	0.759	1,148,085,538	0.042	63,303,304	0.112	179,561,927	0.913	1,390,950,769
2013	0.724	1,081,306,701	0.048	71,440,950	0.112	177,724,401	0.884	1,330,472,052
2012	0.713	1,089,656,756	0.038	57,868,221	0.112	182,298,673	0.863	1,329,823,650

Note: Rates are per $100 of assessed value. Tax rates shown are for real property only, and tax levies are based upon a 100% of full cash value assessment. The personal property rate for General County was $1.8075 in FY16, $1.8300 in FY15, $1.898 in FY14, $1.810 in FY13, $1.783 in FY2012; the personal property rate for Transit was $0.15 in FY16, $0.1 in FY15, $0.105 in FY14, $0.120 in FY13, $0.095 in FY12(the State does not tax personal property).

Ten Highest Commercial Property Taxpayers' Assessable Base
As of June 30, 2016

Taxpayer	Total	Real Property	Personal Property	Ratio: Taxpayer Base Total Assessable Base
Potomac Electric Power Co	$825,783,493	$5,521,133	$820,262,360	0.47%
Federal Realty Investment Trust	577,517,398	574,334,768	3,182,630	0.33
WMATA	352,330,267	352,330,267	---	0.20
Verizon - Maryland	336,926,560	---	336,926,560	0.19
Montgomery Mall, LLC	335,389,300	335,389,300	---	0.19
Street Retail Inc.	299,542,445	299,542,445	---	0.17
Chevy Chase Land Co.	298,395,235	298,395,235	---	0.17
Washington Gas Light Co.	277,048,240	---	277,048,240	0.16
W P Project Developer LLC.	254,225,902	254,225,902	---	0.15
Wheaton Plaza Reg Shopping Ctr	226,272,500	226,272,500	---	0.13
Total	$3,783,431,340	$2,346,011,550	$1,437,419,790	2.16%
Assessable Base (June 30, 2016)	$174,060,795,069			

Sources: State of Maryland, Department of Assessments and Taxation, and Montgomery County Department of Finance, Division of Treasury.

ECONOMY

New Construction

Between FY15 and FY16, the number of new construction projects decreased 0.5 percent. At the same time, the value of new construction added to the real property tax base increased 6.7 percent to $1.514 billion. Over the prior nine-year period (from FY07 to FY15), the number of projects, both residential and non-residential increased from 985 to 1,819. During that same period, the value of new construction averaged $1.281 billion between FY07 and FY15 and ranging from a high of $1.605 billion in FY07 to a low of $0.586 billion in FY12. The decline in the construction of residential properties beginning in FY07 and ending in FY12 reached its lowest level in seven fiscal years. Because of the depressed housing market beginning in late 2005, the value of new residential construction declined at an average annual rate of 25.3 percent between the peak in 2007 and 2012, but since 2012, new residential construction increased at an average annual rate of 28.7 percent.

New Construction Added to Real Property Tax Base

Montgomery County
($ millions)

Fiscal Year	Construction Starts	Residential	Apartments	Condominiums	Commercial/ Industrial	All Other	Total
2016………	1,809	$663.3	$136.6	$117.2	$593.1	$2.4	$1,514.6
2015………	1,819	660.2	30.9	27.6	696.6	4.2	1,419.5
2014………	1,775	652.4	73.5	59.1	517.6	6.8	1,309.4
2013………	1,497	537.2	91.9	123.8	651.8	3.0	1,407.7
2012………	839	241.5	39.0	60.7	241.3	3.1	585.6
2011………	863	540.2	20.6	56.6	226.9	75.5	919.8
2010………	833	599.4	19.7	180.3	354.7	226.6	1,380.7
2009………	738	724.1	5.8	455.4	229.5	0.0	1,414.8
2008………	952	882.7	25.8	318.5	256.6	0.0	1,483.6
2007………	985	1,040.1	22.0	211.4	312.6	19.5	1,605.6
10-Year Summary		$6,541.1	$467.8	$1,610.6	$4,080.7	$341.1	$13,041.3
Categories as Percent of Total		50.2%	3.6%	12.3%	31.3%	2.6%	100.0%

Source: Dodge Analytics, McGraw-Hill Construction, and Maryland State Department of Assessments and Taxation.
*2015 data was revised based on MacGraw-Hill Construction revision.

Development Districts

In 1994, the County Council enacted the Development District Act, which allows the County to create development districts and to provide financing, refinancing, or reimbursement for the cost of infrastructure improvements necessary for the development of land in areas of the County of high priority for new development or redevelopment. Special assessments and/or special taxes may be levied to fund the issuance of bonds or other obligations created from the construction or acquisition of infrastructure improvements. The proceeds of development district bonds are used to fund certain road, park, and sewer infrastructure improvements supporting development within the districts.

As a result of a petition by property owners and the subsequent review and analysis of the feasibility of the proposed development district, the County Council, in January 1998, created the County's first development district, West Germantown. A second district, Kingsview Village Center, was created on July 28, 1998.

In separate actions in September 2000 and October 2001, the County Council approved resolutions initiating evaluation of three proposed new development districts located in Clarksburg: Clarksburg Town Center, Clarksburg Village and Clarksburg Skylark (currently marketed as Arora Hills). The Clarksburg Town Center development district was created on March 4, 2003. However, in October 2010, the Council adopted Resolution 16-1544 which effectively terminated the Clarksburg Town Center development district.

Economic Development Initiatives

In an effort to stimulate employment growth and new investment, the County initiates programs and promotes the strengths of each of its local employment centers.

Overview of Montgomery County

The County is divided into two major commercial real estate areas: the core and non-core markets. The core markets include the Bethesda/Chevy Chase and Silver Spring submarkets. These two are characterized by high- density, mass transit-serviced areas. Historically, they are some of the most highly demanded areas in Suburban Maryland.

The non-core markets include all of the remaining submarkets in Montgomery County including the technology based I-270 corridor. Each of the submarkets is outside of the Capital Beltway and generally exhibits more suburban traits although, this trait is changing as companies are requiring more amenities for their employees.

Technology Corridors

The I-270 Technology Corridor is an internationally recognized life sciences and advanced technology center. It is home to over 1,000 biotechnology and advanced technology companies, including GlaxoSmithKline (formerly Human Genome Sciences), Lockheed Martin, MedImmune/Astra-Zeneca, IBM and Hughes Communications.

The White Flint Sector Master Plan, with the development clustered within 430 acres around the Metro Station, increased development capacity dramatically. With 9,800 new residential units and almost 6 million square feet of additional commercial development allowed to be phased in within a ten-minute walk from Metro, this area is transitioning from a tired transportation corridor full of strip centers to a vibrant, mixed use urban neighborhood. By the end of the year, the award-winning Pike & Rose project will have delivered almost 900 new residential units, a new hotel, and over 350,000 square feet of commercial space. Construction has also begun on new public streets and separated bike lanes in White Flint to allow for better local mobility and connections, and final site plans for two more mixed use projects were recently approved with construction expected to begin late 2017.

The U.S. Route 29 Corridor in eastern Montgomery County continues its steady transformation into the County's other major technology and business center, with more than 100 major employers, most notably the FDA Headquarters campus that includes over 2.1 million square feet of office, lab and support facilities.

Central Business Districts

The County is committed to promoting new investment in its Central Business Districts (CBDs). The County's four CBDs are Silver Spring, Wheaton, Bethesda, and Friendship Heights, and are served by the region's longest extensions of the Metrorail system. The CBDs are centers for major business activity and medium- to high-density residential development in close proximity to the Metro stations. A summary of the four CBDs are as follow:

Downtown Silver Spring

Since 1998, the State and Montgomery County invested a total of approximately $200 million in the redevelopment of downtown Silver Spring. Downtown Silver Spring transformed into a vibrant business, retail and entertainment hub with the American Film Institute (AFI) and Discovery Communications leading the way. Other prominent locations in this district are:

- The Fillmore Silver Spring has been a huge success and brings the tradition of legendary and diverse lineups of performers across many genres of music to the 23,000 square foot venue that can host 2,000 patrons.
- The Silver Spring Civic Building and Veterans Plaza add a new dimension to the arts & entertainment economy in the area. The facility has transformed what it means to be in a public space in Silver Spring and is an economic engine for the nearby retail community.

- The new Silver Spring Library is 63,000 square feet, almost four times bigger than the current Silver Spring Library, and is designed to allow for a Purple Line station.

- Public transportation is being bolstered with the planned Purple Line light rail, which will add new transit options to the region, with two stations in downtown Silver Spring and nine in the Silver Spring Regional Area.

Wheaton

The limited size of Wheaton's Central Business District (CBD), 76 acres, combined with the number of small commercial property parcels and multiple property owners, presents a challenge in redeveloping Wheaton, given the cost of land aggregation necessary for larger-scale development. The County recognized that it and other public entities held enough real estate assets in Wheaton that were capable of accommodating larger development projects. The County determined that some of these assets might be used to stimulate redevelopment in Wheaton as listed below:

- The Wheaton CBD and Vicinity Sector Plan, promotes transit-oriented, "smart growth" development in downtown Wheaton. Such development will enhance Wheaton's strong retail base, which includes a newly renovated Westfield Wheaton regional shopping mall and over 300 locally owned and operated small businesses, including more than 80 restaurants. A 148,000 square foot Costco Wholesale opened alongside the Westfield shopping mall in 2013.

- Patriot Realty Co., Foulger-Pratt Construction and Safeway, Inc. have constructed an 800,000 square foot mixeduse residential/retail project – The Exchange at Wheaton Station – directly across from the WMATA Red Line subway station.

Bethesda

Downtown Bethesda is one of the County's major urban business and entertainment centers, with nearly 200 restaurants combined with the density of both high-rise office and residential buildings. Downtown Bethesda is a thriving destination offering residents, visitors, and its workforce multi-cultural dining, live theater, cinema, unique shops, and numerous special events and festivals.

- Residents and visitors alike continue to enjoy the artistic and enriching performances provided at the Bethesda Round House Theatre, Imagination Stage, Bethesda Row Landmark Theatre, and Bethesda Blues and Jazz Super Club. These marquee entertainment organizations highlight classical plays, children's theatre, live music, and independent and foreign films.

- Bethesda has a workforce of nearly 44,000 and includes employees who work for some of the region's most notable employers, including Capital One (formerly Chevy Chase Bank), Clark Construction Group, Calvert Investments, and Cohn Reznick.

- In the popular Bethesda Row section of downtown Bethesda, StonebridgeCarras completed the redevelopment of County Parking Lot 31. The development, which added 250 residential units in two buildings and a new 940-space underground County parking garage, was a joint venture with PN Hoffman. Across the street from Lot 31, JBG has plans to break ground on a 230-room boutique hotel, 25,000 square feet of shops and cafes, and nearly 270,000 square feet of office space.

- The $300 million, 40-acre Intelligence Community Campus-Bethesda celebrated its grand opening in October 2015. The site will be home to roughly 3,000 employees from the federal government's intelligence gathering agencies, including the Office of the Director of National Intelligence in the Washington National Capital area. The building will consume 69 percent less energy than it did before renovation and can also be zero-net energy, meaning it could produce as much energy as it consumes during a year. Running off photovoltaic solar panels, the garage, Vehicle Control Center and Vehicle Inspection Station at ICC-B already operate as zero-net energy buildings. The VCC uses groundwater heat pumps, temperature control and energy-efficient glass. The facility's garage is net-positive, meaning it generates more power than it needs. Overall, the entire campus is expected to use 31 percent less energy than before renovation.

- Marriott International will move its headquarters to a new $600 million complex in downtown Bethesda and is considering plans to build a new 200-plus room hotel.

Friendship Heights

The Friendship Heights CBD is located at the Montgomery County-Washington, D.C. border with the Metrorail station at Wisconsin and Western Avenues at its center. Adjacent to the Friendship Heights CBD are multiple smaller jurisdictions and developments, including the Village of Friendship Heights special taxing district, the Town of Somerset, the Brookdale neighborhood, and the Somerset House complex.

- The Friendship Heights area has the first top-tier luxury shopping center on the east coast outside of New York City. The Collection at Chevy Chase, part of the Chevy Chase Center mixed-used development, is a 112,000 square foot project facing Wisconsin Avenue.

- The second and third components of Chevy Chase Center consist of 100,000 square feet of neighborhood-oriented retail, and a 200,000 square foot office tower.

- The final project in Friendship Heights, completed in 2009, is Wisconsin Place, a one million square foot mixedused development on Wisconsin Avenue. Wisconsin Place consists of 305,000 square feet of retail (Bloomingdale’s and Whole Foods are the anchor tenants), 432 luxury apartments, 295,000 square feet of office space, a 20,500 square foot community center and a 1,765 space underground parking garage.

Existing Office/R&D/Commercial Space

As of October 2016, Montgomery County has more than 139 million square feet of commercial real estate space (office, flex, industrial, and retail).

Most of Montgomery County’s office space is located along two “Technology Corridors”, the I-270 corridor and the Route 29 corridor. The I-270 corridor includes the Bethesda, Rockville, Gaithersburg and Germantown markets and features over 104 million square feet of commercial space. Notable buildings along the I-270 corridor include the 1.2 million square foot MedImmune building in Gaithersburg and 800,000 square foot Marriott headquarters in North Bethesda. The Route 29 corridor connects Silver Spring to Burtonsville and includes over 14 million square feet of commercial space. Discovery Communications’ 550,000 square foot corporate headquarters in downtown Silver Spring is the signature building in the corridor. Also featured along Route 29 is the WesTech Business Park, which includes over three million square feet of office, R&D, light industrial and retail development.

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Office/Flex/Industrial/Retail Space Availability by Major Submarkets as of October 2016

Montgomery County Market	Total Inventory (Square Feet)	Direct Vacant (Square Feet)	Direct Vacancy Rate	Vacancy Rate w/Sublet
Bethesda/Chevy Chase	16,290,149	1,240,873	7.4%	8.1%
Gaithersburg	21,989,600	2,285,285	10.4	10.6
Germantown	9,351,899	647,960	6.9	7.1
Kensington/Wheaton	7,027,615	589,358	8.4	8.4
North Bethesda/Potomac	16,361,344	2,625,916	16.0	16.3
North Rockville	22,741,792	2,818,088	12.4	13.2
North Silver Spring/Rt 29	8,886,196	612,733	6.9	7.7
Rockville	19,463,947	1,897,316	9.7	10.0
Silver Spring	11,822,335	873,196	7.4	7.4
Other Markets*	5,587,860	739,339	13.3	13.3
Total County	139,522,797	14,330,064	10.2	10.6

Note: These figures are provided by CoStar Property, the County's source for commercial real estate information.
*Other markets include I-270 North, Outlying Montgomery County East, and Outlying Montgomery County West submarkets.

Agriculture

Agriculture in Montgomery County is a diverse industry that occupies about one-quarter of the County land area. The County's agriculture industry contributes over $287 million to the local economy. Over $85 million comes from the County's thriving equine industry, about $154 million from horticulture, and $48 million from traditional agriculture. There are more than 219 farms and 350 horticultural enterprises in the County. Forty-two (42) percent of the County's 540 farms are farmed as a primary occupation. Cash grain farms are the predominant agricultural use in the County covering over 45,000 acres. There are 219 farms or forty (40) percent that produce table food crops-products for direct human consumption. The majority of farms are family-run operations, most having been in the same family for several generations. The industry as a whole employs more than 10,000 residents.

Preservation of rural land for agricultural use is a high priority in the County. Farmland preservation efforts consist of a variety of strategic programs offered by the County and State. The County received a total of $19.7 million in Rural Legacy Program grant awards.

Since its creation in 1980, the 93,000-acre Agricultural Reserve controlled farmland development in the County. There are approximately 70,000 acres of farmland in the Reserve, and another 20,000 acres within the Reserve are publicly owned (parkland) or previously developed land (rural villages). Currently, Montgomery County is ranked second nationally in acres of farmland protected through easements (72,479 acres), and has the highest percentage of land in farms preserved in the nation (94 percent).

In 1980, sixty (60) percent of the farmland in the Agricultural Reserve was owned by speculators. Through farmland preservation programs, this trend was significantly reduced as more farms are now owned and operated by farmers. Farmers and landowners can choose from seven separate agricultural land preservation programs. Each of these programs places an easement on the property that prevents future commercial, residential or industrial development of the land.

The Office of Agriculture supports retail and wholesale agricultural marketing programs, such as the County-sponsored farmer's markets and annual farm tour, and promotion of wholesale and cooperative marketing. The Office also provides programs and technical assistance for farmers; these initiatives include Fuel-Energy Tax Relief, Deer Donation Program, Weed Control Services, Agricultural Product and Farm Logo Program, and many more.

Major capital assets acquired during the current fiscal year included approximately $472,000 for purchasing preservation easements on farmland in agricultural zones. These assets enhance the preservation of farmland protected by Transferable Development Rights easements (TDRs) including other agricultural lands not protected by agricultural easements. An additional $1.2 million dollars is earmarked for pending FY17 easement settlements in association with the County and State Agricultural Easement Programs.

Office/Industrial Projects

Summary

A few large commercial projects continued in Montgomery County in 2016. Construction was completed on NIH's National Institute of Allergy and Infectious Diseases (NIAID). Additionally, Montgomery County continued to make significant progress developing two strategic Science and Technology Centers. Details on these projects appear below.

Developers and local government officials broke ground on the Crown project in October 2012. The 182-acre tract is now the site of 320,000 square feet of retail and commercial space, plus 2,250 residential units, being built by Buzzuto Group and called "Cadence at Crown". In June 2015, the retail portion of Downtown Crown was sold for $162.8 million.

Public/Private Projects

Viva White Oak (formerly LifSci Village)

The White Oak Science Gateway Master Plan is also being developed, which will provide a unique opportunity to capitalize on the presence of U.S. Food and Drug Administration (FDA), and transform this region of the County into a vibrant hub for technological advancement. The proposed 300-acre mixed use development is a public-private partnership between the County and Percontee, Inc. The goal is to create a world-class life sciences, education and research campus that will be an economic engine in the eastern portion of the County, and complement nearby Federal agencies, most notably the consolidated FDA headquarters. The County enrolled the property in the State's Voluntary Clean-Up Program; environmental remediation was completed in late 2014. Infrastructure planning is now underway.

Montgomery College-Germantown Science and Technology Park

In early 2003, Montgomery College settled on the purchase of a 20-acre site adjacent to the College's Germantown campus. This property was combined with 20 acres of existing undeveloped land on the campus to form a 40-acre site on which a one million square foot Science and Technology Park will be constructed. The purchase of the 20-acre site was made possible by a total of $6.1 million in funding appropriations to the College from the State and County. The preliminary plan for the Science and Technology Park calls for primarily high technology research and development space, with a focus on the life sciences, which will complement the biotechnology programs and curriculum already offered at the Germantown Campus. Once built out, the Science and Technology Park will be home to nearly 4,000 employees. As the anchor tenant of the Montgomery College Science & Technology Park, Holy Cross Germantown serves as a valuable educational resource for aspiring health care workers. To complement the Science and Technology Park, the College provided space for a 35,000 square foot County-operated business incubator on campus, which is fully occupied with science and technology early stage companies. To complete this three-part science and technology project, the 127,000 square foot Bioscience Education Center opened September 2014.

Montgomery County Business Innovation Network

The Montgomery County Business Innovation Network is a program of three business incubator facilities and one virtual facility less program called Incubator without Walls, which has successfully assisted start-up technology and professional services companies to grow and expand in the County. To date, over 240 companies have graduated from the County's incubators, with over 80% of those graduates successfully transitioning to commercial spaces within Montgomery County. The Maryland Technology Development Center opened its doors in 1998. After helping over 100 start-up companies to grow, the center has been successfully converted into the coveted National Cybersecurity Center of Excellence that began operations in January 2016 and functions as a regional hub for civilian cybersecurity initiatives. The County opened a second incubator in

2004, called the Silver Spring Innovation Center (SSIC). The SSIC is nearly fully leased to start-up information technology companies. The success of and demand for the incubator program spurred the County to develop three additional incubators since the opening of the SSIC. In July 2016, the Wheaton Business Innovation Center (WBIC) that opened in 2006 has been converted to an Incubator without Walls program to reach out and nurture more than 300 small businesses in Wheaton and Down County area. The Rockville Innovation Center (RIC), which opened in 2007, and the Germantown Innovation Center (GIC), the latest addition to the incubator program that opened in October 2008, now have a life sciences industry expert (BioHealth Innovations, Inc) managing the programs to further the facilities' economic outputs.

National Institute of Allergy and Infectious Diseases

The National Institute of Allergy and Infectious Diseases (NIAID) brought a projected 2,000 workers to a new 491,000 square-foot building on Fishers Lane in Twinbrook, under a lease signed by the U.S. General Services Administration. Chevy Chase-based JBG Companies constructed and leased the 10-story office at 5601 Fishers Lane, near where NIAID already had 150,000 square feet of laboratory space. There is also a 5-story, concrete parking garage located adjacent to the building. NIAID signed a 15-year lease for its new quarters, which was completed in 2014.

Downtown Rockville

Construction was completed on a new mixed-use development project in Rockville Town Center. The $100 million development includes approximately 17,000 square feet of retail space, 465 apartments, a 140-room Cambria Suites Hotel and 600 parking spaces. The project is expected to generate $10.18 million in revenue for the county and nearly $3.8 million for the city during the next 15 years. The property is across the street from Choice Hotels International's new headquarters thus realizing the long-time vision for the headquarters and the flagship hotel brand to be located in close proximity.

New Business Additions and Expansions

Montgomery County continues to work with companies interested in starting-up, expanding, or relocating to the County. Highlights of this activity include:

- Marriott International – Retention of Global Headquarters and its 4000+ employees
- Abt Associates – Attraction of global headquarters, retention of 450 jobs and creation of 50 jobs.
- WeddingWire – Retention of 300 jobs and creation of 210 jobs.
- GlaxoSmithKline – Attraction of Global Center for Vaccines Research and Development, retention of 350 jobs and creation of 450 jobs.
- InfoZen – Retention of 35 jobs and creation of 230 jobs.
- Donohoe Construction – Headquarters attraction and 200 jobs, in addition to the creation of 80 jobs.
- Rain King – Retention of 132 jobs and creation of 66 jobs.
- HMS Host – Retention of 350 jobs and its headquarters operations in the County.
- Donohoe Companies – Attraction of its headquarters and 240 employees to the County.

General Obligation Bonds

County general obligation bonds are secured by the full faith, credit, and taxing powers of the County. Bonds are normally issued in serial maturities from one to 20 years, with five percent of the principal retired each year. This practice produces equal annual payments of principal over the life of the bond issue and declining annual payments of interest on the outstanding bonds. The Charter limits the term of any bond to a maximum of 30 years.

Variable Rate Demand Obligations

Variable rate demand obligations ("VRDO") are debt instruments that represent borrowed funds that are payable on demand and accrued interest based on prevailing short-term money market rates. VRDOs are general obligations of the County and are, therefore, secured by an irrevocable pledge of the full faith and credit and unlimited taxing power of the County.

The County issued two series of VRDOs which mature on June 1, 2026. However, the County is required by the terms of the Note Order to make annual sinking fund payments to retire one-tenth of the notes each year beginning in 2017. The VRDOs were issued in the Daily Mode and currently bear interest at the Daily Rate, which is established by the remarketing agents and re-sets daily. Interest on these obligations is payable on the first business day of each month.

The General Obligation Bonded Debt Ratios displayed below measure the burden of the County's net direct debt, which consists primarily of general obligation bonds and outstanding BANs/commercial paper, and debt service payments on such. As with the calculation of the Legal Debt Limit, the County includes its BANs/commercial paper in these ratio calculations because it intends to repay such notes with the proceeds of general obligation debt to be issued in the near future. The ratios are as follows: 1) net direct debt as a percentage of full (market) value of taxable property; 2) debt service on outstanding general obligation bonds as a percentage of General Fund expenditures and transfers out; 3) net direct debt per capita; 4) net direct debt per capita as a percentage of per capita income; and 5) rate of replacement of general obligation bond principal (payout ratio) in ten years. The results of these indicators are displayed in the table below.

General Obligation Bonded Debt Ratios
2007-2016

Fiscal Year	Net Direct Debt to Market Value	GO Bond Debt Service to General Fund Expenditures	Net Direct Debt Per Capita	Net Direct Debt Per Capita to Per Capita Income	GO Bond Payout Ratio
2007	1.30	7.83	1,861	2.81	68.92
2008	1.18	7.95	1,848	2.70	71.39
2009	1.13	7.31	1,997	2.83	70.63
2010	1.22	7.92	2,277	3.24	69.37
2011	1.27	8.58	2,507	3.55	68.65
2012	1.46	8.87	2,625	3.60	67.88
2013	1.58	8.88	2,737	3.74	68.33
2014	1.61	8.96	2,819	3.88	68.64
2015	1.57	9.62	2,761	3.76	67.41
2016	1.73	9.36	3,132	4.07	67.88

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Statement of Direct and
Overlapping Debt
As of June 30, 2016

Direct Debt:		
General Obligation Bonds Outstanding	$2,657,290,000	
General Obligation Variable Rate Demand Obligations	100,000,000	
Short-Term BANs/Commercial Paper Outstanding	500,000,000	
Revenue Bonds Outstanding	223,714,000	
Total Direct Debt		$3,481,004,000
Overlapping Debt:		
Washington Suburban Sanitary Commission Applicable to Montgomery County	1,821,694,000	
Housing Opportunities Commission	875,542,045	
Montgomery County Revenue Authority	90,930,616	
Maryland-National Capital Park and Planning Commission Applicable to Montgomery County	50,230,000	
Kingsview Village Center Development District	1,112,999	
West Germantown Development District	11,440,000	
Towns, Cities and Villages within Montgomery County	144,473,252	
Total Overlapping Debt		2,995,422,912
Total Direct and Overlapping Debt		$6,476,426,912
Less Self-Supporting Debt:		
County Government Revenue Bonds	223,714,000	
Washington Suburban Sanitary Commission Applicable to Montgomery County	1,821,694,000	
Housing Opportunities Commission	875,542,045	
Montgomery County Revenue Authority	90,930,616	
Total Self-Supporting Debt		($3,011,880,661)
Net Direct and Overlapping Debt		$3,464,546,251
Ratio of Debt to June 30, 2016 Assessed Valuation of (100% Assessment):		$174,060,795,069
Direct Debt		2.00%
Net Direct Debt *		1.87%
Direct and Overlapping Debt		3.72%
Net Direct and Overlapping Debt		1.99%
Ratio of Debt to June 30, 2016 Market Value		$188,057,991,930
Direct Debt		1.85%
Net Direct Debt *		1.73%
Direct and Overlapping Debt		3.44%
Net Direct and Overlapping Debt		1.84%

*Net Direct Debt of $3,257,290,000 is derived by subtracting direct self-supporting debt, which consists only of County Government Revenue Bonds, from Total Direct Debt.

PRINCE GEORGE'S COUNTY

Overview

The information contained under the heading "Prince George's County" has been obtained from Prince George's County. The Commission has not undertaken to audit, authenticate or otherwise verify the information regarding representation respecting the accuracy and completeness of such information. The Commission is not in a position to, and will not, undertake to update any information regarding Prince George's County.

The County is a body corporate and politic and a political subdivision of the State of Maryland. Services provided or paid for by the County from local, State and federal sources include police, fire and emergency services; programs for the aging; public works; stormwater management; and court and correctional services. The County also is responsible for adoption and maintenance of building codes and regulation of licenses and permits; collection of taxes and revenues; maintenance of public records; conducting elections; and collection and disposal of refuse.

Health care, elementary, secondary and community college education and library services are provided by other entities and are partially financed by the County. Public transit, planning, parks, recreation, water, sewer and public housing are provided by related entities. Public assistance is provided by the State of Maryland. Hospital services are provided by a nonprofit corporation under a lease arrangement with the County. For accounting purposes, certain of these governmental entities are included in the County's financial statements. See Appendix A, Notes to Financial Statements, Note l.

County residents enjoy a diversity of leisure options, including a park system encompassing almost 28,000 acres of parkland and open space. Leisure facilities and services provided by the Maryland-National Capital Park and Planning Commission (the "M-NCPPC") include a sports and concert facility (Show Place Arena); a 10,000 seat AA Minor League Baseball stadium (Bowie Baysox); community centers; recreational buildings; aquatic facilities; ice rinks; golf courses; an equestrian center; tennis courts; a performing arts and cultural center; and a gymnastic center.

The County is only minutes to downtown Washington, adjacent to Northern Virginia, 25 minutes to historic Annapolis, and 45 minutes to Baltimore's Inner Harbor. However, some of the region's most exciting attractions are located right in Prince George's County. The County is home to the MGM National Harbor -- a 23-story resort featuring premier amenities including a casino, world-class spa and salon, a 3,000-seat entertainment theater, high-end branded retail, meeting space, and restaurants from renowned local and national chefs. Other recreational facilities include an 87,052-seat National Football League stadium (FedEx Field – Home of the Washington Redskins); an amusement park (Six Flags of America) featuring rides, attractions and shows; a 240,000 square foot Olympic-quality recreational Sports and Learning Complex; National Harbor on the Potomac; the Gaylord National Resort and Convention Center; the NASA Goddard Space Flight Center; The Capital Wheel; the National Wildlife Visitor Center; and the Clarice Smith Performing Arts Center. The County also has numerous high-quality mixed-used developments such as the Brickyards, Carrollton Station, Towne Centre at Laurel and Woodmore Town Centre at Glenarden. The County is home to six universities and colleges, including the flagship campus of the University System of Maryland. Prince Georgians enjoy an excellent road system and some of the most affordable housing in the Washington area as well as convenient access to three major airports and the Port of Baltimore.

Government

The County operates under a Charter which was adopted in November 1970 (the "County Charter"). The powers of the County are provided in the County Charter and in the Constitution and the laws of the State of Maryland, including Title 10 of the Local Government Article of the Annotated Code of Maryland, as amended, replaced or recodified from time to time. Under the County Charter, the County is composed of an executive and a legislative branch.

The executive branch implements and enforces the laws and administers the day to day business of the County. It consists of a County Executive (who is elected by the qualified voters of the entire County) and all other officers, agents and employees under the County Executive's supervision and authority, including the Chief Administrative Officer, who is responsible for the day to day administration of the County. The County Executive is elected for four-year terms by qualified voters of the County and is limited by the County Charter to two consecutive four-year terms in office.

The legislative branch of the County currently consists of a nine-member County Council (elected from Councilmanic Districts) and its staff. Charter amendments were recently adopted by the voters in November 2016 changing the composition of the County Council to include two at-large members. The election for these two new members will occur in 2018. County Council members are elected for four-year terms by qualified voters of the County and are limited by the County Charter to two consecutive four-year terms in office as district members and not more than two consecutive terms as at-large members.

Each member of the County Council has one vote. Five votes generally are required to pass legislation and six votes are needed to enact emergency bills and to override a veto by the County Executive. The County Council customarily elects from among its members a Chairman and a Vice-Chairman to serve one-year terms.

The court system for the County was established by and is operated under the authority of the State. District and Circuit Court judges are appointed by the Governor, but Circuit Court judges must thereafter run for election. Other State court officials are directly elected for various terms.

Population

From 1980 to 2010 the County has grown at an average rate of approximately 66,116 people every 10 years. Between 2000 and 2010 the population growth in the County increased 7.7%. The County's growth has been slightly slower than the population growth in Maryland (9.0%) and the United States (9.7%) between 2000 and 2010. The population for 2015 is estimated to be 909,535, an increase of 0.5% from the 2014 population of 904,430.

In 2015, 66.8% of the County's residents were between the ages of 18 and 64 years old, which was slightly higher than the State of Maryland (63.4%) and the United States (62.2%). The share of the County's population that was 65 years and older (11.7%) was lower compared to the State of Maryland (14.1%) and the United States (14.9%).

Population

1980 – 2010

Year	County	State of Maryland	United States
2010	863,420	5,773,552	308,745,538
2000	801,515	5,296,486	281,421,906
1990	729,268	4,798,000	248,769,873
1980	665,071	4,216,000	226,505,000
Percent Change (2000-2010)	7.7%	9.0%	9.7%
2015 (Est.)	909,535	6,006,401	321,418,820

Source: Decennial Census, Bureau of the Census, Department of Commerce (as of June 2017)

Income

In 2015, the County's aggregate personal income totaled $40.8 billion. The per capita personal income in the County during 2015 was $44,866. The growth rate of the County's per capita personal income between 2005 and 2015 was 2.6%. This percentage was lower than in the United States (3.0%) and consistent with the State of Maryland (2.6%).

The County's median household income in 2015 was $76,741 compared to $70,715 in 2011, an increase of 8.5% in the 5-year period. Jurisdictional comparisons are shown below:

Median Household Income

2011 and 2015

Metro Jurisdiction	Median Household Income 2011	2015	% Change
State of Maryland	$70,004	$75,847	8%
Washington Metro Area:			
Prince George's County	**70,715**	**76,741**	**8.5%**
Calvert County	89,393	106,247	**18.9%**
Charles County	91,733	88,700	**-3.3%**
Frederick County	77,791	83,819	**7.7%**
Montgomery County	92,909	98,917	**6.5%**
Baltimore Metro Area:			
Anne Arundel County	84,138	91,230	**8.4%**
Baltimore City	38,721	44,165	**14.1%**
Baltimore County	62,407	68,775	**10.2%**
Carroll County	84,117	84,887	**0.9%**
Harford County	78,123	78,050	**-0.1%**
How ard County	98,953	110,892	**12.1%**

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates (as of June 2017). Inflation-adjusted.

Employment

A comparison between the employment distribution of the County and the State of Maryland is shown in the following chart.

Comparative Distributions of Non-Agricultural Employment by Industry
2011 - 2015

Industry	Prince George's County (2011) Sectoral Employment	% of Total	Prince George's County (2015) Sectoral Employment	% of Total	Maryland (2015) Sectoral Employment	% of Total
Government Employment	86,616	29%	88,433	29%	485,685	19%
Private Employment	212,318	71%	217,684	71%	2,105,175	81%
Natural Resources and Mining	174	0%	144	0%	6,473	0%
Construction	24,842	8%	25,061	8%	154,047	6%
Manufacturing	7,987	3%	6,990	2%	103,896	4%
Trade, Transportation and Utilities	56,984	19%	59,368	19%	458,015	18%
Information	5,530	2%	3,861	1%	38,449	1%
Real Estate and Financial Activities	11,881	4%	11,095	4%	138,896	5%
Professional, Business & Administrative Services	38,203	13%	38,577	13%	430,326	17%
Education and Health Services	29,603	10%	32,318	11%	417,845	16%
Leisure and Hospitality	27,721	9%	30,444	10%	267,202	10%
Other Services	9,392	3%	9,826	3%	90,025	3%
Unclassified	1	0%	0	0%	1	0%
Total	298,934	100%	306,117	100%	2,590,860	100%

Source: Maryland Department of Labor, Licensing and Regulations Employment and Payroll - County Industry Series (as of June 2017)

Between 2007 and 2016, the unemployment rate for the County generally remained close to the State of Maryland's unemployment rate and below that of the United States as shown in the following table.

Labor Market Characteristics
2007-2016

Year	County Residents			Unemployment Rate		
	Civilian Labor Force	Resident Employment		Prince George's County	State of Maryland	United States
2007	445,492	429,521		3.6	3.5	4.6
2008	450,361	430,909		4.3	4.2	5.8
2009	457,576	425,799		6.9	7.0	9.3
2010	479,606	443,635		7.5	7.7	9.6
2011	482,913	446,857		7.5	7.2	9.0
2012	484,964	449,665		7.3	7.0	8.1
2013	485,677	451,935		6.9	6.6	7.4
2014	486,269	456,768		6.1	5.8	6.2
2015	487,573	461,938		5.3	5.1	5.3
2016(1)	494,517	472,880		4.4	4.3	4.9

(1) As of June 2017

*Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey and Local Area Unemployment Statistics Program.*Not seasonally adjusted. (as of June 2017)*

The County's diversity in employment is shown in the following table reflecting the 10 largest private and 10 largest public sector employers in the County.

Prince George's County Principal Employers
2016

Employer	Product or Service	Number of Employees
LARGEST PRIVATE SECTOR EMPLOYERS		
United Parcel Service	Package Delivery (Regional Headquarters)	3,000
MGM National Harbor	Casino Gaming	2,830
Marriott International/Gaylord Resort and Convention Center	Hotels and Motels	2,200
Dimensions Healthcare System	Health Services/Nursing Homes	1,800
Verizon	Communications Services	1,800
Melw ood	Social Services	1,400
Doctors Community Hospital	Medical Services	1,300
MedStar Southern Maryland Hospital Center	Medical Services	1,240
LARGEST PUBLIC SECTOR EMPLOYERS		
Prince George's County Public Schools	Education	18,873
University of Maryland[1]	Higher Education	18,780
Joint Base Andrew s Naval Air Facility Washington[2]	Defense Installation (civilian and military employees)	17,500
Prince George's County	Local Government	7,001
United States Internal Revenue Service[2]	Revenue Collection/Data Processing	4,735
United States Bureau of the Census[2]	Demographic and Economic Surveys	4,605
NASA/Goddard Space Flight Center[2]	Space Satellite Design and Tracking	3,000
Prince George's Community College	Education	2,170
National Maritime Intelligence-Integration Office[2]	Maritime Intelligence Analysis	1,890
United States Department of Agriculture[2]	USDA Library/Agricultural Research	1,725
National Oceanic and Atmospheric Administration[2]	Weather Analysis and Reporting	1,375
Adelphi Laboratory Center[2]	Military Installation	1,235

Note: Excludes post offices, state government, national retail and food service; includes higher education.
[1]Includes University of Maryland College Park, University of Maryland University College and Bow ie State University
[2]Excludes contractors

Source: Maryland Department of Commerce; Prince George's County Economic Development Corporation (as of June 2017)

Retail Sales

The Maryland sales and use tax rate is 6% on all taxable sales other than certain vehicle rentals and sales of mobile homes. Beginning July 1, 2011, the tax rate for alcoholic beverages, including mixtures, increased from 6% to 9%. Most sales of food by substantial grocery or market businesses are not subject to the sales tax. Other exemptions include medicine, energy for residential use, manufacturing machinery and equipment, and certain agricultural equipment and supplies.

Housing

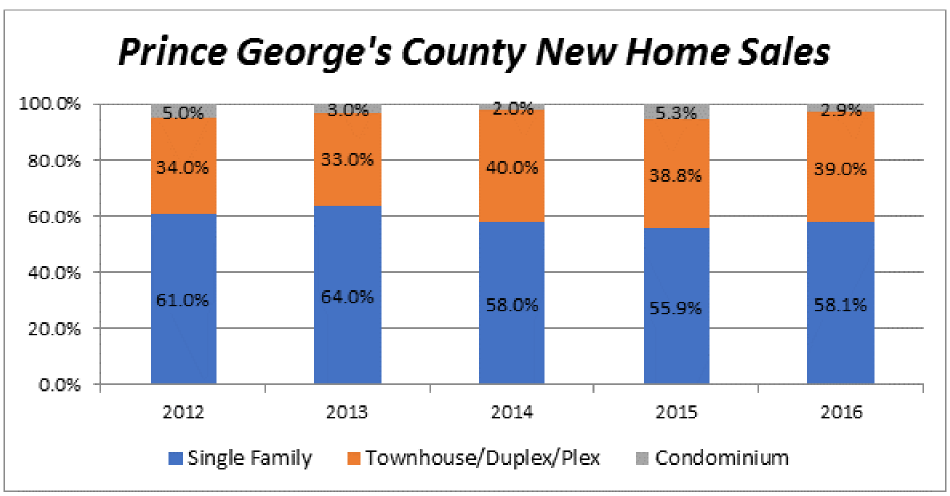
The composition of the County's housing market is displayed in the following table. Between 2011 and 2015, total housing units increased by 0.4% (an increase of approximately 1,439 units). During this time period, single family homes decreased by 0.7% and multi-family homes increased from 2.8%.

Housing Units by Type of Structure

	2011	2012	2013	2014	2015
Single Family					
Number of Units	224,870	222,668	221,589	223,761	223,345
Percent of Market	68.2%	67.7%	67.3%	67.9%	67.4%
Multi-Family					
Number of Units	104,985	106,376	107,778	105,589	107,949
Percent of Market	31.8%	32.3%	32.7%	32.1%	32.6%
Total Units	329,855	329,044	329,367	329,350	331,294

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates (as of June 2017)

Historically, single family homes have made up a majority of new home sales in the County. Single family detached homes have averaged 59.4% of new total sales from 2012 to 2016.



Source: Metro Study (Accessed March 2017)

According to the State Department of Assessments and Taxation, median residential sales of owner-occupied properties in the County have increased by 32.0% from fiscal year 2015 to fiscal year 2016. The median sales price of these properties has also increased during this time period from $279,189 in 2015 to $288,000 in 2016.

Median Residential Sales Improved, Owner-Occupied Properties				
Fiscal Year	Number of Transactions	Annual Growth Rate	Median Sales Price	Annual Growth Rate
2016	6,851	32.0%	288,000	3.2%
2015	5,192	13.9%	279,189	9.5%
2014	4,559	2.8%	255,000	13.8%
2013	4,435	16.0%	224,000	6.7%
2012	3,822	18.9%	210,000	-6.9%
2011	3,214	-11.9%	225,450	-8.0%
2010	3,647	34.4%	245,000	-13.1%

Source: Maryland Department of Assessments and Taxation

The following table shows the number of residences distributed within certain housing value ranges. During 2015, the majority of residences were valued between $200,000 and $499,999.

Estimated Market Value of Owner-Occupied Residential Property

	2014		2015		Increase (Decrease)
Value Range	Number of Residences	Share of Residences	Number of Residences	Share of Residences	Number of Residences
Less than $50,000	8,015	4.3%	4,236	2.3%	(3,779)
$50,000 to $99,999	5,662	3.1%	5,471	2.9%	(191)
$100,000 to $149,999	13,325	7.2%	9,232	4.9%	(4,093)
$150,000 to $199,999	27,922	15.1%	26,025	13.9%	(1,897)
$200,000 to $299,999	64,780	34.9%	65,581	35.1%	801
$300,000 to $499,999	55,935	30.2%	64,581	34.6%	8,646
$500,000 to $999,999	9,043	4.9%	10,838	5.8%	1,795
$1,000,000 or more	820	0.4%	852	0.5%	32
Total Owner-Occupied Units	185,502		186,816		1,314

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates (as of June 2017)

Note: Due to rounding, percentages may not total 100 percent.

Commercial and Industrial Growth

A summary of building permit activity, including residential as well as commercial and industrial (non-residential) projects, is provided in the following table.

Between 2007 and 2016, the value of new residential construction within the County has averaged approximately $327.7 million annually. Non-residential construction has averaged approximately $546.7 million per year. The value of new residential construction within the County in 2016 was $801.9 million as compared to $261.7 million in 2015. The value of new non-residential construction within the County in 2016 was $199.9 million as compared to $1,600.0 million in 2015.

Building Permits

Calendar Year	Residential Permits Issued	Residential Total Valuation ($K)	Residential Average Valuation ($K)	Commercial Permits Issued	Commercial Total Valuation ($K)	Commercial Average Valuation ($K)	Total Permits Issued	Total Valuation ($K)	Total Average Valuation ($K)
2007	3,068	650,330	211.97	367	522,425	1,424	3,435	1,172,755	341
2008	2,177	216,459	99	325	1,910,146	5,877	2,502	2,126,605	850
2009	2,220	255,011	115	198	294,894	1,489	2,418	549,905	227
2010	1,405	205,514	146	205	104,220	508	1,610	309,734	192
2011	1,394	166,440	119	157	103,627	660	1,551	270,067	174
2012	1,247	190,332	153	178	235,578	1,323	1,425	425,910	299
2013(1)	1,642	264,814	161	224	131,814	588	1,866	396,628	213
2014(2)	1,727	264,638	153	359	364,466	1,015	2,086	629,104	302
2015(3)	1,669	261,672	157	294	1,600,038	5,442	1,963	1,861,710	948
2016(4)	1,745	801,888	460	203	199,938	985	1,948	1,001,826	514
Total CY 07-16	18,294	$3,277,098	$1,775	2,510	$5,467,146	$19,313	20,804	$8,744,244	$4,061
Average Annual	1,829	$327,709.80	$178	251	$546,715	$1,931	2,080	$874,424	$406

(1)Prince George's County Department of Permitting, Inspections and Enforcement (DPIE) Opened July 1, 2013

(2)First full year of DPIE Existence

(3)Major design-build commercial developments under construction in CY 2015: MGM Resort Casino $1,300,000 and College Park Hotel $130,000

(4)Recovery in residential market and increased construction of larger, more expensive homes and apartments

Source: Bureau of the Census and Prince George's County Department of Permitting, Inspections and Enforcement (Updated March 2017)

During 2016, approximately 1,355,084 square feet of new commercial space was delivered to the market in Prince George's County. In 2016, Prince George's County accounted for 14.87 percent of all the new commercial space delivered in the Washington Metropolitan Region. The total square footage of commercial space delivered by type during the calendar years 2012 through 2016 is shown below:

Commercial Square Feet Delivered, by Type

Type	2012	2013	2014	2015	2016
Office	374,102	0	0	160,000	72,508
Retail	582,143	370,724	541,742	76,309	802,761
Flex	81,848	99,974	0	49,949	479,815
Industrial	392,998	622,489	173,989	1,063,106	0
Total Square Footage	1,431,091	1,093,187	715,731	1,349,364	1,355,084
Metropolitan Area	6.98%	13.30%	9.07%	22.98%	14.87%

Source: CoStar (Accessed March 2017)

Economic Activity

Contracting opportunities with government, research, technology and defense industry anchors contributed to a measurably growing County economy. The federal government and the County's mixed commercial base cushion the impact of economic downturns, but also have supported a measured rate of recovery.

- Every economic indicator that should be up, is up; indicators that should be down, are trending downward.

- The County created over 15,000 net new jobs from 3rd Quarter 2015 to 3rd Quarter 2016. This is the largest year-over-year job gain since 2007, and does not include the 3,600 new jobs at MGM Resorts. With the addition of MGM Resorts in FY2017, revenue and jobs in the County are expected to improve further in FY2018 and beyond.

- Property values have risen 19% percent in the County during the past year (February-over-February) – the largest increase in the Washington, D.C. Metro region.

- The County's overall unemployment rate has fallen dramatically – down from nearly 8.0 percent in 2011 to only 4.5 percent in 2016.

- The County's Median Household Income is now at $76,741, higher than the average of $75,847 for the state of Maryland and much higher than the U.S. average of $56,516.

Prince George's County Economic Development Corporation

The County contracts with the Prince George's County Economic Development Corporation (EDC) to promote economic development. The EDC works in the following areas:

- Market the County as a great business location – regionally and globally
- Retain, expand and grow existing businesses
- Attract new businesses
- Promote the growth and development of small, minority and disadvantaged businesses
- Operate a business accelerator to nurture advanced technology and life sciences firms
- Promote strategic retail development
- Serve as the "front door" for applications to the $50 million Economic Development Incentive Fund
- Promote international trade and investment with businesses interested in doing business in the United States involving import-export trade and foreign direct investment
- Secure funds necessary to implement economic development strategies, Foreign Trade Zone (FTZ), and expand incubator/accelerator program
- Provide workforce services and training to County businesses, job seekers and residents

Economic Development Strategy

The M-NCPPC, and its consultant, Battelle Technology Partnership Practice, completed work on a targeted economic development strategy for the County in May 2013. The strategy continues to be employed to identify and target key high-growth industries that have the greatest potential to contribute to economic growth and development in the County; leveraging the County's unique assets to capture economic development opportunities; and setting forth targeted strategies and actions to maximize economic development. The high-growth industry sectors are Healthcare and Life Sciences, Business Services, ICE (Information, Communications and Electronics) and the federal government.

There are fourteen federal agencies mostly with research-focused activities within the County. These agencies attract technology companies as partners/contractors for their operations. The NASA Goddard Space Flight Center, the USDA Beltsville Agricultural Research Center, the Army Research Laboratory, the Institute for Defense Analysis, the Internal Revenue Service, and the U.S. Census Bureau Supercomputer Center support the local technology business base. The University of Maryland at College Park is building several new facilities, some for national security-related IT tenants, on its 124-acre Enterprise Campus research park. The completion of the NOAA Center for Weather and Climate Control at the Enterprise Campus was delivered in mid-2012 and involved a $76.5 million capital expenditure.

Below is additional information about certain significant retail, commercial, and/or entertainment projects that are pending or have been completed recently:

- The County negotiated a $30 million grant from the Maryland Department of Transportation for the construction of the major access road serving the proposed Konterra Development, a major economic development project in the northern portion of the County that is expected to create jobs and strengthen the County's commercial tax base. The access road connects Konterra to the new Contee Road Interchange at I-95, as well as to the new Intercounty Connector (MD Route 200) interchange at Virginia Manor Road. The realignment and reconstruction of the roadway provides access to undeveloped and previously inaccessible areas in northern Prince George's County. The proposed Konterra Town Center development adjacent to the new road has the ability to accommodate about two million square feet of commercial space and 2,000 residential units, where construction is scheduled to begin in 2018.

- 2U, a technology company in Lanham that provides a cloud-based platform for institutions of higher learning nationwide to deliver online courses to its students, has leased additional office space to accommodate an additional 650 employees for a total of 1,300 near the New Carrollton Metro Station.

- Westphalia Town Center is a planned mixed-use town center in Upper Marlboro that will offer 347 townhomes, over 400 apartments, a 150-room hotel and 500,000 square feet of retail shopping on 479 acres during phase one. The project broke ground in June 2013. Townhome construction began in 2016. At completion, the development will have 15,000 homes, one million square feet of retail, four million square feet of office space and three hotels, making it one of the largest developments in Prince George's County.

- Thompson Creek is a window manufacturing company that consolidated its facilities in Prince George's County into an expanded build-to-suit facility in Upper Marlboro to retain more than 400 employees and increase employment to 500.

- MGM Resorts completed construction of the MGM National Harbor Casino on 23 acres. The $1.4 billion casino opened in December 2016 and employs over 3,600 individuals, many of them are Prince Georges County residents.

- In Hyattsville, Echo-UTC, LLC has completed construction of a 52,105 square foot Safeway grocery store and is 98 percent completed for the construction of adjacent commercial/retail, restaurant and office space totaling another 33,419 square feet. The project will create 282 new jobs over the next two years. With an investment of $23.5 million, the project is revitalizing and stabilizing the existing University Town Center development.

- Well Dunn Catering has relocated from Washington, D.C. to Hyattsville with 40 employees.

- Metropolitan Meat and Seafood has consolidated the company's Washington, D.C. operation into the company's Landover facility and added 85 additional employees.

- EBA Engineering has consolidated its Baltimore and Laurel operations into a new location in Laurel and added 109 employees to the company's Prince George's County workforce.

- Alsco, a commercial laundry business with 180 facilities worldwide, has relocated its Washington, D.C. operation to Lanham with a workforce of 250 employees at the company's new 84,000 square foot facility.

- Panda Power Funds began construction of the $1.7 billion 884 Mega-Watt Mattawoman natural gas electric power plant in Brandywine.

- UPS acquired an additional seven acres of land adjacent to the company's distribution facility in Laurel to accommodate future growth beginning with 25 new jobs in addition to the current 1,019 full-time employees.

- The County's second Harris Teeter grocery store opened in October 2016 as the anchor for the 130,000 square foot shopping center located at the Bowie Marketplace redevelopment project in Bowie.

- The County's first Whole Foods grocery store has opened as the anchor for the 60,000 square foot retail center located at the new 37-acre mixed-use Riverdale Park Station development project in University Park.

- The County's first Dave & Busters is now open at Ritchie Station in Capitol Heights bringing a $20 million, 40,000 square foot indoor arcade and restaurant to the 381,000 square foot retail center.

- Kaiser Permanente of the Mid-Atlantic, an affiliate of Kaiser Permanente, is expanding to a 176,000 square foot build-to-suit class A office building adjacent to the New Carrollton Metro Station in Lanham for its administrative and information technology operation of 850 employees to be delivered by November 2018.

- The Hotel at University of Maryland is under construction to deliver a $115 million, 300-room, four-star luxury hotel and conference center by the end of 2017 that will also include retail space and restaurants.

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Major Economic Development Projects

Several projects, reflecting a range of commercial development in the County, are listed in the following chart. A map showing the location of the major economic development projects identified in this section follows the chart.

Major Commercial Projects Recently Completed, Under Construction, or in Development Stage

As of May 2017

	Project Name	Location Number in Map	New or Expansion	Expected Occupancy	Capital Investment ($ Millions)	Size (Square Feet) at Full Build-Out
A.	Projects Completed or Under Construction					
	Laurel Commons	2	Expansion	Completed	N/A	665,000
	The Brickyard	3	New	Completed	N/A	1,300,000
	Enterprise Campus (UMCP) 2 Office Buildings	6	New	Completed	25.0	120,000
	Bowie Marketplace (Retail)	8	New	Completed	22.0	130,000
	The Hotel at the University of Maryland	9	New	2017	115.0	519,900
	New Carrollton Metro Area North (Mixed-Use)	10	New	2017	135.0	700,000
	Melford (formerly MD Science and Tech Center)	11	New	Completed	18.0	40,000
	Steeplechase 95 International Business Park (Retail Phase 2)	12	New	Completed	13.8	46,000
	Ritchie Station (Phase 1)	13	New	2017	76.2	381,000
	Branch Ave. Metro (Residential and Retail)	14	New	Completed	N/A	400,000
	MGM National Harbor, LLC	15	New	Completed	1,400.0	1,079,000
	Brandywine Crossing (Phase 2)	16	New	Completed	14.2	71,000
	Andrews Federal Campus (Phase 1)	17	New	Completed	30.0	125,079
	Cafritz Property (Retail)	18	New	2017	250.0	370,000
	Westphalia Town Center (Phase 1)	21	New	2018	N/A	5,900,000
	Sub-Total A				$2,099.20	11,846,979
B.	Projects in Development Stage					
	Konterra (Town Center East)	1	New	N/A	N/A	5,300,000
	Greenbelt Metro Area (Mixed-Use)	4	New	N/A	N/A	3,000,000
	University of Maryland Innovation District	5	New	N/A	N/A	2,804,000
	Enterprise Campus (UMCP)	6	Expansion	N/A	N/A	2,000,000
	College Park Metro (Mixed-Use)	7	New	N/A	N/A	N/A
	New Carrollton Metro Area South (Mixed-Use) - (Phase 1)	10	New	N/A	160.0	300,000
	Branch Ave. Metro (U.S. Dept. of Homeland Security)	14	New	N/A	265.0	590,000
	Andrews Federal Campus (Phase 2)	17	New	N/A	N/A	167,033
	Regional Medical Center	19	New	2020	543.0	595,744
	Brandywine Village	20	New	N/A	N/A	218,500
	Walmart (Duvall Village)	22	New	N/A	N/A	110,000
	Panda Mattawoman (Natural Gas Electric Power Plant)	23	New	2018	1,000.0	N/A
	Keys Energy Center (Natural Gas Electric Power Plant)	24	New	N/A	850.0	N/A
	Purple Line Transit Light Rail (Prince George's County Section)	25	New	2022	1,000.0	N/A
	Hampton Mall (Redevelopment)	26	New	N/A	161.0	280,000
	Sub-Total B				$3,979.00	15,365,277
	Total (A+B)				$6,078.20	27,212,256

Source: Prince George's County Economic Development Corporation

Transportation

The County is located near three major airports: Baltimore Washington International Thurgood Marshall Airport; Washington Dulles International Airport; and Ronald Reagan Washington National Airport. Interstate 95 provides the County with access to the nation's eastern seaboard, including the major commercial centers in Baltimore, Philadelphia and New York City. Interstate 495 (the Capital Beltway) circles Washington, D.C. and provides access both to that city and to nearby suburban jurisdictions. Other major highways in the County include the Baltimore-Washington Parkway (Route MD 295), U.S. Route 50 (access to Maryland's eastern shore) and U.S. Route 3/301 (access to Baltimore and Virginia). The Washington Metropolitan Area Transit Authority (WMATA) Metrorail system operates a 117 mile subway system. The system serves Washington, D.C. and nearby suburban areas, including five lines and 15 stations that serve the County. WMATA's local bus system has more than 70 routes serving County residents. The County supplements WMATA's bus service with "*TheBus*."

The County is served by CSX Transportation, Norfolk Southern, Amtrak (including a station at New Carrollton on Amtrak's Northeast Corridor service), and the MARC (Maryland Area Regional Commuter) rail system which has two lines that run through the County, both of which provide service between Baltimore City (and surrounding areas) and Washington, D.C.'s Union Station, with nine stations in the County. More than 90 freight lines serve the County. Most of the County lines lie within the Washington commercial zone as defined by the Interstate Commerce Commission.

Utilities

Baltimore Gas & Electric Company (BGE), Potomac Electric Power Company (PEPCO), Southern Maryland Electric Cooperative, Inc. (SMECO), and Allegheny Power provide the County with electricity services. County residents have the option of choosing their electric supplier. Natural gas is supplied by Washington Gas or BGE; however, County residents have the option of buying natural gas directly from natural gas suppliers. BGE and PEPCO are both subsidiaries of Exelon Corporation. Washington Suburban Sanitary Commission provides the water supply to the entire County and wastewater treatment services for part of the County. The District of Columbia Water and Sewer Authority also provides wastewater treatment services for parts of the County. Storm drainage for the County is provided by the County Department of the Environment.

Property Taxes

The County levies real and personal property taxes on all taxable property within its boundaries. Taxes are due in full on July 1 and become delinquent on the following October 1 with the exception of those taxes owed by (1) small business owners for which annual property taxes do not exceed $100,000 who qualify for a semi-annual payment plan (effective July 1, 2012); and (2) and homeowners living in their properties who qualify for a semi-annual payment plan. Semi-annual taxpayers must pay one-half of the annual taxes by September 30 and the remaining one-half in a second installment by December 31 of the fiscal year. No discount is allowed for early payment. Interest at the rate of 2/3% per month and a penalty of 1% per month are charged after September 30 (December 31 for the second semi-annual payment), except that tax bills issued after September 30 may be paid within 30 days without interest or penalty. Tax sales to recover delinquent real property taxes are held on the second Monday in May in the fiscal year taxes are due and payable. Legal action may be taken to enforce payment of both real and personal property taxes.

An independent state agency, the State Department of Assessments and Taxation ("SDAT"), assesses all real and tangible personal property on a rolling basis every three years for purposes of property taxation by State and local governmental units. Prior to tax year 2001, real property had been valued at market value and assessed in each year at 40% of phased-in market value. Beginning in tax year 2001, property tax rates are applied to 100%, instead of 40%, of the value of real property.

By law, the annual taxable assessment growth of owner-occupied residential property is capped at the lesser of the percentage of increase in the Consumer Price Index ("CPI") for the previous 12 months or 5% of the prior year's taxable assessment. The cap for fiscal year 2017 is set at 0%, based on the CPI. State law also provides that certain owner occupants of residential property may receive certain property tax credits based on various criteria including their income and net worth. The County is reimbursed by the State for some of these tax credits. Certain real estate developments inside the Capital Beltway within census tracts where the median household income does not exceed 100% of the median household income for the County based on census numbers (Revitalization Tax Credit Districts) are eligible to receive tax credits. This provides tax incentives for revitalization projects, with a long-term goal of enhancing the communities and preserving the tax base.

Tangible personal property and commercial and manufacturing businesses are assessed annually at fair market value with no inflation allowance, based upon annual reports filed with SDAT. Public utility property is assessed at fair market value determined by reference to both income and property values, with the exception that power-generating personal property has been subject to a phased-in partial assessment due to the State's electricity deregulation. The County grants some personal property tax credits for research and development property, designed to stimulate economic development.

The following tables set forth both the growth rate of and the assessed and estimated actual value of real and personal property in the County.

Annual Growth Rates		
Fiscal Year	Assessed	Estimated
2017(1)	7.1%	7.1%
2016	3.5%	5.3%
2015	1.2%	2.4%
2014	-3.8%	-3.2%
2013	-6.8%	-7.3%
2012	-13.2%	-13.0%
Six-Year Average:	-2.0%	-1.4%

(1) Estimated for the year ending June 30, 2017 as of February 28, 2017

Source: Office of Finance

The total General Fund property tax revenues included in the County's approved operating budget for fiscal year 2018 are $847.0 million (adjusted for tax credits, assessment abatements and deletions, allowance for municipal tax differential and uncollectible taxes). Total property tax revenues in fiscal year 2017 are estimated to total $801.7 million.

Real and Personal Property Taxes

(Levies and Collections)

Fiscal Year	Assessed Value ($ millions)	Tax Rate per $100 Assessed Value	Tax Levy Excluding Adjustments	Collected During Fiscal Year	Percent Collected as of June 30
2017(1)	$ 85,454.3	$1.00	$ 820,634,571	$ 790,544,132	96.3%
2016	79,760.3	1.00	853,046,726	852,874,411	99.9
2015	77,078.0	0.96	791,690,172	787,981,697	99.5
2014	76,180.7	0.96	778,008,663	773,446,612	99.7
2013	79,191.1	0.96	803,094,590	798,920,671	99.8
2012	84,930.8	0.96	869,334,583	866,278,838	99.9

(1)Estimated for the year ending June 30, 2017 as of February 28, 2017

Source: Office of Finance

The following table provides a breakdown of the property tax rate into its component parts. The "General" rate is the only listed component that is subject to the limitations of Section 812 of the County Charter ("Section 812"). Pursuant to Section 812, the County shall not levy "a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979." Section 812 further provides that "the County may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if the real property tax rate does not exceed two dollars and forty cents ($2.40) for each One Hundred Dollars ($100.00) of assessed value." In 2000, Maryland Senate Bill 626 provided that beginning in tax year 2001, property tax rates shall be applied to 100%, instead of 40%, of the value of real property and that the real property tax rate be adjusted to make the impact revenue neutral. The bill also stipulated that any limit on a local real property tax rate in a local law or charter provision shall be constructed to mean a rate equal to 40% times the rate stated in the local law or charter provision. As a result, the nominal real property rate of the County was adjusted to $0.96/$100 of assessed value in fiscal year 2002. In 2012, the Maryland Senate passed Senate Bill 848 that provides for the property tax rate to be set higher than the rate authorized under the County Charter. Any additional revenue generated as a result of the higher property tax rate is for the sole purpose of funding the approved budget of the local school board. The fiscal year 2016 Budget set the County's nominal real property rate at $1.00/$100 of assessed value. The "Stormwater Management" component pays debt service on bonds issued to provide funds for, and other expenses pertaining to, stormwater management facilities. The Washington Suburban Transit Commission (WSTC) component pays for the County's contribution to WSTC and other related mass transit costs. The Maryland State and the M-NCPPC components identify taxes collected by the County on behalf of those entities.

FY 2018 Property Tax Rates in Dollars/$100 of Assessed Value				
PRINCE GEORGE'S COUNTY		OVERLAPPING TAXING ENTITIES		
General	Stormwater Management	WSTC	Maryland State	M-NCPPC
$1.00	$0.054	$0.026	$0.112	$0.294

Source: Office of Finance

Property Tax Levies
($ thousands)

	PRINCE GEORGE'S COUNTY		OVERLAPPING TAXING ENTITIES		
Fiscal Year	General	Stormwater Management	WSTC	Maryland State	M-NCPPC
2017[1]	$ 820,635	$ 42,232	$ 23,176	$ 91,154	$ 251,324
2016	781,337	39,442	21,789	85,751	236,074
2015	725,143	38,102	21,050	82,832	216,026
2014	704,813	37,592	20,734	81,875	212,594
2013	769,416	39,600	21,652	84,913	222,092
2012	831,246	43,283	23,381	92,218	239,655

[1] Estimated for the year ending June 30, 2017 as of February 28, 2017

Source: Office of Finance

The top 10 principal taxpayers within the County for fiscal year 2017 are as follows:

Principal Taxpayers
June 30, 2017

Taxpayer		Real Property Assessment	Personal Property Assessment	Total Assessment
Potomac Electric Power Co		$ 7,605,500	$ 631,057,720	$ 638,663,220
Gaylord National LLC		596,270,566		596,270,566
National Harbor Grand LLC		477,716,582		477,716,582
Verizon-Maryland			281,655,140	281,655,140
Empirian Village of Maryland, LLC		273,544,500	1,265,030	274,809,530
Washington Gas Light Company		6,189,700	252,784,820	258,974,520
JKC Stadium (FedEx Field)		208,927,300		208,927,300
Terrapin Row Prop Owner LLC		199,791,601		199,791,601
Greenbelt Homes, Incorporated		198,096,200		198,096,200
Baltimore Gas & Electric Company			180,785,370	180,785,370
	Totals	$1,968,141,949	$ 1,347,548,080	$3,315,690,029
Percentage of Total Assessable Base		6.0%	4.1%	10.1%

Source: Office of Finance

Statutory Debt Limit

Pursuant to the the Express Powers Act, the statutory debt limit of the County is a total of 6% of the assessable base of real property of the County and 15% of the County's assessable base of personal property and operating real property described in Section 8-109(c) of the Tax-Property Article, as amended, replaced or recodified from time to time. State law authorizes certain exclusions. Obligations issued by the Revenue Authority and the Industrial Development Authority are excluded from the County's statutory limit. The current debt limit of the County is shown in the following table.

Statutory Debt Limit

June 30, 2016

County General Obligation Bonds	$1,466,910,000
Maryland Development Debt	-
Maryland CDA Infrastructure Financing Bonds	261,200
Total Debt of the County	1,467,171,200
Less: Portion of Debt Excludable by State Law:	
County General Obligation Bonds for:	
Mass Transit Facilities	7,738,657
Stormwater Facilities	144,978,650
Solid Waste Projects	35,062,545
School Facilities Surcharge-Supported	289,716,443
School Facility Supported by Telecommunication Tax	20,531,670
Maryland Development Debt	-
Maryland CDA Infrastructure Financing Bonds	261,200
Total Excludable Debt	498,289,165
County Debt Subject to Statutory Debt Limitation	968,882,035
Assessable Base of Real Property Taxation (FY2016)	80,392,825,800
Assessable Base of Personal Property and Operating Real Property Taxation (FY2016)	3,008,566,730
Debt Limit (a total of 6% of Real Property Assessable Base and 15% of Assessable Base of Personal Property) (FY2016)	5,274,854,558
Less: County Debt Subject to Debt Limitation	968,882,035
County Debt Margin	4,305,972,523

Source: Office of Finance

Direct, Overlapping and Underlying Debt Statement

($ millions)

June 30, 2016

	Gross Debt Principal Amount	Self-Supporting Debt	Net Tax-Supported General Fund Debt Principal Amount
Direct Debt			
County General Obligation Bonds:			
General Purpose	968.9	-	968.9
Mass Transit	7.7	7.7	-
Stormwater Management	145.0	145.0	-
Solid Waste Management	35.0	35.0	-
School Facilities Surcharge-Supported	289.7	289.7	-
School Facilities Supported by Telecommunication Tax	20.5	20.5	-
Maryland CDA Development Debt	-	-	-
Maryland CDA Infrastructure Financing Bonds	0.3	0.3	-
Total Direct Debt	1,467.1	498.2	968.9
Overlapping and Underlying Debt			
Washington Suburban Sanitary Commission	668.0	668.0	-
Maryland-National Capital Park and Planning Commission	69.1	69.1	-
Industrial Development Authority of Prince George’s County Lease Revenue Bonds	45.6	-	45.6
Underlying Towns and Cities Within County	34.8	34.8	-
Total Overlapping and Underlying Debt	817.5	771.9	45.6
Total Direct, Overlapping Debt and Underlying Debt	2,284.6	1,270.1	1,014.5

Source: Office of Finance

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate, dated as of ____________, 2017 (the "Disclosure Certificate"), is executed and delivered by the Washington Suburban Sanitary Commission (the "Commission") in connection with the issuance and delivery of its $459,250,000 Consolidated Public Improvement Bonds of 2017 (the "Construction Bonds"), its $220,180,000 Consolidated Public Improvement Refunding Bonds of 2017 (the "Refunding Bonds"). The Commission hereby covenants and agrees as follows:

SECTION 1. *Purpose of the Disclosure Certificate.* This Disclosure Certificate is being executed and delivered by the Commission for the benefit of the holders from time to time of the Bonds and the beneficial owners from time to time of the Bonds and in order to assist the Underwriter (defined below) in complying with the Rule (defined below).

SECTION 2. *Definitions.* In addition to the definitions set forth above, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Commission pursuant to, and as described in, Sections 4 and 5 of this Disclosure Certificate.

"Disclosure Representative" shall mean the Chief Financial Officer of the Commission or her designee, or such other person as the Commission shall designate from time to time.

"Dissemination Agent" shall mean the Commission or any Dissemination Agent designated in writing by the Commission.

"EMMA" means the Electronic Municipal Market Access system maintained by the MSRB for purposes of the Rule.

"Listed Events" shall mean any of the events listed in Section 6(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, and its successors.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Underwriter" shall mean the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering or sale of the Bonds.

SECTION 3. *Scope of Agreement.*

(a) The disclosure obligations under this Disclosure Certificate relate solely to the Bonds. Such disclosure obligations are not applicable to any other securities issued or to be issued by the Commission.

(b) The Commission is the only "obligated person" with respect to the Bonds within the meaning of the Rule.

SECTION 4. *Provision of Annual Reports.* The Commission shall, not later than March 31 after the end of the fiscal year, commencing with the fiscal year ending June 30, 2017, provide to the MSRB in an electronic format and accompanied by identifying information as prescribed by the MSRB an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Certificate. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Certificate; provided that the audited financial statements of the Commission may be submitted separately from the balance of the Annual Report.

If the Commission is unable to provide the annual financial information and operating data within the applicable time periods specified herein, the Commission shall send in a timely manner a notice of such failure to the MSRB.

SECTION 5. *Content of Annual Reports.* The Commission's Annual Report shall contain or incorporate by reference the following:

- Comprehensive audited financial statements for the immediately preceding fiscal year, prepared in accordance with generally accepted accounting principles, unless the audited financial statements are not available on or before the date of such filing, in which event said audited financial statements will be promptly provided when and if available and the Commission will provide unaudited financial statements as part of the Annual Report; and

- The information provided in the Official Statement prepared and delivered by the Commission with respect to the Bonds, under the headings "Employees' Retirement Plan," "Leases and Agreements," "Refunding Bonds and Bonds Refunded," "Bonded Indebtedness of the District," "Summary of District Ad Valorem Taxes and Other Charges and Revenues Therefrom," "Capital Improvements Program," and "Water and Sewerage Facilities, Service Centers and Statistics," and updated as of a date no earlier than the last day of the immediately-preceding fiscal year.

SECTION 6. *Reporting of Significant Events.*

(a) In a timely manner, not in excess of 10 business days, the Commission will provide to the MSRB notice of the occurrence of any of the following events with respect to the Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations;

(vii) modifications to rights of holders of the Bonds, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Commission;

(xiii) the consummation of a merger, consolidation, or acquisition involving the Commission or the sale of all or substantially all of the assets of the Commission, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Commission hereby acknowledges that certain of the above-enumerated events do not, and are not ever expected to, apply to the Bonds. Nevertheless, the Commission intends to provide the Underwriter with complete assistance in complying with the Rule. Therefore, the Commission covenants to provide notice of all of the above-enumerated events should they occur.

SECTION 7. *Termination of Reporting Obligation.* The Commission's obligations under this Disclosure Certificate shall terminate when there are no longer any Bonds outstanding.

SECTION 8. *Dissemination Agent.* The Commission may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. *Amendment; Waiver.* Notwithstanding any other provision of this Disclosure Certificate, the Commission may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) said amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Commission, or type of business conducted by the Commission;

(b) said provision, as amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the initial offering of the Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) said amendment or waiver does not materially impair the interests of holders of the Bonds, as determined either by nationally recognized bond counsel or by an approving vote of the holders of 25% of the outstanding aggregate principal amount of the Bonds.

The reasons for any amendment and the impact of the change, if any, in the type of operating data or financial information being provided will be explained in information provided with the Annual Report containing the amended operating data or financial information.

SECTION 10. *Additional Information.* Nothing in this Disclosure Certificate shall be deemed to prevent the Commission from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Commission chooses to include any information in any Annual Report or notice of occurrences of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Commission shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. *Default.* Failure to comply with this Disclosure Certificate shall not be deemed to be a default or an event of default with respect to the Bonds.

SECTION 12. *Filing with EMMA.* Unless otherwise required by the MSRB, all filings with the MSRB shall be made with EMMA and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 13. *Beneficiaries.* This Disclosure Certificate shall inure solely to the benefit of the Commission, the Dissemination Agent (if any), the Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. *Limitation of Forum.* Any suit or other proceedings seeking redress with regard to any claimed failure by the Commission to perform its obligations under this Disclosure Certificate must be filed in the Circuit Court of Montgomery County, Maryland or the Circuit Court of Prince George's County, Maryland.

SECTION 15. *Law of Maryland*. This Disclosure Certificate and any claims made with respect to performance by the Commission of its obligations under this Disclosure Certificate shall be subject to and be construed according to the laws of the State of Maryland (without regard to provisions on conflict of laws) or federal laws.

WASHINGTON SUBURBAN
SANITARY COMMISSION

By: ___________________________________

Joseph F. Beach
Chief Financial Officer

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

Proposed Opinion of Bond Counsel related to
Washington Suburban Sanitary District, Maryland (Montgomery and Prince George's Counties, Maryland) Consolidated Public Improvement Bonds of 2017

[Closing Date]

Washington Suburban Sanitary Commission
Laurel, Maryland

Ladies and Gentlemen:

In connection with the issuance and sale of $459,250,000 Washington Suburban Sanitary District, Maryland (Montgomery and Prince George's Counties, Maryland) Consolidated Public Improvement Bonds of 2017 dated November 9, 2017 (the "Bonds"), maturing annually on June 15 in the years 2018 through 2047, inclusive, in the amounts set forth therein and bearing interest, payable semi-annually on June 15 and December 15 in each year, beginning June 15, 2018, we have examined:

(i) Titles 16 through 25, inclusive, of Division II of the Public Utilities Article of the Annotated Code of Maryland, as amended (herein sometimes called the "Act");

(ii) Resolution No. 2018-2163, adopted by the Washington Suburban Sanitary Commission (the "Commission") on July 19, 2017 (the "Resolution");

(iii) the form of Bond;

(iv) relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"); and

(v) other proofs submitted to us relative to the issuance and sale of the Bonds.

The terms of the Bonds are contained in the Resolution and the Bonds.

We have made no investigation of, and are rendering no opinion regarding, the title to real or personal property.

In rendering this opinion, we have relied without independent investigation on certifications provided by the Commission with respect to certain material facts within the knowledge of the Commission relevant to the tax-exempt status of interest on the Bonds. We have not examined any documents or other information concerning the business or financial resources of the Washington Suburban Sanitary District, Montgomery County, Maryland, or Prince George's County, Maryland and we express no opinion as to the accuracy or completeness of any information that may have been relied upon by holders of the Bonds in making their decision to purchase the Bonds.

Based upon the foregoing, we are of the opinion that, under existing statutes, regulations and decisions:

(a) The Commission is a validly created and existing public corporation of the State of Maryland.

(b) The Bonds are valid and legally binding general obligations of the Washington Suburban Sanitary District, all the assessable property within which is subject to the levy of an *ad valorem* tax, without limitation of rate or amount, to pay the Bonds and the interest thereon.

(c) Interest on the Bonds is exempt from taxation by the State of Maryland and its counties and municipalities; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the interest on the Bonds.

(d) Assuming compliance with the covenants referred to herein, interest on the Bonds will be excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Code, there are certain restrictions that must be met subsequent to the delivery of the Bonds in order for interest on the Bonds to remain excludable from gross income for federal income tax purposes, including restrictions that must be complied with throughout the term of the bonds of the issue of bonds of which the Bonds are a part. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made), (ii) other requirements applicable to the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part, and (iii) other requirements applicable to the use of the proceeds of the bonds of the issue of bonds of which the Bonds are a part and the facilities financed or refinanced with the proceeds of the bonds of the issue of bonds of which the Bonds are a part. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The Commission has made certain covenants regarding actions necessary to maintain the exemption of interest on the Bonds from federal income taxation purposes of interest on the Bonds. It is our opinion that, assuming compliance with such covenants, the interest on the Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

(e) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to such tax will be required to increase its alternative minimum taxable income by 75% of the amount by which its “adjusted current earnings” exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For such purposes, “adjusted current earnings” would include, among other items, interest income from the Bonds. In addition, interest income on the Bonds will be subject to the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

FORM OF OPINION OF BOND COUNSEL

Proposed Opinion of Bond Counsel related to
Washington Suburban Sanitary District, Maryland (Montgomery and Prince George's Counties, Maryland) Consolidated Public Improvement Refunding Bonds of 2017

[Closing Date]

Washington Suburban Sanitary Commission
Laurel, Maryland

Ladies and Gentlemen:

In connection with the issuance and sale of $220,180,000 Washington Suburban Sanitary District, Maryland (Montgomery and Prince George's Counties, Maryland) Consolidated Public Improvement Refunding Bonds of 2017 dated November 9, 2017 (the "Bonds"), maturing annually on June 1 in the years 2018 through 2032, inclusive, in the amounts set forth therein and bearing interest, payable semi-annually on June 1 and December 1 in each year, beginning June 1, 2018, we have examined:

(i) Titles 16 through 25, inclusive, of Division II of the Public Utilities Article of the Annotated Code of Maryland, as amended (herein sometimes called the "Act");

(ii) Resolution No. 2018-2164, adopted by the Washington Suburban Sanitary Commission (the "Commission") on July 19, 2017 (the "Resolution");

(iii) the form of Bond;

(iv) relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"); and

(v) other proofs submitted to us relative to the issuance and sale of the Bonds.

The terms of the Bonds are contained in the Resolution and the Bonds.

We have made no investigation of, and are rendering no opinion regarding, the title to real or personal property.

In rendering this opinion, we have relied without independent investigation on certifications provided by the Commission with respect to certain material facts within the knowledge of the Commission relevant to the tax-exempt status of interest on the Bonds. We have not examined any documents or other information concerning the business or financial resources of the Washington Suburban Sanitary District, Montgomery County, Maryland, or Prince George's County, Maryland and we express no opinion as to the accuracy or completeness of any information that may have been relied upon by holders of the Bonds in making their decision to purchase the Bonds.

Based upon the foregoing, we are of the opinion that, under existing statutes, regulations and decisions:

(a) The Commission is a validly created and existing public corporation of the State of Maryland.

(b) The Bonds are valid and legally binding general obligations of the Washington Suburban Sanitary District, all the assessable property within which is subject to the levy of an *ad valorem* tax, without limitation of rate or amount, to pay the Bonds and the interest thereon.

(c) Interest on the Bonds is exempt from taxation by the State of Maryland and its counties and municipalities; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the interest on the Bonds.

(d) Assuming compliance with the covenants referred to herein, interest on the Bonds will be excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Code, there are certain restrictions that must be met subsequent to the delivery of the Bonds in order for interest on the Bonds to remain excludable from gross income for federal income tax purposes, including restrictions that must be complied with throughout the term of the bonds of the issue of bonds of which the Bonds are a part. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made), (ii) other requirements applicable to the investment of the proceeds of the bonds of the issue of bonds of which the Bonds are a part, and (iii) other requirements applicable to the use of the proceeds of the bonds of the issue of bonds of which the Bonds are a part and the facilities financed or refinanced with the proceeds of the bonds of the issue of bonds of which the Bonds are a part. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The Commission has made certain covenants regarding actions necessary to maintain the exemption of interest on the Bonds from federal income taxation purposes of interest on the Bonds. It is our opinion that, assuming compliance with such covenants, the interest on the Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

(e) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to such tax will be required to increase its alternative minimum taxable income by 75% of the amount by which its “adjusted current earnings” exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For such purposes, “adjusted current earnings” would include, among other items, interest income from the Bonds. In addition, interest income on the Bonds will be subject to the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

APPENDIX E

Book-Entry System

General. The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds in principal amount equal to the aggregate principal amount of the Bonds of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Commission or the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC, DTC's nominee, the Bond Registrar and Paying Agent or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission or its Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Book-Entry Only System — Miscellaneous. The information in the Section "Book-Entry Only System — General" has been obtained from DTC. The Commission takes no responsibility for the accuracy or completeness thereof. The Commission will have no responsibility or obligations to DTC Participants or the persons for whom they act as nominees with respect to the payments to or the providing of notice to the DTC Participants, or the Indirect Participants, or Beneficial Owners. The Commission cannot and does not give any assurance that DTC Participants or others will distribute principal and interest payments paid to DTC or its nominees, as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

Discontinuation of Book-Entry Only System. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Commission. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The Commission may also decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

In the event that the Book-Entry Only System is discontinued, the Bonds in fully certificated form will be issued as fully registered Bonds without coupons in the denomination of $5,000 each or any integral multiple thereof. Such Bonds will be transferable only upon the registration books kept at the principal office of the Bond Registrar and Paying Agent, by the registered owner thereof in person, or by an attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer in the form attached thereto and satisfactory to the Bond Registrar and Paying Agent, and duly executed by the registered owner or a duly authorized attorney. Within a reasonable time of such surrender, the Commission shall cause to be issued in the name of the transferee a new registered Bond or Bonds of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond surrendered and maturing on the same date and bearing interest at the same rate. The new Bond or Bonds shall be delivered to the transferee only after due authentication by an authorized officer of the Bond Registrar and Paying Agent. The Commission may deem and treat the person in whose name a Bond is registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal or redemption price thereof and interest due thereon and for all other purposes.

In the event that the Book-Entry Only System is discontinued, the Bonds may be transferred or exchanged at the principal office of the Bond Registrar and Paying Agent. Upon any such transfer or exchange, the Commission shall execute and the Bond Registrar and Paying Agent shall authenticate and deliver a new registered Bond or Bonds without coupons of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond exchanged or transferred, and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar and Paying Agent may require payment by any holder of Bonds requesting exchange or transfer of Bonds of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect to such exchange or transfer, but otherwise no charge shall be made to the holder of Bonds for such exchange or transfer.

The Bond Registrar and Paying Agent shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or portion thereof for redemption as previously described; provided, however, that the foregoing limitation shall not apply to that portion of a Bond in excess of $5,000 which is not being called for redemption.

NEITHER THE COMMISSION NOR THE BOND REGISTRAR AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO 1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; 2) THE PAYMENT BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; 3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; 4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER; OR 5) THE SELECTION BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF BONDS.

DESCRIPTION OF THE REFUNDED BONDS

Consolidated Public Improvement Bonds of 2011

Maturity Date	Par Amount	Coupon	Call Date	CUSIP
6/1/2022	$ 15,000,000	3.00%	6/1/2021	940157TL4
6/1/2023	15,000,000	3.00	6/1/2021	940157TM2
6/1/2024	15,000,000	3.00	6/1/2021	940157TN0
6/1/2025	15,000,000	4.00	6/1/2021	940157TP5
6/1/2026	15,000,000	4.00	6/1/2021	940157TQ3
6/1/2027	15,000,000	4.00	6/1/2021	940157TR1
6/1/2028	15,000,000	4.00	6/1/2021	940157TS9
6/1/2029	15,000,000	4.00	6/1/2021	940157TT7
6/1/2030	15,000,000	4.00	6/1/2021	940157TU4
6/1/2031	15,000,000	4.00	6/1/2021	940157TV2
Total	**150,000,000**			

Consolidated Public Improvement Bonds of 2013

Maturity Date	Par Amount	Coupon	Call Date	CUSIP
6/1/2024	$ 7,500,000	4.00%	6/1/2023	940157VC1
6/1/2025	7,500,000	4.00	6/1/2023	940157VD9
6/1/2026	7,500,000	4.00	6/1/2023	940157VE7
6/1/2027	7,500,000	4.00	6/1/2023	940157VF4
6/1/2028	7,500,000	4.00	6/1/2023	940157VG2
6/1/2029	7,500,000	4.00	6/1/2023	940157VH0
6/1/2030	7,500,000	4.00	6/1/2023	940157VJ6
6/1/2031	7,500,000	4.00	6/1/2023	940157VK3
6/1/2032	7,500,000	4.00	6/1/2023	940157VL1
Total	**67,500,000**			