OFFICIAL STATEMENT DATED DECEMBER 12, 2019

NEW ISSUE – Book-Entry Only

Fitch Ratings: AAA
Moody's Investors Service: Aaa
S&P Global Ratings: 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, will not be included in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment and interest on the Bonds will be includable in the applicable tax base for purposes of determining the branch profits tax imposed on foreign corporations. See "TAX MATTERS."

$233,565,000
WASHINGTON SUBURBAN SANITARY DISTRICT, MARYLAND
(MONTGOMERY AND PRINCE GEORGE'S COUNTIES, MARYLAND)

$179,685,000	$53,880,000
Consolidated Public Improvement Bonds of 2019	**Consolidated Public Improvement Bonds of 2019 (Second Series) (Green Bonds)**

Dated:	Date of Delivery
Due:	June 1, as shown on the inside front cover
Interest Payment Date:	June 1 and December 1, beginning June 1, 2020
Denomination:	$5,000 or any integral multiples thereof
Form:	Registered, book-entry only through the facilities of The Depository Trust Company
Optional Redemption:	The Bonds maturing on or after June 1, 2030 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 and the acquisition of land or equipment for, or the construction, remodeling, enlargement, or replacement of any office or operating building necessary to administer or operate the water and sewer systems in the District, (ii) certain projects designated as "Green Projects" and (iii) the payment of costs of issuance related to the Bonds.
Green Bonds:	The Commission has designated the projects to be funded by the proceeds of the Second Series Bonds as "Green Projects" and the Second Series Bonds as "Green Bonds."
Bond Counsel:	McKennon Shelton & Henn LLP
Financial Advisor:	Wye River Group, Incorporated
Paying Agent and Bond Registrar:	The Bank of New York Mellon Trust Company, N.A.

FOR MATURITY SCHEDULE, 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 Official Notice 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 December 23, 2019.

MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS

$179,685,000 CONSOLIDATED PUBLIC IMPROVEMENT BONDS OF 2019

Maturity June 1	Principal Amount	Interest Rate*	Yield*	CUSIP Number[†]	Maturity June 1	Principal Amount	Interest Rate*	Yield*	CUSIP Number[†]
2020	$6,485,000	5.00%	1.030%	9401572B5	2035	$6,000,000	3.00%	2.360%[+]	9401572S8
2021	3,150,000	5.00	1.040	9401572C3	2036	6,180,000	3.00	2.430[+]	9401572T6
2022	3,310,000	5.00	1.050	9401572D1	2037	6,370,000	3.00	2.470[+]	9401572U3
2023	3,475,000	5.00	1.060	9401572E9	2038	6,560,000	3.00	2.510[+]	9401572V1
2024	3,645,000	5.00	1.080	9401572F6	2039	6,755,000	3.00	2.540[+]	9401572W9
2025	3,830,000	5.00	1.140	9401572G4	2040	6,960,000	3.00	2.570[+]	9401572X7
2026	4,020,000	5.00	1.230	9401572H2	2041	7,165,000	3.00	2.600[+]	9401572Y5
2027	4,220,000	5.00	1.280	9401572J8	2042	7,380,000	3.00	2.630[+]	9401572Z2
2028	4,430,000	5.00	1.360	9401572K5	2043	7,605,000	3.00	2.660[+]	9401573A6
2029	4,655,000	5.00	1.450	9401572L3	2044	7,830,000	3.00	2.670[+]	9401573B4
2030	4,885,000	5.00	1.510[+]	9401572M1	2045	8,065,000	3.00	2.680[+]	9401573C2
2031	5,130,000	5.00	1.570[+]	9401572N9	2046	8,310,000	3.00	2.690[+]	9401573D0
2032	5,390,000	4.00	1.810[+]	9401572P4	2047	8,555,000	3.00	2.700[+]	9401573E8
2033	5,605,000	4.00	1.910[+]	9401572Q2	2048	8,815,000	3.00	2.710[+]	9401573F5
2034	5,825,000	3.00	2.300[+]	9401572R0	2049	9,080,000	3.00	2.720[+]	9401573G3

$53,880,000 CONSOLIDATED PUBLIC IMPROVEMENT BONDS OF 2019 (SECOND SERIES) (GREEN BONDS)

Maturity June 1	Principal Amount	Interest Rate*	Yield*	CUSIP Number[†]	Maturity June 1	Principal Amount	Interest Rate*	Yield*	CUSIP Number[†]
2020	$1,945,000	5.00%	1.030%	9401573H1	2035	$1,800,000	3.00%	2.360%[+]	9401573Y4
2021	945,000	5.00	1.040	9401573J7	2036	1,855,000	3.00	2.430[+]	9401573Z1
2022	990,000	5.00	1.050	9401573K4	2037	1,910,000	3.00	2.470[+]	9401574A5
2023	1,040,000	5.00	1.060	9401573L2	2038	1,965,000	3.00	2.510[+]	9401574B3
2024	1,095,000	5.00	1.080	9401573M0	2039	2,025,000	3.00	2.540[+]	9401574C1
2025	1,150,000	5.00	1.140	9401573N8	2040	2,085,000	3.00	2.570[+]	9401574D9
2026	1,205,000	5.00	1.230	9401573P3	2041	2,150,000	3.00	2.600[+]	9401574E7
2027	1,265,000	5.00	1.280	9401573Q1	2042	2,215,000	3.00	2.630[+]	9401574F4
2028	1,330,000	5.00	1.360	9401573R9	2043	2,280,000	3.00	2.660[+]	9401574G2
2029	1,395,000	5.00	1.450	9401573S7	2044	2,350,000	3.00	2.670[+]	9401574H0
2030	1,465,000	5.00	1.510[+]	9401573T5	2045	2,420,000	3.00	2.680[+]	9401574J6
2031	1,540,000	5.00	1.570[+]	9401573U2	2046	2,490,000	3.00	2.690[+]	9401574K3
2032	1,615,000	4.00	1.810[+]	9401573V0	2047	2,565,000	3.00	2.700[+]	9401574L1
2033	1,680,000	4.00	1.910[+]	9401573W8	2048	2,645,000	3.00	2.710[+]	9401574M9
2034	1,745,000	3.00	2.300[+]	9401573X6	2049	2,720,000	3.00	2.720[+]	9401574N7

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* The rates shown above are the rates payable by the District resulting from the successful bid for the Bonds on December 12, 2019 by a group of banks and investment banking firms. The successful bidder has furnished to the Commission the yields and prices shown above. Other information concerning the terms of the reoffering of the Bonds, if any, should be obtained from the successful bidder and not from the Commission. See “Sale at Competitive Bidding.”

[+] Yield to the first optional call date.

† 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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Sheila R. Finlayson, Corporate Secretary
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FINANCIAL ADVISOR

Wye River Group, Incorporated

BOND REGISTRAR AND PAYING 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 Division Manager, 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 $179,685,000 Consolidated Public Improvement Bonds of 2019 (the "Construction Bonds") and the $53,880,000 Consolidated Public Improvement Bonds of 2019 (Second Series)(Green Bonds) (the "Second Series" or "Green Bonds" and together with the Construction Bonds, collectively, 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

The bonds of the District, including the Bonds offered by this Official Statement, are issued upon the basis of authorizations under the Constitution of Maryland, 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 and the acquisition of land or equipment for, or the construction, remodeling, enlargement, or replacement of any office or operating building necessary to administer or operate the water and sewer systems in the District and (ii) pay the costs of issuing the Construction Bonds. See "Use of Proceeds of the Construction Bonds."

Proceeds of the Second Series will be used to finance the costs of certain projects which the Commission has designated as "Green Projects." The Commission has engaged S&P Global Ratings ("S&P") to conduct an independent green bonds assessment of the Second Series. S&P has assigned the Second Series an overall score of E1/80. Based in part on the assessment of S&P, the Commission has designated the Second Series as "Green Bonds." See "Green Bonds Designation."

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 (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 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 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.

Redemption

Bonds maturing on or after June 1, 2030 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 1, 2029, 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, will not be included in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment and interest on the Bonds will be includable in the applicable tax base for purposes of determining the branch profits tax imposed on foreign corporations. 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 a 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

$233,565,000
WASHINGTON SUBURBAN SANITARY DISTRICT, MARYLAND
(MONTGOMERY AND PRINCE GEORGE'S COUNTIES, MARYLAND)

$179,685,000
Consolidated Public Improvement Bonds of 2019

$53,880,000
Consolidated Public Improvement Bonds of 2019 (Second Series) (Green Bonds)

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 $179,685,000 Consolidated Public Improvement Bonds of 2019 (the "Construction Bonds") and the $53,880,000 Consolidated Public Improvement Bonds of 2019 (Second Series)(Green Bonds) (the "Second Series" or "Green Bonds" and together with the Construction Bonds, collectively, the "Bonds") of the Washington Suburban Sanitary District (the "District"). The proceeds of the Bonds will be used for (i) the construction or reconstruction of water supply facilities, water supply lines and transmission mains and the acquisition of land or equipment for, or the construction, remodeling, enlargement, or replacement of any office or operating building necessary to administer or operate the water and sewer systems in the District, (ii) certain projects designated as "Green Projects" and (iii) the payment of costs of issuance related to 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" or "WSSC"). 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 bonds and notes of the District, including the Bonds, and to the payment of the costs 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 the bonds and notes of the District, 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 (AMF) 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.

Front Foot Benefit Charge: The Commission assesses, on certain property benefiting from water mains or sewers, front foot benefit charges in amounts sufficient, together with other charges, including water consumption charges and sewer usage charges, to pay debt service on the bonds and notes of the District 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, together with other charges, including the proceeds of water consumption charges and sewer usage charges, are applied to the payment of the principal of and the interest on the bonds and notes of the District (including the portion of the Bonds allocable to the general construction projects of the District).

The assessment of front foot benefit charges normally begins the calendar year 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 regard 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 hearing. Following the hearing, the customer is provided a written decision by the Commissioner, and the customer is informed of his/her right to additionally appeal the Commissioner's decision to the full Commission. A hearing may be 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	Green Bonds	Total
Sources of Funds:			
Par Amount	$179,685,000.00	$53,880,000.00	$233,565,000.00
Reoffering Premium	16,277,554.45	4,881,341.30	21,158,895.75
Total Sources of Funds	$195,962,554.45	$58,761,341.30	$254,723,895.75
Uses of Funds:			
Deposit to Construction Fund	$194,642,406.96	$58,363,216.59	253,005,623.55
Underwriter's Discount	973,186.54	294,085.66	1,267,272.20
Costs of Issuance	346,960.95	104,039.05	451,000.00
Total Uses of Funds	**$195,962,554.45**	**$58,761,341.30**	**$254,723,895.75**

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 and the acquisition of land or equipment for, or the construction, remodeling, enlargement, or replacement of any office or operating building necessary to administer or operate the water and sewer systems in the District and costs of issuance of the Construction Bonds.

GREEN BONDS DESIGNATION

The Commission has designated the Second Series as "Green Bonds." The purpose of such designation is to allow investors to invest directly in bonds which finance environmentally beneficial projects ("Green Projects"). The Commission has established a green bonds framework, which among other things, provides guidelines for determining the eligibility of a given project for designation as a "Green Project." In order to be eligible for designation as a Green Project, the framework requires that the project meet criteria in one or more of the following areas: green buildings, pollution prevention and control, renewable energy, water quality, and climate change adaption. A copy of the Commission's Green Bond Framework can be found at https://www.wsscwater.com/investor. The Commission has engaged S&P Global Ratings ("S&P") to conduct an independent green bonds assessment of the Second Series. S&P has assigned the Second Series an overall score of E1/80.

The net proceeds of the Green Bonds will be used to finance the (i) planning, design and construction of improvements to a water filtration plant in order to reduce solids discharges, and the planning, design and construction of replacement pre-filter chlorination and filter air scour systems of such water filtration plant, (ii) planning, design and construction or rehabilitation of large diameter water transmission mains and large system valves and small water mains and other appurtenances including meter and PR vaults and (ii) costs of issuance of the Green Bonds. The Commission has determined that each of the projects to be financed by the Green Bonds meets the criteria to be designated as a Green Project.

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 Bonds will be payable semi-annually on each June 1 and December 1, commencing June 1, 2020 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 resolution 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 resolution.

Redemption Provisions

Bonds which mature on or after June 1, 2030, 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 1, 2029 with respect to the 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 any one maturity of a series of the Bonds 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 each series 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 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 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			Green Bonds			
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total	Total Debt Service
2020	$6,485,000.00	$2,863,837.78	$9,348,837.78	$1,945,000.00	$858,751.94	$2,803,751.94	$12,152,589.72
2021	3,150,000.00	6,200,950.00	9,350,950.00	945,000.00	1,859,400.00	2,804,400.00	12,155,350.00
2022	3,310,000.00	6,043,450.00	9,353,450.00	990,000.00	1,812,150.00	2,802,150.00	12,155,600.00
2023	3,475,000.00	5,877,950.00	9,352,950.00	1,040,000.00	1,762,650.00	2,802,650.00	12,155,600.00
2024	3,645,000.00	5,704,200.00	9,349,200.00	1,095,000.00	1,710,650.00	2,805,650.00	12,154,850.00
2025	3,830,000.00	5,521,950.00	9,351,950.00	1,150,000.00	1,655,900.00	2,805,900.00	12,157,850.00
2026	4,020,000.00	5,330,450.00	9,350,450.00	1,205,000.00	1,598,400.00	2,803,400.00	12,153,850.00
2027	4,220,000.00	5,129,450.00	9,349,450.00	1,265,000.00	1,538,150.00	2,803,150.00	12,152,600.00
2028	4,430,000.00	4,918,450.00	9,348,450.00	1,330,000.00	1,474,900.00	2,804,900.00	12,153,350.00
2029	4,655,000.00	4,696,950.00	9,351,950.00	1,395,000.00	1,408,400.00	2,803,400.00	12,155,350.00
2030	4,885,000.00	4,464,200.00	9,349,200.00	1,465,000.00	1,338,650.00	2,803,650.00	12,152,850.00
2031	5,130,000.00	4,219,950.00	9,349,950.00	1,540,000.00	1,265,400.00	2,805,400.00	12,155,350.00
2032	5,390,000.00	3,963,450.00	9,353,450.00	1,615,000.00	1,188,400.00	2,803,400.00	12,156,850.00
2033	5,605,000.00	3,747,850.00	9,352,850.00	1,680,000.00	1,123,800.00	2,803,800.00	12,156,650.00
2034	5,825,000.00	3,523,650.00	9,348,650.00	1,745,000.00	1,056,600.00	2,801,600.00	12,150,250.00
2035	6,000,000.00	3,348,900.00	9,348,900.00	1,800,000.00	1,004,250.00	2,804,250.00	12,153,150.00
2036	6,180,000.00	3,168,900.00	9,348,900.00	1,855,000.00	950,250.00	2,805,250.00	12,154,150.00
2037	6,370,000.00	2,983,500.00	9,353,500.00	1,910,000.00	894,600.00	2,804,600.00	12,158,100.00
2038	6,560,000.00	2,792,400.00	9,352,400.00	1,965,000.00	837,300.00	2,802,300.00	12,154,700.00
2039	6,755,000.00	2,595,600.00	9,350,600.00	2,025,000.00	778,350.00	2,803,350.00	12,153,950.00
2040	6,960,000.00	2,392,950.00	9,352,950.00	2,085,000.00	717,600.00	2,802,600.00	12,155,550.00
2041	7,165,000.00	2,184,150.00	9,349,150.00	2,150,000.00	655,050.00	2,805,050.00	12,154,200.00
2042	7,380,000.00	1,969,200.00	9,349,200.00	2,215,000.00	590,550.00	2,805,550.00	12,154,750.00
2043	7,605,000.00	1,747,800.00	9,352,800.00	2,280,000.00	524,100.00	2,804,100.00	12,156,900.00
2044	7,830,000.00	1,519,650.00	9,349,650.00	2,350,000.00	455,700.00	2,805,700.00	12,155,350.00
2045	8,065,000.00	1,284,750.00	9,349,750.00	2,420,000.00	385,200.00	2,805,200.00	12,154,950.00
2046	8,310,000.00	1,042,800.00	9,352,800.00	2,490,000.00	312,600.00	2,802,600.00	12,155,400.00
2047	8,555,000.00	793,500.00	9,348,500.00	2,565,000.00	237,900.00	2,802,900.00	12,151,400.00
2048	8,815,000.00	536,850.00	9,351,850.00	2,645,000.00	160,950.00	2,805,950.00	12,157,800.00
2049	9,080,000.00	272,400.00	9,352,400.00	2,720,000.00	81,600.00	2,801,600.00	12,154,000.00
Total	**$179,685,000.00**	**$100,840,087.78**	**$280,525,087.78**	**$53,880,000.00**	**$30,238,201.94**	**$84,118,201.94**	**$364,643,289.72**

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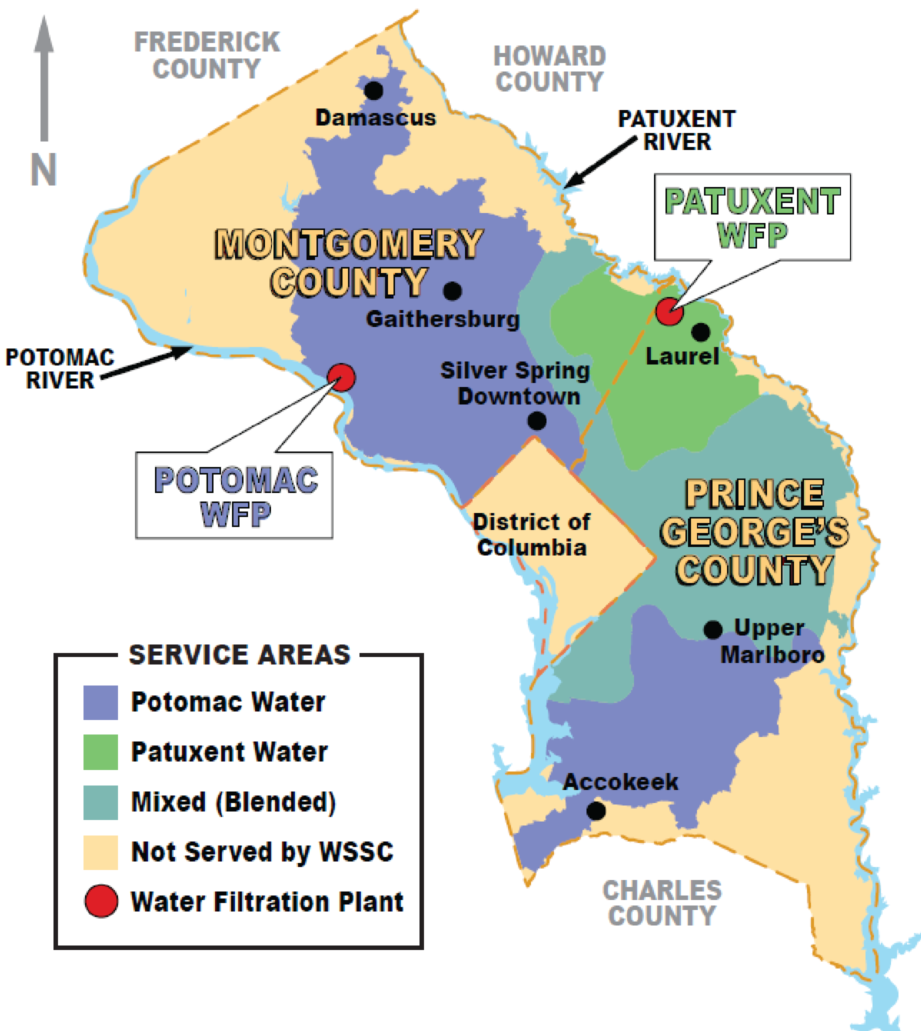
WASHINGTON SUBURBAN SANITARY DISTRICT

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. 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. Each Commissioner from Prince George's County shall be a resident of the District. Each Commissioner from

Montgomery County shall be a registered voter of Montgomery County. Each Commissioner from Prince George's County shall be a registered voter of Prince George's County. Not more than two Commissioners from Montgomery County may be of the same political party. 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 in June of each year for one-year terms 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

Christopher Lawson (Chair): Mr. Lawson was appointed to the Commission from Prince George's County in May 2011 and reappointed to a second term in June 2016. He was elected as Commission Chair in June 2019 and has previously served as Chair and Vice Chair. He is also a Trustee on the WSSC Retirement Plan Board. 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 Mr. Lawson led the campaign efforts as Chairman to elect Rushern L. Baker III for Prince George's County Executive. Mr. Lawson's term expired in May 2019.*

T. Eloise Foster (Vice Chair): Ms. Foster was appointed to the Commission from Montgomery County in June 2016 and reappointed to a second term in July 2017. She was elected Vice Chair in June 2019 and has previously served as Chair and Vice Chair. She also serves as a Trustee on the WSSC Retirement Plan Board. Ms. Foster has more than three decades of experience in the public sector, where she developed an expertise in fiscal policy and management. She served for over a decade as Secretary of the Maryland Department of Budget and Management, the first and only African-American woman in the nation to serve as a chief state budget officer. In this capacity, she was responsible for the development and management of Maryland's $38 billion operating and $1.5 billion capital budgets, a personnel system governing approximately 80,000 employees and an employee and retiree benefits program covering more than 250,000 lives. Ms. Foster also served as Maryland's Deputy Secretary of Budget & Management and Assistant Secretary of Budget & Fiscal Planning 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. An honorary lifetime member of the National Association of State Budget Officers, Ms. Foster is also a former member of the National Forum for Black Public Administrators. She has served on the Howard University Cancer Center Advisory Board, the Seton Keough School Board and the Arts and Humanities Council of Montgomery County. She currently serves as Chair of the Maryland Supplemental Retirement Plans and is a Trustee on the Financial Accounting Foundation Board. 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. In 2014, Howard University selected her to receive the Distinguished Alumni Award in the field of public service. Ms. Foster earned her bachelor's degree in Business Administration from Howard University and an MBA from American University's Kogod School of Business. She also has completed the Harvard University 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 reappointed to a second term in July 2019. He previously 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 a 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 2023.

Keith E. Bell: Mr. Bell was appointed to the Commission from Prince George's County in November 2019. He is a native of Staten Island, New York and has been a resident of Prince George's County for more than twenty years. He earned his undergraduate degree, with honors, from North Carolina Central University and is a lawyer by profession with a Juris Doctorate degree from North Carolina Central University School of Law in Durham, North Carolina. After law school, Mr. Bell began his legal career as an Assistant District Attorney in the Philadelphia District Attorney's Office. Thereafter, he enjoyed a long career as a civil litigator/prosecutor in the U.S. Department of Labor's Office of the Solicitor, Mine Safety and Health Division. In 1998, Mr. Bell was appointed to serve as a Special Assistant United States Attorney during a six-month detail in the U.S. Attorney's Office in Alexandria, Virginia where he prosecuted a variety of cases under the United States Code. In 2011, he was appointed to the ranks of federal administrative law judges and began his tenure on the bench at the Social Security Administration's Office of Disability Adjudication and Review in Columbia, Missouri. Since his January 2012 appointment to serve as an administrative law judge at the Occupational Safety and Health Review Commission based in downtown Washington, D.C., Mr. Bell has adjudicated cases arising under the Occupation Safety and Health Act of 1970. He has been the recipient of numerous career awards and was most recently honored by Alpha Phi Alpha Fraternity, Incorporated, Mid-Atlantic Association of Alpha Phi Alpha Chapters with its Robert H. Ogle Jewel Award for Service. Mr. Bell's term expires in May 2023.

**At the end of a term, a Commissioner continues to serve until a successor is appointed and takes the oath of office.*

Howard A. Denis: Mr. Denis, a former Maryland State Senator and Montgomery County Council member, was appointed to the Commission from Montgomery County in January 2016 and reappointed in July 2019 to a second term. Prior to his retirement in December 2015, Mr. Denis was part of the Congressional Staff on the House Oversight & Government Reform Committee, where he 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 2023.

Sandra L. Thompson: Ms. Thompson was appointed to the Commission from Prince George's County in September 2019. She is a senior executive in the federal government who has successfully implemented strategic change. Ms. Thompson is a technical expert on issues related to mortgage finance, financial institution supervision, risk assessment and mitigation, regulatory policy development, problem institution rehabilitation and the orderly resolution of failed firms. Ms. Thompson currently serves at the Federal Housing Finance Agency (FHFA) as the Deputy Director, Housing Mission and Goals where she is responsible for oversight of the mission and affordable housing activities of Fannie Mae, Freddie Mac and the Federal Home Loan Banks. Prior to joining FHFA, Ms. Thompson worked for the Federal Deposit Insurance Corporation (FDIC), where she held various positions over 23 years, most recently as Director, Division of Risk Management Supervision. During her time at FDIC, Ms. Thompson led the agency's examination and enforcement program for risk management and consumer protection at the height of the financial crisis. She directed over 3,000 employees located throughout the United States and managed an operating annual budget of over $500 million. She has testified several times before the U.S. Senate Banking Committee and the House Financial Services Committee on mortgage finance, risk management, consumer protection and other policy matters. Ms. Thompson also served as Director of Securitization for the Resolution Trust Corporation. Prior to entering the federal government, she worked at Goldman Sachs in New York City and Northwestern Mutual Life Insurance Company in Milwaukee, Wisconsin. Ms. Thompson is a 23 year resident of Prince George's County. Ms. Thompson's term expires in May 2023.

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 100-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. (now defunct). 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, Esq., 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 100-year history. A legal professional with 25 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 U.S. Supreme Court.

Patricia A. Colihan: Ms. Colihan was appointed Chief Financial Officer for WSSC on November 5, 2018. Prior to her appointment, she served as the Executive Director, Secretary-Treasurer and other senior level positions with the Maryland-National Capital Park and Planning Commission. Before her career in the public sector, Ms. Colihan was Assistant Controller for Loyola Federal Savings and Loan Association and an auditor with Deloitte Haskins & Sells. Ms. Colihan received her Bachelor of Arts Degree in Accounting from Frostburg State College, and Master's Degree in Management from the University of Maryland University College. She is a member of the American Institute of Certified Public Accountants, the Government Finance Officers Association, and the Honor Society of Phi Kappa Phi. She is a graduate of Leadership Montgomery and is a past President of the Maryland Government Finance Officers Association.

Labor Relations

On June 30, 2019, the Commission had 1,727 full time employees of whom approximately 511 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, 2018 and as of June 30, 2017, which were rolled forward to December 31, 2018 and December 31, 2017, the Retirement Plan's independent actuaries determined that, at December 31, 2018 and 2017 (the measurement dates), the Retirement Plan's total pension liability exceeded its fiduciary net position by $226.6 million and $102.5 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 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 76.6% as of December 31, 2018 and 89.1% as of December 31, 2017.

For additional information concerning the Retirement Plan, see Required Supplementary Information (RSI) Schedules A-1 and A-2, "Notes to Financial Statements," Note L, Retirement Plan.

Other Post-Employment Benefits

Post-employment benefits are provided under a set of personnel policies (herein referred to, collectively, as the "OPEB Plan"). The OPEB Plan and its underlying trust, a single employer defined benefit plan, was established in 2007 to provide life insurance, healthcare and prescription drug benefits for OPEB Plan participants and beneficiaries of the WSSC under conditions set forth in the Trust Agreement, including the payment of reasonable administrative expenses. WSSC employees are eligible to continue group insurance coverage after retirement provided that retiring employees have had coverage in effect for two years prior to retirement.

As of June 30, 2018, the Commission adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replacing GASB Statement No. 45. Based on an actuarial valuation as of June 30, 2017, the OPEB Plan's independent actuaries determined that, at December 31, 2018 and 2017 (the measurement dates), the OPEB Plan's total OPEB liability exceeded its fiduciary net position by $129.5 million and $121.8 million, respectively.

Actuarial studies are performed at least once every two years as of June 30th and the measurement date for the net OPEB Plan liability is December 31st. 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. As required by GASB Statement No. 75, the OPEB Plan's fiduciary net position as a percentage of total OPEB liability 48.1% as of December 31, 2018 and 49.3% as of December 31, 2017.

For additional information concerning the OPEB Plan, see Required Supplementary Information (RSI) Schedules A-3 and A-4, "Notes to Financial Statements," Note M, Other Post-Employment Benefits (OPEB).

Leases and Agreements

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.

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) any office or operating building necessary to administer or operate the water and sewer systems in the District (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, 2019, the Commission had $240,197,781 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 or 30-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, 2019
Bonds Outstanding[1][2]:		
General Construction Bonds (self-supporting)[3]	$	134,441,864
Water Supply Bonds (self-supporting)[4]		1,228,099,118
Sewage Disposal Bonds (self-supporting)[5]		1,559,389,018
Maryland Water Quality Loan Fund (self-supporting)[5]		240,197,781
Total Bonds Outstanding		3,162,127,781
Less:		
Self-supporting Bonds		3,162,127,781
Bonds Outstanding Exclusive of Self-supporting Bonds	$	0
Assessed Valuation[6], All Property within District	$	312,092,573,086
Per Capita: (Population estimated at 1,963,126 - 6/30/17)		
Bonds Outstanding Total	$	1,611
Bonds Outstanding Exclusive of Self-supporting Bonds	$	0

(1) Excludes $217,500,000 principal amount of bonds outstanding as of June 30, 2019 which have been refunded.
(2) Excludes $177,800,000 principal amount of bond anticipation notes outstanding as of June 30, 2019. See "Short-Term Financing Program" below.
(3) Front foot benefit charges are levied in an amount sufficient, together with other charges, including water consumption and sewer usage charges, to pay debt service.
(4) Water consumption charges are fixed sufficient to pay all operating expenses and debt service.
(5) Sewer 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, 2019.

Bonded Debt Outstanding and Changes from June 30, 2018 to June 30, 2019[(1)(2)]

	Bonds Outstanding June 30, 2018	Issued	Defeased	Redeemed	Bonds Outstanding June 30, 2019
General Construction Bonds	$ 142,209,641	$ 33,064,700	$18,790,000	$22,042,477	$ 134,441,864
Water Supply Bonds	1,153,563,855	181,044,380	55,285,000	51,224,117	1,228,099,118
Sewage Disposal Bonds	1,468,276,503	215,230,920	58,750,000	65,368,406	1,559,389,018
Maryland Water Quality Loan Fund	248,126,998	7,937,894	0	15,867,110	240,197,781
Total	3,012,176,997	437,277,894	132,825,000	154,502,110	3,162,127,781

(1) Excludes $217,500,000 principal amount of bonds outstanding as of June 30, 2019 which have been refunded.

(2) Excludes $177,800,000 principal amount of bond anticipation notes outstanding as of June 30, 2019. 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, 2019[(1)(2)]

Fiscal Year	Principal	Interest	Total
2020	$ 155,252,787	$ 120,694,790	$275,947,577
2021	157,729,748	114,024,759	271,754,507
2022	151,737,441	107,639,652	259,377,093
2023	150,004,353	101,414,557	251,418,910
2024	150,281,678	95,278,255	245,559,933
2025	149,704,592	89,210,116	238,914,708
2026	143,402,946	83,742,014	227,144,960
2027	140,773,213	78,707,093	219,480,306
2028	139,599,767	73,609,878	213,209,645
2029	132,664,869	68,557,620	201,222,489
2030	125,521,161	63,900,079	189,421,240
2031	115,993,755	59,456,054	175,449,809
2032	103,936,778	55,542,949	159,479,727
2033	86,745,842	51,968,708	138,714,550
2034	89,644,429	48,835,571	138,480,000
2035	81,660,275	45,768,203	127,428,478
2036	80,995,881	42,535,627	123,531,508
2037	83,965,940	39,365,050	123,330,990
2038	87,115,999	36,046,589	123,162,588
2039	90,566,059	32,463,023	123,029,082
2040	93,980,267	28,889,957	122,870,224
2041	97,540,000	25,182,068	122,722,068
2042	101,240,000	21,333,865	122,573,865
2043	105,090,000	17,345,900	122,435,900
2044	108,955,000	13,331,939	122,286,939
2045	93,935,000	9,097,720	103,032,720
2046	74,975,000	5,480,390	80,455,390
2047	46,950,000	2,647,984	49,597,984
2048	22,165,000	812,717	22,977,717
Total	$3,162,127,781	$1,532,883,127	$4,695,010,908

(1) Excludes $217,500,000 principal amount of bonds outstanding as of June 30, 2019 which have been refunded.

(2) Excludes $177,800,000 principal amount of bond anticipation notes outstanding as of June 30, 2019. See "Short-Term Financing Program" below.

Summary of Outstanding Debt Service as of June 30, 2019(1)(2)

	Principal	Interest To Maturity	Total Debt Service
General Construction Bonds	$ 134,441,864	$ 37,732,157	$ 172,174,021
Water Supply Bonds	1,228,099,118	654,747,810	1,882,846,928
Sewage Disposal Bonds	1,559,389,018	823,975,798	2,383,364,815
Maryland Water Quality Loan Fund	240,197,781	16,427,362	256,625,144
Total	$ 3,162,127,781	$ 1,532,883,127	$ 4,695,010,908

(1) Excludes $217,500,000 principal amount of bonds outstanding as of June 30, 2019 which have been refunded.

(2) Excludes $177,800,000 principal amount of bond anticipation notes outstanding as of June 30, 2019. 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. 2019-2233 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.

(In Thousands 000s)	Total Assessed Valuation	Maximum Debt Permitted	Total Debt Outstanding	Ratio of Debt Outstanding to Debt Permitted
June 30, 2019	$ 312,092,573	$ 11,932,586	$ 3,339,928	27.9%
June 30, 2018	297,032,873	11,364,855	3,202,377	28.2%
June 30, 2017	284,821,913	10,898,330	2,813,369	25.8%
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%

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, 2023.

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, $608,300,000 has been redeemed, leaving a balance of $177,800,000 aggregate principal amount of BANs outstanding as of June 30,2019. The proceeds of the BANs are used to provide interim financing for the water, sewer and general construction projects comprising a portion of the Commission's capital program.

Record of No Default

The Commission has never defaulted on any bonded indebtedness.

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Summary of Operating Revenues, Expenses and Net Revenues (Loss) (Dollars in Thousands)(1)(2)

	Fiscal Year ended June 30				
	2019 (1)	2018	2017	2016	2015
Gross Revenue Available for Debt Service	$ 751,717	$ 728,237	$ 724,804	$ 644,611	$ 643,046
Debt Service:					
Bonds Redeemed and Sinking Fund Contributions	164,802	163,728	151,995	150,399	173,642
Interest on Bonds and Notes Payable	125,851	111,368	98,750	78,073	74,380
Bonds and Note Issuance Related Costs	2,003	-	-	-	-
Total	292,656	275,096	250,745	228,472	248,022
Net Revenues Available for Operations	459,061	453,141	474,059	416,139	395,024
Operating Expense Exclusive of Depreciation and Amortization	488,512	461,696	436,601	405,078	415,684
Net Revenue (Loss)	$ (29,451)	$ (8,555)	$ 37,458	$ 11,061	$ (20,660)
Composed of:					
Water Operating	$ (8,891)	$ 702	$ 23,303	$ (4,914)	$ (20,085)
Sewer Operating	(6,417)	(2,790)	16,796	15,291	6,271
Other Operating Funds	(14,143)	(6,467)	(2,641)	684	(6,846)
Total	$ (29,451)	$ (8,555)	$ 37,458	$ 11,061	$ (20,660)

(1) Unaudited.

(2) 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 2017, fiscal year 2018 or fiscal year 2019. The Commission increased the reserve target by $2.2 million in fiscal year 2018 and has further increased the reserve target by $2.9 million in fiscal year 2019, with a goal of maintaining a reserve of 10%. At June 30, 2019 the reserve target amounted to $73.5 million, which is approximately 10.0% of budgeted water and sewer revenue while the actual fund balance was $172.6 million (excludes the ending general bond debt service fund balance of $34.2 million). The fiscal year 2020 budgeted addition is expected to maintain a reserve of 10.0%.

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 the General Manager's 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, and capitalized interest.

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 $134,441,864 of General Construction Bonds as of June 30, 2019 there have been assessed front foot benefit charges ("FFBC") in amounts sufficient, together with additional charges, including water consumption and sewer usage charges, and 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.

In the year following completion of water and/or sewer main construction, connecting improved or abutting unimproved properties are assessed a FFBC. The assessment as required by law is to repay funds borrowed by WSSC for water and/or sewer main construction. The charge appears on the property tax bill for 20 years, but may be paid in full at any time. The FFBC assessment is determined by multiplying property footage by the rate per foot for the appropriate property classification. Irregularly shaped lots are assessed using average footages of neighboring regular shaped properties. Listed below are the Commission's latest approved FFBC rates for residential properties. The rates are updated annually. The assessments levied during 2019 Levy will run for 30 years. The bond period for properties levied between 1983-2012 were 23 years. Earlier years assessments could be from 33 to 50 years.

Front Foot Benefit Rate Schedule*

Assessment Length Subdivision:	Assessment Rate for Water (Per Ft Per Yr)	Assessment Rate for Sewer (Per Ft Per Yr)
1st - 150 ft.	$4.00	$6.00
2nd - 150 ft.	$3.00	$4.50
Over - 300 ft.	$2.00	$3.00
Business:		
All Footage	$5.32	$7.98

Source: WSSC Finance Department
*The total amount of assessment can be redeemed at any time by the property owner.

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 2018 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)
2018	$ 8,582,766	$ 8,559,781	99.73%	$ 9,187,571	$ 9,167,106	99.78%
2017	9,635,014	9,631,259	99.96%	10,781,718	10,759,693	99.80%
2016	11,069,499	11,068,900	99.99%	12,391,958	12,375,121	99.86%
2015	12,053,519	12,050,865	99.98%	14,219,942	14,203,686	99.89%
2014	15,647,153	15,643,392	99.98%	17,905,730	17,891,931	99.92%

(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, 2019. Assessments are levied on construction completed in the previous calendar year.

Source: WSSC Finance Department

Water and Sewer Charges

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

The Commission imposes a 5% late payment charge on any water/sewer bill outstanding after 30 days for residential and 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, 2019 range from $5.09 for tier 1 to $7.78 for tier 4 per thousand gallons for water consumption and $6.80 for tier 1 to $12.50 for tier 4 per thousand gallons for sewer usage. The schedule starts at a base consumption level of 0-80 gallons a day where the lowest water and sewer rates apply and moves up through three tiers ending at a 276 gallons a day or greater tier. Customers are billed for volumetric consumption in each tier at the tier's rate. 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

The Commission is authorized by the Public Utilities Article to fix and collect a reasonable connection charge for the connection of properties to the water and sewer systems in the District. Of the net revenue derived from such connection charges: (i) one half must be retained in a contingency fund for the repair, replacement or any extraordinary maintenance and operating expense of the water supply or sewer systems under the control of the Commission and (ii) one half may be applied to pay debt service on the bonds and notes of the District.

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, 2018, 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 $7,750. A standard residential sewer connection in an unimproved area is $3,500, whereas a standard residential sewer connection in an improved area is $14,500. 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, 2019 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	2016 Est.
Montgomery County	757,027	873,341	971,777	1,043,863
Prince George's County	728,553	801,515	863,420	908,049
Total	1,485,580	1,674,856	1,835,197	1,951,912

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, storage facilities, water resource recovery facilities to treat wastewater, pumping stations, force mains, 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 (90% of the CIP), to comply with federal and/or state environmental mandates (4%), or to support new development in accordance with the counties' approved plans and policies for orderly growth and development (6%). The projects within the approved six-year program include an aggressive program to rehabilitate or replace the older portions of the Commission's 5,700 miles of water mains and 5,500 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)
Information Only Projects
Other Capital Projects

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 rehabilitate problem areas within its 5,500-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 CIP. On June 26, 2016, the sanitary sewer consent decree deadline was extended for an additional six years.

As described below under "Litigation," pursuant to a Consent Decree approved by the U.S. District Court of Maryland on April 15, 2016, WSSC is required to undertake short-term operational changes and capital improvements at the Potomac Water Filtration Plant. In connection therewith, on December 26, 2016 WSSC submitted an audit report and long-term upgrade plan (the "2016 Plan") for consideration by the Maryland Department of the Environment ("MDE"). In September of 2018, WSSC and its consultant submitted an amended long-term plan (the "Amended Plan") to address deficiencies in the 2016 Plan, which was approved by MDE in April 2019. The FY 2021 proposed CIP reflects the estimated cost of the approved Amended Plan.

The Commission has approved water and sewer CIP, Engineering Support and Energy Performance Program projects with a value of nearly $2.1 billion for fiscal years 2020-2025, and over $1.1 billion for water and sewer system reconstruction projects during the same period. Of this amount, over $2.8 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 the approved projects (dollars in thousands).

	FY'20	FY'21	FY'22	FY'23	FY'24	FY'25	6-Yr.-Total
Water CIP/ESP/EPP	$ 137,573	$ 132,053	$ 159,177	$ 174,590	$ 165,057	$ 135,467	$ 903,917
Sewer CIP/ESP/EPP	291,623	318,430	250,007	137,161	104,990	95,791	1,198,002
System Reconstruction	140,468	165,920	193,063	201,284	208,969	217,439	1,127,143
Total	$ 569,664	$ 616,403	$ 602,247	$ 513,035	$ 479,016	$ 448,697	$ 3,229,062
Bond Funding	$ 480,825	$ 541,321	$ 528,705	$ 446,670	$ 415,502	$ 393,914	$ 2,806,937
% of Capital Program	84%	88%	88%	87%	87%	88%	87%

The funds necessary to finance the construction of local lines are not included in the above six-year projections. In accordance with amendments to the Public Utilities Article enacted in 1998, construction of local lines 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, water resource recovery facilities to treat wastewater (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 14 billion gallons of raw water storage, and up to an additional 13 billion gallons of water for river quality and flow. The water filtration facilities (Potomac and Patuxent), which have a combined peak production capacity of nearly 400 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 with more than 5,700 miles of mains. There are finished 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.

Water Resource Recovery Facilities for Wastewater Treatment

The Commission's water resource recovery facilities (WRRF) located throughout the District are as follows:

Seneca WRRF	Piscataway WRRF	Parkway WRRF
Damascus WRRF	Western Branch WRRF	Hyattstown WRRF

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 response to efforts to improve water quality in the Chesapeake Bay, emphasis has been placed on the improvement of water resource recovery 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 complete to upgrade all Commission facilities to the ENR standard, reducing nitrogen in the effluent to approximately 3 mg/l which is considered the limit of technology.

Approximately 63% of the District's sewage flow travels through the regional system in Maryland and the District of Columbia to the Blue Plains 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 2019, the Blue Plains Plant received 49.5 billion gallons (bg) of sewage from the Commission system, while the following flows were handled during the year at Commission-operated facilities: Piscataway Plant, 11.8 bg; Western Branch Plant, 9.4 bg; Parkway Plant, 2.5 bg; Seneca Plant, 5.6 bg; and Damascus Plant, 0.3 bg. In addition, the Mattawoman Plant received 1.9 bg of sewage from the Commission system. Wastewater is conveyed through the Commission's more than 5,500 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 resources are 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 700,000 tests annually to ensure water safety and quality.

Historical Water and Sewerage Service Statistics

Fiscal Year	Estimated Population Served	Miles of Water Mains	Water Connections	Water Delivered (million gallons)	Average MGD	Miles of Sewer Mains	Sewer Connections
2019	1,801,000	5,772	468,391	59,028	161.7	5,582	440,786
2018	1,777,000	5,768	465,393	59,828	163.9	5,578	437,789
2017	1,759,000	5,647	460,891	59,519	163.1	5,549	434,586
2016	1,774,000	5,586	457,393	60,105	164.2	5,451	431,589
2015	1,765,000	5,552	453,004	59,469	162.9	5,424	428,279

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 and OPEB Trust. 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 Finance Department 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. and the Chesapeake Bay Foundation, Inc. filed a complaint for injunctive relief and penalties in U.S. District Court in Maryland alleging violations of the Clean Water Act by the Commission. Under a Consent Decree approved by the U.S. District Court of Maryland on April 15, 2016 (the "Consent

Decree"), WSSC is required to undertake short-term operational changes and 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. As described above under "Capital Improvements Program - Six Year Capital Program," in accordance with the Consent Decree WSSC submitted the 2016 Plan with MDE in December of 2016 and, to address deficiencies with the 2016 Plan, the Amended Plan in September of 2018. On April 29, 2019 MDE issued its approval of the September 2018 Amended Plan and the recommended alternative upgrades to comply with the Consent Decree.

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.

A challenge to the Commission's new water and sewer rate structure that went into effect on July 1, 2019 is currently pending before the Maryland Public Service Commission ("PSC"). An individual has appealed the rate structure to the PSC and requested that the PSC declare that the rate structure is not "reasonable" which is the statutory standard for appeal. The Commission adopted the current rate structure to address concerns previously raised by the PSC in 2016. The rate structure remains in effect during the pendency of the appeal. In the event that the appeal is successful, a different rate structure adopted by the Commission pursuant to any PSC order would not affect or in any manner question the proceedings or authority under which any of the Bonds are issued, sold and delivered; the validity of the Bonds; or the security for the Bonds. Further, neither the corporate existence, nor the boundaries of the District, nor the title of any officer whose signature or a facsimile of whose signature appears on the Bonds; nor authority or proceedings for the issuance of the Bonds is being contested.

RATINGS

Fitch Ratings, Inc., Moody's Investors Service, Inc. and S&P Global Ratings 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 Resolution.

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 as an enumerated item of tax preference or other specific adjustment. In addition, interest income on the Bonds will be includable in the applicable taxable base for the purpose of determining the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States.

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 – Form 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 25% 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 tax 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; (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 higher income individuals and specified trusts and estates; and (vi) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code.

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 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 which 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 acquired at a premium if, and to the extent that, immediately after the acquisition of such Bond, 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 on December 12, 2019. 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 bidder for the Bonds. All other information concerning the nature and terms of any reoffering should be obtained from the successful bidder 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.

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 opinion will be delivered with the Bonds. The proposed form of bond counsel opinion is set forth in Appendix D.

FINANCIAL STATEMENTS

The financial statements of the Commission as of June 30, 2019 and 2018 and for the years then ended, included in Appendix A, have been audited by CliftonLarsonAllen 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 with 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 herein, 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 oversight, an event notice originally posted by the Commission on December 23, 2015 was not appropriately linked to the Commission'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.

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/ Chris Lawson
Chris Lawson, Chair

By: /s/ Carla A. Reid
Carla A. Reid, General Manager/CEO

APPENDIX A

AUDITOR'S REPORT DATED (OCTOBER 16, 2019), AND COMPARATIVE FINANCIAL STATEMENTS OF THE COMMISSION FOR FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

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 Councilmanic 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 Councilmanic districts are substantiallyequal.

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.

Population

The population of the County, according to the 2010 Census, was 971,777, an increase of 10.6 percent since the 2000 Census exceeded 1 million in 2012 (1.005 million) and is estimated at 1.069 million in calendar year 2018 – an increase of ten percent from the 2010 Census.

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Households and Population

	Households	Population	Population Percent Change from Prior Census
2018 (est.)	378,205	1,068,721	10.0%
2017	373,219	1,058,810	9.0%
2016	373,346	1,049,477	7.4
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 2017 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 2018 derived by the Montgomery County Department of Finance from Moody's Analytics and Woods & Poole Economics.

Median Age

	1960	1970	1980	1990	2000	2010	2017
Median Age	28.1	27.9	32.1	33.9	36.8	38.6	39.0

Sources: For 2010 and 2017 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 80.6 percent of the total workforce in 2017, the latest available annual data. The following tables present the County's employment by industrial sector.

Payroll Employment

	2010	2016	2017
TOTAL PRIVATE SECTOR	358,172	373,686	377,714
PUBLIC SECTOR EMPLOYMENT:			
Federal	45,072	48,068	48,743
State	1,199	1,217	1,208
Local	37,140	40,478	41,135
TOTAL PUBLIC SECTOR	83,411	89,763	91,086
GRAND TOTAL	441,583	463,449	468,802

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

	2016	2017
TOTAL PRIVATE SECTOR	80.6%	80.6%
PUBLIC SECTOR EMPLOYMENT:		
Federal	10.4	10.4
State	0.3	0.2
Local	8.7	8.8
TOTAL PUBLIC SECTOR	19.4	19.4
GRAND TOTAL	100.0%	100.0%

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

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Payroll Employment
(NAICS Series)*

	2016	2017	Difference	Percent Change
TOTAL PRIVATE SECTOR	373,686	377,714	4,028	1.1%
GOODS-PRODUCING	35,588	36,165	577	1.6%
Natural Resources and Mining	310	319	9	2.9%
Construction	23,332	23,457	125	0.5%
Manufacturing	11,946	12,388	442	3.7%
SERVICE PROVIDING	338,098	341,548	3,450	1.0%
Trade, Transportation, and Utilities	56,846	56,651	(195)	-0.3%
Information	11,780	11,075	(705)	-6.0%
Financial Activities	29,790	28,614	(1,176)	-3.9%
Professional and Business Services	102,397	105,389	2,992	2.9%
Education and Health Services	71,561	73,528	1,967	2.7%
Leisure and Hospitality	43,203	43,804	601	1.4%
Other Services	22,521	22,486	(35)	-0.2%
PUBLIC SECTOR EMPLOYMENT	89,763	91,086	1,323	1.5%
Federal Government	48,068	48,743	675	1.4%
State Government	1,217	1,208	(9)	-0.7%
Local Government	40,478	41,135	657	1.6%
GRAND TOTAL	463,449	468,802	5,353	1.2%

* North American Industrial Classification System.

During calendar year 2017 the County’s unemployment rate averaged 3.3 percent. Table 28 presents the County’s labor force, employment and unemployment for the calendar years 2013 through 2017.

Montgomery County’s Resident Labor Force
Employment & Unemployment

	Labor Force	Employment	Unemployment	Unemployment
2017*	557,412	539,132	18,280	3.3%
2016	551,392	533,201	18,191	3.3%
2015	548,499	527,034	21,415	3.9%
2014	544,210	520,288	23,922	4.4%
2013	542,690	515,689	27,001	5.0%

Source: State of Maryland, Department of Labor, Licensing and Regulation (DLLR) and the Bureau of Labor Statistics (BLS).

* Estimated by the Montgomery County Department of Finance.

Federal Government Employment

The County is home to 18 Federal agencies which employ over 52,000 civilians. 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 2017.

Department of Health and Human Services (HHS)	31,435
National Institutes of Health	
Food and Drug Administration	
Department of Defense	14,000
Naval Support Activity Bethesda	
Naval Surface Warfare Center Carderock Division	
Department of Commerce	5,755
National Oceanic & Atmospheric Administration	
National Institute of Standards & Technology	
Nuclear Regulatory Commission	2,340
Department of Energy	1,035

Source: Maryland Department of Commerce Brief Economic

Private Sector Employment

There are over 32,000 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.	5,800
Adventist Hospital	4,290
Kaiser Foundation Health Plan	2,640
MedImmune/Astra Zeneca	2,320
Government Employee Insurance Company (GEICO)	2,270
Holy Cross Hospital	2,000
Verizon	2,000
Westat, Inc.	2,000
Suburban Hospital	1,815
Henry M. Jackson Foundation	1,780
Lockheed Martin	1,610

Source: Montgomery County, AIS, 01.15.19

Source: Maryland Department of Commerce Brief Economic Facts 2017 data

Personal Income

Actual personal income of County residents reached $91.2 billion in calendar year 2017 which is an increase over the 2016 amount of $87.1 billion. The County's total personal income experienced an increase of 4.8 percent in 2017, greater than the nation's increase of 4.4 percent, and greater than the State's rate of 4.1 percent. The County's total personal income increase of 4.8 percent is greater than the ten-year (2007-2016) annual average growth rate of 3.6 percent.

The County accounts for 24.8 percent of the State's personal income in 2017, which is a percentage that has ranged from a low of 23.5 percent in 2007, 2009, and 2014 to its current high of 24.8 percent in 2017.

Total Personal Income
($ millions)

Calendar Year	Montgomery County	Maryland	U.S.	Montgomery County as Percent of Maryland
2017	$91,202	$368,258	$16,820,250	24.8%
2016	87,052	353,880	16,115,630	24.6
2015	82,327	341,295	15,711,634	24.1
2014	76,406	324,968	14,983,140	23.5
2013	74,333	313,195	14,175,503	23.7
2012	76,944	314,142	13,998,383	24.5
2011	74,121	305,178	13,315,478	24.3
2010	68,848	288,606	12,541,995	23.9
2009	65,405	278,547	12,051,307	23.5
2008	66,913	280,309	12,438,527	23.9
2007	63,117	268,336	12,002,204	23.5

Source: Montgomery County, AIS, 01.15.19

Notes: Data for 2007 to 2016 from U.S. Department of Commerce, Bureau of Economic Analysis, revised November 2018 (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 $91.2 billion in calendar year 2017, up from a revised $87.1 billion in 2016, while per capita income reached $86,136 in 2017, up from $83,038 in 2016. Average household income increased from $226,381 in 2016 to $244,366 in 2017.

Per Capita and Average Household Income, 2017

County	Per Capita Income	County	Average Household Income
Marin, CA	$124,552	San Mateo, CA	$331,154
San Mateo, CA	113,410	Marin, CA	331,867
Fairfield, CT	110,104	Fairfield, CT	310,879
Westchester. NY	101,542	Santa Clara, CA	299,777
Santa Clara, CA	98,032	Westchester, NY	283,644
Somerset, NJ	96,548	Somerset, NJ	282,073
Morris, NJ	94,259	Morris, NJ	260,435
Arlington, VA	89,487	Nassau, NY	259,709
Collier FL	87,829	**Montgomery, MD**	**244,366**
Norfolk, MA	86,746	Fairfax, VA	234,561
Montgomery, MD	**86,136**	Norfolk, MA	230,235
Nassau, NY	84,763	Loudoun, VA	229,560
Bergen, NJ	81,203	Bergen, NJ	227,502
Middlesex, MA	79,214	Collier, FL	226,871
Fairfax, VA	78,376	Contra Costa, CA	223,980
Chester, PA	77,465	Lake, IL	216,483
Montgomery, PA	77,207	Chester, PA	212,273
Contra Costa, CA	76,527	Middlesex, MA	211,802
Lake, IL	76,227	Howard, MD	208,724
Howard, MD	74,938	Alameda, CA	206,689

Source: Montgomery County, AIS, 01.15.19

Notes: A major affluent suburban county is defined as a county in either a Metropolitan Statistical Area (MSA) or a Primary Metropolitan Statistical Area (P203MSA) with a population of at least 200,000 and the number of households of at least 100,000 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 2018, 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 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, with the semi-annual payments becoming delinquent after September 30 and December 31. Tax lien 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.

In FY14, real property taxable assessment increased 1.1 percent, 2.3 percent in FY15, 4.0 percent in FY16, and 4.3 percent in FY17. In FY14, personal property taxable assessment increased 2.9 percent, decreased 1.5 percent in FY15, increased percent in FY16, and increased 4.3 percent in FY17. In FY18, real property taxable assessment increased 3.7 percent and personal property taxable assessment increased 3.4 percent. The increase in real property taxable assessment in FY18 is due to the increase in the triennial reassessment rates for residential and commercial properties in "Group 2", one of the three residential and commercial property groups in the County reassessed very three years by the State Department of Assessments and Taxations.

Assessed Value of All Taxable Property by Class and Fiscal Year

Fiscal Year	Real Property	Personal Property	Total Assessed Value	Percent Change From PriorYear	Ratio of Assessment to Full Market Value
2018	$183,993,870,661	$4,188,565,266	$188,182,435,927	3.66%	94.55
2017	177,495,353,018	4,051,372,468	181,546,725,486	4.30	93.24
2016	170,176,446,052	3,884,349,017	174,060,795,069	4.03	93.73
2015	163,656,758,206	3,655,133,210	167,311,891,416	2.27	96.67
2014	159,891,865,334	3,709,327,508	163,601,192,842	1.06	92.56

Tax-exempt properties are excluded from the above figures. In FY18, such exemptions for real property owned by Federal, State, County, and other governmental units, and certain non-profit organizations totaled nearly 20,500 accounts at the beginning of the fiscal year based on data from the State Department of Assessments and Taxation. Tax-exempt real property constitutes 6.0 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	General 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
2018	$1,311,243,059	$1,291,885,587	98.52%	($24,617,036)	$1,267,268,551	96.65%	$11,192,439	0.85%
2017	$1,313,146,277	$1,295,425,337	98.65%	($28,250,117)	$1,267,175,220	96.50%	$10,832,703	0.82%
2016	1,172,889,804	1,148,375,647	97.91	(22,380,048)	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

Tax Rates and Tax Levies, by Purpose

Fiscal	General County (including Education)		Transit		State		Total	
Year	Rate	Levy	Rate	Levy	Rate	Levy	Rate	Levy
2018	$0.7484	$1,309,565,385	$0.058	$101,468,138	$0.112	$206,998,109	$0.9184	$1,618,031,632
2017	0.7734	1,311,560,661	0.052	87,864,138	0.112	199,012,237	0.9374	1,598,437,036
2016	0.7230	1,171,363,784	0.060	96,861,676	0.112	191,350,411	0.8950	1,459,575,871
2015	0.7320	1,133,030,658	0.040	61,702,899	0.112	183,907,978	0.8840	1,378,641,535
2014	0.7590	1,148,085,538	0.042	63,303,304	0.112	179,561,927	0.9130	1,390,950,769

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 $1.8710 in FY18, $1.9335 in FY17, $1.8075 in FY16, $1.8300 in FY15, and $1.8980 in FY2014.; the personal property rate for Transit was $0.1450 in FY18, $0.1300 in FY17, $0.1500 in FY16, $0.100 in FY15, and $0.1050 in FY14 (the State does not tax personal property).

Ten Highest Commercial Property Taxpayers Assessable Base as of June 30, 2018

Taxpayer	Total	Real Property	Personal Property	Ratio: Taxpayer Base to Total Assessable Base
Potomac Electric Power Co	$954,650,036	$30,503,636	$924,146,400	0.51%
JBG Smith	660,400,167	660,400,167	-	0.35
Federal Realty Investment Trust	610,256,503	606,230,033	4,026,470	0.32
Verizon Inc.	457,599,237	35,426,967	422,172,270	0.24
Montgomery Mall LLC	412,404,677	410,286,167	2,118,510	0.22
Wash Metro Area Transit Auth	398,157,300	398,157,300	-	0.21
Fishers Lane LLC	372,966,070	372,932,700	33,370	0.20
Street Retail Inc.	347,576,968	347,576,968	-	0.18
Chevy Chase Land Co	321,457,439	320,758,899	698,540	0.17
Wheaton Plaza Reg Shopping Ctr	321,116,206	320,055,166	1,061,040	0.17
Total	$4,856,584,603	$3,502,328,003	$1,354,256,600	2.59%
Assessable Base (June 30, 2018)	$188,182,435,927			

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

ECONOMY

New Construction

Between FY17 and FY18, the number of new construction projects increased 2.5 percent. At the same time, the value of new construction added to the real property tax base increased 1.0 percent to $1.657 billion. Over the prior ten-year period (from FY09 to FY18), the number of projects, both residential and non-residential increased from 738 to 1,694. During that same period, the value of new construction averaged $1.335 billion between FY09 and FY18 and ranging from a high of $1.657 billion in FY18 to a low of $0.586 billion in FY12. The decline in the construction of residential properties beginning in FY09 and ending in FY12 reached its lowest level in five 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 20.6 percent from 2012 to FY2018.

New Construction Added to Real Property Tax Base

Montgomery County
($ millions)

Fiscal Year	Construction Starts	Residential	Apartments	Condominium	Commercial/ Industrial	All Other	Total
2018	1,694	$743.5	$49.5	$107.4	$751.5	$4.8	$1,656.7
2017	1,652	820.4	101.7	130.9	578.8	7.9	1,639.8
2016	1,797	755.2	118.6	130.1	595.2	18.5	1,617.5
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
10-Year Summary		$6,274.0	$551.2	$1,332.0	$4,844.0	$350.4	$13,351.5
Categories as Percent of Total		47.0%	4.1%	10.0%	36.3%	2.6%	100.0%

Source: Montgomery County, AIS, 01.15.19

Source: Dodge Analytics, McGraw-Hill Construction, and Maryland State Department of Assessments and Taxation.

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.

The White Flint Sector 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. The award-winning Pike & Rose project has delivered almost 900 new residential units, a new hotel, and over 500,000 square feet of commercial space. The County has also completed a new 800 space solar powered garage, the first phase of a road project, and new separated bike lanes on two existing streets in White Flint to allow for better local mobility and connections. Starting 2019, the County will start construction of 210,000 square feet of new office building and 500 space garage.

Economic Development Initiatives

In an effort to grow and diversify the local economy, support sustainable economic growth and spur new investment in the County, the Montgomery County Economic Development Corporation (MCEDC) and Montgomery County Government initiate and support programs and efforts to promote and encourage this growth.

Overview of Montgomery County

Each community in Montgomery County has a master plan that creates a comprehensive view of land use trends and future development. Plans recommend land uses, zoning, transportation, schools, parks, libraries, and fire and police stations as well as address housing, historic preservation, pedestrian and trail systems and environmental issues. Some jurisdictions within Montgomery County—such as the cities of Rockville and Gaithersburg and some smaller taxing districts such as Poolesville—have independent planning and zoning authority over land within their boundaries.

The County has multiple commercial real estate submarkets, which have unique employment base features and strengths.

The I-270 Technology Corridor is a major submarket that is home to nearly 75% of the total office market in the County and is an internationally recognized life sciences and advanced technology center. Major employers including: GlaxoSmithKline (formerly Human Genome Sciences), Lockheed Martin, MedImmune/Astra-Zeneca, IBM and Hughes Communications are located in this corridor.

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. This is also the area of the Viva White Oak 300-acre mixed use public-private development project, which will create a world-class life sciences, education and research campus in the eastern portion of the County.

MCEDC Strategic Plan

The Montgomery County Economic Development Corporation (MCEDC) is responsible for actively implementing a strategic economic development plan for Montgomery County. Targeted industries are defined as: Biohealth, IT/Cybersecurity, Financial Services, Advanced Manufacturing, and Corporate/Regional Headquarters.

MCEDC has identified the following Strategic Goals to support and enhance the business community in the County:

- ***Grow and Diversify the Local Economy***.
  MCEDC plans to work with the County to create an environment that supports the expansion and retention of existing targeted industries. They also plan to promote the County and Montgomery County businesses in targeted areas outside of the region as part of a business attraction strategy to recruit targeted

industry businesses to locate in the County.

- ***Engage the Business Community to help establish Montgomery County as a Top 5 County to Work and Live in the U.S.***
  MCEDC will partner with local companies to promote innovative solutions that increase workforce housing near existing employment hubs. Staff will also support sustainable economic growth by addressing Land Use, Transportation, and Infrastructure challenges by engaging in master plans and relevant legislative processes.

- ***Cultivate a Local Ecosystem of Entrepreneurship & Innovation***
  Increase investments in Montgomery County start-ups from capital sources, potential investors, and grant funding opportunities. MCEDC will also link entrepreneurs looking to commercialize Federal IP/Technologies with the 18 Federal agencies located throughout the County.

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 follows:

Downtown Silver Spring

Over the past two decades, 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. Discovery Communications recently announced that the company is relocating its headquarters to New York in 2019. 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 which opened in July 2010 and Veterans Plaza provide an added dimension to the arts & entertainment economy in the area. The facility transformed what it meant to be in a public space in Silver Spring and is an economic engine for the nearby retail community.
- The new Silver Spring Library, which officially opened in June 2015, is 63,000 square feet, almost four times larger than the previous Silver Spring Library, and was 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.

The new Progress Place, which serves low-income and homeless populations, began operation in December 2016. By partnering with, local developer, Washington Property Company for the design and construction of a new Progress Place on County-owned land, the County was able to expand services, via 21 apartments for persons transitioning out of homelessness. Washington Property Company will redevelop the former Progress Place site as a high-rise residential development. This partnership illustrates the County's continued commitment to smart growth by leveraging publicly- owned land, promoting transit-oriented development in Silver Spring and expanding the County's capacity to serve the community.

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. The redevelopment progress in Wheaton is as follows:

- 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 renovated Westfield Wheaton regional shopping mall and over 300 locally owned and operated small businesses, 125 restaurants. A 148,000 square foot Costco Wholesale opened alongside the Westfield shopping mall in 2013.

- Four multi-unit residential projects have been completed in the past 5 years, adding over 1200 new apartments to the Wheaton CBD.
- In 2014, the Montgomery County Department of Transportation (MCDOT) entered into a joint development partnership with Stonebridge Carras which will provide a new 14-story government office building, below ground parking garage, and a town square as part of the Revitalization Strategy for this area. This mixed-use development will endeavor to improve mobility, increase Wheaton Metro Station use, diminish negative environmental impacts, reduce traffic congestion and increase the diversity of employment opportunities and services in the Wheaton area. The project is on schedule for substantial completion by May 2020.

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, Cohn Reznick, and Marriott Hotels and Resort.
- Bethesda Row, located two blocks from downtown Bethesda, illustrates the redevelopment of a commercial area to a mixed-use, walkable district. It has become a sought after and prestigious address in the DC Metro area. The neighborhood delivers dining - 33 food options; shopping – 34 retail stores and 20 service-oriented venues, along with 180 high-end apartments and over 530,000 square feet of Class A office space. It is home to Riverbed Technology, Honest Tea, MIDCAP, and Tracx US to name a few of the many businesses located at Bethesda Row. The development's location on the Capital Crescent Trail and its proximity to a Metro station provide convenient connections to downtown Washington, D.C., and other parts of the region. In 2002, Bethesda Row received a Charter Award from the Congress for the New Urbanism and an Award for Excellence from the Urban Land Institute.
- The $300 million, 40-acre Intelligence Community Campus-Bethesda celebrated its grand opening in October 2015. The site is 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.
- New Office Development has returned to downtown Bethesda after a 15-year hiatus. Marriott International will move its headquarters to a new $600 million complex in downtown Bethesda in 2020 and is considering plans to build a new 200-plus room hotel. In 2017, construction began on The Wilson and the Elm, Carr Properties, mixed use project featuring a 360,000 square foot office tower and two residential towers featuring 360 apartments. The project includes a direct link to the Purple Line Light rail project and is adjacent to the Metro Red Line. Additionally, JBG Smith is constructing a 287,000 square foot office and retail project. Tenants include Host Hotels & Resorts and Booz Allen Hamilton. JBG Smith will relocate its headquarters to the project as well.

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 was the first top-tier luxury shopping center on the east coast outside of New York City. It was developed in the 1950's. The Collection at Chevy Chase, formerly named the Chevy Chase Center, is a mixed-used development, with 100,000 square feet of neighborhood-oriented retail, and a 200,000 square foot office tower. On September 8, 2017, the Planning Board approved Site Plan Amendments for updates to The Collection to modify the public use and amenity space, provide on-site pedestrian and vehicular circulation, update architecture, and revise the quantity of on-site parking.
- Wisconsin Place, completed in 2009, is a mixed-used 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.
- Friendship Heights is known as the "Rodeo Drive" of Washington, DC/Maryland. There are a large number of upscale malls and luxury retailers that give this area its nickname, including Tiffany, Cartier, Louis Vuitton, Gucci, Saks Fifth Avenue, and Saks Jandel.

Existing Office/R&D/Commercial Space

As of October 2018, Montgomery County has nearly 140 million square feet of commercial real estate space (office, flex, industrial, R&D and retail). The average vacancy rate for October 2018 is at 9.1% for all commercial use types, down from the 5-year (2013-2018) average of 9.7%, and average rental rates have risen to $26.33 per square foot in 2018, up from a 5-year average of $24.63 per square foot.

Montgomery County's largest commercial clusters are located along the I-270 Technology Corridor (Bethesda, Rockville, Gaithersburg and Germantown markets) and the MD Route 29 Corridor (Silver Spring, White Oak, Burtonsville). The I-270 corridor includes 106 million square feet of commercial space, approximately three-quarters of all commercial properties in the County. Notable properties along this corridor include the 1.27 million square foot MedImmune/Astra Zeneca headquarters building in Gaithersburg, the 1.3 million square foot JBG office building in Rockville which is home to the U.S. Department of Health and Human Services, and the 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. Notable properties include the 750,000 square foot Verizon Chesapeake Complex in Silver Spring and the 202,000 square foot Station Square building in Silver Spring which is Wired Certified Gold – providing protected, redundant infrastructure to building tenants through multiple high-quality internet service providers and a variety of cabling/fiber options.

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Office/Flex/Industrial/Retail Space Availability by Major Submarkets as of October 2018

Montgomery County Submarket	Total Inventory (Square Feet)	Vacant Available (Square Feet)	Vacancy Rate (%)
Bethesda/Chevy Chase	16,008,253	1,462,789	9.1%
Gaithersburg	21,586,552	1,379,188	6.4
Germantown	8,751,163	666,248	7.6
Kensington/Wheaton	7,004,129	500,511	7.1
North Bethesda/Potomac	16,704,214	2,274,751	13.6
North Rockville	23,493,231	2,337,102	9.9
North Silver Spring/Rt 29	8,734,394	626,067	7.2
Rockville	19,422,542	1,676,513	8.6
Silver Spring	11,331,874	710,941	6.3
Other Markets*	6,528,985	653,327	15.2
Total County	139,565,337	12,287,437	9.1%

Source: CoStar Commercial Property database; Aggregate Historical data from Q1 2016 through October 2018.
*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 540 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. Most of our farms are family-run operations that have been in the same family for several generations. The agriculture industry 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 third nationally in acres of farmland protected through easements, 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, Montgomery Agricultural Producer and Product Marketing Promotion, New Farmer

Project and an enhanced social media campaign to raise the awareness of the importance of Agriculture among the County's 1 million residents.

Statewide trends in reduced collections of agricultural transfer taxes, has created challenges for the County in purchasing preservation easements on farmland in agricultural zones, and the County was not able to purchase easements during FY18. The County focused on the privately funded preservation efforts by assisting the development community find and purchase Transferrable Development Rights (TDRs) and Building Lot Termination (BLTs) Easements. These assets acquired by the County enhance the preservation of farmland protected by Transferable Development Rights easements (TDRs) as well as other agricultural lands that are not already protected by agricultural easements. A total of $200,000 is earmarked for pending FY19 easement settlements in association with the County and State Agricultural Easement Programs.

Office/Industrial Projects

Over five million square feet of future academic, science, and technology-oriented office space was approved and ready for potential development in Montgomery County. The Johns Hopkins Research Campus, Medimmune's campus, and the Shady Grove Life Sciences building remain the largest of these types of active and ongoing commercial development projects in the county.

In June 2018, Marriott International broke ground for their new headquarters in downtown Bethesda. The total 825,000 square foot project will be a cutting-edge, sustainable, workplace offering state-of-the-art technology, modern amenities, and easy access to a range of transportation options, including the Bethesda Metro Station less than two blocks away. The headquarters office building, for the 3,500 Marriott employees, is designed to LEED GOLD standards, allowing for an abundance of natural light, while providing new opportunities for flexible, collaborative workspaces. The campus will also offer Marriott associates a childcare center, a fitness center, and a cafeteria. In addition to the headquarters building, the location will be home to a new Marriott Hotel, a 244-key, full-service property with more than 8,000 square feet of meeting and ballroom space, with other amenities such as a coffee shop, a roof-top bar and lounge and a contemporary neighborhood restaurant.

JBG Smith announced it would build a new 287,000 square foot trophy office building in Bethesda, a 15-story building that will include 6,000 square feet of retail space. The project is expected to deliver in 2019.

A notable shift away from single-use, traditional office development toward more dynamic mixed-use commercial space has also been recently observed. Crystal Rock and Rock Spring Center are two substantial examples of active single-use office projects in the county that have recently added residential and/or retail components to their development portfolio.

In a unique use of office space, local non-profit Crossroads Community Food Network opened the Takoma Park-Silver Spring Crossroads Community Kitchen, a 1,120 square foot shared commercial kitchen and storage facility, to help meet the needs of small-scale food entrepreneurs

Public/Private Projects

Viva White Oak

The White Oak Science Gateway Master Plan was approved in 2014 and provides unique opportunities to capitalize on the presence of the U.S. Food and Drug Administration (FDA), transform the East County into a vibrant hub for technological advancement and bring much-desired amenities to the community.

The Viva White Oak project will merge County property and property owned by Global LifeSci Development Corporation (an affiliate of Percontee, Inc.) to create a 300-acre mixed-use development. Currently, the Viva White Oak community is planning for approximately 7,000,000 square feet of commercial development and 5,000 residential units. 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 community will also have alliances with major local, state, national and international research universities and institutions to collaborate on academic and lab research efforts. The $3 billion multi-phase development is projected to break ground on its first phase in 2019.

Pinkney Innovation Complex for Science & Technology at Montgomery College

The Pinkney Innovation Complex for Science & Technology at Montgomery College (PIC MC) is an integrated academic, business and research campus in Germantown. PIC MC, previously known as the Montgomery College-Germantown Science and Technology Park, was identified in 2001 by the County as a location to grow life sciences and technology companies. With a total of $6.1 million in funding appropriations to Montgomery College from the State and the County, the campus was able to add 20 acres to its own 20 acres to create a 40-acre park. Existing facilities on the PIC MC campus include: the Bioscience Education Center, a 151,000–square-foot building with state-of-the-art equipment including 25 wet labs, a mock biomanufacturing suite, classrooms, meeting spaces, and an 11,000-square-foot conference center; Holy Cross Germantown Hospital, a 237,000-square-foot 93-bed hospital which benefits from many jointly developed programs in the health care fields at MC; a LEED Silver-certified 80,000 square foot Medical Office Building with direct connection to the hospital and parking garage; the County's Germantown Innovation Center (GIC), a 32,000 square foot incubator targeted to life sciences companies, which offers 11 wet labs, 45 offices, and common support areas, able to accommodate up to 30 life sciences and technology start-up companies with no long-term lease obligations.

PIC MC also offers land and construction opportunities for companies that prefer to build customized facilities. Up to 27 acres are available for land-lease and build-to-suit buildings (up to 700,000 total square feet of commercial development) in an area that is zoned as a life sciences center.

Downtown Rockville

In Rockville, as part of Rockville Town Square Phase II development, a Brightview Assisted Living Facility opened in late 2017. It is a 195-unit senior living community that provides independent and assisted-living residences specializing in Alzheimer's care. The ground floor features approximately 6,500 square feet of retail while community amenities include a landscaped courtyard with public art installation and a rooftop garden.

The Metropolitan, a 6-story, 275-unit luxury apartment complex that includes approximately 6,100 square feet of retail on the ground level, opened in early 2018 as part of the Town Square expansion.

In Rockville Town Center, Duball LLC has approvals to construct a 400-unit residential building with approximately 20,000 square feet of retail space on the ground floor. Approximately 150 of the units are intended to be age-restricted senior housing.

Retail Sales

Retail sales, measured by sales tax data collected in FY18, increased in Maryland but decreased in Montgomery County. Compared to the prior fiscal year when retail sales in the County increased 2.4 percent, sales decrease 1.6 percent in FY18. The decrease was attributed to purchases of apparel items which decreased 6.0 percent, purchases of furniture and appliances which decreased 6.6 percent, and purchases of hardware, machine and equipment which were down 0.5 percent.

Major Retail Centers

Montgomery County contains approximately 24.7 million square feet of retail-appropriate space. Of this total space, 19.7 million square feet of space was occupied by over 5,600 unique retail tenants. The remaining square footage was either occupied by non-retail tenants, such as a bank or a gym, or was vacant. The vacancy rate for Retail space in the county is 6.8%. In 2014, the County adopted a new zoning ordinance addressing more generalized retail uses, called "Retail/Service Establishment", under which retail is regulated by store size rather than specific use. This provides much more flexibility in the types of services and retail that can develop across the County, with an emphasis on encouraging retail in mixed-use commercial and industrial areas.

Three major retail centers in the County are: Westfield Wheaton at 1.6 million square feet; Westfield Montgomery at 1.2 million square feet; and the Clarksburg Premium Outlets at 0.4 million square feet.

Westfield Wheaton Shopping Mall is located adjacent to the Wheaton Metro Center at the intersection of Georgia Avenue and Veirs Mill Road in the Wheaton Central Business District. This was the County's first shopping mall (opened in 1960) and was remodeled in 1987 and again in 2005. JC Penney, Macy's, and Target anchor the mall, which includes 117 tenant stores.

Westfield Montgomery Shopping Mall opened in 1968. Featured retail tenants include: Nordstrom, Abercrombie & Fitch, Gap, Urban Outfitters and J. Crew. This retail center boasts 143 tenants and three parking garages. In 2016, a new $7.1 million Montgomery County Transit Center was opened at the mall, funded with $6 million from the mall to include six covered bus bays, screens with real-time bus arrival information and walled-in areas with radiant heat lamps. The property received an Energy Star label in 2016 for its operating efficiency.

Clarksburg Premium Outlets is a two-story LEED-certified venue which opened in October 2016. The outlet is located adjacent to I-270 in Clarksburg and includes over 90 top brand stores such as: Banana Republic Factory Store, Coach, Kate Spade New York, Nike Factory Store, Polo Ralph Lauren Factory Store, Saks Fifth Avenue Off 5th, Steve Madden, Tory Burch, Under Armour and many more. The outlet center features a Market Hall dining pavilion, covered walkways and exterior escalators and elevators.

General Obligation Bonds Payable

General obligation bonds are authorized, issued, and outstanding for the following purposes: (1) General County Facilities, (2) Roads and Storm Drainage, (3) Parks, (4) Public Schools, (5) College, (6) Consolidated Fire Tax District, (7) Mass Transit Facilities, (8) Public Housing Facilities, and (9) Parking Facilities. All bonds are valid and legally binding general obligations of the County and constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. Such bonds are payable from ad valorem taxes, unlimited as to rate or amount, on all real, tangible personal, and certain intangible property that is subject to taxation at full rates for local purposes in 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

The County issued variable rate demand obligations (VRDOs) on June 7, 2006, in the amount of $100 million. These obligations would not have matured in total until 2026; however, the County was required by the Note Order to make annual sinking fund payments to retire one-tenth of the notes each year beginning in 2017. On November 15, 2017, the County issued $78,270,000 of general obligation refunding bonds to defease VRDOs 2006 Series A and B outstanding in the amount of $90,000,000.

On December 19, 2017, the County issued new VRDOs in the amount of $170 million. The bonds are subject to optional redemption at par in whole on any date or in part on any interest payment date upon 15 days' notice. Additionally, the bonds are subject to mandatary sinking fund redemption on November 1 in each of the years 2028 through 2037.

The interest rate on the obligations, which re-sets daily, is established by the remarketing agents and is payable on the first business day of each month. Other potential modes for the obligations include a Weekly Mode, a Commercial Paper Mode, a Term Rate Mode or a Fixed Rate Mode. Subject to certain terms and conditions in the Note Order, the County may affect a change in mode with respect to the obligations. The obligations are subject to optional tender and purchase on the demand of the owners thereof, upon certain terms. All such obligations are general obligations of the County to the payment of which the full faith and credit and unlimited taxing power of the County is irrevocably pledged.

The General Obligation Bond 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 Table 6 below.

General Obligation Bond Debt Ratios
2014 – 2018

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
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
2017	1.74	10.01	3,220	3.99	67.26
2018	1.81	10.33	3,364	3.94	68.42

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Statement of Direct and Overlapping
Debt as of June 30, 2018
And Including 2018 General Obligation Bonds

Direct Debt:		
General Obligation Bonds Outstanding	$3,095,230,000	
Short-Term BANs/Commercial Paper Outstanding(1)	170,000,000	
2018 General Obligation Bonds Series A	330,000,000	
Revenue Bonds Outstanding	200,480,000	
Total Direct Debt		$3,795,710,000
Overlapping Debt as of June 30, 2017		
Washington Suburban Sanitary Commission Applicable to Montgomery County	$2,371,362,000	
Housing Opportunities Commission	1,083,030,421	
Montgomery County Revenue Authority	78,883,464	
Maryland-National Capital Park and Planning Commission Applicable to Montgomery County	51,330,000	
Kingsview Village Center Development District	728,223	
West Germantown Development District	10,020,000	
Towns, Cities and Villages within Montgomery County	46,703,434	
Total Overlapping Debt		$3,642,057,552
Total Direct and Overlapping Debt		$7,437,767,552
Less Self-Supporting Debt:		
County Government Revenue Bonds	$200,480,000	
Washington Suburban Sanitary Commission Applicable to Montgomery County	2,371,362,000	
Housing Opportunities Commission	1,083,030,421	
Montgomery County Revenue Authority	78,883,464	
Total Self-Supporting Debt		($3,733,755,885)
Net Direct and Overlapping Debt		$3,704,011,667
Ratio of Debt to June 30, 2018 Assessed Valuation of (100% Assessment):		$188,182,435,927
Direct Debt		2.02%
Net Direct Debt(2)		1.91%
Direct and Overlapping Debt		3.95%
Net Direct and Overlapping Debt		1.97%
Ratio of Debt to June 30, 2018 Market Value of:		$199,028,527,137
Direct Debt		1.91%
Net Direct Debt		1.81%
Direct and Overlapping Debt		3.74%
Net Direct and Overlapping Debt		1.86%

(1) Net of amount retired with proceeds of the Series 2018 bonds.
(2) Net Direct Debt of $3,595,230,000 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 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 I.

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, Maryland. 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 Towne 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.

County Government – Structure and Services

The County operates under the Prince George's County Charter, which was adopted in November 1970. 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. 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 nine district Council Members and two new At-Large Council Members. 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. Six votes generally are required to pass legislation and an affirmative vote of two-thirds of the members of the full Council is 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 2018 is estimated to be 909,308, a difference of .1% from the 2017 population of 908,801.

In 2016, 65.2% of the County's residents were between the ages of 18 and 64 years old, which was slightly higher than the State of Maryland (63.0%) and the United States (62.0%). The share of the County's population that was 65 years and older (12.3%) was lower compared to the State of Maryland (14.6%) and the United States (15.2%).

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%
2018 (Est.)	909,308	6,042,718	327,167,434

Source: Decennial Census, Bureau of the Census, Department of Commerce (as of April 2019)

Income

In 2017, the County's aggregate personal income totaled $43.2 billion. The per capita personal income in the County during 2017 was $47,365. The growth rate of the County's per capita personal income between 2006 and 2016 was 2.3%. This percentage was lower than in the United States (2.6%) and the State of Maryland (2.4%).

The County's median household income in 2017 was $81,240 compared to $72,052 in 2013, an increase of 13.3% in the 5-year period. Jurisdictional comparisons are shown below:

Median Household Income

2013 and 2017

Metro Jurisdiction	Median Household Income 2013	2017	% Change
State of Maryland	$72,483	$80,776	11%
Washington Metro Area:			
Prince George's County	**72,052**	**81,240**	**12.8%**
Calvert County	94,196	100,590	6.8%
Charles County	88,797	97,986	10.3%
Frederick County	84,308	92,495	9.7%
Montgomery County	98,326	103,235	5.0%
Baltimore Metro Area:			
Anne Arundel County	86,230	97,085	12.6%
Baltimore City	42,266	47,131	11.5%
Baltimore County	64,795	73,805	13.9%
Carroll County	82,955	93,676	12.9%
Harford County	77,765	80,476	3.5%
Howard County	109,476	111,473	1.8%

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates (as of April 2019). 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
2013 - 2017

Industry	Prince George's County (2013) Sectoral Employment	% of Total	Prince George's County (2017) Sectoral Employment	% of Total	Maryland (2017) Sectoral Employment	% of Total
Government Employment	86,722	29%	89,410	28%	487,036	18%
Private Employment	213,107	71%	230,251	72%	2,165,436	82%
Natural Resources and Mining	203	0%	114	0%	6,434	0%
Construction	24,738	8%	26,681	8%	162,154	6%
Manufacturing	6,716	2%	7,709	2%	105,130	4%
Trade, Transportation and Utilities	57,109	19%	60,891	19%	461,998	17%
Information	4,689	2%	3,611	1%	37,625	1%
Financial Activities	11,702	4%	11,563	4%	140,275	5%
Professional and Business Services	38,061	13%	40,910	13%	443,960	17%
Education and Health Services	30,690	10%	34,107	11%	436,174	16%
Leisure and Hospitality	29,520	10%	35,714	11%	280,175	11%
Other Services	9,679	3%	8,935	3%	91,472	3%
Unclassified	0	0%	16	0%	39	0%
Total	299,829	100%	319,661	100%	2,652,472	100%

Source: Maryland Department of Labor, Licensing and Regulations Employment and Payroll - County Industry Series (as of April 2019).

Between 2009 and 2018, the unemployment rate for the County generally remained close to the State of Maryland's unemployment rate and at or below that of the United States as shown in the following table.

Labor Market Characteristics

2009-2018

Year	County Residents		Unemployment Rate		
	Civilian Labor Force	Resident Employment	Prince George's County	State of Maryland	United States
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	8.9
2012	484,964	449,665	7.3	7.0	8.1
2013	486,011	452,439	6.9	6.6	7.4
2014	486,971	457,449	6.1	5.8	6.2
2015	488,148	462,577	5.2	5.1	5.3
2016	503,489	481,107	4.4	4.4	4.9
2017	511,766	490,451	4.2	4.1	4.4
2018	509,420	487,710	4.3	4.1	3.9

*Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey and Local Area Unemployment Statistics Program.*Not seasonally adjusted. (as of April 2019)*

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

Prince George's County Principal Employers

2018

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	2,785
Marriott International/Gaylord Resort and Convention Center	Hotels and Motels	2,200
University of Maryland Capital Region Health	Health Services/Nursing Homes	1,800
Verizon	Communications Services	1,800
Melwood	Social Services	1,400
Doctors Community Hospital	Medical Services	1,300
MedStar Southern Maryland Hospital Center	Medical Services	1,240
LARGEST PUBLIC SECTOR EMPLOYERS		
University System of Maryland[1]	Higher Education	20,250
Prince George's County Public Schools	Education	19,118
Joint Base Andrews Naval Air Facility Washington[2]	Defense Installation (civilian and military employees)	17,500
Prince George's County	Local Government	7,170
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	2,045
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 Bowie State University [2]Excludes contractors

Source: Maryland Department of Commerce; Prince George's County Economic Development Corporation (as of April 2019).

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

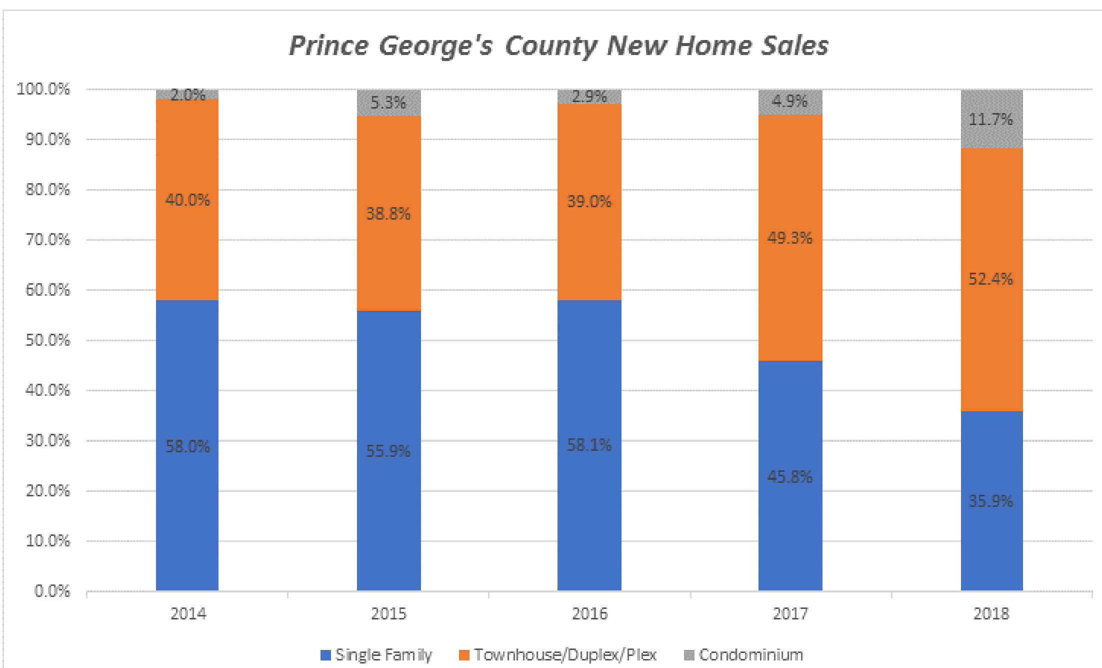
The composition of the County's housing market is displayed in the following table. Between 2013 and 2017, total housing units increased by 0.8% (an increase of approximately 2,789 units). During this time period, single family homes increased by 1.7% and multi-family homes decreased by 1.04%.

Housing Units by Type of Structure

	2013	2014	2015	2016	2017
Single Family					
Number of Units	221,589	223,761	223,345	223,888	225,487
Percent of Market	67.3%	67.9%	67.4%	67.3%	67.9%
Multi-Family					
Number of Units	107,778	105,589	107,949	108,681	106,669
Percent of Market	32.7%	32.1%	32.6%	32.7%	32.1%
Total Units	329,367	329,350	331,294	332,569	332,156

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates (as of April 2019)

Historically, single family homes have made up a majority of new home sales in the County. Single family detached homes have averaged 50.7% of new total sales from 2014 to 2018.



Source: Metro Study (Accessed March 2019)

According to the State Department of Assessments and Taxation, median residential sales of owner- occupied properties in the County have increased by 10.9% from fiscal year 2017 to fiscal year 2018. The median sales price of these properties has also increased during this time period from $302,313 in 2017 to $319,393 in 2018.

Median Residential Sales

Improved, Owner-Occupied Properties

Fiscal Year	Number of Transactions	Annual Growth Rate	Median Sales Price	Annual Growth Rate
2018	8,766	10.9%	319,393	5.6%
2017	7,904	15.4%	302,313	5.0%
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%

Source: Maryland Department of Assessments and Taxation (as of April 2019)

The following table shows the number of residences distributed within certain housing value ranges. During 2017, the majority of residences were valued between $200,000 and $499,999.

Estimated Market Value of Owner-Occupied Residential Property

	2016		2017		Increase (Decrease)
Value Range	Number of Residences	Share of Residences	Number of Residences	Share of Residences	Number of Residences
Less than $50,000	3,664	2.0%	4,195	2.2%	531
$50,000 to $99,999	3,606	1.9%	4,793	2.5%	1,187
$100,000 to $149,999	8,516	4.6%	8,699	4.5%	183
$150,000 to $199,999	21,020	11.2%	16,822	8.7%	(4,198)
$200,000 to $299,999	67,497	36.1%	61,921	32.2%	(5,576)
$300,000 to $499,999	69,332	37.1%	78,345	40.7%	9,013
$500,000 to $999,999	12,225	6.5%	15,887	8.3%	3,662
$1,000,000 or more	1,007	0.5%	1,765	0.9%	758
Total Owner-Occupied Units		186,867		192,427	5,560

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates (as of April 2019). 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 2009 and 2018, the value of new residential construction within the County has averaged approximately $308.1 million annually. Non-residential construction has averaged approximately $369.1 million annually. The value of new residential construction within the County in 2018 was $358.4 million as compared to $312.2 million in 2017. The value of new non-residential construction within the County in 2018 was $291.9 million as compared to $363.3 million in 2017.

Building Permits

	Residential			Commercial			Total		
Calendar Year	Permits Issued	Total Valuation ($K)	Average Valuation ($K)	Permits Issued	Total Valuation ($K)	Average Valuation ($K)	Total Permits Issued	Total Valuation ($K)	Average Valuation ($K)
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
2017	1,831	312,176	170	215	363,286	1,690	2,046	675,462	330
2018	1,405	358,368	255	145	291,947	2,013	1,550	650,315	420
Total CY 09-18	16,285	$3,080,853	$1,890	$2,178	$3,689,808	$15,715	18,463	$6,770,661	$3,619
Average Annual	1,629	$308,085	$189	218	$368,981	$1,572	1,846	$677,066	$362

(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 2019)

During 2018, approximately 488,465 square feet of new commercial space was delivered to the market in Prince George’s County. In 2018, Prince George’s County accounted for 5.12 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 2014 through 2018 is shown below:

Commercial Square Feet Delivered, by Type

Type	2014	2015	2016	2017	2018
Office	0	160,000	72,508	60,840	75,000
Retail	569,468	76,309	802,761	171,964	136,519
Flex	0	49,949	479,815	22,180	109,800
Industrial	179,569	1,063,106	0	493,199	167,146
Total Square Footage	749,037	1,349,364	1,355,084	748,183	488,465
Metropolitan Area	9.23%	22.98%	14.87%	8.21%	5.12%

Source: CoStar (Accessed March 2019)

Economic Activity

Contracting opportunities with government, research, technology and defense industry anchors contributed to a 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.

- The County created 7,715 new jobs between calendar years 2016 and 2017, accounting for 29.7% of the State's new jobs.
- Property values have risen 4.1% percent in the County during the past year (2018 over 2017).
- The County's overall unemployment rate has fallen dramatically – down from nearly 7.5 percent in December 2010 to only 4.3 percent in December 2018.

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.

Prince George's County Economic Development Corporation

- 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 the "Innovation Station" to nurture advanced technology and life sciences firms
- Promote strategic retail development, and attract new restaurants and dining concepts
- Serve as the "front door" for applications to the $50 million Economic Development Incentive Fund
- Assist local companies' export to selected markets, attract foreign direct investment, and attract international companies to the County
- 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

There are fourteen federal agencies located in the County, with most of them focused on research and development. These agencies attract technology companies as partners/contractors for their operations. The NASA Goddard Space Flight Center, the USDA Beltsville Agricultural Research Center, USDA-APHIS, 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 has continuing construction of facilities, some identified for national security- related information technology tenants, on its 124-acre Enterprise Campus research park.

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

- The United States Citizenship & Immigration Services (USCIS) through a long-term lease agreement with One Town Center, LLC will build a 575,000 square foot, high-security, blast-resistant office building and 1,000 space parking structure at the Branch Avenue Metro Station. This $265 million project is projected to spur additional transit-oriented development that includes retail, residential, and additional office space. Upon completion in 2020, USCIS will relocate 3,200 full-time and 500 part-time employees from Washington, D.C. to its new headquarters at the property in Camp Springs.

- 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, an 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 East 488-acre development adjacent to the new road has the ability to accommodate about two million square feet of commercial space and 2,000 residential units. Construction is scheduled to begin in 2021.

- The Towne Square at Suitland Federal Center is a $402 million mixed-use development currently under construction adjacent to the Suitland Federal Center with six federal agencies and more than 7,000 employees. The project includes construction of 219 townhouses, 137 senior multi-family units, 87,000 square feet of retail space and 50,000 square feet of public space.

- The EDC Innovation Station opened in February 2018 as a collaborative co-working space and an expansion of the EDC's former Technology Assistance Center (TAC) business incubator. It is located in Largo within a federal Opportunity Zone and Foreign Trade Zone to foster the success of small businesses, entrepreneurs and inventors, and provide a soft landing for international businesses entering the U.S. market.

- The new Homewood Suites by Hilton will be situated at the Inglewood Business Park, within the newly developing "Downtown Largo." The $20 million extended stay all suites hotel will be four-stories, 116 keys, 82,000 square feet with 3,000 square feet of flexible meeting space. The company commits to having 100% of 25 newly-created and vacant positions filled by County residents.

- Prince George's Post-Acute, LLC, an affiliate of FutureCare Health and Management Corporation, is Maryland's largest private nursing home company. Future Care has 13 current locations in and around Maryland, employs over 2,900 employees and treats more than 1,800 Marylanders each day. The most recent addition opened in Prince George's County in 2018. It is a two-story skilled nursing facility center which services both a sub-acute population needing short term stays for rehabilitation and post- operative recovery, and a long-term population for those needing end of life care. The $19 million facility, located in Landover, employs 149 full-time and 56 part-time professional and non-professional positions.

- The Shops at Iverson is a 600,000+ square foot retail and office center. The property sits on 20 acres and has the potential to become a true mixed-use town center over the next 5 years. Primary initiatives are to attract game-changing, nationally recognized tenants including a grocer, up to a dozen national restaurant brands, and office tenants to occupy 50,000 square feet in the existing vacant tower. The shopping center recently completed a $30 million renovation project which included energy efficiency upgrades and retrofits to the entire shopping center, façade improvements, and redesign and renovations to the existing food court area. To date, Goodwill Industries and Employ Prince George's Inc. are planning to occupy the office tower and several new tenants have opened restaurants in the newly renovated food court, including Chipotle and Tropical Smoothie.

- 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 of the overall project, 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.

- MGM Resorts completed construction of the MGM National Harbor on 23 acres. The $1.4 billion casino opened in December 2016 and employs over 3,600 individuals, many of them are Prince George's County residents. In 2018, the casino, hotel and entertainment complex received a $48 million expansion of the casino in response to strong demand.

- Minimally Invasive Vascular Center, an endovascular surgery facility opened its first location in the County in Laurel. With an investment of $15 million, the center opened in 2018 and will create 50 medical jobs.

- The PSEG Keys Energy Center is an $627 million 755 Mega-Watt natural gas electric power plant near Brandywine that opened in July 2018. The plant will supply the power needs of 500,000 homes.

- Panda Power Funds is expected to break ground in the Fall of 2019 on a $1.2 billion 884 Mega-Watt Mattawoman natural gas electric power plant in Brandywine. The plant is expected to supply the power needs of up to 990,000 homes.

- Kaiser Permanente of the Mid-Atlantic, an affiliate of Kaiser Permanente, expanded in April 2019 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 1,000 employees.

- The Hotel at University of Maryland has completed the construction of a $115 million, 300-room, four- star luxury hotel and conference center. Delivered in 2017, the project also includes office and retail space, high-end restaurants, and a luxury spa.

- Children's National Medical Center is expanding into the County to a 60,000 square foot build-to-suit class A medical office building that is currently under construction at the Woodmore Towne Centre at Glenarden. The project will create 300 permanent full-time jobs, providing healthcare for children.

- Lidl, the global discount supermarket chain headquartered in Germany, is expanding into the County. In 2018, Lidl opened its first store in the County; a 35,000 square foot grocery store/supermarket in Bowie. Currently under construction are additional stores in College Park and District Heights. Two other store locations in the development process are in Lanham and Camp Springs.

- In 2018, Quality Healthtech Solutions opened a 89,500 square-foot Class-A medical office building at National Harbor to provide total family care and outpatient services. 100 permanent full-time employees are expected to be employed at the $40 million facility.

- Since the 38-acre Riverdale Park Station had its grand opening for the County's first and only Whole Foods Market in 2017, the project has continued to add tenants including Denizens Brewing Company that is expanding from its Silver Spring, Maryland, headquarters to a new 12,000 square foot brewery and restaurant that is currently under construction.

- The Language Doctors Inc. is in the process of relocating from Washington, DC to 8201 Corporate Drive, Landover in Prince George's County. The federal government contractor that provides language interpretation services has leased 15,000 square feet of office space and is expanding its workforce to 125 permanent full-time employees.

- At the 150-acre Discovery District at the University of Maryland College Park, a $2 billion public-private development project, several development projects have been completed or are in the planning process. The $115 million four-star Hotel at the University of Maryland opened providing hotel and conference space; Corporate Office Properties Trust (COPT) has nearly completed a $19 million, 75,000 square foot class A office building and is in the planning process for a second new office building with 100,000 square feet; WeWork opened its first facility in Maryland, offering co-working and office space to small businesses and entrepreneurs; two apartment development projects are in the planning stage for a total of 770 residential units and 11,000 square feet of retail space; and a 150-room Marriott Suites hotel is planned for a site owned by the County across from the College Park Metro Station.

- Topgolf has a new facility under construction in Oxon Hill to provide a new entertainment venue near National Harbor to include a golf range, space for parties and events, and a complete menu of food and drinks. With a cost estimate of $18 million, the facility will have a workforce of 600 employees and an anticipated opening in the Summer of 2019.

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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 April 2019

	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					
	The Hotel at the University of Maryland	9	New	Completed	115.0	519,900
	New Carrollton Metro Area North (Mixed-Use)	10	New	Completed	135.0	700,000
	New Carrollton Metro Area South (Mixed-Use) - (Phase 1)	10	New	2019	160.0	449,000
	Suitland - 5001 Silver Hill Road	11	New	Completed	18.0	50,000
	Steeplechase 95 International Business Park (Retail Phase 2)	12	New	Completed	13.8	46,000
	Ritchie Station (Phase 1)	13	New	Completed	76.2	381,000
	MGM National Harbor, LLC	14	New	Completed	1,400.0	1,079,000
	Riverdale Park Station	15	New	Completed	250.0	370,000
	Regional Medical Center	16	New	2021	543.0	595,744
	Westphalia Town Center (Phase 1)	18	New	N/A	N/A	5,900,000
	Keys Energy Center (Natural Gas Electric Power Plant)	20	New	Completed	627.0	N/A
	Purple Line Transit Light Rail (Prince George's County Section)	21	New	2022	2,000.0	N/A
	Branch Avenue Metro (U.S.C.I.S.)	23	New	2020	265.0	575,000
	Sub-Total A				$5,603.0	10,665,644
B.	Projects in Development Stage Konterra					
	(Town Center East)	1	New	N/A	N/A	5,300,000
	South Lake	2	New	N/A	N/A	993,000
	Metro City	3	New	2022	327.0	N/A
	Greenbelt Metro Area (Mixed-Use)	4	New	N/A	N/A	3,000,000
	University of Maryland (UMD) Discovery District	5	New	N/A	N/A	4,804,000
	Corporate Office Property Trust (COPT) at UMD Discovery District	5	New	2020	N/A	100,000
	Bozzuto College Park JV (Mixed-Use)	6	New	2021	142.0	135,000
	College Park Metro (Mixed-Use)	7	New	N/A	N/A	N/A
	RPAI at Carillon	8	New	N/A	1000.0	1,200,000
	Ritchie Station (Phase 2)	13	Expansion	2020	50.0	250000
	Brandywine Village	17	New	N/A	N/A	218,500
	Panda Mattawoman (Natural Gas Electric Power Plant)	19	New	N/A	1,200.0	N/A
	Hampton Mall (Redevelopment)	22	New	N/A	161.0	280,000
	Sub-Total B				$2,880.0	16,280,500
	Total (A+B)				$8,483.0	26,946,144

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 Railway, Amtrak Metroliner passenger service (including a station at New Carrollton on Amtrak's Northeast Corridor service and the 16 mile/21 station Purple Line light rail transit system under construction, connecting Prince George's and Montgomery counties), 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 9 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), and Southern Maryland Electric Cooperative, Inc. (SMECO) 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 2018 was set at 1%, based on the CPI. In fiscal year 2019, the cap is set at 2% 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 the growth rate of the assessed and estimated actual value of real and personal property in the County.

Annual Growth Rates

Fiscal Year	Assessed Value	Estimated Actual Value
2019[(1)]	7.3%	0.0%
2018	4.3%	6.5%
2017	7.2%	8.1%
2016	3.5%	5.3%
2015	1.2%	2.4%
2014	-3.8%	-3.2%
Six-Year Average:	3.3%	3.2%

[(1)]Estimated for the year ending June 30, 2019 as of March 31, 2019.
Source: Office of Finance

The total General Fund property tax revenues included in the County's proposed operating budget for fiscal year 2020 are $945.7 million (adjusted for tax credits, assessment abatements and deletions, allowance for municipal tax differential and uncollectible taxes). Total property tax revenues in fiscal year 2019 are estimated to total $907.6 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
2019[(1)]	$98,191.0	$1.00	$935,887,936	$906,949,599	96.9
2018	89,167.2	1.00	971,598,769	967,523,822	99.6
2017	85,523.9	1.00	909,650,941	905,652,881	99.8
2016	79,760.3	1.00	853,046,726	852,874,411	99.8
2015	77,078.0	0.96	791,690,172	787,981,697	99.8
2014	76,180.7	0.96	778,008,663	773,446,612	99.8

[(1)]Fiscal Year 2019 collections are through February 28, 2019.
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. 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 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 2019 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
2019[1]	890,058	47,302	25,824	102,804	280,189
2018	862,251	45,217	24,694	97,052	267,930
2017	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

[1] Estimated for the year ending June 30, 2019 as of March 31, 2019.

Source: Office of Finance

The top 10 principal taxpayers within the County for fiscal year 2018 are as follows:

Principal Taxpayers
June 30, 2018

Taxpayer	Real Property Assessment	Personal Property Assessment	Total Assessment
National Harbor Grand LLC	$ 993,356,233	$ -	$ 993,356,233
Potomac Electric Power Co	4,676,867	655,386,550	660,063,417
Gaylord National LLC	588,495,334	-	588,495,334
Verizon-Maryland	-	282,157,460	282,157,460
Washington Gas Light Company	6,263,700	275,743,810	282,007,510
Empirian Village of MD LLC	275,442,200	1,363,100	276,805,300
JKC Stadium (FedEx Field)	208,927,300	-	208,927,300
Greenbelt Homes Inc	207,599,726	-	207,599,726
Baltimore Gas & Electric Company	-	193,071,010	193,071,010
NRG Chalk Point LLC	-	177,862,970	177,862,970
Totals	$ 2,284,761,360	$ 1,585,584,900	$3,870,346,260
Percentage of Total Assessable Base	6.4%	4.4%	10.9%

Source: Office of Finance

Statutory Debt Limit

Pursuant to 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. State law authorizes certain exclusions. Obligations issued by the Revenue Authority and the IDA 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, 2018

County General Obligation Bonds	$ 2,029,385,000
Total Debt of the County	2,029,385,000
Less: Portion of Debt Excludable by State Law:	
County General Obligation Bonds for:	
Mass Transit Facilities	6,114,954
Stormwater Facilities	236,702,361
Solid Waste Projects	45,999,335
School Facilities Surcharge-Supported	339,100,998
School Facility Supported by Telecommunication Tax	16,741,670
Total Excludable Debt	644,659,318
County Debt Subject to Statutory Debt Limitation	1,384,725,682
Assessable Base of Real Property Taxation (FY2018)	92,548,040,600
Assessable Base of Personal Property and Operating Real Property Taxation (FY2018)	3,425,098,712
Debt Limit (a total of 6% of Real Property Assessable Base and 15% of Assessable Base of Personal Property) (FY2018)	6,066,647,243
Less: County Debt Subject to Debt Limitation	1,384,725,682
County Debt Margin	4,681,921,561

Source: Office of Finance

The following schedules show (1) gross direct debt, net direct tax-supported General Fund debt, overlapping and underlying debt of the County and various entities incurred for capital purposes and outstanding; (2) a schedule of net tax supported debt service requirements paid from the County General Fund sources; and (3) the rapidity of net tax-supported General Fund principal payments in 5, 10, 15 and 21 years, as of June 30, 2018.

Direct, Overlapping and Underlying Debt Statement

($ millions)

June 30, 2018

	Gross Debt Principal Amount	Self-Supporting Debt	Net Tax-Supported General Fund Debt Principal Amount
Direct Debt			
County General Obligation Bonds:			
General Purpose	1,384.7	-	1,384.7
Mass Transit	6.1	6.1	-
Stormwater Management	236.7	236.7	-
Solid Waste Management	46.0	46.0	-
School Facilities Surcharge-Supported	339.1	339.1	-
School Facilities Supported by Telecommunication Tax	16.7	16.7	-
Total Direct Debt	2,029.3	644.6	1,384.7
Overlapping and Underlying Debt			
Washington Suburban Sanitary Commission	846.4	846.4	-
Maryland-National Capital Park and Planning Commission	86.2	86.2	-
Industrial Development Authority of Prince George's County Lease Revenue Bonds	-	-	-
Underlying Towns and Cities Within County	52.2	52.2	-
Total Overlapping and Underlying Debt	984.8	984.8	-
Total Direct, Overlapping Debt and Underlying Debt	3,014.1	1,629.4	1,384.7

Source: Office of Finance

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate, dated as of December 23, 2019 (the "Disclosure Certificate"), is executed and delivered by the Washington Suburban Sanitary Commission (the "Commission") in connection with the issuance and delivery of its $179,685,000 Consolidated Public Improvement Bonds of 2019 (the "Construction Bonds") and its $53,880,000 Consolidated Public Improvement Bonds of 2019 (Second Series) (Green Bonds) (the "Second Series" and together with the Construction Bonds, the "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.

"Financial Obligation" means (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to MSRB under 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, 2020, 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 "Washington Suburban Sanitary District - Employees' Retirement Plan," "-Leases and Agreements," "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 Bonds, or other material events affecting the tax status of the Bonds;

(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 Bonds, 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;

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

(xv) incurrence of a Financial Obligation of the Commission, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Commission, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Commission, any of which reflects financial difficulties.

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: ___________________________________
Patricia A. Colihan
Chief Financial Officer

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Washington Suburban Sanitary Commission
Laurel, Maryland

Ladies and Gentlemen:

In connection with the issuance and sale of $179,685,000 Washington Suburban Sanitary District, Maryland (Montgomery and Prince George's Counties, Maryland) Consolidated Public Improvement Bonds of 2019 (the "Construction Bonds") and $53,880,000 Washington Suburban Sanitary District, Maryland (Montgomery and Prince George's Counties, Maryland) Consolidated Public Improvement Bonds of 2019 (Second Series) (Green Bonds) (the "Second Series" and together with the Construction Bonds, collectively, the "Bonds") dated December 23, 2019, maturing annually on June 1 in the years 2020 through 2049, 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, 2020, we have examined:

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

(ii) Resolution No. 2019-2233, adopted by the Washington Suburban Sanitary Commission (the "Commission") on July 17, 2019 (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. 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 the proceeds of the Bonds. 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, as an enumerated item of tax preference or other specific adjustment. Interest income on the Bonds will be includable in the applicable tax base for purposes of determining the branch profits tax imposed on foreign corporations engaged in a trade of business in the United States of America.

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,

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 each series 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 of a series 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.