

# PROPOSED BUDGET

# FY 2011

**JULY 1, 2010-JUNE 30, 2011**



**Washington Suburban  
Sanitary Commission**

# *Washington Suburban Sanitary Commission*

## *Fiscal Year 2011 Proposed Budget*

*Gene W. Counihan, Chair*

*Joyce Starks, Vice Chair*

*Prem P. Agarwal, Commissioner*

*Antonio L. Jones, Commissioner*

*Adrienne A. Mandel, Commissioner*

*Dr. Roscoe M. Moore, Jr., Commissioner*

*ATTEST: Charlett Bundy, Corporate Secretary*

## **BUDGET - LEGAL STATUS**

Section 1-204, Article 29, WSSD Laws, Annotated Code of Maryland: "The WSSC: (1) Before January 15 of each year, shall prepare capital and operating budgets for the next fiscal year, which shall be open for inspection by the public and copies shall be made available to the public upon request; (2) Before February 15 of each year, shall hold a public hearing on the proposed budgets after giving at least 21 days' notice of the hearing by publication in at least 2 newspapers published and generally circulated in Montgomery County and 2 newspapers published and generally circulated in Prince George's County."

### **TIME SCHEDULE FOR THE FISCAL YEAR 2011 BUDGET**

Public Hearings by the Commission	February 3 and 4, 2010 (held as scheduled)
Submission to County Executives	March 1, 2010
Approval by the County Councils	June 1, 2010
Budget Effective Date	July 1, 2010

**THIS BUDGET WILL NOT BE ADOPTED BY THE COMMISSIONERS UNTIL  
ALL HEARINGS HAVE BEEN COMPLETED**

CONTAINED HEREIN IS WSSC'S FY'11 PROPOSED BUDGET DATED MARCH 10, 2010, WHICH REPLACES AND SUPERSEDES THE PREVIOUS JANUARY 15, 2010, EDITION.

## **OUR MISSION:**

**We are entrusted by our community to provide safe and reliable water, life's most precious resource, and return clean water to our environment, all in an ethically and financially responsible manner.**





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Washington Suburban Sanitary Commission  
Maryland**

For the Fiscal Year Beginning

**July 1, 2009**

President

Executive Director

*The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget presentation to the Washington Suburban Sanitary Commission for its annual budget for the fiscal year beginning July 1, 2009. This is the fifteenth consecutive year that the Washington Suburban Sanitary Commission has received this award.*

*In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.*

*The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.*

**WASHINGTON SUBURBAN SANITARY COMMISSION  
FISCAL YEAR 2011 PROPOSED BUDGET**

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## **Washington Suburban Sanitary Commission**

14501 Sweitzer Lane Laurel, MD 20707-5902  
(301) 206-8000 1(800) 828-6439 TTY: (301) 206-8345 [www.wsscwater.com](http://www.wsscwater.com)

March 10, 2010

To The Honorable:

County Executives of Montgomery  
and Prince George's Counties

President, Chair, and Members  
of the County Councils of  
Montgomery and Prince George's Counties

Valued Customers and Interested Citizens:

We are hereby transmitting the Fiscal Year 2011 (FY'11) Proposed Capital and Operating Budget Document for the Washington Suburban Sanitary Commission (WSSC). A preliminary FY'11 budget was published and distributed for review by interested customers, citizens, and officials. Public Hearings were held on Wednesday, February 3, and Thursday, February 4, 2010. On March 1, 2010, the Commission voted on a Fiscal Year 2011 Proposed Budget, and an abridged budget document was forwarded to Montgomery and Prince George's Counties. This FY'11 complete Proposed WSSC Budget is now submitted to the County Executives and Councils of Montgomery and Prince George's Counties for hearings and other procedures as directed by Section 1-204, Article 29, Annotated Code of Maryland, before a final budget is adopted for the next fiscal year, beginning July 1, 2010.

The Commission's commitment to our customers both now and in the future is incorporated in the programs, goals and objectives included in this budget. This proposed budget reflects our continued focus on providing safe and reliable water, returning clean water to the environment, and doing it in an ethically and financially responsible manner.

However, our fiscal challenges include funding for water and sewer infrastructure improvements, cost increases at regional sewage disposal facilities where WSSC has purchased capacity, increased costs of Sanitary Sewer Overflow Consent Decree compliance, and continued implementation of an Enterprise Resource Planning/Enterprise Asset Management System (this is a major

initiative that unifies and automates the Commission's financial and human resources, business and production processes and other information systems more effectively so that we can allocate and manage our assets to achieve our goals at the lowest cost). The Proposed FY'11 combined average 8.5% rate increase will add approximately \$4.60 per month to the average residential customer's bill. The impact on customers' annual water and sewer bills at various consumption levels is shown on Table IV (page 11).

### **Water and Sewer Infrastructure**

The state of the WSSC's infrastructure remains a significant concern. We continue to work with stakeholders in both counties to develop a long-term funding solution to meet the WSSC service area's infrastructure needs. In the interim, this budget includes additional rate-supported funding for both the water and sewer reconstruction programs, which focus on small diameter pipe and appurtenances, as well as two new capital projects for large diameter water and sewer pipe rehabilitation. It also continues to include funding for inspection and repair of critical water and sewer infrastructure, including the WSSC's award-winning large water main inspection program.

WSSC is likely to continue to experience high numbers of water main breaks, especially in the winter, until substantially more water main replacement work is accomplished. As part of our continuing effort to provide the highest quality service to our customers, we are proposing to shift six miles of water main replacement work from contractors to in-house crews, doubling the amount replaced by in-house crews at no additional cost. This shift to in-house staff will enable us to use our water main replacement crews for water main break repairs during periods when large numbers of water main breaks have an impact on our customers. This shift in approach toward water main replacement will allow us to maintain our momentum in this program while providing better overall service to our customers at the same cost or less.

### **FY'11 Proposed Capital and Operating Budgets**

Our Proposed Budget for FY'11 includes an 8.5% rate increase. Spending affordability limits adopted by the two County Councils specified a maximum 8.0% rate increase by the Prince George's County Council and a maximum 9.9% rate increase by the Montgomery County Council. WSSC's Preliminary Proposed Budget, which was published for public hearing purposes, included a 9.5% rate increase. We recognize that these are difficult economic times for many in the bi-county area, and this proposed budget is striving to balance the additional financial impact on our customers with the overall benefit to our customers of the planned operating and capital programs we believe are necessary to support water and sewer services.

Because of the significant expenditure reductions incorporated into the FY 2010 budget, expenditure reductions to attain a smaller rate increase are much more difficult this year. Last year's cuts, totaling \$67 million, are generally not available to cut again from the FY'11 budget because of their elimination from the expenditure base utilized in compiling this budget. To reduce the rate

increase from 9.5% to 8.5%, a number of difficult reductions had to be made. We will work to ensure that these reductions do not adversely affect services to our customers but they may result in slowing the pace of certain projects and repairs/improvements (trunk sewer inspections, sewer pipe armoring, and street repair.) High bill adjustments have been something that WSSC provided as a courtesy to certain qualifying customers who experience bills with usage at least 3 times their normal usage (oftentimes attributable to a plumbing leak). These courtesy adjustments will unfortunately be eliminated under the Proposed Budget for FY'11. We will also sell some of the Renewable Energy Credits from our wind power program which will not have a direct impact on our customers, but will result in a smaller overall environmental benefit.

To reduce the rate increase to the 8.5% level, the following adjustments were made (listed in order of magnitude on water and sewer rate impact):

	<u>Total</u>	<u>Water &amp; Sewer Rate Impact</u>
Eliminate high bill adjustment program for customers	\$ 1,000,000	\$ 1,000,000
Eliminate merit increases for employees	926,000	727,300
Sell excess Renewable Energy Credits	474,000	474,000
Miscellaneous debt service adjustments *	390,000	390,000
Reduce Miss Utility budget	388,000	388,000
Reduce trunk sewer inspections	320,000	320,000
Eliminate funding for various Information Technology projects	370,000	303,400
Reduce sewer pipe armoring** expenses	314,200	293,000
Reduce street repair (paving) budget	218,400	218,400
Reduce miscellaneous staff office expenses	76,500	61,300
Reduce materials budget	100,000	43,000

\* Resulting from timeline adjustments on some debt-funded capital projects.

\*\* Pipe armoring is the protection (pipeline protection, streambank stabilization, etc.) of WSSC infrastructure that has become exposed along stream beds due to erosion or stormwater runoff.

**Comparative Expenditures by Fund**

	<b>FY'10 Approved</b>	<b>FY'11 Proposed</b>	<b>FY'11 Over / (Under) FY'10</b>	<b>% Change</b>
<b><u>Capital Funds</u></b>				
Water Supply	\$147,484,000	\$181,815,000	\$34,331,000	23.3%
Sewage Disposal	191,008,000	276,524,000	85,516,000	44.8%
General Construction	32,660,000	36,361,000	3,701,000	11.3%
<b>Total Capital</b>	<b>371,152,000</b>	<b>494,700,000</b>	<b>123,548,000</b>	<b>33.3%</b>
<b><u>Operating Funds</u></b>				
Water Operating	234,925,000	243,455,000	8,530,000	3.6%
Sewer Operating	285,807,000	300,920,000	15,113,000	5.3%
Interest & Sinking	69,799,000	61,175,000	(8,624,000)	(12.4%)
<b>Total Operating</b>	<b>590,531,000</b>	<b>605,550,000</b>	<b>15,019,000</b>	<b>2.5%</b>
<b>GRAND TOTAL</b>	<b>\$961,683,000</b>	<b>\$1,100,250,000</b>	<b>\$138,567,000</b>	<b>14.4%</b>

The FY'11 Proposed Capital Budget of \$494.7 million represents an increase of \$123.5 million (33.3%) from the FY'10 Approved Budget. The increase is primarily attributable to higher estimates for the new digester and Enhanced Nutrient Removal projects at DCWASA's Blue Plains Wastewater Treatment Plant, increases in the Water and Sewer Reconstruction Programs, and the addition of the new Trunk Sewer Reconstruction and Large Diameter Pipe Rehabilitation Programs.

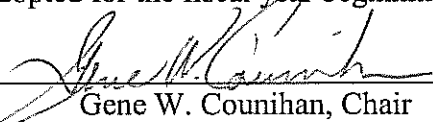
In summary, the FY'11 estimated expenditures for all operating and capital funds total \$1.100 billion or \$138.6 million (14.4%) more than the FY'10 Approved Budget. The FY'11 Proposed Operating Budget of \$605.6 million represents an increase of \$15.0 million (2.5%) from the FY'10 Approved Operating Budget. The increase in the Operating Funds is driven by many factors, including cost increases at regional sewage disposal facilities; Sanitary Sewer Overflow Consent Decree compliance; debt service costs; funding liabilities based on Governmental Accounting Standards Board recommendations for improvements in government accounting; and cost of the third year of a 5-year program to implement an enterprise-wide resource planning/asset management system. The proposed budget provides for:

- Funding the first year of the FYs 2011-2016 Capital Improvements Program as amended by mid-cycle update;
- Promptly paying \$233.1 million in debt service on \$1.7 billion in outstanding debt to WSSC bondholders;
- Meeting or surpassing all federal and state water and wastewater quality standards and permit requirements;
- Keeping maintenance service at a level consistent with the objective of arriving at the site of a customer's emergency maintenance situation within 2 hours of receiving the complaint and restoring service within 24 hours of a service interruption;
- Paying the WSSC's share of the cost of operating the District of Columbia Water and Sewer Authority's Blue Plains Wastewater Treatment Plant;
- Operating and maintaining a system of 3 reservoirs impounding 14 billion gallons of water, 2 water filtration plants, 7 wastewater treatment plants, 5,500 miles of water main, and 5,400 miles of sewer main 24 hours a day, 7 days a week;
- Continuing to increase the operating reserve from 5% to 10% of water and sewer rate revenues;
- Funding the third year of a 5-year program to implement an Enterprise Resource Planning/Enterprise Asset Management System;
- Completing a disparity study to determine whether or not and to what extent remedial programs for past racial and/or gender discrimination are appropriate and also developing a recommended Minority Business Enterprise policy and program based on the disparity study results;
- Funding the fourth year of an 8-year ramp-up to achieve full funding of liabilities for non-retirement post-employment benefits based on Government Accounting Standards Board Statement No. 45;
- Increased funding for the Water and Sewer Reconstruction Programs; and
- Complying with the Sanitary Sewer Overflow Consent Order.

In addition to reviewing expenses and revenues for water and sewer services, we have analyzed the cost and current fee levels for other WSSC services. Based upon these analyses, some new fees and adjustments to current fees are recommended in Table VII (page 14).

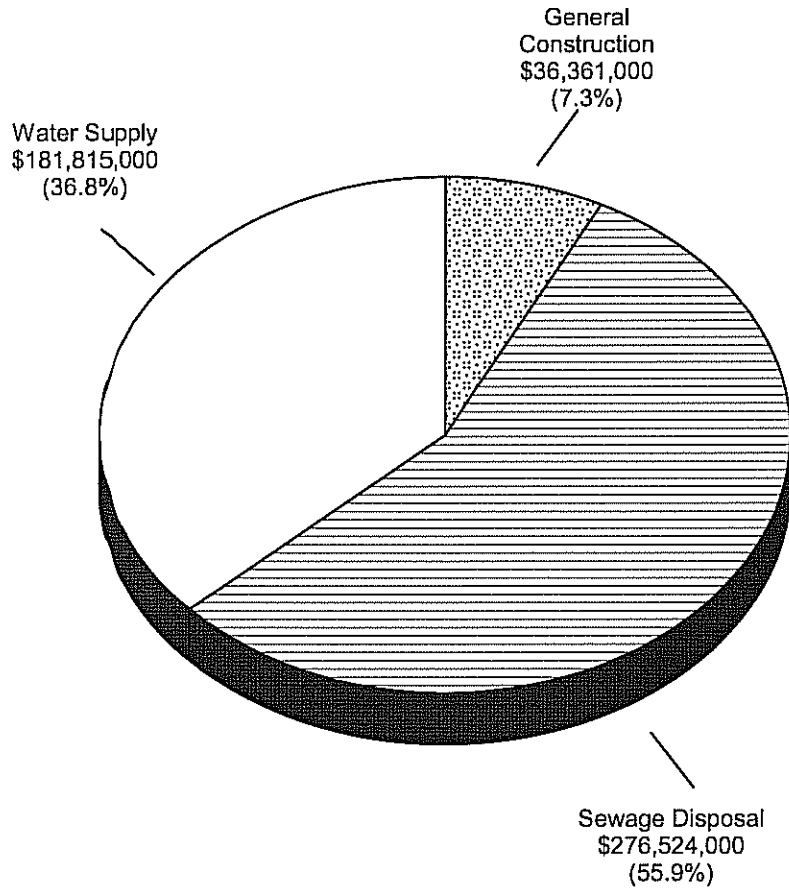
### **Budget Review Process**

The Proposed Budget is subject to the Counties' hearings, procedures, and decisions, as provided under Section 1-204, Article 29, of the Annotated Code of Maryland, before the final budget is adopted for the fiscal year beginning July 1, 2010.

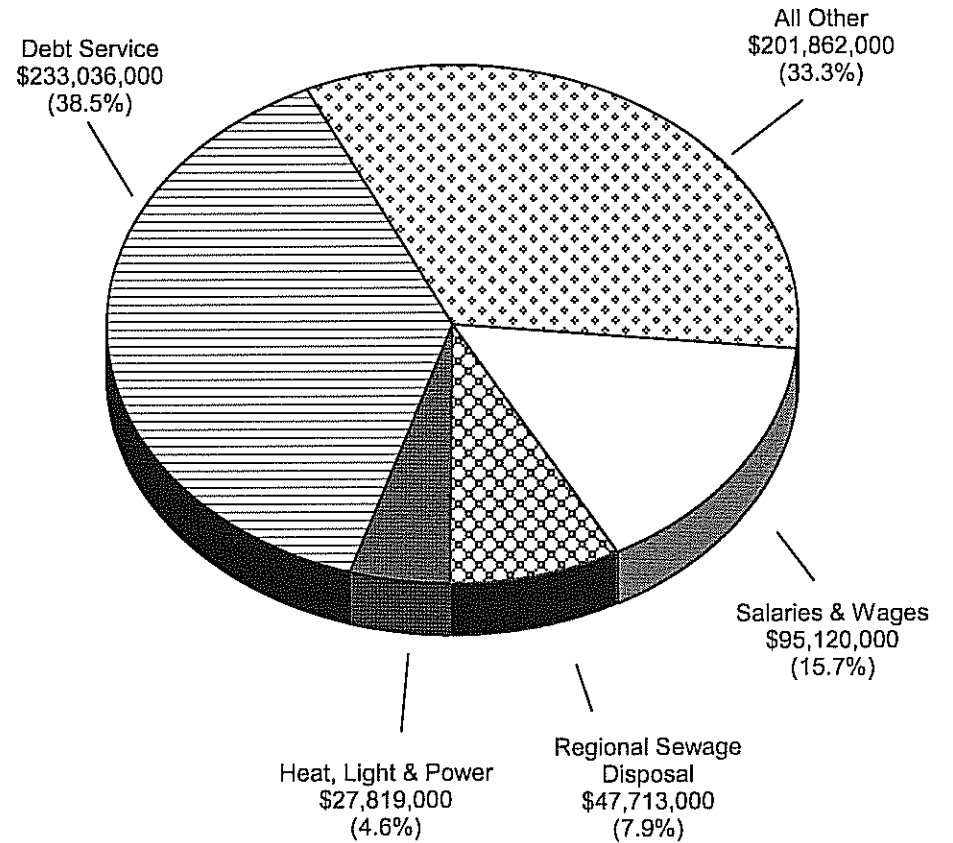
  
 \_\_\_\_\_  
 Gene W. Counihan, Chair  
 Washington Suburban Sanitary Commission

# FY 2011 PROPOSED BUDGET

CAPITAL = \$494,700,000



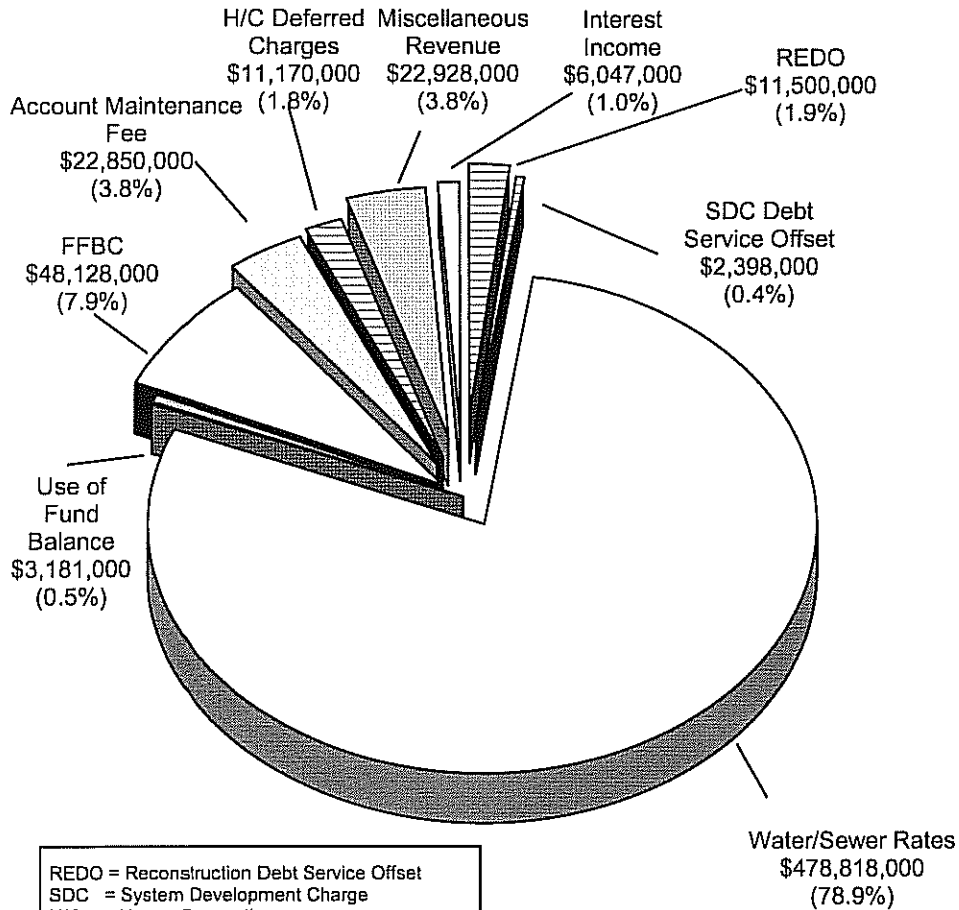
OPERATING = \$605,550,000



GRAND TOTAL = \$1,100,250,000

# FY 2011 PROPOSED BUDGET OPERATING

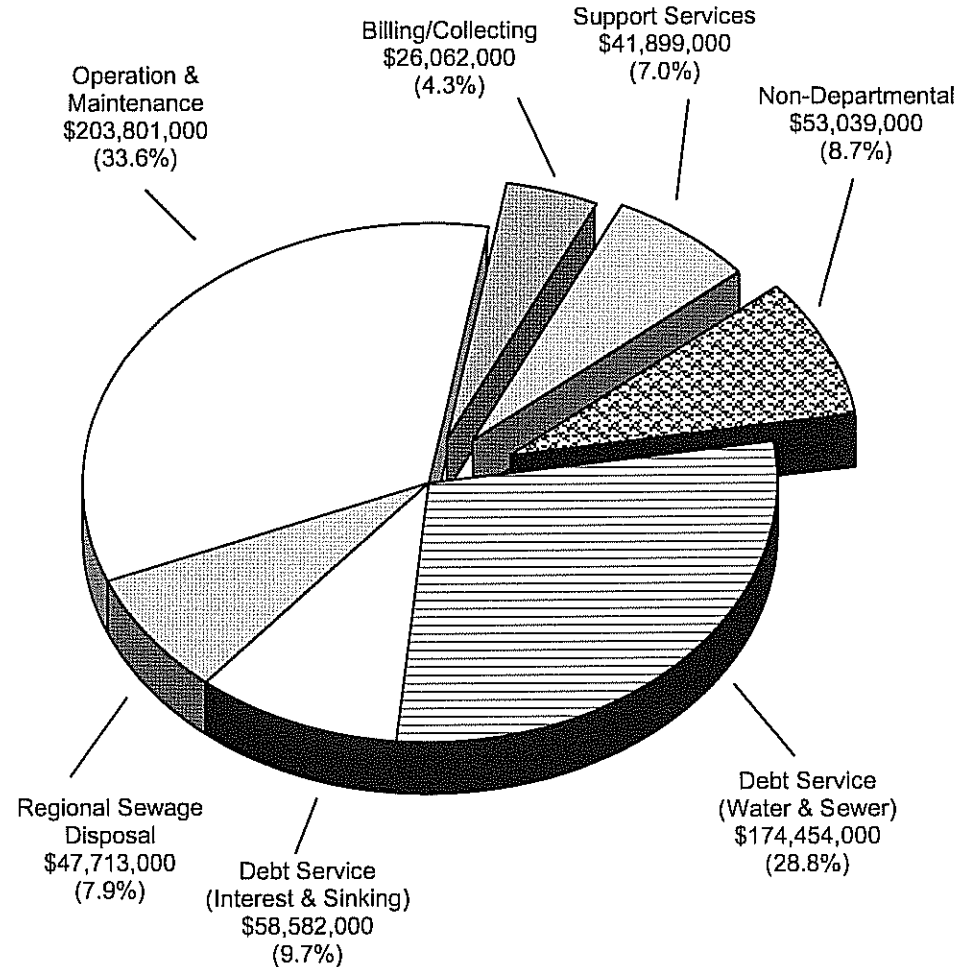
## FUNDING SOURCES



REDO = Reconstruction Debt Service Offset  
 SDC = System Development Charge  
 H/C = House Connection  
 FFBC = Front Foot Benefit Charge

**TOTAL SOURCES = \$607,020,000**

## FUNDING USES



**TOTAL USES = \$605,550,000**

TABLE I

Comparative Expenditures by Fund

	<u>FY'08 Actual</u>	<u>FY'09 Actual</u>	<u>FY'10 Approved</u>	<u>FY'11 Proposed</u>	<u>FY'11 Over / (Under) FY'10</u>
<b>Capital Funds</b>					
Water Supply	\$ 88,908,000	\$ 106,490,000	\$ 147,484,000	\$ 181,815,000	\$ 34,331,000
Sewage Disposal	71,705,000	82,687,000	191,008,000	276,524,000	85,516,000
General Construction	22,668,000	24,271,000	32,660,000	36,361,000	3,701,000
Total Capital	<u>183,281,000</u>	<u>213,448,000</u>	<u>371,152,000</u>	<u>494,700,000</u>	<u>123,548,000</u>
<b>Operating Funds</b>					
Water Operating	191,756,000	202,411,000	234,925,000	243,455,000	8,530,000
Sewer Operating	239,386,000	254,852,000	285,807,000	300,920,000	15,113,000
Interest & Sinking	76,980,000	73,928,000	69,799,000	61,175,000	(8,624,000)
Total Operating	<u>508,122,000</u>	<u>531,191,000</u>	<u>590,531,000</u>	<u>605,550,000</u>	<u>15,019,000</u>
<b>GRAND TOTAL</b>	<u><u>\$ 691,403,000</u></u>	<u><u>\$ 744,639,000</u></u>	<u><u>\$ 961,683,000</u></u>	<u><u>\$ 1,100,250,000</u></u>	<u><u>\$ 138,567,000</u></u>

TABLE II

**Comparative Expenditures by Major Expense Category**

(\$ in Thousands)

Expense Categories	FY'09 Actual			FY'10 Approved			FY'11 Proposed		
	Capital	Operating	Total	Capital	Operating	Total	Capital	Operating	Total
Salaries & Wages	\$ 19,245	\$ 87,879	\$ 107,124	\$ 21,507	\$ 91,536	\$ 113,043	\$ 21,705	\$ 95,120	\$ 116,825
Heat, Light & Power	-	26,315	26,315	-	28,422	28,422	-	27,819	27,819
Regional Sewage Disposal	-	44,767	44,767	-	42,224	42,224	-	47,713	47,713
Contract Work	88,197	-	88,197	191,561	-	191,561	262,884	-	262,884
Consulting Engineers	29,151	-	29,151	42,652	-	42,652	62,049	-	62,049
All Other	76,701	158,222	234,923	115,413	191,679	307,092	147,962	201,862	349,824
Debt Service	154	214,008	214,162	19	236,670	236,689	100	233,036	233,136
<b>TOTAL</b>	<b>\$ 213,448</b>	<b>\$ 531,191</b>	<b>\$ 744,639</b>	<b>\$ 371,152</b>	<b>\$ 590,531</b>	<b>\$ 961,683</b>	<b>\$ 494,700</b>	<b>\$ 605,550</b>	<b>\$ 1,100,250</b>

TABLE III

**Combined Water/Sewer Operating Funds - FY'11 Proposed Rate Impact**

(\$ in Thousands)

(8.5% AVERAGE RATE INCREASE PROPOSED FOR FY'11)

<u>Funding Sources</u>	<u>FY'11 Proposed</u>
<u>Revenues at Current Rates</u>	
Consumption Charges at 170.0 MGD	\$ 441,307
Account Maintenance Fee	22,850
Interest Income	4,000
Miscellaneous Revenues	<u>21,628</u>
Sub-Total	489,785
Reconstruction Debt Service Offset	11,500
SDC Debt Service Offset	2,398
Use of Fund Balance	<u>3,181</u>
Total Funding Sources	<u>506,864</u>
<u>Requirements</u>	
Operating, Maintenance & Support Services Expenses	368,421
Debt Service	174,454
Operating Reserve Contribution	<u>1,500</u>
Total Requirements	<u>544,375</u>
Shortfall to be Covered by Rate Increase	<u>\$ (37,511)</u>
 PROPOSED AVERAGE WATER AND SEWER RATE INCREASE	 8.5%

TABLE IV

Annual Customer Bills At Various Consumption Levels

Average Daily Consumption (ADC) Gallons Per Day	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
100 (36,500 GAL/YR) Residential Meter	\$ 241.10	\$ 253.88	\$ 270.67	\$ 290.74	\$ 310.82
210 (76,650 GAL/YR) Residential Meter	572.12	606.61	651.83	705.49	760.68
500 (182,500 GAL/YR) Residential Meter	1,681.03	1,786.88	1,925.58	2,093.48	2,263.20
1,000 (365,000 GAL/YR) 2" Meter	3,664.20	3,890.50	4,182.50	4,536.55	4,890.60
5,000 (1,825,000 GAL/YR) 3" Meter	18,070.50	19,220.25	20,716.75	22,523.50	24,348.50
10,000 (3,650,000 GAL/YR) 6" Meter	37,667.00	40,039.50	43,142.00	46,901.50	50,661.00

Annual customer bills include the Account Maintenance Fee shown on page 13.

**TABLE V**

**WSSC Water/Sewer Rate Schedules Effective July 1, 2009 & Proposed for Implementation July 1, 2010**

(Rates per Thousand Gallons)

**(8.5 % AVERAGE RATE INCREASE PROPOSED FOR FY'11)**

Average Daily Consumption by Customer Unit During Billing Period (Gallons Per Day)	Water Rates		Sewer Rates		Combined Water & Sewer Rates	
	Current Water Consumption Rate	Proposed Water Consumption Rate	Current Sewer Consumption Rate	Proposed Sewer Consumption Rate	Current Combined Water & Sewer Rate	Proposed Combined Water & Sewer Rate
0-49	\$ 2.21	\$ 2.52	\$ 2.96	\$ 3.09	\$ 5.17	\$ 5.61
50-99	2.48	2.83	3.44	3.59	5.92	6.42
100-149	2.71	3.09	4.05	4.22	6.76	7.31
150-199	3.04	3.47	4.66	4.86	7.70	8.33
200-249	3.55	4.05	5.08	5.30	8.63	9.35
250-299	3.85	4.39	5.49	5.73	9.34	10.12
300-349	4.07	4.64	5.87	6.12	9.94	10.76
350-399	4.25	4.85	6.14	6.40	10.39	11.25
400-449	4.42	5.04	6.28	6.55	10.70	11.59
450-499	4.53	5.16	6.49	6.77	11.02	11.93
500-749	4.61	5.26	6.62	6.90	11.23	12.16
750-999	4.73	5.39	6.76	7.05	11.49	12.44
1,000-3,999	4.82	5.49	7.05	7.35	11.87	12.84
4,000-6,999	4.93	5.62	7.21	7.52	12.14	13.14
7,000-8,999	4.99	5.69	7.32	7.63	12.31	13.32
9,000 & Greater	5.08	5.79	7.51	7.83	12.59	13.62

Current Flat Rate Sewer Charge - \$71.00 per quarter

Proposed Flat Rate Sewer Charge - \$75.00 per quarter

TABLE VI

Account Maintenance Fees Proposed for Implementation July 1, 2010

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<u>Meter Size</u>	<u>Current FY'10 Quarterly Charges</u>	<u>Proposed FY'11 Quarterly Charges</u>
<u>Small Meters</u>		
5/8" to 1-1/2" (Residential)	\$ 11.00	\$ 11.00
<u>Large Meters</u>		
1-1/2" (Commercial)	31.00	31.00
2"	51.00	51.00
3"	92.00	92.00
4"	145.00	145.00
6"	237.00	237.00
8"	379.00	379.00
10" & 12"	458.00	458.00
<u>Detector Check Meters</u>		
2" to 4"	53.00	53.00
6"	73.00	73.00
8"	197.00	197.00
10"	256.00	256.00

**TABLE VII**

**Miscellaneous Fees and Charges – Proposed Changes**

The Commission provides a number of services for which separate fees or charges have been established. Recent review of the costs required to provide these services indicates a need to change the amounts charged for some of the services. The fee and charge changes listed below are proposed to be effective July 1, 2010.

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2010</u>
1. Short Form Permit Fee (up to 3 fixtures)	\$50	** \$55
2. Septic Hauler Discharge Permit Sticker <u>Category I</u> <u>Residential &amp; Septic Waste &amp; Grease</u>		
1 - 49 gallons	\$125/vehicle	** \$140/vehicle
50 - 799 gallons	1,870/vehicle	** 2,060/vehicle
800 - 1,499 gallons	5,100/vehicle	** 5,610/vehicle
1,500 - gallons and up	12,100/vehicle	** 13,310/vehicle
January through June	50% of fee	50% of fee
Transfer and/or Replacement Permit Sticker	50	50
Industrial/Special Waste Disposal Fee	200/1,000 gallons	200/1,000 gallons
Zero Discharge Permit Fee	50	50
3. Small Meter Replacement Fee (at Customer Request)	\$160	** \$170
4. Water Turn-Off, Turn-On Fee		
Small Meter Turn-Off	\$55	** \$60
Small Meter Turn-On	55	** 60
Large Meter Turn-Off	150	** 160
Large Meter Turn-On	150	** 160
5. Fire Hydrant Inspection Fee	\$90/hydrant	\$90/hydrant
Controlled Access Surcharge Fee	-	* 25
6. Charge for Photocopies of WSSC Documents (per copied page)		
Readily Available Source Material	\$.25/page (single side)	\$.25/page (single side)
Certified Copy of Readily Available Source Material	.50/page (single side)	.50/page (single side)
Scanning Documents	-	* .25/page (single side)
(A reasonable fee may be charged for time in excess of two hours expended by WSSC in searching for requested records or preparing such records for inspection and copying.)		

\* New Fee

\*\* Changed Fee

**TABLE VII**

**Miscellaneous Fees and Charges – Proposed Changes**

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2010</u>
7. Fire Hydrant Flow Test Fee		
No Current Test	\$525	** \$550
Current Test	75	75
8. Shut Down/Charge Water Main Fee	\$750	\$750
Shut Down/Complex Water Main Fee	-	* \$1,400
9. Right-of-Way Release Review Fee	\$725	** \$750
10. Fee for Review and Inspection of Site Work Potentially Impacting WSSC Pipelines		
Simple Review	\$225	\$225
Complex Review	1,400	** 1,500
Inspection	110	110
11. Fee for Approved Manufacturers and Materials Handbook	\$6	** Delete
12. Sewer Meter Maintenance Fee	\$7,880/year	** \$6,400/year
Quarterly Calibrations	2,435/year	** 1,880/year
13. Property Inspection Fee	\$60	** \$65
14. Government Referred Plan Review (previously called Preliminary Plan Review Fee)		
Major Development – Over 10 Units	\$1,100	\$1,100
Minor Development – 10 or Less Units	550	550
15. Warehouse Restocking Fee (previously called Restocking Fee)	\$25	\$25
16. Change Fee for Open Hydraulic Planning Analysis & Amendments (previously called Change Fee for Hydraulic Planning Analysis & Amendments)		
Basic (Both Water & Sewer)	\$300	\$300
Moderate (Both Water & Sewer)	1,000	1,000
Complex (Both Water & Sewer)	2,600	2,600
Basic (Water or Sewer Only)	150	150
Moderate (Water or Sewer Only)	500	500
Complex (Water or Sewer Only)	1,300	1,300
17. Cross Connection Fee	-	* \$10

\* New Fee

\*\* Changed Fee

**TABLE VII**

**Miscellaneous Fees and Charges – Proposed Changes**

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2010</u>	<u>CURRENT MAXIMUM ALLOWABLE CHARGE</u>	<u>PROPOSED MAXIMUM ALLOWABLE CHARGE</u>
18. *** System Development Charge				
Apartment				
Water	\$896	\$896	\$1,128	\$1,152
Sewer	1,140	1,140	1,437	1,467
1-2 toilets/residential				
Water	1,344	1,344	1,692	1,728
Sewer	1,710	1,710	2,152	2,197
3-4 toilets/residential				
Water	2,240	2,240	2,822	2,881
Sewer	2,850	2,850	3,588	3,663
5 toilets/residential				
Water	3,135	3,135	3,948	4,031
Sewer	3,991	3,991	5,026	5,132
6+ toilets/residential (per fixture unit)				
Water	88	88	111	113
Sewer	115	115	146	149
Non-residential (per fixture unit)				
Water	88	88	111	113
Sewer	115	115	146	149

\*\*\* No increase is proposed for the System Development Charge for FY'11 in any category. The maximum allowable charge is being adjusted pursuant to Article 29, Section 6-113(c)(1)(v) of the Annotated Code of Maryland, based on the 2.1% change in the Consumer Price Index for Urban Wage Earners and Clerical Workers for all items in the Washington, D.C. metropolitan area from November 2008 to November 2009.

## **EXPLANATION OF THE BUDGET**

### **CUSTOMER SUMMARY**

This customer summary is designed to provide a quick overview of the WSSC budget for someone new to the Commission's budget process. Specifically, this section explains:

- What the Commission is,
- The Commission's powers and responsibilities,
- The Commission's fiscal and service policies,
- The budget's basis in state law,
- How the budget is formulated,
- Who is responsible for budget decisions,
- The Commission's fund structure,
- Key provisions of the FY'11 Budget,
- Where the money comes from, and
- How the monies, including water and sewer bill payments, are spent.

### **SECTION 1**

## EXPLANATION OF THE BUDGET

### I. THE WASHINGTON SUBURBAN SANITARY COMMISSION

The Washington Suburban Sanitary Commission (WSSC) provides water and sewer services to nearly 1.8 million residents of Maryland's Montgomery and Prince George's Counties, which border Washington, D.C. Established by the Maryland General Assembly in 1918 as a regional (bi-county) organization under Article 29 of the Annotated Code of Maryland, the WSSC ranks among the 10 largest water and sewer utilities in the country, serving over 440,000 customer accounts and an area of nearly 1,000 square miles.

To fulfill its mission of providing safe, reliable water that meets or exceeds all standards for purity and of returning clean water to the environment—all in an efficient, financially responsible manner—the WSSC operates and maintains an extensive array of highly automated facilities. Its two primary water filtration plants, drawing from the Potomac and Patuxent rivers, produce an average of 170.0 million gallons of water per day, and over 5,400 miles of mains deliver that water to homes and businesses in Montgomery and Prince George's Counties. The Commission operates three reservoirs with a total capacity of 14 billion gallons to ensure a reliable water supply for all seasons and conditions.

Sewage treatment is currently provided by seven wastewater treatment plants operated by the WSSC and the Blue Plains Wastewater Treatment Plant operated by the District of Columbia Water and Sewer Authority. Every day, an average of 210.7 million gallons of wastewater from Montgomery and Prince George's Counties moves to these facilities over 5,300 miles of sewer lines maintained by the WSSC. The seven WSSC wastewater treatment plants have a combined capacity of 89.5 million gallons per day (MGD). Blue Plains is a regional facility that services the District of Columbia and several northern Virginia jurisdictions as well as the WSSC. Under the Intermunicipal Agreement that governs this arrangement, the WSSC is allocated 169 MGD of Blue Plains' 370 MGD capacity. The WSSC, in turn, pays a proportionate share of Blue Plains' operating and capital expenses. All but two of these facilities (the Hyattstown plant and Marlboro Meadows plant) go beyond conventional wastewater treatment procedures to provide "tertiary treatment" —advanced treatment processes which ensure that the quality of the treated wastewater is better than the quality of the natural water to which it is returned. Other WSSC responsibilities include promulgation and enforcement of plumbing and gasfitting regulations in suburban Maryland and participation in numerous environmental initiatives.

A six-member commission governs the WSSC—three members from each county. The Commissioners are appointed to four-year terms by their respective County Executives and confirmed by their County Councils.

## EXPLANATION OF THE BUDGET

(Continued)

### **II. POWERS AND RESPONSIBILITIES**

The Commission's powers and responsibilities are set forth in Article 29 of the Annotated Code of Maryland and in subsequent legislative amendments. The Maryland General Assembly conferred these powers upon the WSSC to enable it to fulfill its principal functions:

- To provide for the construction, operation, and maintenance of water supply and sanitary sewerage systems in Montgomery and Prince George's Counties;
- To provide for the construction of water and sewer house connection lines from the Commission's mains to abutting property lines;
- To approve the locations of, and issue permits for, utilities installed in public ways; and
- To establish water consumption rates, sewer usage rates, connection charges, front foot benefit charges, and permit fees and, if required, to cause appropriate ad valorem taxes to be levied.

The Commission also:

- Reviews preliminary subdivision plats as to suitability of water and sewer design, and reviews street grades for those streets in which there are Commission facilities;
- Formulates regulations, issues permits for, and inspects all plumbing and gasfitting installations; and
- Conducts examinations for master and journeyman plumbers and gasfitters, and issues licenses to those qualified to perform plumbing and gasfitting work.

## EXPLANATION OF THE BUDGET

(Continued)

### **III. FISCAL AND SERVICE POLICIES**

The Washington Suburban Sanitary Commission pursues the following fiscal and service policies. These policies are reviewed periodically and revised as necessary to support the Commission's long-term goals and strategic plans.

#### **Long-Term Fiscal Policies**

The WSSC adheres to the following long-term fiscal policies to preserve and strengthen its financial integrity:

- Conform, to the extent possible, to the County Councils'-established spending affordability limits in preparing the capital and operating budgets.
- Employ conservative assumptions when forecasting revenues.
- Fund recurring expenditures from a stable stream of revenue, with minimal reliance on non-recurring (one-time) revenues or resources.
- Annually set user charges for water and sewer services at levels sufficient to ensure that revenues equal or exceed expenses in each fiscal year.
- Utilize an account maintenance fee to recover the fixed costs of servicing a customer's account—costs that are independent of the amount of water used or sewage generated by a customer. Such costs include purchasing and reading water meters; processing meter readings; generating, mailing, and collecting bills; and providing related customer services.
- Regularly analyze expenditures for services other than basic water and sewer to ensure that miscellaneous fees and charges are sufficient to defray the cost of providing these services.
- Manage current assets to ensure maximum interest income.

## EXPLANATION OF THE BUDGET

(Continued)

- Maintain a reserve in the water and sewer operating funds equal to at least 5 percent of water and sewer use charges to offset unanticipated variations in water and sewerage system revenues that may occur in future years. It is the objective of the Commission to increase this reserve to 10 percent over time.
- Ensure that the aggregate principal amount of bonds and notes issued by the Commission does not exceed the legislated allowable level of the total assessable tax base for all property assessed for county tax purposes within the Sanitary District, in conformance with state law governing the WSSC.
- Reduce water and sewer debt service as a percentage of the combined water and sewer operating budget through judicious use of PAYGO financing, use of accumulated net revenue (fund balance), reduction or deferral of planned capital expenditures, and other debt limitation strategies. Specific debt reduction actions should always be balanced against affordability considerations and the demands for the resources necessary to serve existing customers, meet environmental mandates, and build the facilities needed to support economic growth.
- Finance capital facilities needed to accommodate growth through a System Development Charge (SDC) on new development in order to maintain fair and equitable rates for water and sewer services to existing customers, while providing funds needed for growth-related capital expenditures.
- Utilize SDC revenue to pay the debt service on growth-related bonds issued in FY'94 (the first year of the SDC). Debt service on bonds issued to fund growth-related CIP projects in subsequent years (due to inadequate SDC revenue) will be paid from SDC revenues, if sufficient revenues exist, or from operating revenues, if SDC funds are not available.
- Preserve and improve services for current customers by employing an annual Systems Reconstruction Program that utilizes both capital and operating funds to reconstruct aging capital facilities.
- Employ surplus funds from refinancing General Bond Fund debt to pay a portion of the debt service for the Systems Reconstruction Program (this payment is referred to as the Reconstruction Debt Service Offset or REDO).
- Charge all debt service requirements for new water supply and sewage disposal bonds to operations in the first year incurred.
- Accelerate debt retirement to the extent possible.

## **EXPLANATION OF THE BUDGET**

(Continued)

- Finance all retirement plans in a manner that systematically funds liabilities, including current requirements as well as the amortization of unfunded liabilities.
- Provide regular, updated six-year projections of the WSSC's operating and capital budgets—revenues and expenditures—to ensure that the Commission has the best possible knowledge of the impacts of contemplated actions and emerging conditions.
- Continue to improve and strengthen financial management and controls, while streamlining operations and increasing the efficiency and effectiveness of Commission programs and staff.
- Implement an eight-year phased-in funding schedule for Post-Employment Benefits Other Than Pensions (OPEB) so that full funding of the Annual Required Contribution is achieved beginning in FY'15. All WSSC OPEB contributions are deposited into an irrevocable OPEB trust established for this purpose.

### **Long-Term Service Policies**

The various units of the Washington Suburban Sanitary Commission adhere to the following key long-term service policies to ensure that the Commission continues to provide value to customers by furnishing high quality products and services at the lowest possible price:

- Deliver safe and reliable drinking water to customers in a manner that meets or exceeds Safe Drinking Water Act standards.
- Treat wastewater and responsibly manage biosolids in a manner that meets or exceeds federal and state permit requirements and regulations.
- Provide maintenance services at a level consistent with the objective of responding to the customer within 2 hours of receiving notification of a maintenance problem, and restoring service to the customer within 24 hours from the time a service interruption occurs.
- Answer at least 95 percent of all customer billing calls received.
- Treat customers and the general public with courtesy, sensitivity, and respect while remaining responsive to their concerns, inquiries, and requests for service.
- Encourage innovation, excellence, and economy in all phases of service delivery.

## **EXPLANATION OF THE BUDGET**

(Continued)

### **Short-Term Fiscal and Service Policies**

Short-term policies are specific to the budget year. They address key issues and concerns that frame the task of preparing a balanced budget that achieves Commission priorities within the context of current and expected economic and political realities. The General Manager and the Commission adopted the following key policies in preparing the FY'11 Budget.

- Forecast FY'11 water production conservatively at 170.0 million gallons per day.
- Propose an 8.5 percent average increase in water and sewer rates for FY'11.
- Increase the budget by 71 workyears to support critical programs and enhance customer service.
- Continue to address the WSSC's aging infrastructure by proposing the following:
  - Rehabilitation of 36 miles of water main.
  - Inspection of and installation of acoustical fiber optic monitoring on 16 miles of Prestressed Concrete Cylinder Pipe (PCCP).
  - Acoustical fiber optic monitoring of 56 miles of PCCP.
  - Rehabilitation of 42 miles of residential sewer lines and 14 miles of lateral sewer lines.
  - Implementation of a Trunk Sewer Reconstruction Program.
  - Implementation of a Large Diameter Water Main Rehabilitation Program.
- Maintain the Reconstruction Debt Service Offset (REDO) at \$11.5 million for FY'11.
- Ensure adequate funding for regulatory compliance requirements.
- Utilize \$1.5 million of fund balance to continue increasing the operating reserve from 5 percent to 10 percent of water and sewer rate revenues.
- Implement the third year of the 5-year Enterprise Resource Planning/Enterprise Asset Management System project.
- Justify all new and expanded programs.
- Continue to implement the eight year phase-in for funding costs of other post-employment benefits in accordance with Governmental Accounting Standards Board Statement No. 45.

## EXPLANATION OF THE BUDGET

(Continued)

### **IV. BUDGET FORMULATION**

Maryland State law requires that the WSSC prepare capital and operating budgets each fiscal year. The FY'11 Proposed Budget shows funding and staff requirements, organizational components, and program and fund sources.

The budgets for all funds are prepared on a full accrual basis. Expenses are recognized when goods and services are received, and revenues are recognized when water is delivered to the system. Annual audited financial statements of the WSSC are prepared on the basis of Generally Accepted Accounting Principles (GAAP), whereas both the budget and internal financial statements are prepared on a debt service basis. The debt service basis recognizes certain cash expenses not recognized under GAAP (such as principal payments on debt, and pension contributions based on a level percentage of payroll). Similarly, certain non-cash expenditures that are included under GAAP are not recognized under the debt service basis (such as depreciation on the utility plant, and pension expenses as defined by Accounting Principles Board Pronouncement No. 8).

The budget process begins with submission of requests by all organizational units following the guidance provided by the General Manager (see the accompanying chart). Management reviews these requests before the General Manager presents recommendations to the Commissioners. The Commissioners review the budget and make recommendations before approving a proposed budget document for public hearing. A proposed budget document must be available to the public by January 15. Hearings on the WSSC budget are held in each county before February 15. The Commission considers comments and testimony given at the public hearings before the Proposed Budget is transmitted to the counties.

State law requires that the Commission transmit its proposed budget to the counties by March 1 of each year. The County Councils and County Executives and their staffs review the budget and make recommendations. Both counties must approve any amendments to the budget on or before June 1. Once the counties' actions have been received, the Commission adopts an Approved Budget and sets the levels for charges, fees, and taxes to finance approved expenditures. The Approved Budget takes effect on July 1.

Once the budget is adopted, total expenditures may not exceed the final total approved budget without an approved budget supplement. Budget supplements must be approved by the Montgomery and Prince George's County Councils, and are transmitted to them through their respective County Executives.

## **EXPLANATION OF THE BUDGET**

(Continued)

Preparation of the six-year Capital Improvements Program (CIP) spans 13 months, beginning in May of each year. After a preliminary staff-level review in June, the General Manager and key management personnel review all CIP project submissions in July to assess the justification for new projects, the criticality and priority of on-going projects, and the overall financial impacts of these projects on spending affordability. Only the debt service requirements for capital expenditures in the first (budget) year of the six-year CIP are included in the operating budget. By August, the General Manager submits a draft CIP to the WSSC's Commissioners for their consideration, and work sessions are conducted to solicit input from county government, Maryland-National Capital Park and Planning Commission, and local municipality representatives. Public hearings on the CIP are held in September. The WSSC is required by state law to transmit the Proposed CIP to both county governments by October 1 of each year.

The proposed Capital Budget for a given budget year consists largely of spending for the first year of the six-year Capital Improvements Program including those projects in the Information Only Section (Water Reconstruction Program, Sewer Reconstruction Program, Engineering Support Program, Energy Performance Program, Utility Master Plan, Water Storage Facility Rehabilitation Program, Pressure Reducing Valve Rehabilitation Program, and Entrepreneurial Projects). Budget year expenditures in connection with relocations, house connections, new water meters, and similar items constitute the remainder of the capital budget for a given year.

Between January and May of the following year, each county approves, modifies, or deletes projects, and by mid-May the county councils meet jointly to resolve any differences. By June 1, each council must enact formal resolutions approving new projects and other program modifications. The Commission then has 30 days to adopt these changes before the beginning of the fiscal year on July 1.

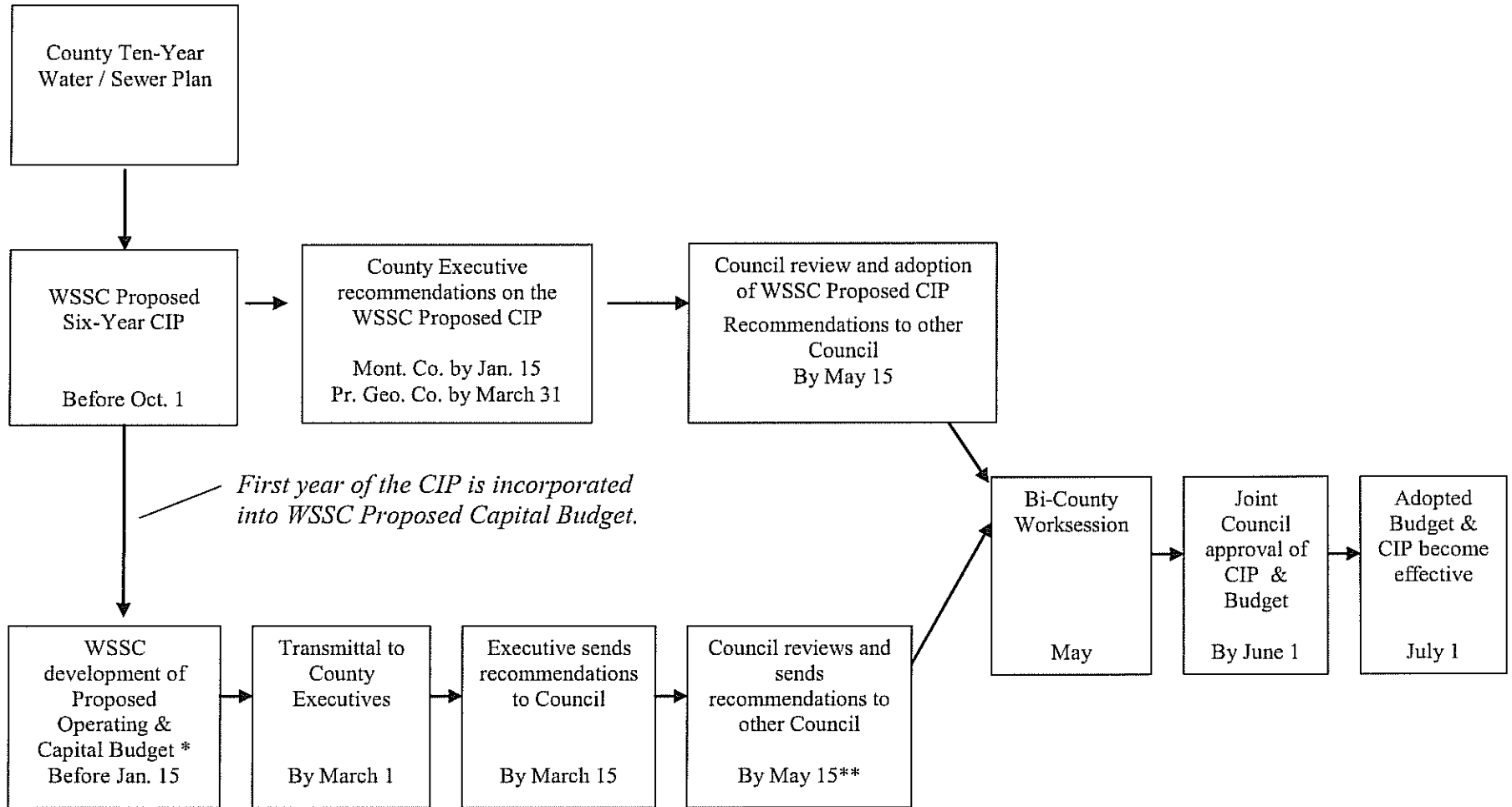
Preparation of the proposed Operating Budget requires integrating several other planning efforts with the budget formulation process. The annual spending affordability review, undertaken jointly with Montgomery and Prince George's Counties, uses a six-year financial model to examine the impacts and affordability of various scenarios involving the WSSC's future capital and operating needs. This analysis results in the development of maximum "affordable" levels for rate increases, operating expenditures, debt service, and new debt in the budget year. These limits, which are formally adopted by the Montgomery and Prince George's County Councils, play a key role in guiding the annual budget process.

Capital needs, developed independently in planning for the six-year Capital Improvements Program, also shape the operating budget by helping to determine debt service requirements, the need for Pay-As-You-GO (PAYGO) financing, revenues from the System Development Charge (and the corresponding need, if any, for rate-payer supported debt to pay for growth), and the operating impacts of projects expected to be completed during the budget year (additional operating costs, if present, as well as any expected efficiencies). The annual debt service on outstanding bonds is paid from the Commission's operating funds, primarily through water consumption and sewer use charges paid by customers. Thus, the size of the CIP affects the size of the water and sewer bond issues needed in the budget year, which in turn affects customer water and sewer bills.

**EXPLANATION OF THE BUDGET**

(Continued)

**WSSC Budget & Capital Improvements Program Processes**



\* Includes first year of Proposed CIP plus Information Only Projects and General Construction Projects.

\*\*Incorporates changes to funding in budget year for CIP projects.

## **EXPLANATION OF THE BUDGET**

(Continued)

The CIP is, in turn, driven in part by the development planning and authorization processes of Montgomery and Prince George's Counties, especially as manifested in the Counties' ten-year water and sewer plans. (These plans, which guide development activity within the counties, are updated annually.) In addition, since the WSSC must contribute to the capital and operating expenses of the Blue Plains Wastewater Treatment Plant, budget planning by the District of Columbia Water and Sewer Authority (DCWASA)—and the budget's subsequent review and approval by DCWASA's multi-jurisdictional Board of Directors—can have important impacts on planning for the WSSC's capital and operating budgets.

### **V. FUND STRUCTURE**

The FY'11 Proposed Budget consists of six separate funds, three in the operating budget (the Water Operating, Sewer Operating, and Interest and Sinking funds) and three in the capital budget (the Water Supply Bond, Sewage Disposal Bond, and General Construction Bond funds). The Water Operating and Sewer Operating funds are the primary funds for operating purposes. The Water Operating Fund pays for water treatment and distribution, and the Sewer Operating Fund pays for sewage collection and treatment. The Interest and Sinking Fund receives front foot benefit payments to underwrite the debt service on smaller lateral water and sewer lines. Although each fund is essentially a separate entity authorized to expend funds for prescribed purposes and derive revenues from specific rates, charges, and/or taxes, as prescribed by state law, the capital and operating funds are interrelated as explained below.

#### **Water**

The Commission issues Water Supply Bonds (Capital Fund) to finance the planning, design, and construction of major water treatment and transmission facilities and the reconstruction of the water distribution system. The facilities include dams, reservoirs, water filtration plants, water pumping stations, water storage facilities, and water supply lines 16 inches in diameter and larger. Water operating revenues—customer payments for water bills—in the Water Operating Fund are used to pay for operating and maintaining these water facilities, and also to pay the debt service (principal and interest that must be repaid) on Water Supply Bonds.

#### **Sewer**

The Commission issues Sewage Disposal Bonds (Capital Fund) and receives grants to finance the planning, design, and construction of major sewage disposal and treatment facilities and the reconstruction of the sewerage collection system. The facilities include sewage pumping stations and force mains, sewer lines 15 inches in diameter and larger, sewage treatment facilities (including reimbursement to the District of Columbia Water and Sewer Authority for construction at Blue Plains), and improvements or modifications to these facilities. Sewer operating revenues—customer payments for sewer bills—in the Sewer Operating Fund are used to pay for operating and maintaining these facilities, and also to pay the debt service on Sewage Disposal Bonds. Sewer use charges are generally based upon metered water use.

## EXPLANATION OF THE BUDGET

(Continued)

### General Construction

The Commission issues General Construction Bonds (Capital Fund) to pay for the construction of minor water and sewer lines (water distribution lines 15 inches in diameter and smaller, and sewer lines 14 inches in diameter and smaller) and support facilities. Interest and Sinking Fund revenues—customer payments for front foot benefit charges—are used to pay the debt service on construction of minor water and sewer lines. House connection construction costs are underwritten by a direct charge to the applicant.

The following table summarizes each of these funds.

### WSSC FUND STRUCTURE

---

	<u>MAJOR PURPOSE</u>	<u>MAJOR REVENUE SOURCE</u>
<b><u>Capital Fund</u></b>		
Water Supply Bond	Construct major water supply treatment and transmission facilities; Reconstruct water distribution system	Water Supply Bonds and System Development Charge
Sewage Disposal Bond	Construct major sewage treatment and transmission facilities; Reconstruct sewerage collection system	Sewage Disposal Bonds, System Development Charge, and Grants
General Construction Bond	Construct minor water and sewer lines and support facilities	General Construction Bonds and House Connection Charges
<b><u>Operating Fund</u></b>		
Water Operating	Operate and maintain water facilities and pay debt service on Water Supply Bonds	Customer Water Bill
Sewer Operating	Operate and maintain sewerage facilities and pay debt service on Sewage Disposal Bonds	Customer Sewer Bill
Interest & Sinking	Pay debt service on General Construction	Front Foot Benefit Charges

## EXPLANATION OF THE BUDGET

(Continued)

### **VI. MAJOR ASSUMPTIONS**

The following major assumptions and workload indices were used in developing the FY'11 Proposed Budget.

1. Water Consumption and Sewer Use Revenues - The estimated FY'11 revenues from water consumption and sewer use charges (before the proposed rate increase) are \$189.5 million and \$251.8 million, respectively. The water production estimate for FY'11 is 170.0 MGD. The estimated billing factor (rate revenue received per 1,000 gallons of water produced) is \$7.11 (before the rate increase).
2. Reconstruction Debt Service Offset - For FY'11, \$11.5 million will be transferred from the Interest and Sinking Fund to the Water and Sewer Operating Funds. The transfer is made to help defray the debt service on funds borrowed to finance water and sewer system reconstruction activities. This amount is the same as the FY'10 approved amount.
3. Accumulated Net Revenues - It was assumed for the purpose of preparing the FY'11 Proposed Budget that, at the end of FY'10, accumulated net revenues for the water and sewer operating funds would total \$29.7 million. For FY'11, approximately \$28.0 million would be held in net revenues in adherence to the Commission's reserve policy (see Long-Term Fiscal Policies, page 1-4), and \$1.7 million would be allocated to fund the second year of the Enterprise Resource Planning/Enterprise Asset Management System project.
4. Construction Estimates - The Capital Budget includes expenditure estimates for all projects for which work is reasonably expected to be accomplished. This provides management with maximum flexibility to proceed on the many and diverse projects approved each year in the budget. Experience indicates that actual expenditures are consistently less than budget estimates. This gap is affected by the ability of contractors to accomplish planned construction; the ability of the WSSC to provide supervisory and inspection services; the likelihood and timeliness of obtaining the necessary local, state, and federal approvals for construction; and weather conditions. The Commission has made a concerted effort to review its priorities for the construction of planned and approved capital projects in order to reduce the impact on future budgets and provide for realistic estimates of the construction that can be accomplished. From an analysis of construction completed during previous fiscal years, it is estimated that the actual expenditures for all capital funds in FY'11 will be approximately \$446.4 million, of the \$494.7 million Capital Budget.

## EXPLANATION OF THE BUDGET

(Continued)

5. New Debt - The debt service estimates for FY'11 assume that \$109.1 million in water, \$181.5 million in sewer, and \$20.0 million in General Construction bonds will be issued in FY'11, in addition to repayment of existing debt. The water and sewer issues will be 19-year bonds with an estimated 6.0 percent net interest rate. The General Construction bonds will be 23-year bonds with the first year's interest capitalized.
  
6. Salary and Wage Increase – Merit increases are not included in the FY'11 Proposed Budget. In addition, no cost of living adjustment is included in the budget.

The following major workload indices and demand projections were used to develop the proposed budget.

WORKLOAD DATA	ACTUAL					ESTIMATED						
	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16
Water to be supplied (MGD)	168.7	170.5	169.8	168.2	162.3	170.0	170.0	170.5	171.0	171.5	172.0	172.5
Sewage to be treated (MGD)	195.6	185.4	189.2	177.8	178.6	210.7	212.6	214.5	216.4	218.4	220.3	222.0
Water lines to be added by the WSSC (miles)	3	2	13.6**	.2	.5	5	5	5	5	5	5	5
Sewer lines to be added by the WSSC (miles)	3	4	11.4**	1	1.8	5	5	5	5	5	5	5
Water lines to be added – contributed (miles)*	42	38	51	38	23.3	45	45	45	45	45	45	45
Sewer lines to be added – contributed (miles)*	43	48	51	34	26.7	45	45	45	45	45	45	45
Population to be served (thousands)	1,612	1,678	1,692	1,706	1,720	1,734	1,745	1,756	1,768	1,779	1,790	1,801
House connections to be added												
Water	4,787	5,188	5,077	3,884	2,293	5,000	4,000	5,000	5,000	5,000	5,000	5,000
Sewer	4,507	4,723	4,620	3,463	2,006	5,000	4,000	5,000	5,000	5,000	5,000	5,000

\* Contributed lines are built by developers and maintained by the WSSC.

\*\* Includes the Marlboro Meadows System (Water 12.6 miles, Sewer 11.4 miles).

## **EXPLANATION OF THE BUDGET**

(Continued)

### **VII. KEY PROVISIONS OF THE FY'11 BUDGET**

The total proposed budget for all funds is \$1.1 billion—\$494.7 million in capital and \$605.6 million in operating. An 8.5 percent average increase in water and sewer rates is required to fund water and sewer operating expenses. The budget provides for:

- Implementing the first year of the FYs 2011-2016 Capital Improvements Program;
- Treating and delivering 170.0 MGD of water to over 442,000 customer accounts in a manner that meets or exceeds the Safe Drinking Water Act standards;
- Treating 212.6 MGD of wastewater and responsibly managing up to 1,000 tons of biosolids per day in a manner that meets or exceeds federal and state permit requirements and regulations;
- Operating and maintaining a system of 3 water reservoirs impounding 14 billion gallons of water, 2 water filtration plants, 7 wastewater treatment plants, 5,500 miles of water main, and 5,400 miles of sewer main, 24 hours a day, 7 days a week;
- Paying the WSSC's share of the cost of operating the District of Columbia Water and Sewer Authority's Blue Plains Wastewater Treatment Plant;
- Continuing to increase the operating reserve from 5% to 10% of water and sewer rate revenues;
- Paying debt service of \$233.1 million—\$174.4 million in the Water and Sewer Operating Funds;
- Increasing the Water and Sewer Reconstruction Programs;
- Funding the third year of a 5-year program to implement an Enterprise Resource Planning/Enterprise Asset Management System;
- Funding the fourth year of an 8-year ramp-up to achieve full funding of liabilities for post-employment benefits other than retirement based on Government Accounting Standards Board Statement No. 45;
- Continuing to provide maintenance services at a level consistent with the objective of responding to the customer within 2 hours of receiving notification of a maintenance problem and restoring service to the customer within 24 hours from the time a service interruption occurs;
- Complying with the Sanitary Sewer Overflow Consent Order;
- Answering at least 95 percent of all customer billing calls received;

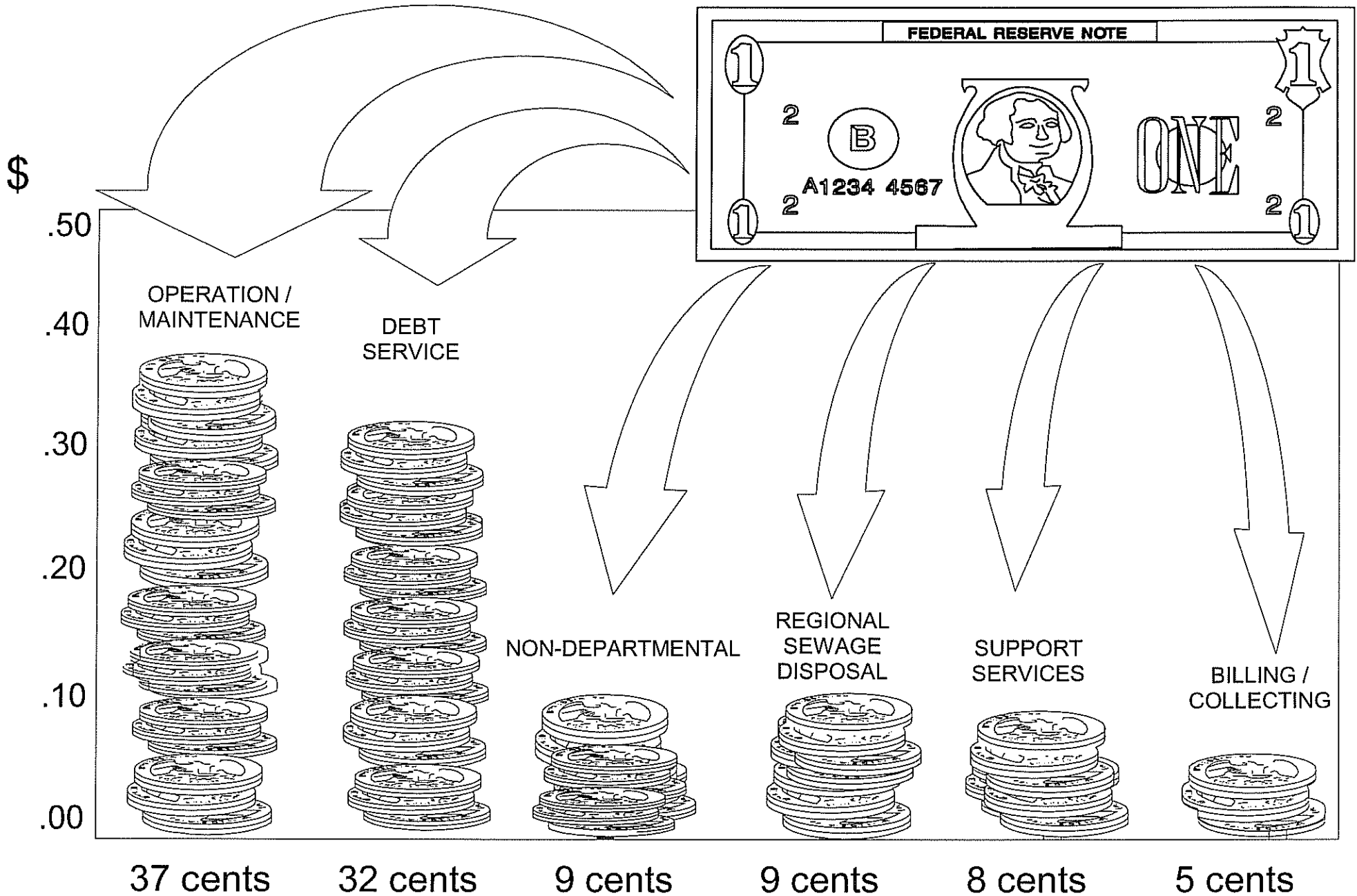
## **EXPLANATION OF THE BUDGET**

(Continued)

- Maintaining and fueling 907 vehicles, maintaining approximately 673 pieces of large field equipment, and operating 6 repair facilities;
- Replacing 18 and purchasing an additional 30 pieces of major equipment which are needed to support construction, operations, and maintenance activities; and
- Replacing 59 and purchasing an additional 44 vehicles which are needed to support construction, operations, and maintenance activities.

# FY'11 PROPOSED BUDGET

(How Each Dollar of a Water and Sewer Bill Is Spent)



## **PERFORMANCE AND OUTCOME MEASURES**

### **SECTION 2**

## **GOALS OF THE WASHINGTON SUBURBAN SANITARY COMMISSION**

- To provide value to our customers by furnishing high quality products and services at the lowest possible price.
- To provide safe drinking water that meets or exceeds all state and federal standards.
- To ensure that wastewater is treated and returned to our rivers and streams in a manner that meets or exceeds all state and federal standards.
- To ensure that all Commission programs and operations, including the responsible management of biosolids and other byproducts of water and wastewater treatment, are conducted in an environmentally sound manner.
- To proactively ensure the reliable operation of the WSSC's water and wastewater treatment and distribution/collection facilities, and to respond to any service interruptions in a timely and effective manner.
- To plan, design, and construct new, expanded, or improved facilities to ensure reliable service for current and future customers when, and as, needed.
- To treat our customers and the general public with courtesy, sensitivity, and respect, while remaining responsive to their needs and concerns.
- To operate in a financially responsible manner while balancing the need to minimize expenditures and the burden on ratepayers; to fairly apportion costs between current customers, future customers, and those responsible for growth; and to ensure the long-term fiscal stability and soundness of the organization.
- To recruit and employ a diverse work force—representative of the public we serve—at all levels of the organization.
- To empower our work force by eliciting and using their ideas, expertise, and creativity, while being sensitive and responsive to their concerns.
- To encourage innovation and excellence in all phases of operations, administration, and management to ensure that the WSSC continues to be a pioneer in the field.
- To assume a leadership role in working with our community to address issues of mutual concern.

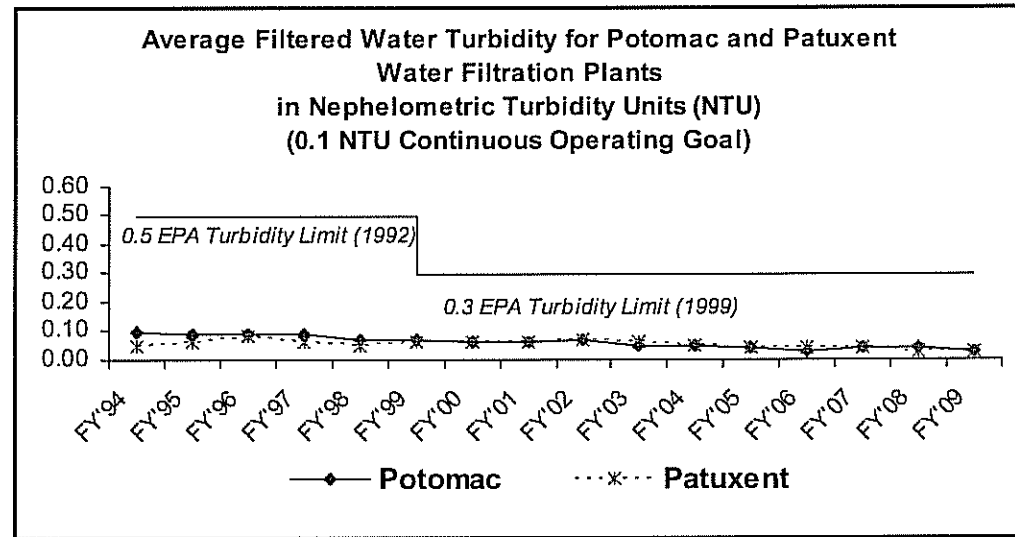
## PERFORMANCE OF KEY SERVICES

### Water Filtration and Treatment

One of the WSSC's primary goals is to provide a safe and reliable supply of drinking water that meets or exceeds the requirements of the Safe Drinking Water Act and other federal and state regulations. The WSSC has *never* exceeded a maximum allowable contaminant level (MCL) established by the U.S. Environmental Protection Agency (EPA) in accordance with the Safe Drinking Water Act.

In addition to traditional approaches to ensuring drinking water quality, the WSSC continues to place particular emphasis on addressing low-level contaminants such as trihalomethanes, and low levels of turbidity (suspended sediment). Evidence continues to mount that even very low concentrations of some contaminants potentially have negative health effects. The Commission continues to work closely with local and national professional organizations, as well as with state and county agencies and the EPA, to ensure that, within fiscal constraints, our treatment methods are effective and consistent with current research findings.

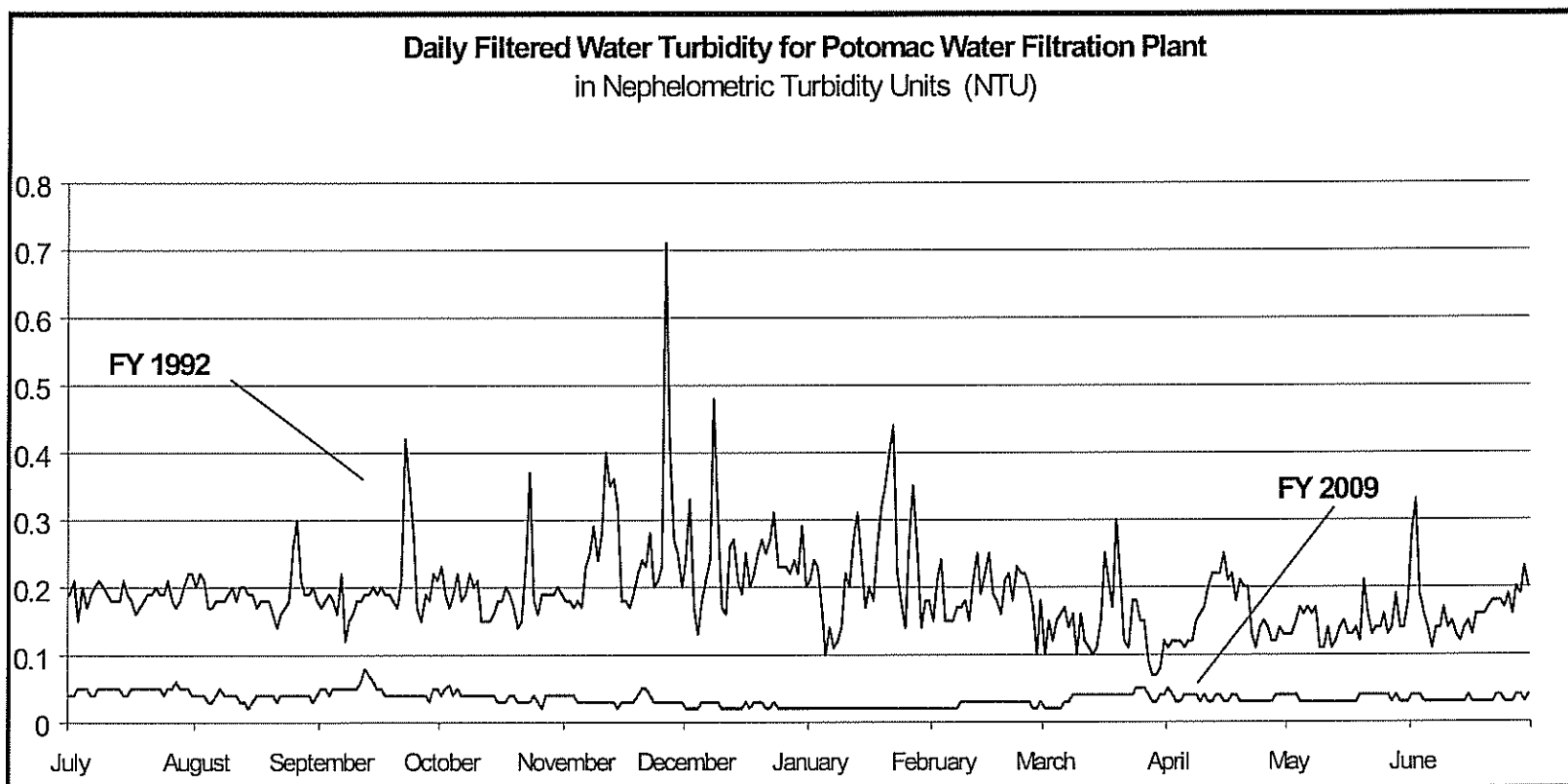
The WSSC's continued participation in the Partnership for Safe Water Program is indicative of our commitment. A primary goal of this program is to maintain filtered water turbidity below EPA established limits to effectively guard against cryptosporidium. In FY'92, although the WSSC was already meeting the then newly-established maximum average monthly turbidity requirement of 0.5 NTU, a substantial effort was made to further improve water quality to prevent emerging problems associated with cryptosporidium. The graph above shows the average turbidity for the Potomac and Patuxent Water Filtration Plants for FY'94 through FY'09. The EPA reduced the turbidity limit to 0.3 NTU in 1999, still well above the levels being achieved by the WSSC. A 0.1 NTU water turbidity level is now and will continue to be a key objective for the WSSC's Production Team.



## PERFORMANCE OF KEY SERVICES

(Continued)

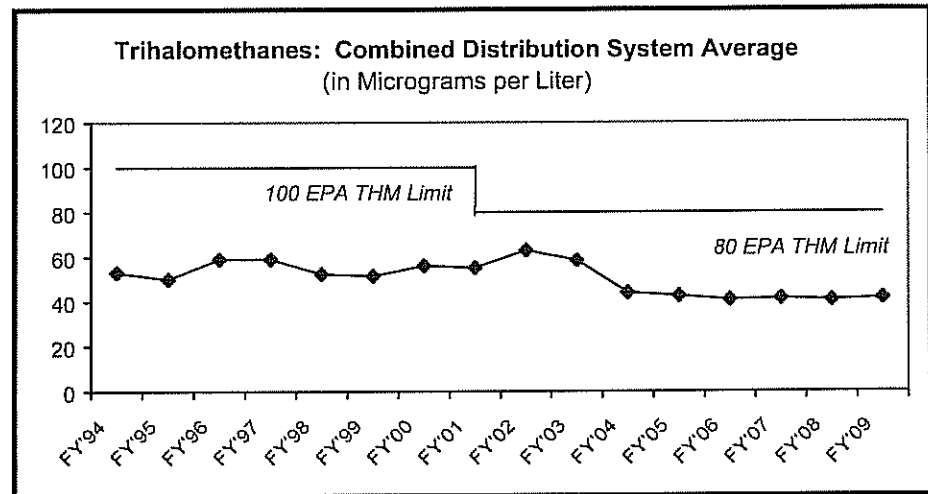
Not only has average turbidity been reduced, but also, as shown in the graph below for the Potomac Water Filtration Plant, the magnitudes of the daily peaks associated with variable raw water quality have been substantially reduced from FY'92 peak levels. This latter measure is of particular importance in ensuring the reliability of the cryptosporidium barrier.



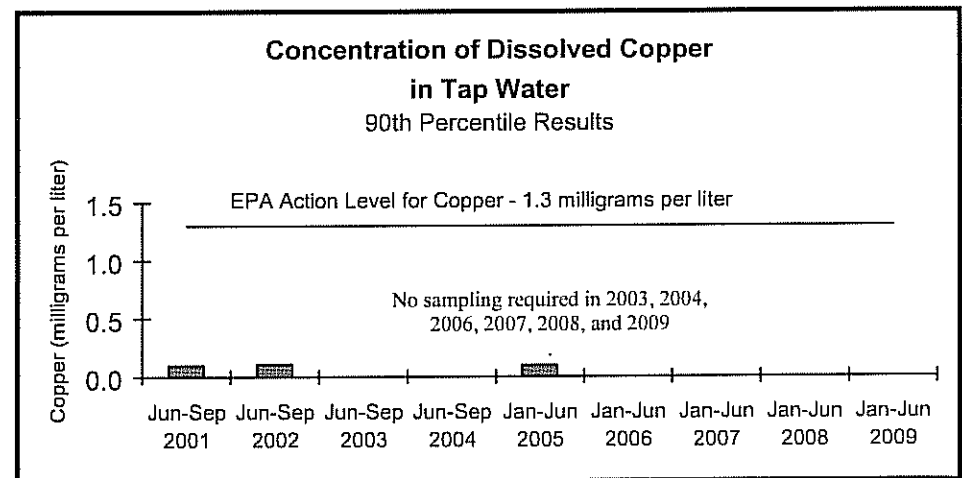
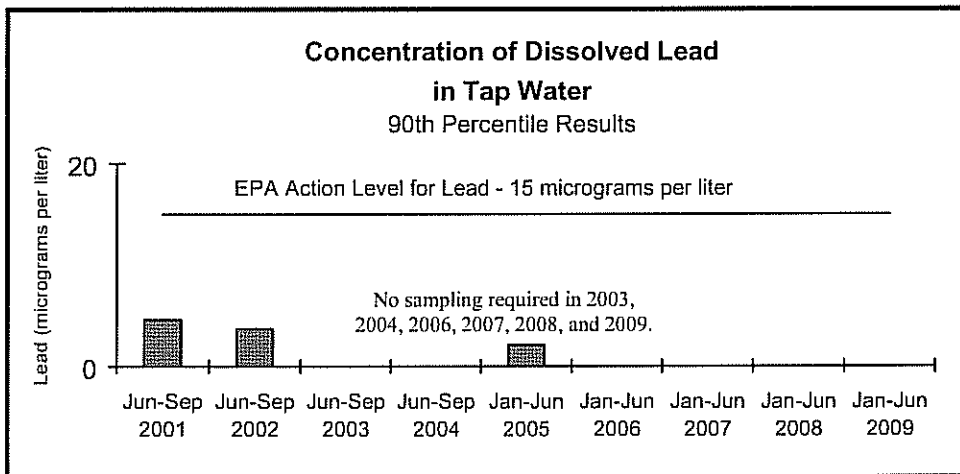
## PERFORMANCE OF KEY SERVICES

(Continued)

The WSSC has also been aggressively pursuing enhanced coagulation (optimization of coagulant doses and pH levels to improve total organic carbon removal) to improve organic contaminant removal, thereby lessening the level of potential carcinogens in the finished water. Effective January 2001, the EPA reduced the standard for trihalomethanes (THMs) from 100 to 80 micrograms per liter of finished water. As shown in the figure to the right, the WSSC is meeting this THM standard with the help of its enhanced coagulation initiative.



The Commission also continues its corrosion control program (using fine pH adjustment) to minimize potential lead and copper corrosion in customer plumbing. The state has confirmed that the WSSC's system is optimized for corrosion control against lead and copper. Although, during the period from FY'03 to FY'09, testing was only required in one year (FY'05), WSSC voluntarily expanded lead testing beyond EPA requirements. Results from these tests continue to indicate lead levels well below regulatory requirements. The EPA required testing in FY'05 also confirmed that lead and copper levels remained below the tap water action level.



## PERFORMANCE OF KEY SERVICES

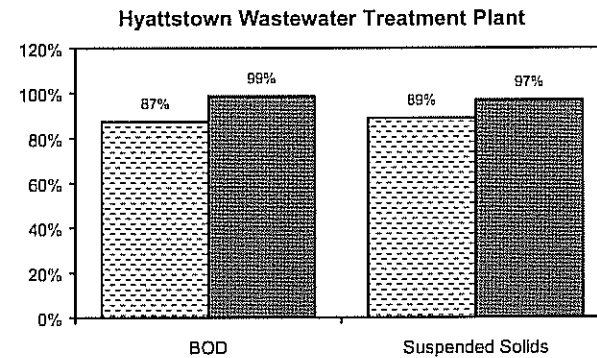
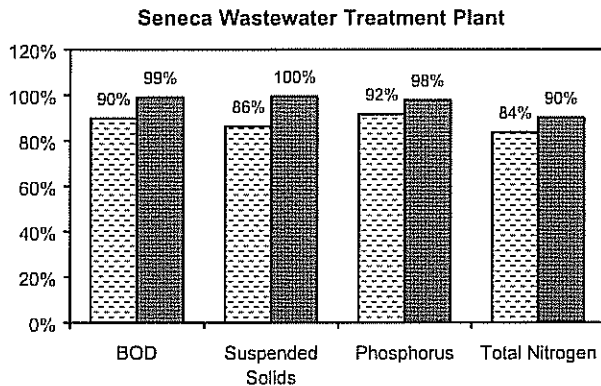
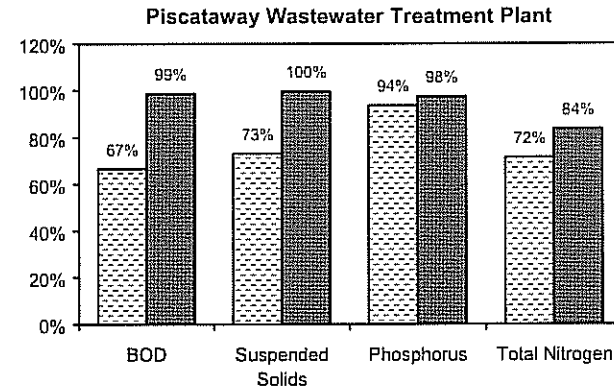
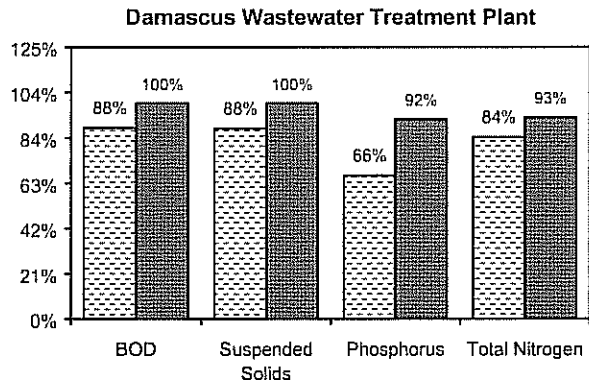
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### Wastewater Treatment

The following graphs present actual FY'09 plant performance for the WSSC's wastewater treatment plants, in terms of the percentage of specific substances removed compared to state/federal discharge permit requirements. The substances regulated differ from plant to plant, depending (in part) on the river or stream into which the treated water is discharged. For FY'11, the Production Team will continue to pursue its goal of meeting or surpassing the permit requirements for each plant.

#### Wastewater Treatment Plant Performance – FY'09 Percentage Removal of Substances Regulated by Discharge Permits

Permit Requirement
  Plant Performance

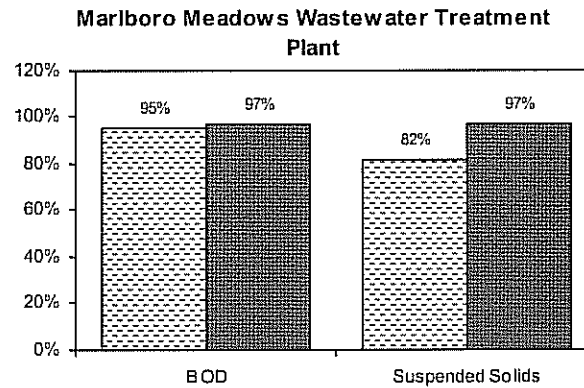
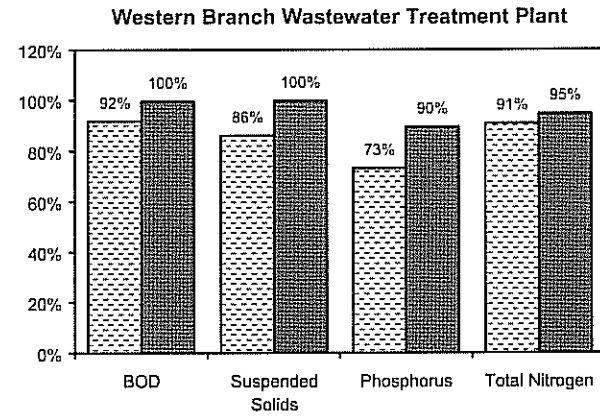
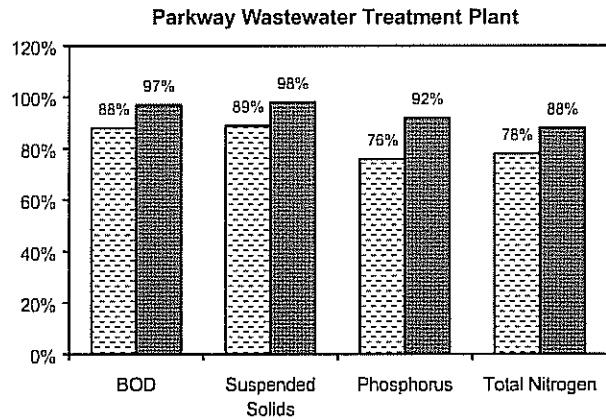


## PERFORMANCE OF KEY SERVICES

(Continued)

### Wastewater Treatment Plant Performance – FY'09 Percentage Removal of Substances Regulated by Discharge Permits

Permit Requirement    
  Plant Performance



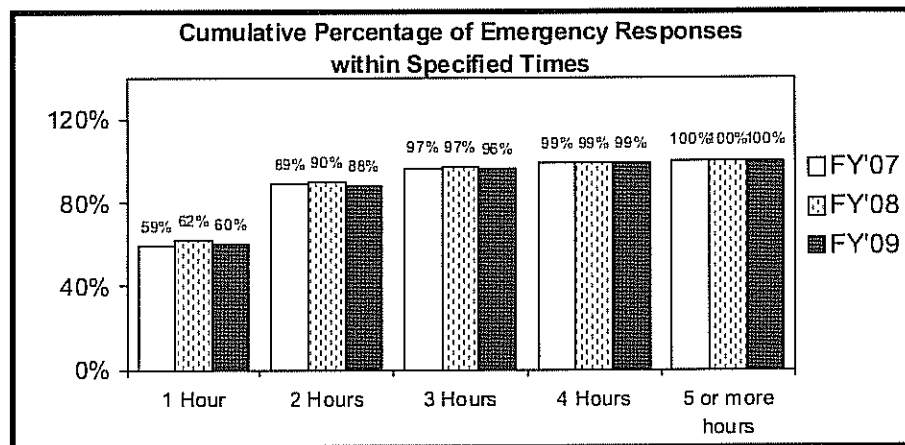
## PERFORMANCE OF KEY SERVICES

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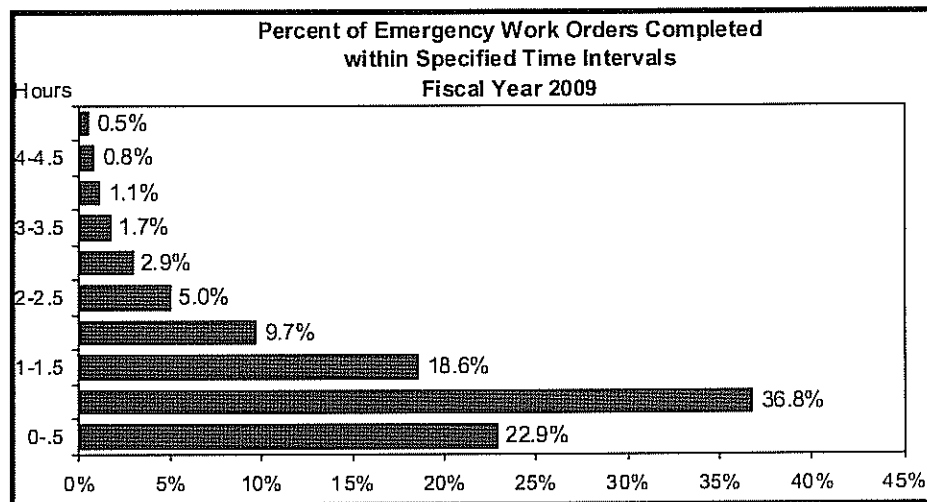
### Emergency Response

During FY'09, 29,136 emergency work orders were initiated in response to customer or system emergencies. The WSSC's objective is to provide a first response to these emergencies in less than 2 hours, based on feedback from our customers on what they consider a reasonable and necessary response time.

The top graph shows that in FY'09 we responded to 60% of our emergency calls in less than 1 hour, and to 88% in less than our 2-hour goal with an average response time of 1.2 hours. In FY'08 the average response time was 1.0 hours. Emphasis on proper dispatching and on crew and inspector assignments has generally allowed us to keep our response time under 2 hours.



The bottom graph shows the distribution of emergency work order completion times in FY'09. Most emergency work orders required less than 1.5 hours to complete.

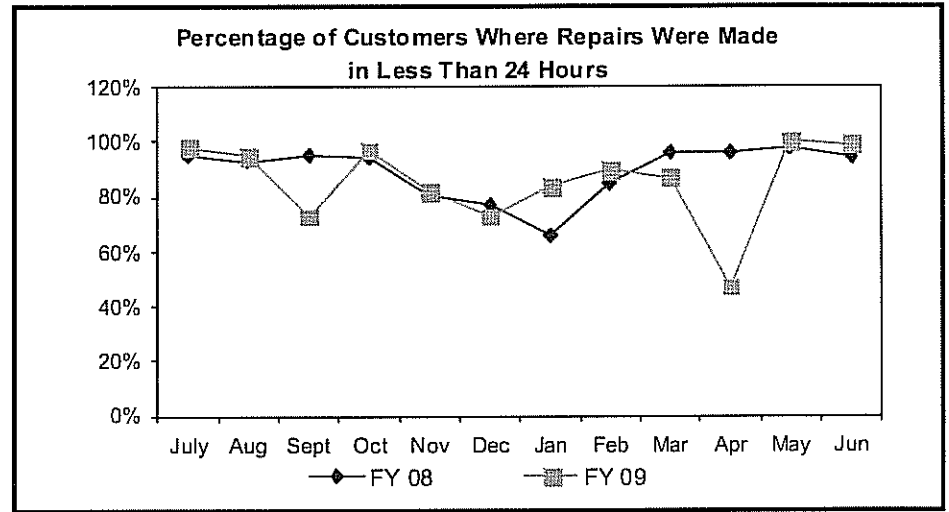
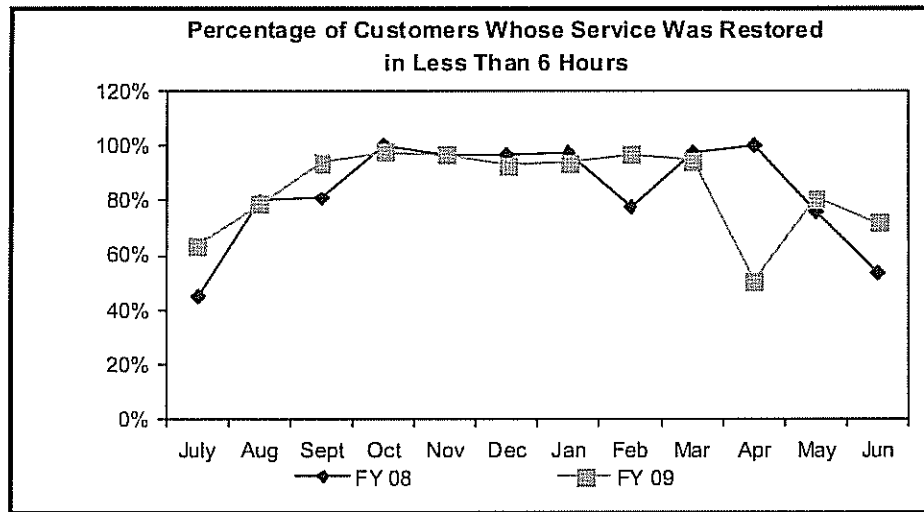


## PERFORMANCE OF KEY SERVICES

(Continued)

### Restoration of Water Service

The WSSC's objective is to restore normal service to our customers within 24 hours from the time we are notified of an emergency, and to limit the actual time a customer is without water service to less than 6 hours. During FY'09, 48,423 customers, or approximately 11.2% of the WSSC's customers, experienced a temporary suspension in water service while a water main was shut down following a water main break or other emergency. The graph below on the left indicates the percentage of affected customers whose water service was restored in less than 6 hours after a water main was shut down and returned to service. The drop in April is due to a single lengthy repair involving a large number of customers. In FY'09, the average time that customers were without water service was 3.2 hours, with 93.9% having water service restored within the targeted 6-hour goal. The graph on the right indicates the percentage of affected customers where repairs were completed in less than 24 hours to restore normal or permanent water service. Again, the drops in September and April were due to single lengthy repairs involving a large number of customers. The average time from notification of a problem to restoration of normal service was 16.1 hours, with 83.7% of customers having normal water service restored in less than the 24-hour goal.



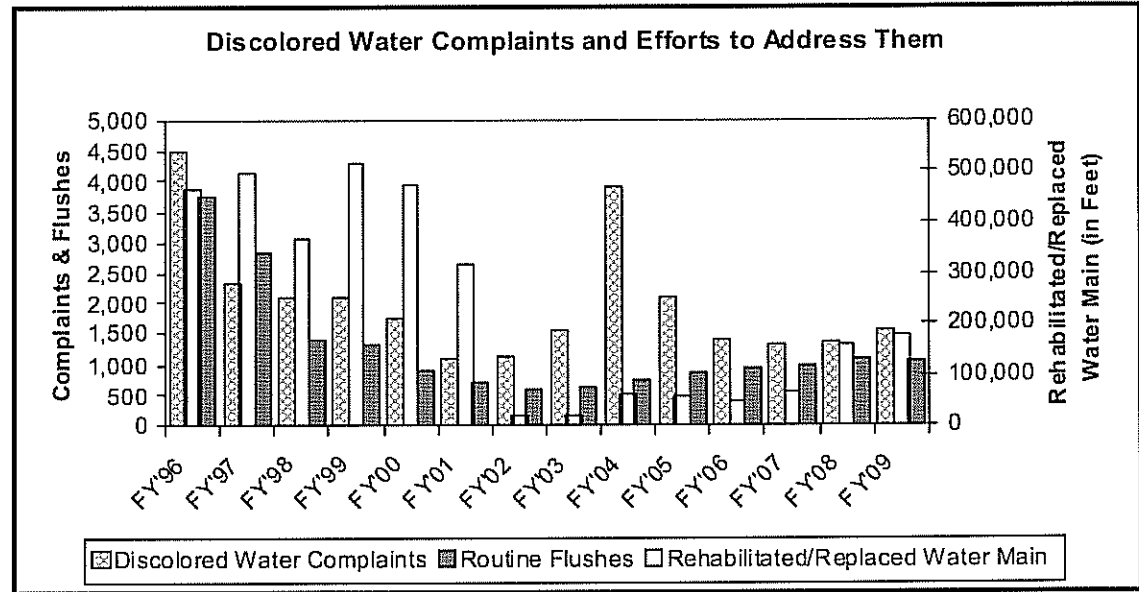
## PERFORMANCE OF KEY SERVICES

(Continued)

### Discolored Water

Unlined cast iron pipe eventually causes discolored water in the distribution system as the water chemically reacts with the pipe to form iron oxides (rust) and accumulates deposits of iron and manganese that can become dislodged. This is a serious inconvenience for the affected customers, limiting and disrupting their normal water use. In FY'96, the Commission received over 4,400 customer complaints about discolored water. To combat this problem, an aggressive program was started to periodically flush water mains in the affected areas to keep the water clear. At the same time, the Commission augmented its ongoing program to resolve such problems by mechanically cleaning and relining the old mains with a new cement mortar lining.

The graph to the right shows the dramatic decrease in discolored water complaints since FY'96 and the success the WSSC has had in reducing these complaints in subsequent years.

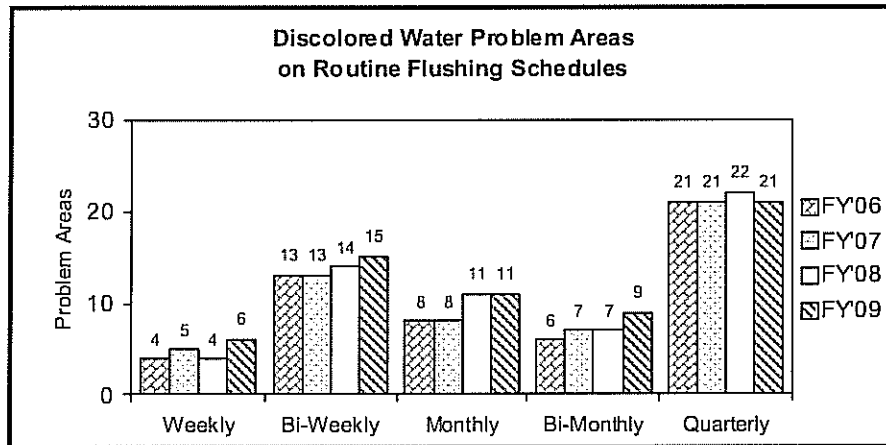


Beginning in FY'01, the emphasis was shifted from cleaning and lining water mains to the more permanent solution of water main replacement. Replacement is more involved and more time consuming than cleaning and lining, and resulted in reduced footage of rehabilitated/replaced water main completed in FY'02 and FY'03. During FY'04, even though rehabilitation and replacement efforts more than doubled, discolored water complaints increased as a result of the volume of water main breaks associated with winter weather and service changes resulting from the Patuxent Water Filtration Plant Upgrade. New lines serviced by the plant caused a change in established flow rates and patterns, which caused increased water discoloration. When combined with the flow disruptions from broken water mains, valve closures, and hydrant openings, this event significantly contributed to the increased discolored water complaints.

During FY'09, rehabilitation and replacement efforts continued. WSSC replaced over 34 miles during the past year. In order to maintain the high level of water quality our customers expect, it is important to accelerate water main replacement. This will continue to reduce the amount of flushing that is required.

## PERFORMANCE OF KEY SERVICES

(Continued)



The graph to the left shows the number of chronic problem areas requiring regular flushing on a weekly, bi-weekly, monthly, bi-monthly, and quarterly basis since FY'06. The number of areas with chronic discolored water problems has remained relatively constant with a minor increase in flushing required in FY'09.

### Sewer Line Blockages

The goal of the Line Blockage Analysis (LBA) program is to prevent a customer who experiences a sewer backup due to a problem in the WSSC's main sewer line from suffering a second backup. When a customer has a sewer backup, a maintenance crew responds to clear the stoppage and assist in cleaning the basement. Response is generally within 2 hours, 24 hours a day, 7 days a week. The customer is contacted the following business day to see if additional assistance is needed and is advised that an LBA investigation has been initiated. The sewer main is immediately recleaned to preclude another backup during the investigation process, and a television camera is pulled through the line within 30 days to determine structural condition. All pertinent data is then reviewed and analyzed to determine what action is necessary to prevent a recurrence of the backup. After a decision is made, the customer is notified by letter of any planned action, and the appropriate preventive maintenance or rehabilitation action is scheduled and subsequently implemented.

The overall program objective is to prevent a second backup in 95% of the cases processed. For FY'09, the Commission was successful in preventing a second backup in 85.6% of these cases. The Proactive Maintenance Program (PMP), along with technological advances such as the jet cam, has enabled the Commission to pursue its objective more diligently.

## PERFORMANCE OF KEY SERVICES

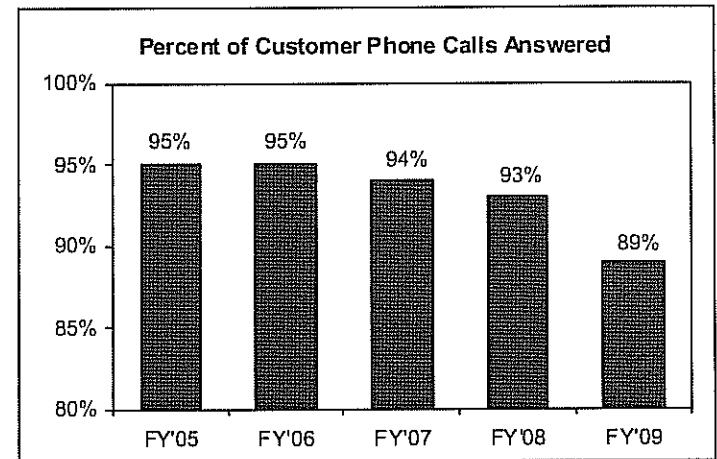
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### Sewer House Connection Renewal

The sewer house connection renewal program replaces sewer house connections when structural problems have caused customer backups. Damaged or deteriorated sewer house connections are replaced as necessary to ensure that customers do not suffer repeated sewer backups into their homes. The program objective is to prevent a second backup after the WSSC has confirmed there is a problem with the service. During FY'09, the Commission replaced 326 connections. At the beginning of FY'10, 395 house connections met the criteria for renewal.

### Customer Calls for Maintenance Assistance

During FY'09, the Commission answered 89% of customer calls for maintenance assistance, as shown in the graph to the right. The graph to the right also indicates that the percentage of customer calls answered has dropped from 95% in FY'05 to 89% in FY'09. This is due to a 9% increase in customer calls from FY'08 to FY'09 while simultaneously experiencing a shortage in Customer Relations staffing. Our goal continues to be 95%. Cross-training personnel has allowed for greater flexibility in staffing and an improved knowledge base. A hypertext reference system using a commercial web browser is utilized in the Communications Center to more efficiently handle customer calls. This system compliments the Maintenance Management Information System, shortens calls by placing needed information at the dispatchers' fingertips, and affords improved service by allowing representatives to provide consistent and knowledgeable responses. Quarterly analyses of why customers are calling help tailor the database and response procedures to customer needs. Detailed help in determining the proper response to customers' problems and questions is included along with other frequently required reference material, such as phone numbers and standard operating procedures.



**PERFORMANCE OF KEY SERVICES**

(Continued)

**Customer Satisfaction with Maintenance Services**

A program was established in FY'95 to survey customers concerning the quality of service they receive. Customers are surveyed weekly on a random basis using mail-in survey cards from Customer Care. In FY'09, survey cards were returned from 79 customers. Ratings are based on a scale of 1 to 5 where 1 = poor and 5 = excellent.

The following table indicates that customers have continuously, on average, rated *all* aspects of maintenance service in the "good" to "very good" range since FY'05.

<b>Average Customer Ratings of Maintenance Personnel</b>					
<b>Category</b>	<b>FY'05</b>	<b>FY'06</b>	<b>FY'07</b>	<b>FY'08</b>	<b>FY'09</b>
Polite	4.4	4.4	4.4	4.3	4.4
Knowledgeable	4.3	4.3	4.4	4.3	4.4
Helpful	4.4	4.4	4.3	4.3	4.4
Courteous	4.5	4.6	4.5	4.4	4.4
Explained Actions	4.5	4.6	4.5	4.4	4.4
Quality of Work	4.5	4.6	4.4	4.4	4.4
Efficiency	4.6	4.5	4.5	4.5	4.3
Overall Impression	4.4	4.4	4.4	4.3	4.3

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

**ENGINEERING & CONSTRUCTION TEAM**

**Goal:** Provide timely support for water and sewer extensions needed for planned development in the Sanitary District.

**Group:** Development Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Complete Hydraulic Review as part of the System Extension Permit (SEP) process within 6 weeks of submission, excluding large/complex projects.	Percentage of Hydraulic Review requests processed in 6 weeks or less.	59%	62%	60%	80%
Complete Phase II of the SEP plan review process within 8 weeks.	Percentage of Phase II plan review packages processed in 8 weeks or less.	87%	91%	90%	90%

**Goal:** Promptly issue all plumbing and gasfitting permits required by the WSSC.

**Group:** Development Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Issue all requested plumbing and gasfitting permits within 2 days of receipt of contractors' application.	Percentage of permits issued within 2 days of receipt of contractors' application.	86%	95%	85%	90%

**Goal:** Provide effective short- and long-range planning for the WSSC's water and wastewater systems to ensure public safety and sufficient future water and wastewater capacity.

**Group:** Planning

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Reduce the number of wastewater basins experiencing recurring wet weather overflows to zero.	Number of wastewater basins experiencing recurring wet weather overflows (total: 21 basins).	2	2	2	2
Keep water system zones having transmission/storage deficiencies that require authorization dependencies at zero.	Number of water system zones with transmission/storage deficiencies that require authorization dependencies (total: 19 zones).	0	0	0	0

**Goal:** Plan, design and construct major capital projects according to the CIP.

**Group:** Project Delivery

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Complete facility plans, concept designs and engineering designs as scheduled in the CIP.	Number of planning and design phase projects completed vs. planned.	N/A	7/11	17/17	5/5
Complete facility construction as scheduled in the CIP.	Number of construction phase projects completed vs. planned.	N/A	5/4	5/5	3/3

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Identify deteriorating infrastructure through inspection, testing and monitoring.

**Group:** Infrastructure-Systems

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Inspect the number of dams as planned.	Number of dams inspected vs. planned.	3/3	3/3	3/3	3/3
Inspect the number of Prestressed Concrete Cylinder Pipe (PCCP) miles as planned.	Miles of PCCP inspection performed vs. planned.	7/6	10/11	13/13	16/16
Install acoustical fiber optic line to monitor PCCP water transmission mains as planned.	Miles of acoustical fiber optic line installed vs. planned.	7/6	10/10	19/13	16/16
Provide corrosion design and repair recommendations based upon corrosion test readings.	Number of corrosion test stations read vs. planned.	0/0	0/0	300/300	300/300

**Goal:** Improve facility operations by updating industrial automation systems.

**Group:** Process Control

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Replace planned number of Supervisory Control and Data Acquisition (SCADA) Remote Terminal Units (RTU's).	Number of SCADA RTU's replaced vs. planned.	30/25	34/25	30/30	0/0
Upgrade planned number of Programmable Logic Controllers (PLC's).	Number of PLC's upgraded vs. planned.	3/2	3/2	3/3	3/3

**Goal:** Ensure Significant Industrial Users' compliance with EPA regulatory requirements.

**Group:** Regulatory Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Inspect all Significant Industrial Users annually and conduct necessary follow up inspections.	Number of inspections of Significant Industrial Users performed vs. number of Significant Industrial Users.	63/48	71/47	70/48	70/50
Collect samples from all Significant Industrial Users as planned.	Number of Significant Industrial User samples collected vs. number planned.	1,134/1,000	1,282/1,000	1,000/1,000	1,000/1,000

**Goal:** Provide timely review of site utility plans and ensure compliance with plumbing and gasfitting regulation.

**Group:** Regulatory Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Complete 1 <sup>st</sup> review of site utility plans within eight weeks of submission.	Percentage of 1 <sup>st</sup> reviews completed within eight weeks.	56%	46%	80%	90%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Conduct 99.9% of all requests for inspections to ensure compliance with plumbing and gasfitting regulations.	Number of plumbing/gasfitting inspections conducted vs. number of plumbing/gasfitting inspections requested.	69,253/69,254= 99.9%	48,763/48,764= 99.9%	99.9%	99.9%

**Goal:** Comply with the FOG provisions of the Consent Decree.

**Group:** Regulatory Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Meet all Consent Decree deadlines for initial FOG inspections.	Number of initial FOG inspections completed vs. planned.	2,019/1,515	1,512/1,224	1,080/1,080	1,080/1,080

**Goal:** Rehabilitate and/or replace deteriorating water and wastewater infrastructure.

**Groups:** Systems Inspection, Infrastructure-Systems

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Design number of miles for the Water Main Reconstruction Program as planned.	Miles of water main designed vs. planned.	45/40	35/35	35/35	40/40
Replace the number of miles of water main as planned.	Miles of water main replaced vs. planned.	18/21	28/21	25/25	30/30
Rehabilitate the number of miles of sewer mains as planned.	Miles of sewer main rehabilitated vs. planned.	13/51	2/51	25/25	42/42

**Goal:** Manage paving contracts to meet time restrictions for work directed on a non-emergency basis.

**Group:** Systems Inspection

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
On State highways, the paving contractor shall complete paving repairs within 14 calendar days.	Percentage of paving repairs that are completed within 14 calendar days.	22%	35%	50%	60%
On all other roadways, sidewalks, driveways, curbs, and gutters, the contractor shall complete paving repairs within 35 calendar days.	Percentage of paving repairs that are completed within 35 calendar days.	48%	66%	75%	80%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Manage construction contracts to minimize extra expense while still ensuring quality construction.

**Group:** Systems Inspection

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Manage change orders to ensure minimum amount of contract increases.	Dollar value of change orders as a percent of bid amount for Systems Inspection contracts completed.	0.6%	1.5%	1.0%	1.0%

**Goal:** Produce connection contracts to ensure the timely construction of WSSC-built service connections.

**Group:** Technical Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Produce WSSC-built water and sewer connection contracts within 15 business days of receipt of connection drawings and site inspection data from the Systems Inspection Group.	Percentage of water and sewer connection contracts which are produced and sent to Acquisition for bid within the 15 day goal.	80%	95%	90%	92%

**Goal:** Eliminate/Minimize adverse environmental impacts associated with accelerated soil erosion and sedimentation created by utility pipeline construction.

**Group:** Environmental

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Provide timely inspections for erosion and sediment control of major pipeline projects.	Percentage of bi-weekly inspections of each major pipeline project performed as required by law.	100%	100%	100%	100%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**PRODUCTION TEAM**

**Goal:** Comply with state and federal standards for safe drinking water.

**Groups:** Potomac, Patuxent

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Maintain compliance with Safe Drinking Water Act requirements to ensure safe, pure drinking water.	Number of times the maximum contaminant levels established by the EPA were exceeded: Potomac Water Filtration Plant Patuxent Water Filtration Plant	0 0	0 0	0 0	0 0
Achieve optimized coagulation and filtration to maintain filtered water turbidity at or below 0.1 Nephelometric Turbidity Units (NTU).	Average filtered water turbidity (NTU): Potomac Water Filtration Plant Patuxent Water Filtration Plant	0.04 0.03	0.03 0.03	<0.08 <0.08	<0.08 <0.08
Keep the level of potential carcinogens (trihalomethanes) in the finished water below 80 micrograms per liter, the standard established by the EPA.	Average combined level of trihalomethanes in the distribution system (micrograms per liter of finished water).	40.7	41.5	<50.0	<50.0

**Goal:** Consistently return clean wastewater to the environment in a manner that meets or exceeds all state and federal standards.

**Groups:** Piscataway, Western Branch, Parkway/Marlboro Meadows, Seneca/Damascus/Hyattstown

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Maintain compliance with NPDES permit requirements at the WSSC's 7 wastewater treatment plants.	Number of process-related non-compliances for the WSSC's 7 wastewater treatment plants.	3	1	7	6

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**LOGISTICS OFFICE**

**Goal:** Ensure that WSSC vehicles are safe, reliable, and functional.

**Group:** Fleet Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Minimize vehicle breakdowns due to inadequate or improper maintenance.	Number of vehicle breakdowns.	81	144	115	120
	Average number of miles between vehicle breakdowns.	67,881	39,123	64,000	44,000

**Goal:** Achieve and maintain high levels of productivity in the provision of vehicle and equipment maintenance services.

**Group:** Fleet Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Reduce vehicle and equipment down time to an average of 55 hours or less per shop visit.	Average down time per shop visit (hours).	65	65	70	65
Maintain mechanic productivity at a level comparable to commercial providers of vehicle and equipment maintenance services.	Fully burdened labor rate (cost per labor hour) for the Fleet Services Group vs. the corresponding average commercial rate for the bi-county area (based on periodic benchmarking surveys by the Fleet Services Group).	\$66/\$99	\$65/\$95	\$69/\$112	\$68/\$106

**Goal:** Achieve and maintain high levels of efficiency and accuracy in the management of warehouse operations.

**Groups:** Fleet Services, Materials and Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Manage inventory levels to maintain warehouse and vehicle parts inventory turnover at four times per year or higher.	Number of times the warehouse inventory turns over annually.	2.6	2.1	2.0	2.0
	Number of times the vehicle parts inventory turns over annually.	3.7	3.8	3.7	3.7
Maintain the accuracy of the warehouse inventory at 95% or higher and vehicle parts inventory at 97% or higher.	Accuracy of warehouse inventory (from monthly cycle counts).	96.1%	95.6%	95.0%	95.0%
	Accuracy of vehicle parts inventory (from established cycle counts).	99.7%	99.8%	99.8%	99.8%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Achieve and maintain a high level of customer satisfaction with the provision of support services.

**Group:** Fleet Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Maintain high customer satisfaction with the provision of vehicle and equipment maintenance services.	Percentage of customers who rate vehicle and equipment services "good" or "excellent" on user satisfaction surveys.	99%	99%	99%	99%
Maintain a high level of customer satisfaction with the provision of motor pool services.	Percentage of customers who rate motor pool services "good" or "excellent" on the motor pool user survey (services are rated on five distinct criteria).	99%	99%	98%	98%

**Goal:** Maintain the safety and security of WSSC property, personnel, and the general public through the deterrence and prevention of crimes on WSSC property.

**Group:** Security and Safety Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Limit the occurrence of crime on WSSC property to ≤ 150 incidents.	Number of crimes reported on WSSC property.	232	144	150	150

**Goal:** Ensure that the WSSC is a safe place to work.

**Group:** Security and Safety Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Limit the occurrence of on-the-job injuries to WSSC employees to ≤ 130 and lost-time injuries to ≤ 65.	Number of injuries reported by WSSC employees:				
	On-the-job injuries	123	120	130	130
	Lost-time injuries	5	7	65	10
Reduce the number of on-the-job vehicular accidents involving WSSC employees to ≤ 135.	Number of vehicular accidents involving WSSC employees.	131	162	131	130

**Goal:** Provide regular, effective training to WSSC employees concerning Commission safety policies and practices.

**Group:** Security and Safety Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Maintain average overall ratings for safety training classes of at least 4.0 (where 4=good, 5=excellent).	Average overall ratings by trainees for safety training classes.	4.8	4.8	4.8	4.8

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**FINANCE OFFICE**

**Goal:** Minimize borrowing costs.

**Groups:** Finance Office, Budget

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Issue water/sewer bonds at least 25 basis points below the 20 Bond Buyer Index Rate on the date of issuance. (A basis point is an interest rate unit of measurement of one hundredth of one percent.)	Difference (in basis points) between the 20 Bond Buyer Index Rate and the cost of water/sewer bonds on the date of issuance.	No bonds issued in FY'08	148 basis points	≥25 basis points	≥25 basis points
Maintain FitchRatings, Moody's, and/or Standard and Poor's bond ratings of AAA/Aaa/AAA.	Bond ratings (FitchRatings/Moody's/Standard and Poor's).	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA

**Goal:** Maximize investment returns within the constraints of Maryland law and adopted investment policy.

**Group:** Retirement

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Manage WSSC investment portfolio relative to the 91-day T-bill (U.S. Treasury bill) rate. (In a rising market, targeted earnings are 25 basis points below. In a falling rate market, target is 25 basis points above.)	Difference in basis points on 91-day T-bill rate.	150 basis points above	100 basis points above	Even	25 basis points below
Meet or exceed the 8% actuarial assumption for Retirement Fund investment returns on an annualized 10-year basis.	Annualized 10-year return on Retirement Fund investments as of June 30.	5.6%	2.2%	3.1%	4.8%

**Goal:** Accurately assess front foot benefit charges against all properties abutting recent extensions to the WSSC's water and sewer systems.

**Group:** Revenue

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Accurately calculate and assess all new front foot benefit charges.	Percentage of newly assessed property owners who successfully appeal the front foot benefit charge proposed by the WSSC.	0.0%	0.0%	0.01%	0.01%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Provide financial reports that are useful, timely, and accurate.

**Group:** Accounting

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Prepare monthly financial reports within 20 days of the end of the month and the annual report within 90 days of the end of the fiscal year.	Percentage of financial reports prepared on time.	100%	82%	100%	100%
Avoid the need for any prior period adjustments to financial reports.	Number of prior period financial adjustments required.	0	0	0	0

**Goal:** Maintain proper accounting in accordance with Generally Accepted Accounting Principles (GAAP) and the Government Accounting Standards Board (GASB).

**Groups:** Retirement, Accounting

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Receive no finance-related "significant deficiencies" recommendations from the external auditor for the Commission's financial statements.	Number of finance-related external auditor recommendations of "significant deficiencies" received.	0	0	0	0
Receive no recommendations from the external auditor regarding "significant deficiencies" for the Retirement Plan.	Number of Retirement Plan-related external auditor recommendations of "significant deficiencies" received.	0	0	0	0

**Goal:** Process financial transactions quickly and accurately.

**Groups:** Revenue, Disbursements

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Utilize at least 95% of available vendor discounts.	Percentage of available vendor discounts taken.	97.7%	99.1%	97.0%	97.0%
Post at least 95.5% of customer remittances on the day received.	Percentage of customer remittances posted on the same day.	99.5%	99.6%	99.5%	99.5%
Post at least 99.9% of customer remittances correctly.	Percentage of remittances posted correctly.	99.9%	99.9%	99.9%	99.9%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Ensure the long-term fiscal stability and soundness of the Commission.

**Group:** Budget

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Maintain an end-of-year fund balance (accumulated net revenue) of at least 5 percent of water and sewer rate revenue as a reserve.	Combined end-of-year fund balance for the water and sewer operating funds (\$ millions)/Percent of water and sewer rate revenue.	\$67.5/ 18.1%	\$45.5/ 12.0%	≥\$29.7/ 6.7%	≥\$28.0/ 5.7%
Maintain FitchRatings, Moody's, and/or Standard and Poor's bond ratings of AAA/Aaa/AAA.	FitchRatings/Moody's/Standard and Poor's bond ratings.	AAA/Aaa/ AAA	AAA/Aaa/ AAA	AAA/Aaa/ AAA	AAA/Aaa/ AAA

**Goal:** Accurately forecast Commission revenues and expenditures.

**Group:** Budget

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Accurately forecast annual water production.	Difference (in millions of gallons per day) between actual and budgeted water production.	-0.8	-7.2	0.0	0.0
	Percentage difference between actual and budgeted water production.	-0.5%	-4.2%	0.0%	0.0%
Accurately forecast revenues from water and sewer use charges.	Difference between actual and budgeted revenues from water and sewer use charges (\$ millions).	\$-4.1	-\$24.3	\$0.0	\$0.0
	Percentage difference between actual and budgeted water and sewer use charges.	-1.1%	-6.0%	0.0%	0.0%
Accurately project non-debt service water and sewer operating expenditures.	Difference (\$ millions) between actual and budgeted water and sewer operating expenditures (excluding debt service).	\$3.0	-\$11.1	\$0.0	\$0.0
	Percentage difference between actual and budgeted water and sewer operating expenditures (excluding debt service).	1.0%	-3.4%	0.0%	0.0%

**Goal:** Produce a sound, affordable capital spending program.

**Group:** Budget

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Reduce the amount of rate-supported water and sewer debt to 30% or less of total water and sewer operating expenditures.	Ratio of water and sewer debt service to total water and sewer operating expenditures.	31.7%	30.9%	32.3%	32.0%

**Goal:** Exhibit excellence in budgeting as judged by our peers.

**Group:** Budget

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Earn the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA).	Receipt of GFOA's Distinguished Budget Presentation Award (Yes/No).	Yes	Yes	Yes	Yes

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**CUSTOMER CARE TEAM**

**Goal:** Promptly and courteously answer all telephone calls.

**Group:** Customer Relations

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Attain a 95% success rate for answering non-emergency calls.	Percentage of non-emergency calls answered.	86%	82%	95%	95%
Maintain a 95% success rate for answering all emergency calls.	Percentage of emergency calls answered.	93%	89%	95%	95%

**Goal:** Accurately bill and collect for all metered water use.

**Groups:** Support Services, Customer Relations

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Accurately record and report all meter readings.	Percentage of meter readings reported and recorded accurately.	99.8%	99.8%	99.8%	99.8%
Generate water and sewer bills based on actual consumption rather than estimated consumption.	Percentage of customer bills based on actual consumption (e.g., actual meter readings).	98%	97%	96%	96%
Collect all billed water and sewer use charges on a timely basis.	Percentage of billed water and sewer accounts considered delinquent. *	8.6%	9.8%	10.0%	10.0%

\* Note: In prior years, the delinquency rate was calculated using the number of customer accounts available for turn-off versus the number of active customer accounts. The above percentages have been calculated using the total number of delinquent customer accounts divided by the total number of active customer accounts. (Accounts are considered delinquent when not paid by the due date.)

**Goal:** Provide a quick response time to customer problems or system emergencies.

**Groups:** Customer Care North, West, Central, South, and Customer Relations

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Respond within 2 hours to customers' emergency telephone calls.	Percentage of emergencies responded to within 2 hours of receipt of customer calls.	90%	88%	89%	89%
	Average response time to emergency calls (in hours).	1.0	1.2	1.2	1.2
Respond within 14 days to all written correspondence received.	Percentage of customer correspondence responded to within 14 days.	95%	91%	95%	95%
Achieve 100% closure of open claims.	Number of claims closed as a percentage of claims opened during the fiscal year.	92%	97%	100%	100%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Maintain a high level of customer satisfaction by providing exceptional maintenance support.

**Groups:** Customer Care North, West, Central, South, and Customer Relations

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Maintain an average customer rating of at least 4.0 (where 1=poor and 5=excellent) for the helpfulness, courtesy, efficiency, and work quality of maintenance personnel.	Average customer rating of maintenance personnel (on a scale of 1 to 5 where 1=poor and 5=excellent):				
	Helpfulness	4.3	4.4	4.7	4.7
	Courtesy	4.4	4.4	4.7	4.7
	Efficiency	4.5	4.3	4.7	4.7
	Quality of Work	4.4	4.4	4.7	4.7
Ensure that a minimum of 85% of claimants are "satisfied" or "delighted" with their settlement from the WSSC.	Percentage of claimants who have received a settlement from the WSSC that rate themselves "satisfied" or "delighted."	93%	89%	85%	90%

**Goal:** Minimize inconvenience caused by disruptions in service.

**Groups:** Customer Care North, West, Central, South, and Support Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Restore normal water service within 24 hours.	Percentage of customers whose water service was restored within 24 hours.	88.9%	83.7%	80.0%	80.0%
	Average time from notification of system problem to restoration of water service (in hours).	14.3	16.1	14.0	14.0
Limit time without water due to a service interruption to less than 6 hours.	Percentage of customers without water service for less than 6 hours.	95.3%	93.9%	95.0%	95.0%
	Average time without water (in hours).	2.9	3.2	3.0	3.0
Reduce the number of discolored water complaints.	Number of discolored water complaints.	1,372	1,548	1,400	1,400
	Areas with chronic discolored water problems which are on a routine flushing schedule.	58	62	52	52
Prevent a second sewer backup from occurring for at least 95% of customers experiencing an initial main line blockage.	Percentage of customers not experiencing a second backup after notifying the WSSC of a main line sewer blockage.	100.0%	85.6%	99.5%	99.5%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Accurately account for water produced in the distribution system.

**Groups:** Customer Care North, West, Central, South, and Support Services

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Reduce service interruptions due to water main breaks.	Number of breaks per 100 miles of water main.	32.0	35.5	34.0	34.0
Perform annual testing of all large water meters whose daily average registration exceeds 20,000 gallons.	Percentage of all large water meters tested annually.	100%	100%	100%	100%
Test within 2 weeks and, if necessary, repair large meters whose average daily registration has significantly declined.	Percentage of large meters tested within 2 weeks of a noticeable decline in average daily registration.	95%	95%	95%	95%

**Goal:** Inspect sewer infrastructure to ensure a reliable sewer collection system.

**Group:** Wastewater Collections System

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Inspect, via closed circuit television, the number of miles of sewer main planned.	Miles of sewer main inspected via closed circuit television vs. planned.	387/340	425/390	425/425	325/325
Inspect, via smoke test, the number of miles of sewer main planned.	Miles of sewer main smoke tested vs. planned.	5/12	5/15	10/10	10/10

**Goal:** Prepare designs for the rehabilitation and/or replacement of deteriorating sewer infrastructure.

**Group:** Wastewater Collections System

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Design the number of miles of sewer main planned for the year.	Miles of sewer main designed vs. planned.	82/50	77/80	110/110	37/37
Design the number of manholes planned for the year.	Number of manholes designed vs. planned.	87/100	624/100	300/300	400/400

## GOALS, OBJECTIVES, AND OUTCOME MEASURES

(Continued)

### INFORMATION TECHNOLOGY TEAM

**Goal:** Evaluate, develop, and deliver quality, cost-effective application systems that support the core business operations of the Commission.

**Group:** Application Development

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Utilize 10% of resources to support application break/fixes and end user support.	Percentage of resources spent on application break/fixes and end user support.	25%	26%	25%	25%
Utilize 20% of resources to support Small Work Requests.	Percentage of resources spent on Small Work Requests.	53%	50%	50%	15%
Utilize 70% of resources to support WSSC Annual Action Items and projects.	Percentage of resources spent on WSSC Annual Action Items and projects.	22%	24%	25%	60%

**Goal:** Provide a "One Stop Shop" for efficient IT problem resolution.

**Group:** IT Customer Support

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Resolve 75% of initial telephone calls to the Help Desk.	Percentage of telephone calls resolved at the Help Desk.	81%	75%	75%	80%
Close 85% of open tickets before their assigned due date.	Percentage of tickets closed before their due dates.	83%	80%	80%	85%

**Goal:** Provide reliable computing services to all users in order to deliver information and data in the timeframes required to support decisions.

**Group:** Systems Support & Operations

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Ensure open systems production servers (UNIX & SQL servers) are available at least 97.5% of the time.	Percentage of the time that the open systems production servers are available.	97.5%	98.0%	97.5%	99.0%
Ensure production system backups are run on-time and error-free 99.5% of the time every month.	Average percentage of production systems backups completed each month.	99.5%	99.0%	99.5%	100%
Complete standard production runs on schedule 99% or more of the time each month.	Average percentage of standard production runs completed on schedule each month.	98.0%	98.5%	98.0%	100%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**STAFF OFFICES**

**Goal:** Provide cost-effective internal audit services.

**Group:** Internal Audit

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Achieve an internal audit payback ratio in excess of 1:1 (e.g., the Commission should receive more dollars from internal audits than it spends on internal audits).	Ratio of financial savings from internal audits to Internal Audit costs (excluding the cost of the external audit of the WSSC).	7:1	1:1	1:1	1:1
Ensure accurate reimbursements via performed audits.	<u>SDC</u> : Total audit-based adjustment in Developer-requested reimbursements for CIP construction.	\$693,916	\$666,484	\$700,000	\$700,000
	<u>Blue Plains</u> : Total audit-based adjustment in Blue Plains O&M and Capital Indirect Billing. (The FY'08 amount reflects the audit of WASA bills for the FY'01-05 period).	\$4,212,141	\$2,265,784	\$1,000,000	\$1,000,000

**Goal:** Ensure active participation in, and full voice for, WSSC's legislative priorities.

**Group:** Intergovernmental Relations Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Represent the WSSC at bill hearings, worksessions, and various delegation/committee meetings as required.	Percentage of bill hearings, worksessions, and delegation/committee meetings attended.	80%	100%	100%	100%

**Goal:** Disseminate accurate and timely information regarding legislation impacting the WSSC to employees and stakeholders.

**Group:** Intergovernmental Relations Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Keep employees and stakeholders informed on the status of legislation impacting the WSSC, by sending weekly updates during the 90-day General Assembly Session.	Percentage of weekly updates required to be sent during the Session vs. actual updates sent.	100%	100%	100%	100%
Keep employees informed of federal legislation impacting the WSSC by sending monthly updates throughout the year.	Percentage of monthly federal updates required to be sent to all management vs. actual updates sent.	100%	100%	100%	100%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Align WSSC team goals with the company's vision and mission.

**Group:** Strategic Systems Management Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Educate All Management/Change Leadership Team members on WSSC's strategic management principles and practices.	Achieve an average score of 4.25 out of 6.0 on the annual Business Excellence Architecture Survey, which measures the effectiveness of strategic management implementation.	3.82/6.0	N/A	4.25/6.0	4.25/6.0

**Goal:** Attune WSSC employees' daily behavior and decision-making with the company's core values.

**Group:** Strategic Systems Management Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Facilitate the development of cultural action plans for all teams to identify areas for improvement.	Achieve an average score of 4.25 out of 5.0 on the annual Cultural Values Survey, which measures the effectiveness of plan implementation.	3.56/5.0	N/A	4.25/5.0	4.25/5.0

**Goal:** Achieve fair and accurate media coverage for the WSSC.

**Group:** Communications & Community Relations Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Respond to local media inquiries within one hour of request for information.	Percentage of responses to inquiries provided within one hour.	98%	98%	98%	98%
Remain continuously accessible (24/7) to local media.	Number of days accessible to local media.	365	365	365	365

**Goal:** Disseminate accurate and timely information to WSSC customers and stakeholders.

**Group:** Communications & Community Relations Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Provide customers with up-to-date information on the WSSC and its activities/events.	Satisfy EPA requirements by producing the Annual Water Quality Report by close of fiscal year. (Yes/No)	Yes	Yes	Yes	Yes
	Number of Quarterly Pipeline bill inserts produced and distributed vs. planned.	4/4	4/4	4/4	4/4
	Post all news releases on WSSC website home page. (Yes/No)	Yes	Yes	Yes	Yes

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Educate constituencies on the three components of the WSSC's services: water, wastewater, and source water protection.	Number of educational events prepared and presented to local schools (executed/estimated).	45/35	40/35	35/35	35/35
	Plan and execute presentations for community-level service groups and associations (e.g., Fats, Oils, and Grease (FOG) Program, Infrastructure, WSSC educational-related issues, media appearances) (executed/estimated)	46/35	40/35	35/35	35/35
	Partner with outside agencies to plan/execute events (e.g., stream/road cleanups, water festival, and campfire) (executed/planned).	4/4	4/4	4/4	4/4

**Goal:** Disseminate accurate and timely information to WSSC employees.

**Group:** Communications & Community Relations Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Inform employees about WSSC news.	Publish <u>Fish Tales</u> in color and distribute to Depots quarterly (in addition to providing on-line) (published/planned).	N/A	N/A	4/4	4/4
Communicate new initiatives/programs to employees.	Execute campaigns to communicate new or special initiatives, programs, etc., to employees (executed/estimated).	N/A	N/A	4/4	4/4

**Goal:** Provide support for WSSC programs/projects as required.

**Group:** Communications & Community Relations Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Increase public awareness of Consent Decree related issues, such as the Fats, Oils, and Grease (FOG) Program.	Fulfill consent decree requirement to issue news releases for all SSOs over 10,000 gallons within 24 hours. (Yes/No)	Yes	Yes	Yes	Yes
	Promote "Can The Grease" to media at least 3 times per year (actual/planned).	2/3	2/3	3/3	3/3
	Provide FOG-related educational materials and promotional items to distribute to customers (actual/planned).	5,000/5,000	5,000/5,000	5,000/5,000	5,000/5,000

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:** Improve customer service by reducing cycle time.

**Group:** Human Resources Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Ensure all vacancies are filled within 90 days.	Average time to fill open positions from receipt of final approved job requisition and completed recruiting package to accepted job offer.	98 days	112 days	90 days	90 days

**Goal:** Continuous improvement of Human Resources operations.

**Group:** Human Resources Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Review and update Human Resources policies and procedures on an ongoing basis.	Percentage of policies and procedures identified as priority and critical for revision having been prioritized, revised, and communicated to all employees.	100%	80%	100%	100%
Perform operational tasks and respond to customers in a consistent manner.	Percentage of workflows and standard procedures documented.	20%	75%	100%	100%

**Goal:** Ensure the WSSC is fully compliant with all regulatory requirements.

**Groups:** Human Resources Office, Fair Practice Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Accurately track applicant data.	Percentage of demographic information collected, tracked, and reported on all applicants.	100%	100%	100%	100%
Ensure all employees know the policy and legal requirements of Equal Employment Opportunity regulations.	Percentage of employees trained in the required regulatory areas.	100%	100%	100%	100%

**GOALS, OBJECTIVES, AND OUTCOME MEASURES**

(Continued)

**Goal:\*** Increase Small, Local and Minority Business Enterprise (SLMBE) participation in WSSC programs.

**Group:** Small, Local and Minority Business Enterprise Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Increase the number of approved Small, Local Business Enterprises (SLBEs) 5% annually.	Total number of approved SLBEs/Annual percentage increase/decrease in newly approved SLBEs.	319/-24%	301/-5.6%	316/5%	332/5%
Increase the number of registered and certified Minority Business Enterprises (MBEs) 10% annually.	Total number of registered and certified MBEs/Annual percentage increase/decrease in newly registered MBEs.	288/N/A♦	430/49%	473/10%	520/10%
Increase the number of contracts awarded to approved Small, Local Business Enterprises (SLBEs) 5% annually.	Total number of contracts awarded to SLBEs/Annual percentage increase/decrease in contracts awarded to SLBEs.	56/19%	17/-70%	18/5%	19/5%
Increase the number of contracts awarded to certified MBEs 5% annually.	Total number of contracts awarded to certified MBEs/ Annual percentage increase/decrease in contracts awarded to MBEs.	304/-23%	278/-9%	292/5%	306/5%

\*Effective June 23, 2007, legislative authority for implementation of the Minority Business Enterprise (MBE) Program was reauthorized, pursuant to Maryland House Bill 691. The Commission has a new interim MBE Program that will remain in effect until a new MBE Policy is adopted.

♦ Staff is in the process of establishing a baseline for MBE registrants using the new Centralized Bidder Registration (CBR) System.

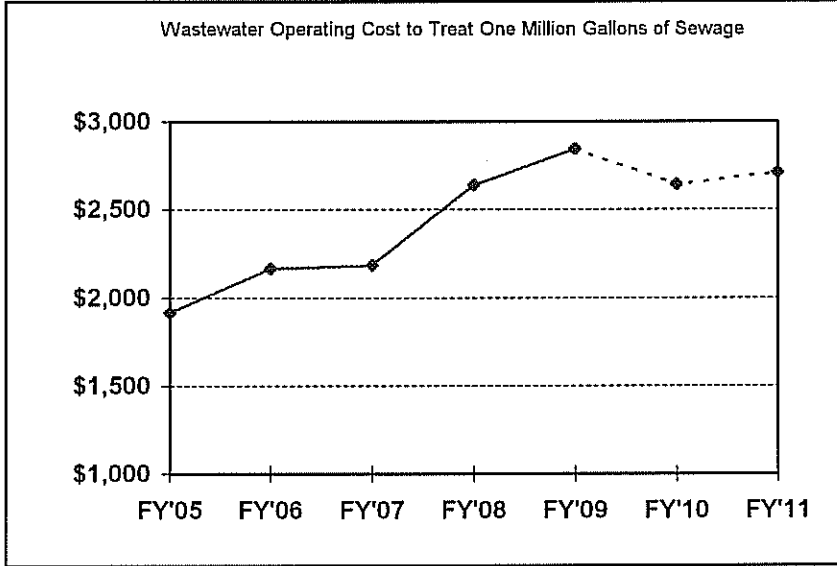
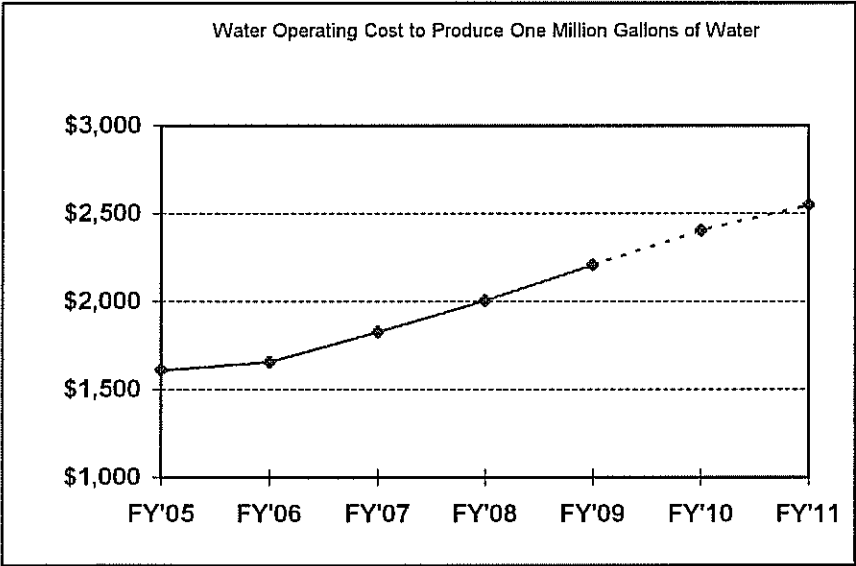
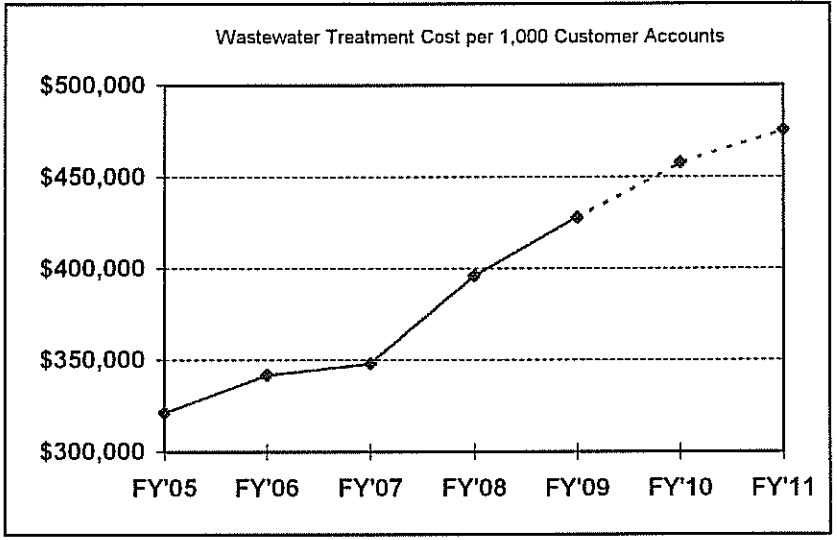
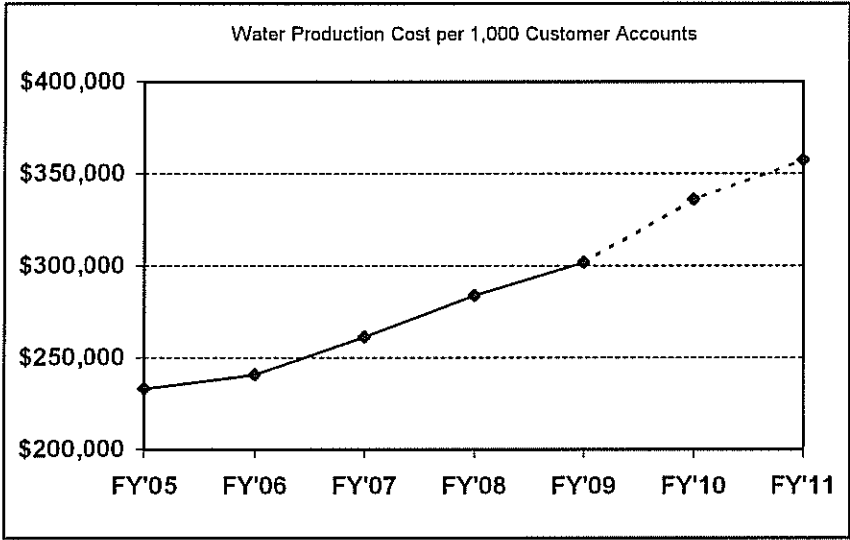
**Goal:** Provide timely procurement services.

**Group:** Acquisition Office

Objective	Outcome Measure	FY'08 Actual	FY'09 Actual	FY'10 Estimate	FY'11 Projected
Establish and maintain a standard for the timely processing of purchase requisitions in the following categories:	Average number of days to process purchase requisitions in the following categories / Number of purchase requisitions processed.			(Estimated at 10% Increase)	(Estimated at 10% Increase)
\$0 – \$4,999	5 – 10 days	N/A	10/651	11/716	12/788
\$5,000 – \$24,999	10 – 20 days	N/A	26/442	29/486	31/535
\$25,000 – \$249,999	30 – 45 days	N/A	29/480	32/528	35/581
\$250,000 – \$999,999	50 – 130 days	N/A	35/178	39/196	42/215

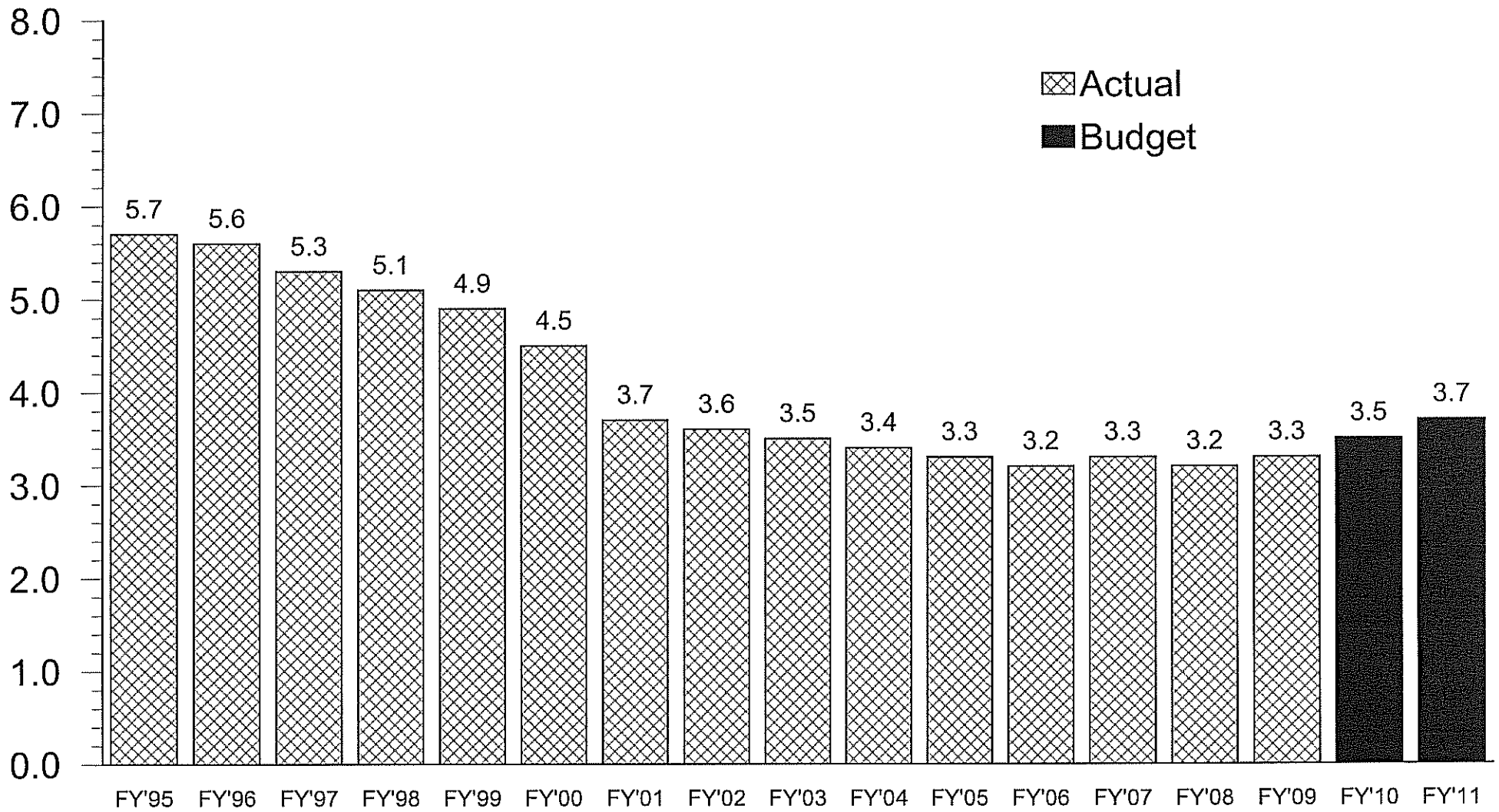
# WSSC

## OPERATING EFFICIENCY MEASURES

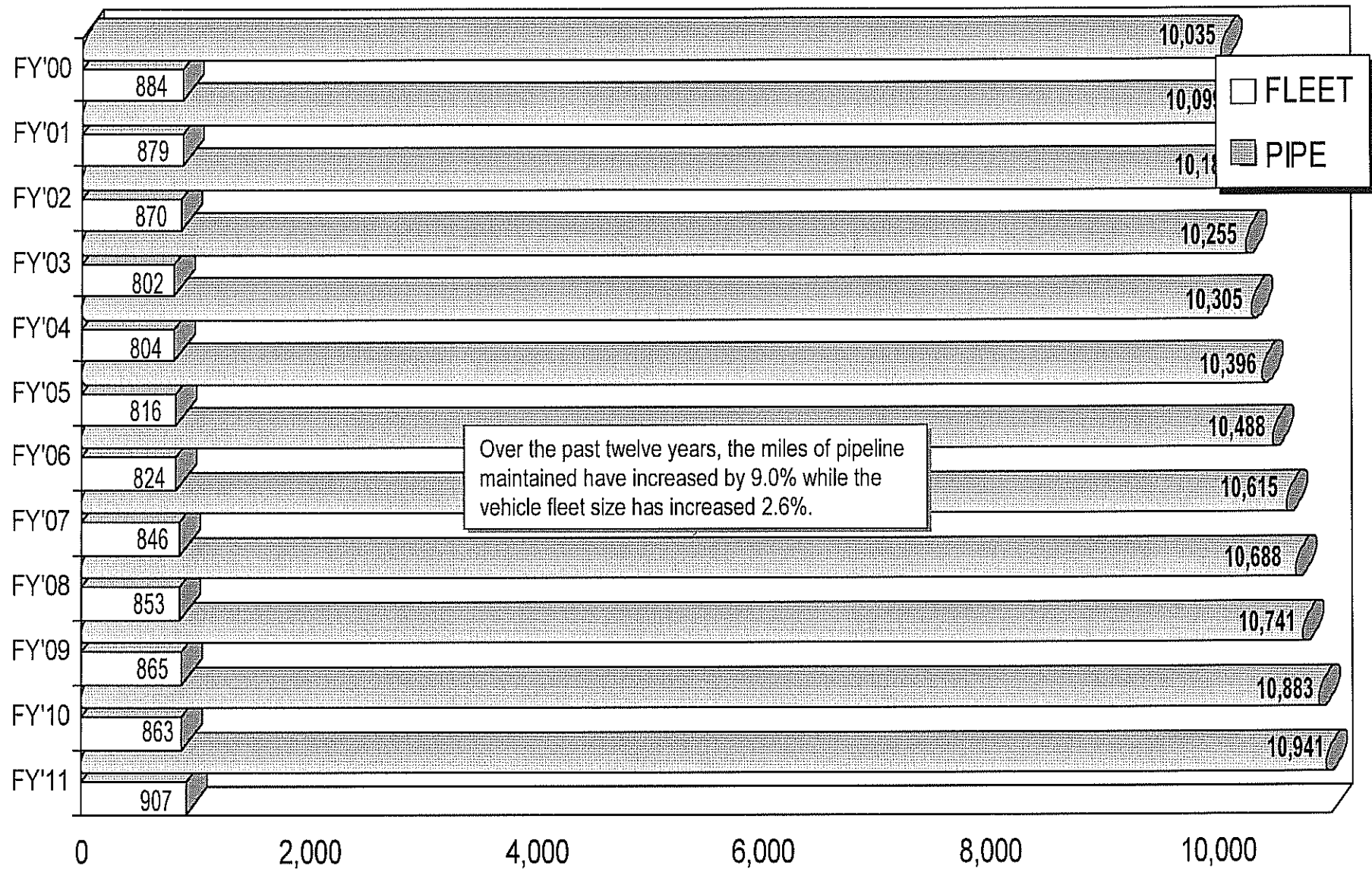


Note: FY'09 & FY'10 are budgeted, not actual.

# WORKYEARS PER 1,000 CUSTOMER ACCOUNTS



# VEHICLE FLEET SIZE VS. MILES OF PIPELINE MAINTAINED



Note: FY'10 & FY'11 are budgeted, not actual.

**WSSC**  
**COMPARATIVE STATISTICAL DATA**

The following actual and budgeted data show the number of customer accounts increasing 2.2% and the population increasing 3.1% from FY'07 to FY'11, with the number of employee workyears increasing 15.3%. The overall size of the system, measured in miles of water and sewer pipe, will have expanded 3.1% from FY'07 to FY'11.

During the years 1997 through 2001, the WSSC significantly cut resources through a Competitive Action Plan. In 1997, actual workyears were 2,015, the number of accounts was 382,404, and the population was 1,466,000. From this perspective, the size of the system and number of accounts will have increased 19.0% and 15.7% respectively from FY'97 to FY'11 while workyears will have decreased 19.0% for the same period. The additional workyears in FY'11 will fill gaps in staffing; and provide WSSC with the means to improve customer service, meet increased regulatory requirements, and expand programs to address aging infrastructure issues.

	<u>FY'07</u>	<u>FY'08</u>	<u>FY'09</u>	<u>FY'10</u>	<u>FY'11</u>	<u>FY'07-FY'11</u>
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>APPROVED</u>	<u>PROPOSED</u>	<u>PERCENT</u>
						<u>CHANGE</u>
Workyears	1,416	1,407	1,428	1,561	1,632	15.3%
Population	1,692,000	1,706,000	1,720,000	1,734,000	1,745,000	3.1%
Customer Accounts	433,113	433,967	433,579	443,967	442,579	2.2%
<b><u>Size of System</u></b>						
Miles to be Maintained						
Water	5,365	5,403	5,427	5,498	5,527	3.0%
Sewer	<u>5,250</u>	<u>5,285</u>	<u>5,314</u>	<u>5,385</u>	<u>5,414</u>	3.1%
<b>TOTAL</b>	10,615	10,688	10,741	10,883	10,941	3.1%
Water Production (average mgd)	169.8	168.2	162.3	170.0	170.0	0.1%
Sewage Flows (average mgd)	189.2	177.8	178.6	210.7	212.6	12.4%

## **SELECTED MULTI-YEAR HISTORICAL DATA**

### **SECTION 3**

## SELECTED STATISTICAL DATA

	<u>FY'05</u> <u>ACTUAL</u>	<u>FY'06</u> <u>ACTUAL</u>	<u>FY'07</u> <u>ACTUAL</u>	<u>FY'08</u> <u>ACTUAL</u>	<u>FY'09</u> <u>ACTUAL</u>	<u>FY'10</u> <u>BUDGET</u>	<u>FY'11</u> <u>PROPOSED</u>
Population Served	1,612,000	1,678,000	1,692,000	1,706,000	1,720,000	1,734,000	1,745,000
Customer Accounts	425,407	428,887	433,113	433,967	433,579	443,967	442,579
Water Produced (average MGD)	168.7	170.5	169.8	168.2	162.3	170.0	170.0
Water Produced (millions of gallons)	61,566	62,228	61,795	61,572	59,255	62,050	62,050
Water Mains Maintained (miles)	5,260	5,300	5,365	5,403	5,427	5,498	5,527
Water Mains Constructed (miles added by WSSC)	3	2	13.6*	0.2	0.5	5	5
Water Mains Constructed (miles added by developers)	42	38	51	38	23	45	45
Water House Connections Maintained	422,451	427,639	432,716	436,600	438,893	446,600	447,893
Water House Connections Installed	4,787	5,188	5,077	3,884	2,293	5,000	4,000
Water Meters Issued	21,543	29,730	13,916	16,457	13,458	16,578	15,622
Sewage Systems Total Flow (average MGD)	195.6	185.4	189.2	177.8	178.6	209.9	212.6
Sewage Systems Total Flow (millions of gallons)	71,381	67,682	69,071	65,068	65,201	76,614	77,599
Sewer Mains Maintained (miles)	5,136	5,188	5,250	5,285	5,314	5,385	5,414
Sewer Mains Constructed (miles added by WSSC)	3	4	11.4*	1	1.8	5	5
Sewer Mains Constructed (miles added by developers)	43	48	51	34	27	45	45
Sewer House Connections Maintained	401,580	406,303	410,923	414,386	416,392	424,386	425,392
Sewer House Connections Installed	4,507	4,723	4,620	3,463	2,006	5,000	4,000
Maintenance Work Orders (Emergency and Routine)	95,149	102,165	73,967	93,570	87,942	90,000	90,500
Vehicles in Fleet	816	824	846	853	865	863	907
Miles Traveled by Fleet	6,171,875	6,030,312	6,224,544	5,498,376	5,399,040	6,000,000	5,880,000
Water Meter Readings Completed	1,761,736	1,762,000	1,732,288	1,853,520	1,876,796	1,902,900	1,900,500
Authorized Positions	1,525	1,502	1,532	1,525	1,555	1,561	1,632
Authorized Workyears	1,463	1,458	1,490	1,525	1,555	1,561	1,632
Actual Employment Level - Beginning	1,433	1,383	1,377	1,428	1,434	1,455	
Actual Employment Level - Ending	1,383	1,377	1,428	1,434	1,455		
Actual Workyears	1,405	1,373	1,416	1,407	1,428		

\* Reflects the acquisition of the Marlboro Meadows System

**SELECTED FINANCIAL DATA**

	<u>FY'05 ACTUAL</u>	<u>FY'06 ACTUAL</u>	<u>FY'07 ACTUAL</u>	<u>FY'08 ACTUAL</u>	<u>FY'09 ACTUAL</u>	<u>FY'10 BUDGET</u>	<u>FY'11 PROPOSED</u>
<b>1. Customer Water &amp; Sewer Rate Percent Change</b>							
<u>Consumption Charges</u>							
Water	-1.7%	-2.0%	-1.1%	7.2%	10.3%	12.1%	14.0%
Sewer	7.2%	6.2%	6.1%	6.0%	6.5%	6.8%	4.3%
Combined	3.0%	2.5%	3.0%	6.5%	8.0%	9.0%	8.5%
<b>2. Water &amp; Sewer Bill Revenues (\$ in Thousands)</b>							
Water Consumption Charges	\$143,992	\$146,413	\$142,968	\$155,897	\$159,480	\$189,071	\$216,086
Sewer Use Charges	177,844	192,794	203,471	216,340	218,910	251,230	262,732
Total Consumption Charges	<u>321,836</u>	<u>339,207</u>	<u>346,439</u>	<u>372,237</u>	<u>378,390</u>	<u>440,301</u>	<u>478,818</u>
Account Maintenance Fee	21,672	21,955	21,957	21,888	21,789	22,850	22,850
Total	<u>\$ 343,508</u>	<u>\$ 361,162</u>	<u>\$ 368,396</u>	<u>\$ 394,125</u>	<u>\$ 400,179</u>	<u>\$ 463,151</u>	<u>\$ 501,668</u>
<b>3. Water Production (average MGD)</b>	168.7	170.5	169.8	168.2	162.3	170.0	170.0

**WATER & SEWER OPERATING FUNDS - COMBINED**

(\$ In Thousands)

	<u>FY'05</u> <u>ACTUAL</u>	<u>FY'06</u> <u>ACTUAL</u>	<u>FY'07</u> <u>ACTUAL</u>	<u>FY'08</u> <u>ACTUAL</u>	<u>FY'09</u> <u>ACTUAL</u>	<u>FY'10</u> <u>APPROVED</u>	<u>FY'11</u> <u>PROPOSED</u>
<b><u>REVENUES</u></b>							
Water Consumption Charges	\$ 143,992	\$ 146,413	\$ 142,968	\$ 155,897	\$ 159,480	\$ 189,071	\$ 216,086
Sewer Use Charges	177,844	192,794	203,471	216,340	218,910	251,230	262,732
Interest Income	2,661	5,382	5,596	3,872	902	5,500	4,000
Miscellaneous	17,155	17,534	18,903	21,177	19,288	19,217	21,628
Account Maintenance Fee	21,672	21,955	21,957	21,888	21,789	22,850	22,850
Total Revenues	<u>363,324</u>	<u>384,078</u>	<u>392,895</u>	<u>419,174</u>	<u>420,369</u>	<u>487,868</u>	<u>527,296</u>
SDC Debt Service Offset	3,002	2,907	2,810	2,711	2,612	2,498	2,398
Reconstruction Debt Service Offset	8,000	8,000	10,000	12,000	12,000	11,500	11,500
Use of Fund Balance	8,500	27,146	10,412	10,890	16,284	20,203	3,181
Net Fund Balance Increase	(5,024)	(1,482)	-	-	-	-	-
Total Funds Available	<u>\$ 377,802</u>	<u>\$ 420,649</u>	<u>\$ 416,117</u>	<u>\$ 444,775</u>	<u>\$ 451,265</u>	<u>\$ 522,069</u>	<u>\$ 544,375</u>
<b><u>EXPENDITURES</u></b>							
Salaries & Wages	\$ 72,360	\$ 73,539	\$ 78,799	\$ 84,702	\$ 87,396	\$ 90,879	\$ 93,483
Heat, Light & Power	15,274	19,350	20,525	23,025	26,315	28,422	27,819
Regional Sewage Disposal	35,564	38,281	39,327	42,384	44,767	42,224	47,713
Debt Service	132,971	139,497					
Principal Payments			95,661	97,082	103,165	112,316	111,140
Interest Payments			45,758	39,405	37,931	57,511	63,314
Debt Reduction (PAYGO)	7,000	22,924	1,482	-	-	-	-
All Other	110,851	118,508	125,175	144,544	157,689	190,717	200,906
Total Expenditures	<u>\$ 374,020</u>	<u>\$ 412,099</u>	<u>\$ 406,727</u>	<u>\$ 431,142</u>	<u>\$ 457,263</u>	<u>\$ 522,069</u>	<u>\$ 544,375</u>
Water Production (average MGD)	168.7	170.5	169.8	168.2	162.3	170.0	170.0

**CAPITAL BUDGET VS. ACTUAL EXPENSES**  
**FY'87 - FY'09**  
(\$ in Thousands)

Fiscal Year	Water Supply		Sewage Disposal		General Construction		Storm Drain		Total Capital	
	Approved Budget	Actual Expenses	Approved Budget	Actual Expenses	Approved Budget	Actual Expenses	Approved Budget	Actual Expenses	Approved Budget	Actual Expenses
1987	31,819	22,365	107,403	29,026	90,342	63,871	18,456	4,720	248,020	119,982
1988	37,331	28,577	141,454	54,304	104,540	75,824	25,040	6,298	308,365	165,003
1989	62,201	48,004	112,074	82,911	114,127	76,838	4,085	6,496	292,487	214,249
1990	79,788	42,010	164,712	77,760	127,733	90,039	172	209	372,405	210,018
1991	76,220	37,257	136,135	63,371	117,216	83,007	-	-	329,571	183,635
1992	87,004	72,459	109,438	57,958	96,851	25,481	-	-	293,293	155,898
1993	73,299	58,025	92,005	44,189	93,887	50,206	-	-	259,191	152,420
1994	66,371	46,869	83,181	49,330	84,138	49,686	-	-	233,690	145,885
1995	49,311	31,526	85,342	63,871	86,947	73,363	-	-	221,600	168,760
1996	43,638	40,364	53,337	47,385	86,705	51,421	-	-	183,680	139,170
1997	56,827	42,509	89,311	68,513	86,921	54,844	-	-	233,059	165,866
1998	79,065	66,349	60,936	38,510	89,961	46,143	-	-	229,962	151,002
1999	79,079	67,245	59,689	30,821	65,217	50,820	-	-	203,985	148,886
2000	60,111	43,037	88,458	48,868	62,871	49,039	-	-	211,440	140,944
2001	61,968	38,350	81,801	68,568	52,426	40,086	-	-	196,195	147,004
2002	54,972	44,094	104,820	61,073	34,272	31,765	-	-	194,065	136,932
2003	56,124	37,478	108,276	97,446	35,892	18,226	-	-	200,292	153,150
2004	78,314	55,626	95,777	104,400	36,364	20,250	-	-	210,455	180,276
2005	96,998	59,997	97,271	63,210	31,361	23,692	-	-	225,630	146,899
2006	112,678	78,267	117,776	55,558	34,365	15,621	-	-	264,819	149,446
2007	122,550	76,151	108,731	60,033	23,730	23,750	-	-	255,011	159,934
2008	142,820	88,908	108,358	71,705	30,403	22,668	-	-	281,581	183,281
2009	185,620	106,490	142,718	82,687	32,637	24,271	-	-	360,975	213,448

## **OPERATING BUDGET**

### **SECTION 4**

## **OPERATING FUNDS**

### **PURPOSES OF FUNDS - SOURCES OF REVENUE**

The WSSC Operating Budget consists of the Water Operating, Sewer Operating, and Interest and Sinking Funds. Each fund is a separate entity authorized to expend funds for prescribed purposes and derive revenues from specific rates, charges, and/or taxes. The purposes of each fund and the revenue sources are prescribed by law in the Washington Suburban Sanitary District Code.

### **Water Operating Fund**

***Purposes of Fund*** - To defray expenses for maintenance and operation of pipes, pumping stations, filtration plants, and reservoirs needed to supply water to the Sanitary District, and to pay the principal and interest on Water Supply Bonds. Existing laws require that the water consumption rates be sufficient to meet these provisions. This fund is also used to defray expenses associated with the plumbing activities of the Commission.

#### ***Sources of Revenue***

Water Consumption Charges - revenue derived from the sale of water by applying an increasing rate schedule per 1,000 gallons of use. The rate charged for each account is based upon the average daily consumption during each billing period. The range of currently approved rates is \$2.21 to \$5.08 per 1,000 gallons of water consumed.

Account Maintenance Fee - a charge to all customers, based on meter size, to defray costs of providing and reading a meter and rendering a water and/or sewer bill.

Plumbing and Inspection Fees - a fee for Commission inspection of all plumbing and gas fixtures installed in residential and commercial structures to ensure that such installations are in compliance with the WSSC Plumbing Code.

Interest on Investments - revenues derived from investment of cash available to the Water Operating Fund and the Water Supply Bond Fund.

## OPERATING FUNDS

(Continued)

System Development Charge (SDC) - a charge for new development to pay for that part of the Commission's capital program which is needed to accommodate growth. A portion of SDC revenues will be used for continued payment of the debt service on bonds issued in FY'94 (the first year of the SDC). Debt service on bonds issued to fund growth-related CIP projects in subsequent years (e.g., because of inadequate SDC revenue) is paid from SDC revenues if sufficient revenues exist, or from operating revenues if SDC funds are not available. The balance of these revenues will be used in the capital funds to pay for growth projects.

Miscellaneous - revenue derived from charges for late payment of bills; charges for repair of Commission property (e.g., fire hydrants and water mains) damaged by individuals; charges for relocation of WSSC water systems and/or facilities for the benefit of other parties (e.g., Maryland Department of Transportation and county Departments of Transportation); and fees charged for the use of recreational facilities in the WSSC's watershed areas.

### Water Operating Fund Revenue Sources

(\$ In Thousands)

	<u>FY'08</u> <u>Actual</u>	<u>FY'09</u> <u>Actual</u>	<u>FY'10</u> <u>Approved</u>	<u>FY'11</u> <u>Proposed</u>
Water Consumption Charges	\$155,897	\$159,480	\$189,071	\$216,086
Account Maintenance Fee	11,159	11,116	11,425	11,425
Plumbing & Inspection Fees	2,427	2,052	2,893	2,893
Interest	963	(78)	2,100	1,500
SDC Debt Service Offset	552	533	514	495
Miscellaneous	6,046	5,897	6,694	6,710

## **OPERATING FUNDS**

(Continued)

### **Sewer Operating Fund**

***Purposes of Fund*** - To maintain and operate the pipes, pumping stations, and treatment plants needed to properly dispose of all sewage originating in the Sanitary District; to pay the District of Columbia for use of its system; and to pay principal and interest on Sewage Disposal Bonds.

#### ***Sources of Revenue***

Sewer Use Charges - revenue derived from applying an increasing rate schedule per 1,000 gallons of water sold. The rate charged for each account is based upon the average daily water consumption by customer unit during each billing period. The range of currently approved rates is \$2.96 to \$7.51 per 1,000 gallons of metered water. Customers who receive sewage disposal services only are currently charged at a flat rate of \$71.00 per quarter.

Plumbing and Inspection Fees - a fee for Commission inspection of all plumbing and gas fixtures installed in residential and commercial structures to ensure that such installations are in compliance with the WSSC Plumbing Code.

Account Maintenance Fee - a charge to all customers, based on meter size, to defray costs of providing and reading a meter and rendering a water and/or sewer bill.

Interest on Investments - revenue derived from investment of cash available to the Sewer Operating Fund and Sewage Disposal Bond Fund.

Rockville Sewer Use - revenue derived from payment by the City of Rockville for the city's share of the Regional Sewage Disposal charges.

System Development Charge (SDC) - a charge for new development to pay for that part of the Commission's capital program which is needed to accommodate growth. A portion of SDC revenues will be used for continued payment of the debt service on bonds issued in FY'94 (the first year of the SDC). Debt service on bonds issued to fund growth-related CIP projects in subsequent years (e.g., because of inadequate SDC revenue) is paid from SDC revenues if sufficient revenues exist, or from operating revenues if SDC funds are not available. The balance of these revenues will be used in the capital funds to pay for growth projects.

**OPERATING FUNDS**

(Continued)

Miscellaneous - revenue derived from charges for late payment of bills; charges for repair of Commission property (e.g., sewer mains) damaged by individuals; charges for relocation of WSSC sewer lines and/or facilities for the benefit of other parties (e.g., Maryland Department of Transportation and county Departments of Transportation); and sewage handlers' fees which are charged for discharging septic tank clean-out wastes into the WSSC's sewerage system.

**Sewer Operating Fund Revenue Sources**

(\$ In Thousands)

	<b><u>FY'08</u></b>	<b><u>FY'09</u></b>	<b><u>FY'10</u></b>	<b><u>FY'11</u></b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
Sewer Use Charges	\$216,340	\$218,910	\$251,230	\$262,732
Account Maintenance Fee	10,729	10,673	11,425	11,425
Plumbing & Inspection Fees	2,427	2,052	2,930	2,930
Interest	2,909	980	3,400	2,500
Rockville Sewer Use	2,319	2,540	2,288	2,258
SDC Debt Service Offset	2,159	2,079	1,984	1,903
Miscellaneous	7,958	6,747	4,412	6,837

**OPERATING FUNDS**

(Continued)

**Interest and Sinking Fund**

**Purposes of Fund** - To pay the principal and interest on General Construction Bonds and to pay principal and interest on Prince George's County Storm Drainage Bonds.

**Sources of Revenue**

Front Foot Benefit Charges - revenues derived from charges assessed owners of property abutting water and/or sewer mains who derive a benefit from the construction of these water mains and sewers. This revenue pays the principal and interest on General Construction Bonds, while reimbursement from Prince George's County is used to pay the principal and interest on Prince George's County Storm Drainage Bonds. The debt service on the Storm Drainage Bonds ends in Fiscal Year 2010.

**Current Approved Front Foot Benefit Assessment Rates**

(\$ Per Foot)

	<b><u>Water</u></b>	<b><u>Sewer</u></b>
<b><u>Subdivision</u></b>		
First 150 Feet	\$4.00	\$6.00
Next 150 Feet	3.00	4.50
Over 300 Feet	2.00	3.00
<b><u>Business</u></b>		
All Footage	5.32	7.98

Note: The rates established each year apply mainly to the assessable properties that benefit from that year's construction. They cannot be increased, and remain in effect during the life of the bonds issued to pay for the construction.

Deferred House Connections - revenues derived from deferred or amortized house connection payments to cover the cost of building lines from lateral lines to the property line. Prior to October 1, 1992, these connection charges could be paid over a multi-year period, and revenues shown are those being collected from this method of payment until fully amortized.

**OPERATING FUNDS**

(Continued)

Debt Service Reimbursement - revenue from Prince George's County used to pay the debt service on bonds issued to pay for storm drainage projects constructed prior to the county's assumption of the storm drain program on July 1, 1987.

Interest on Investments - revenue derived from investments of cash available to the fund, including interest income from the investment of cash available to the Storm Drainage and General Construction Bond Funds.

Miscellaneous - revenue primarily derived from late payments of Front Foot Benefit Charges.

**Interest and Sinking Fund Revenue Sources**

(\$ In Thousands)

	<b><u>FY'08</u></b> <b><u>Actual</u></b>	<b><u>FY'09</u></b> <b><u>Actual</u></b>	<b><u>FY'10</u></b> <b><u>Approved</u></b>	<b><u>FY'11</u></b> <b><u>Proposed</u></b>
Front Foot Benefit Charges and Deferred House Connection Charges	\$74,337	\$69,297	\$64,033	\$59,298
Debt Service Reimbursement	749	754	787	-
Interest	7,331	2,467	2,756	2,047
Miscellaneous	1,353	891	1,500	1,300

**CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES, AND EXPENDITURES**

(\$ In Thousands)

	<u>FY'09</u> Actual	<u>FY'10</u> Approved Budget	<u>FY'11</u> Proposed Budget
<b><u>REVENUES</u></b>			
Water Consumption Charges	\$159,480	\$189,071	\$216,086
Sewer Use Charges	218,910	251,230	262,732
Account Maintenance Fee	21,789	22,850	22,850
Front Foot Benefit & House Connection Charges (Deferred)	69,297	64,033	59,298
Debt Service Reimbursement	754	787	-
Plumbing & Inspection Fees	4,104	5,823	5,823
Interest Income	3,369	8,256	6,047
Rockville Sewer Use	2,540	2,288	2,258
Use of Fund Balance	16,284	20,203	3,181
Miscellaneous	<u>13,535</u>	<u>12,606</u>	<u>14,847</u>
<b>TOTAL REVENUES</b>	<u>510,062</u>	<u>577,147</u>	<u>593,122</u>
<b><u>EXPENSES</u></b>			
Salaries & Wages	87,879	91,536	95,120
Heat, Light & Power	26,315	28,422	27,819
Regional Sewage Disposal	44,767	42,224	47,713
All Other	158,222	191,679	201,862
Debt Service			
Principal Payments	159,415	165,119	158,764
Interest Payments	<u>54,593</u>	<u>71,551</u>	<u>74,272</u>
<b>GROSS EXPENSES</b>	<u>531,191</u>	<u>590,531</u>	<u>605,550</u>
Less: Reconstruction Debt Service Offset	(12,000)	(11,500)	(11,500)
SDC Debt Service Offset	<u>(2,612)</u>	<u>(2,498)</u>	<u>(2,398)</u>
<b>NET EXPENSES</b>	<u>516,579</u>	<u>576,533</u>	<u>591,652</u>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<u>\$ (6,517)</u>	<u>\$ 614</u>	<u>\$ 1,470</u>

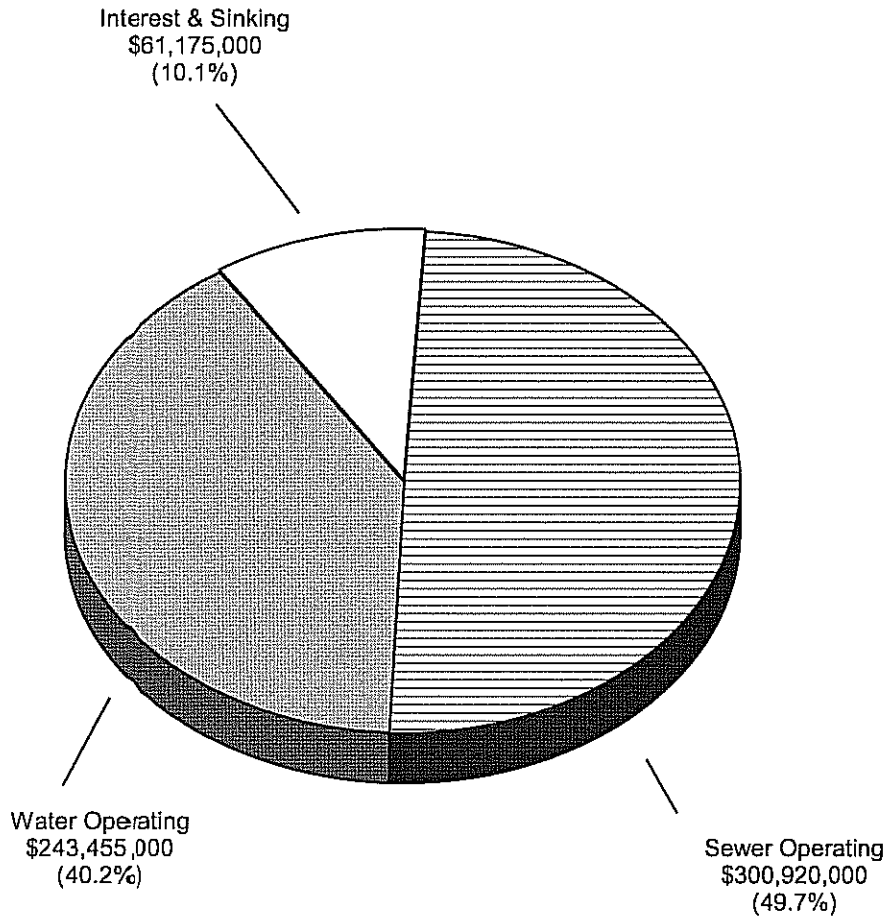
**FY'11 PROPOSED BUDGET**  
**PROJECTED FUND BALANCE AT JUNE 30, 2011**  
**OPERATING FUNDS**  
(\$ In Thousands)

	<u>WATER OPERATING</u>	<u>SEWER OPERATING</u>	<u>INTEREST &amp; SINKING</u>
ESTIMATED FUND BALANCE AT 6/30/10	\$ (14,955)	\$ 41,796	\$ 132,269
<u>Revenue</u>	<u>238,614</u>	<u>288,682</u>	<u>62,645</u>
<u>Other Funding Sources</u>			
SDC Debt Service Offset	495	1,903	-
Reconstruction Debt Service	<u>11,500</u>	<u>-</u>	<u>(11,500)</u>
TOTAL REVENUE	<u>250,609</u>	<u>290,585</u>	<u>51,145</u>
<u>Expenses</u>			
Operating Expenses	158,097	211,824	2,593
Debt Service			-
Principal Payments	55,711	55,429	47,624
Interest Payments	<u>29,647</u>	<u>33,667</u>	<u>10,958</u>
TOTAL EXPENSES	<u>243,455</u>	<u>300,920</u>	<u>61,175</u>
NET REVENUE (LOSS) FOR YEAR (Before use of Fund Balance)	<u>7,154</u>	<u>(10,335)</u>	<u>(10,030)</u>
USE OF (INCREASE TO) FUND BALANCE	<u>(7,154)</u>	<u>10,335</u>	<u>11,500</u>
NET REVENUE (LOSS)	<u>-</u>	<u>-</u>	<u>1,470</u>
PROJECTED FUND BALANCE AT 6/30/11	<u>\$ (7,801)</u>	<u>\$ 31,461</u>	<u>\$ 122,239</u>

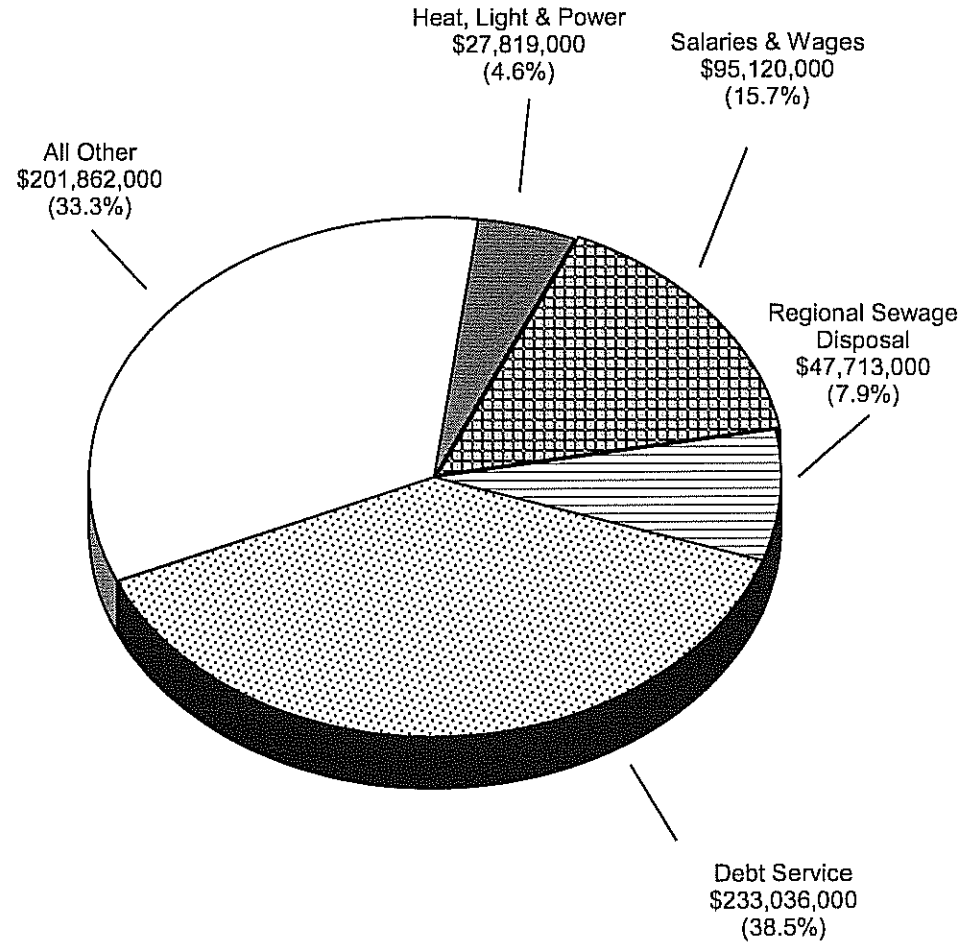
# FY 2011 PROPOSED BUDGET

## OPERATING EXPENDITURES

BY FUND



BY MAJOR EXPENSE CATEGORY



TOTAL OPERATING = \$605,550,000

**WATER OPERATING**

(\$ In Thousands)

	<b><u>FY'09 Actual</u></b>	<b><u>FY'10 Approved Budget</u></b>	<b><u>FY'11 Proposed Budget</u></b>
<b><u>REVENUES</u></b>			
Water Consumption Charges	\$ 159,480	\$ 189,071	\$ 216,086
Account Maintenance Fee	11,116	11,425	11,425
Plumbing & Inspection Fees	2,052	2,893	2,893
Interest Income	(78)	2,100	1,500
Products & Technology	-	-	-
Use of Fund Balance	5,985	10,728	846
Miscellaneous	5,897	6,694	6,710
Reserve Requirement	-	-	(8,000)
<b>TOTAL REVENUES</b>	<b><u>184,452</u></b>	<b><u>222,911</u></b>	<b><u>231,460</u></b>
<b><u>EXPENSES</u></b>			
Salaries & Wages	44,974	45,387	48,185
Heat, Light & Power	15,124	15,069	15,134
All Other	70,591	88,610	94,778
Debt Service			
Principal Payments	52,415	56,682	55,711
Interest Payments	19,307	29,177	29,647
<b>GROSS EXPENSES</b>	<b><u>202,411</u></b>	<b><u>234,925</u></b>	<b><u>243,455</u></b>
Less: Reconstruction Debt Service Offset	(12,000)	(11,500)	(11,500)
SDC Debt Service Offset	(533)	(514)	(495)
<b>NET EXPENSES</b>	<b><u>189,878</u></b>	<b><u>222,911</u></b>	<b><u>231,460</u></b>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<b><u>\$ (5,426)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**SEWER OPERATING**

(\$ In Thousands)

	<b><u>FY'09 Actual</u></b>	<b><u>FY'10 Approved Budget</u></b>	<b><u>FY'11 Proposed Budget</u></b>
<b><u>REVENUES</u></b>			
Sewer Use Charges	\$ 218,910	\$ 251,230	\$ 262,732
Account Maintenance Fee	10,673	11,425	11,425
Plumbing & Inspection Fees	2,052	2,930	2,930
Interest Income	980	3,400	2,500
Rockville Sewer Use	2,540	2,288	2,258
Products & Technology	-	-	-
Use of Fund Balance	10,299	9,475	2,335
Miscellaneous	6,747	4,412	6,837
Reserve Requirement	-	-	8,000
<b>TOTAL REVENUES</b>	<b><u>252,201</u></b>	<b><u>285,160</u></b>	<b><u>299,017</u></b>
<b><u>EXPENSES</u></b>			
Salaries & Wages	42,422	45,492	45,298
Heat, Light & Power	11,191	13,353	12,685
Regional Sewage Disposal	44,767	42,224	47,713
All Other	87,098	102,107	106,128
Debt Service			
Principal Payments	50,750	55,634	55,429
Interest Payments	<u>18,624</u>	<u>28,334</u>	<u>33,667</u>
<b>GROSS EXPENSES</b>	<b><u>254,852</u></b>	<b><u>287,144</u></b>	<b><u>300,920</u></b>
Less: Reconstruction Debt Service Offset	-	-	-
SDC Debt Service Offset	<u>(2,079)</u>	<u>(1,984)</u>	<u>(1,903)</u>
<b>NET EXPENSES</b>	<b><u>252,773</u></b>	<b><u>285,160</u></b>	<b><u>299,017</u></b>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<b><u>\$ (572)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**INTEREST AND SINKING \***

(\$ In Thousands)

	<u>FY'09 Actual</u>	<u>FY'10 Approved Budget</u>	<u>FY'11 Proposed Total</u>
<b><u>REVENUES</u></b>			
Front Foot Benefit & House Connection Charges (Deferred)	\$ 69,297	\$ 64,033	\$ 59,298
Debt Service Reimbursement	754	787	-
Interest Income	2,467	2,756	2,047
Miscellaneous	891	1,500	1,300
Use of Fund Balance	12,000	11,500	11,500
Reconstruction Debt Service Offset	<u>(12,000)</u>	<u>(11,500)</u>	<u>(11,500)</u>
TOTAL REVENUES	<u>73,409</u>	<u>69,076</u>	<u>62,645</u>
<b><u>EXPENSES</u></b>			
Salaries & Wages	483	657	1,637
All Other	533	962	956
Debt Service			
Principal Payments	56,250	52,803	47,624
Interest Payments	<u>16,662</u>	<u>14,040</u>	<u>10,958</u>
TOTAL EXPENSES	<u>73,928</u>	<u>68,462</u>	<u>61,175</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$ (519)</u>	<u>\$ 614</u>	<u>\$ 1,470</u>

\* Prior to FY'11 the Interest and Sinking Fund included Prince George's County Storm Drain Debt Service in addition to General Bond Debt Service.

## DEBT SERVICE

This section provides budget data for the repayment of Water Supply, Sewage Disposal, Storm Drain, and General Construction Bonds issued as long-term financing of the Commission's facilities and infrastructure.

### Overview

The total FY'11 Proposed Budget for debt service is \$233,136,000, a decrease of \$3,553,000 or 1.5% less than the FY'10 Approved Budget of \$236,689,000. The proposed debt service is based upon paying the FY'11 principal and interest payments on current outstanding debt, and issuing \$310,649,000 in new Water Supply, Sewage Disposal, and General Construction Bonds. The new debt issues are necessary to implement the first year of the Commission's Proposed FYs 2011-2016 Capital Improvements, Engineering Support, and Systems Reconstruction programs as well as to construct some local water and sewer mains.

The WSSC issues Water Supply and Sewage Disposal Bonds to fund a major portion of the construction of long-lived additions or improvements to major water and sewerage facilities including water and wastewater treatment plants, pumping stations and force mains, storage structures, all water mains 16 inches in diameter and larger, and all sewer mains 15 inches and larger. The Commission's fiscal plan for these facilities is known as the Capital Improvements Program and is published separately from the operating and capital budget.

Water Supply and Sewage Disposal Bonds also help finance projects in the WSSC's Engineering Support, Systems Reconstruction, and Water Storage Facility Rehabilitation programs. The Engineering Support Program (ESP) is a diverse group of multi-year projects and studies that support the extensive water and sewerage infrastructure and numerous support facilities owned, operated, and maintained by the WSSC. Typical ESP projects correct design deficiencies, eliminate hazardous situations, modify existing processes, satisfy regulatory requirements, or rehabilitate aging facilities.

The Systems Reconstruction Program provides for the rehabilitation or replacement of the aging portions of the water distribution and wastewater collection systems. Portions of these systems are more than 80 years old and need to be replaced or renovated in order to achieve adequate water flow for domestic use and fighting fires, to eliminate discolored water problems, or to correct structural damage to the sewage collection system.

The Water Storage Facility Rehabilitation Program provides for the comprehensive rehabilitation of the Commission's aging 57 water storage facilities located throughout the WSSC service area. Rehabilitation efforts can include structural metal and concrete foundation repairs, lead paint removal, security upgrades, advanced mixing systems to improve water quality, and supply pipe replacement.

## DEBT SERVICE

(Continued)

In addition to borrowing funds in the private financial markets, the WSSC periodically borrows funds from the Maryland Water Quality Loan Fund to fund major wastewater capital improvements that are needed to help maintain or improve water quality in the Chesapeake Bay. The Fund, established by the State of Maryland and administered by the Maryland Water Quality Financing Administration, provides low interest loans to local governments to help with a variety of water quality improvement projects such as upgrades of wastewater treatment plants, construction of sewers in areas with failing septic tanks, implementation of estuary conservation management plans, and the reduction of non-point-source pollution.

General Construction Bonds are issued to finance a major portion of the cost of constructing some minor water and sewer lines (up to 15 inches in diameter for water and 14 inches in diameter for sewer); constructing new administrative and support facilities; modifying, enlarging, or replacing existing support facilities; relocating facilities; and purchasing water meters. As a result of a legislative change, applications for service requested after July 1, 1999, require the Applicant to finance and construct the local water and sewer mains needed for new development. The WSSC will still construct those projects serving one residence or providing relief from a residential health hazard.

The WSSC is no longer responsible for stormwater management activities in the Sanitary District. This function was transferred to Montgomery County in 1968 and to Prince George's County in 1986. There are still outstanding bonds for Prince George's County from when the Commission was responsible for this function. Annually, the Commission certifies and Prince George's County levies an ad valorem tax on assessable property in the county to pay the debt service on these bonds. The debt service on Prince George's County Stormwater Drainage Bonds ends in FY'10.

The Commission's outstanding debt as of June 30, 2009, is as follows:

General Construction Bonds	\$455,430,000
Maryland Water Quality Bonds	86,541,739
Water Supply Bonds	357,300,000
Sewage Disposal Bonds	249,510,000
Stormwater Drainage Bonds - Prince George's County	745,000
Water & Sewer Notes	<u>197,200,000</u>
TOTAL	<u>\$1,346,726,739</u>

**FISCAL YEARS 2009-2011**  
**ACTUAL AND ESTIMATED OUTSTANDING DEBT**

Debt as of June 30, 2009 (Includes Maryland Water Quality Loans)	\$1,346,726,739
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**FY'10 NEW ISSUES**

General Construction	20,000,000
Water and Sewer	156,409,000

**FY'10 PRINCIPAL PAYMENTS**

Principal from Debt Outstanding as of June 30, 2009	(155,205,000)
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Estimated Debt Outstanding as of June 30, 2010	1,367,930,739
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**NEW FY'11 PROPOSED ISSUES**

General Construction	20,000,000
Water	109,146,000
Sewer	181,503,000

**FY'11 PRINCIPAL PAYMENTS**

Principal from Debt Outstanding as of June 30, 2009	(136,613,368)
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Principal from FY'10 Water & Sewer Bonds	(7,820,000)
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Estimated Debt Outstanding as of June 30, 2011	\$1,534,146,371
--	-----------------

## **DEBT SERVICE**

(Continued)

Commission bonds are repaid to bondholders over a period of years with a series of principal and interest payments known as debt service. In this manner, the initial high cost of capital improvements is spread over time and paid for by customers benefiting from facilities in the future, as well as by current customers. Due to various federal, state, and local policies, interest costs on the debt are kept low because the interest on Commission debt is exempt from federal and state taxation.

The Commission's debt is repaid from water consumption and sewer use charges, front foot benefit charges, and ad valorem taxes for outstanding stormwater drainage bonds. However, should revenues from these sources be inadequate, the "full faith and credit" of Prince George's and Montgomery Counties and their general revenue stream also back the bonds. The Commission has never needed to invoke this underlying pledge of county revenues, and does not expect to do so. Thus, these financial instruments provide strong advantages in both safety of repayment and investment return for certain categories of investors.

### **Rating Agency Reviews**

WSSC bonds carry AAA/Aaa/AAA credit ratings from the three major bond rating agencies: FitchRatings, Moody's, and Standard and Poor's. These high ratings are critical in ensuring a low cost of debt to WSSC customers. High ratings translate into low interest rates and considerable savings over the 19 to 23 year bond repayment period. The WSSC has been able to secure these ratings primarily because of the quality of its operations, its policy of maintaining a 5% or greater operating reserve, the willingness of the Commission and local governments to raise the rate revenues necessary to meet debt service requirements, and the underlying credit worthiness of Montgomery and Prince George's Counties. All of these factors are considered evidence of both the ability and willingness of the Commission and the Prince George's and Montgomery County governments to support public debt.

### **Legal Debt Margin**

Bonds and notes issued by the Commission are limited to an amount outstanding at any time that may not exceed the sum of 3.8% of the total assessable base of all real property and 7.0% of the total assessable personal and operating real property for county taxation purposes within the Sanitary District. However, any amount held in a sinking fund for the payment of sinking fund bonds may be deducted from the total indebtedness subject to such debt limitations. The following tables show the Commission's legal debt margin, the latest certified assessed valuations of those portions of the counties that lie within the Sanitary District, and the ratio of Commission debt to permitted debt.

**TOTAL LEGAL DEBT MARGIN**

Total Assessable Personal and Real Property		\$239,108,924,000
Debt Limit: 7.0% of total assessable personal & operating real property		145,595,423
3.8% of total assessable tax base of all real property		9,007,101,587
Debt applicable to limitation:		
Total applicable debt	1,346,726,739	
Less amount available from		
Repayment of debt - FY'10	(155,205,000)	
Repayment of debt - FY'11	(136,613,368)	
Plus amount available from		
New issues - FY'10	176,409,000	
Planned issues - FY'11	<u>310,649,000</u>	
Total debt applicable to limitation		<u>1,541,966,371</u>
Legal Debt Margin		<u>\$7,610,730,640</u>

**ASSESSED VALUATION**

<u>As of June 30</u>	<u>Total Assessed Valuation (000)</u>	<u>Total Debt Outstanding (000)</u>	<u>Maximum Debt Permitted (000)</u>
2009	\$239,108,924	\$1,346,727	\$9,152,697
2008	217,330,637	1,336,410	8,327,826
2007	191,362,247	1,342,044	7,339,550
2006	167,670,776	1,425,377	6,436,574
2005	148,923,353	1,454,125	5,724,920
2004	133,837,711	1,465,115	5,151,881

# **CAPITAL BUDGET**

## **SECTION 5**

## **CAPITAL FUNDS**

### **PURPOSES OF FUNDS - SOURCES OF REVENUE**

The Washington Suburban Sanitary Commission's (WSSC's) Capital Budget consists of the Water Supply Bond, Sewage Disposal Bond, and General Construction Bond funds. Each fund is a separate entity authorized to expend funds for prescribed purposes and to derive revenues from specific sources, primarily proceeds from the issuance of bonds. The purposes and revenue sources of each fund are prescribed by law in the Washington Suburban Sanitary District Code. The Capital Budget is also composed of a number of programs for which funds are expended. Specifically, these are the water and sewer Capital Improvements Program, the Engineering Support Program, the Energy Performance Program, the Systems Reconstruction Program, the Water Storage Facility Rehabilitation Program, the Development Services Process, and other engineering projects. The fund and program formats and their relationships are discussed in this section.

### **Water Supply Bond Fund**

***Purposes of Fund*** - To plan, design, and construct dams and reservoirs, water filtration plants, water pumping stations, water storage facilities, water supply lines of 16 inches in diameter and larger, and improvements or modifications to these facilities.

#### ***Sources of Revenue***

Bonds Issued and Cash On Hand - proceeds from the sale of Water Supply Bonds, and cash on hand at the beginning of the fiscal year.

Anticipated Contributions - contributions made by private parties for the excess cost of extending major water lines to certain areas, or to offset the cost of unusual conditions of providing service, and payments to the WSSC from local governments or agencies for the co-use of facilities or for the relocation of pipelines.

System Development Charge (SDC) - a charge to pay for that part of the Commission's Capital Improvements Program needed to accommodate growth.

**CAPITAL FUNDS**

(Continued)

**Sewage Disposal Bond Fund**

***Purposes of Fund*** - To plan, design, and construct trunk and intercepting sewers 15 inches in diameter and larger; sewage pumping stations and force mains; sewage disposal facilities; along with improvements or modifications to these facilities; and reimbursement to the District of Columbia Water and Sewer Authority for construction at Blue Plains.

***Sources of Revenue***

Bonds Issued and Cash On Hand - proceeds from the sale of Sewage Disposal Bonds, and cash on hand at the beginning of the fiscal year.

Anticipated Contributions (Federal) - federal grant funds.

Anticipated Contributions (State) - state grant funds.

Anticipated Contributions (Other) - contributions made by private parties for the excess cost of extending major sewerage lines to certain areas, or to offset the cost of unusual conditions of providing service, and payments to the WSSC from local governments or agencies for the co-use of facilities or for the relocation of pipelines.

System Development Charge (SDC) - a charge to pay for that part of the Commission's Capital Improvements Program needed to accommodate growth.

**CAPITAL FUNDS**

(Continued)

**General Construction Bond Fund**

***Purposes of Fund*** - To finance a major portion of the cost of constructing minor water and sewer lines (up to 15 inches in diameter for water and 14 inches in diameter for sewer); constructing new administrative and support facilities; modifying, enlarging, or replacing existing support facilities; relocating facilities; and purchasing water meters.

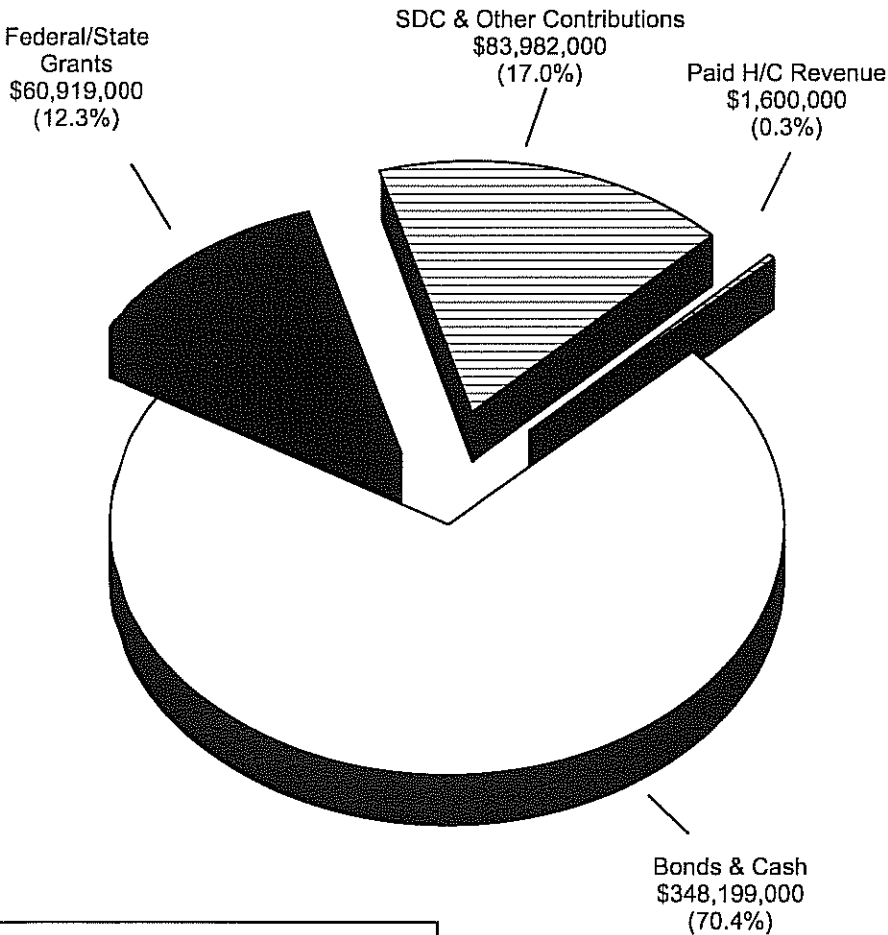
***Sources of Revenue***

Bonds Issued and Cash On Hand - proceeds from the sale of General Construction Bonds and cash on hand at the beginning of the fiscal year.

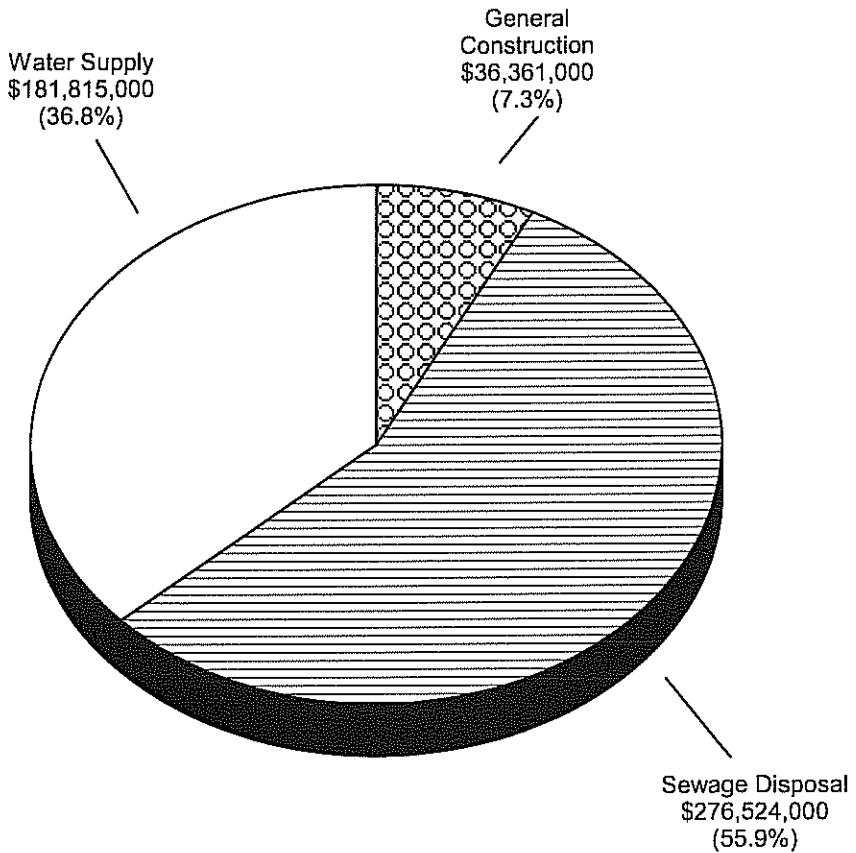
Anticipated Contributions - house connection charges which are paid as a lump sum, and contributions made by private parties for the excess cost of extending lateral water and sewer lines to certain areas.

# FY 2011 PROPOSED BUDGET CAPITAL

**BY SOURCE**



**BY FUND**



SDC = System Development Charge  
H/C = House Connection

**TOTAL CAPITAL = \$494,700,000**

**STATEMENT OF CAPITAL FUNDS, INCOME, AND EXPENDITURES**

**CAPITAL FUNDS TOTAL**

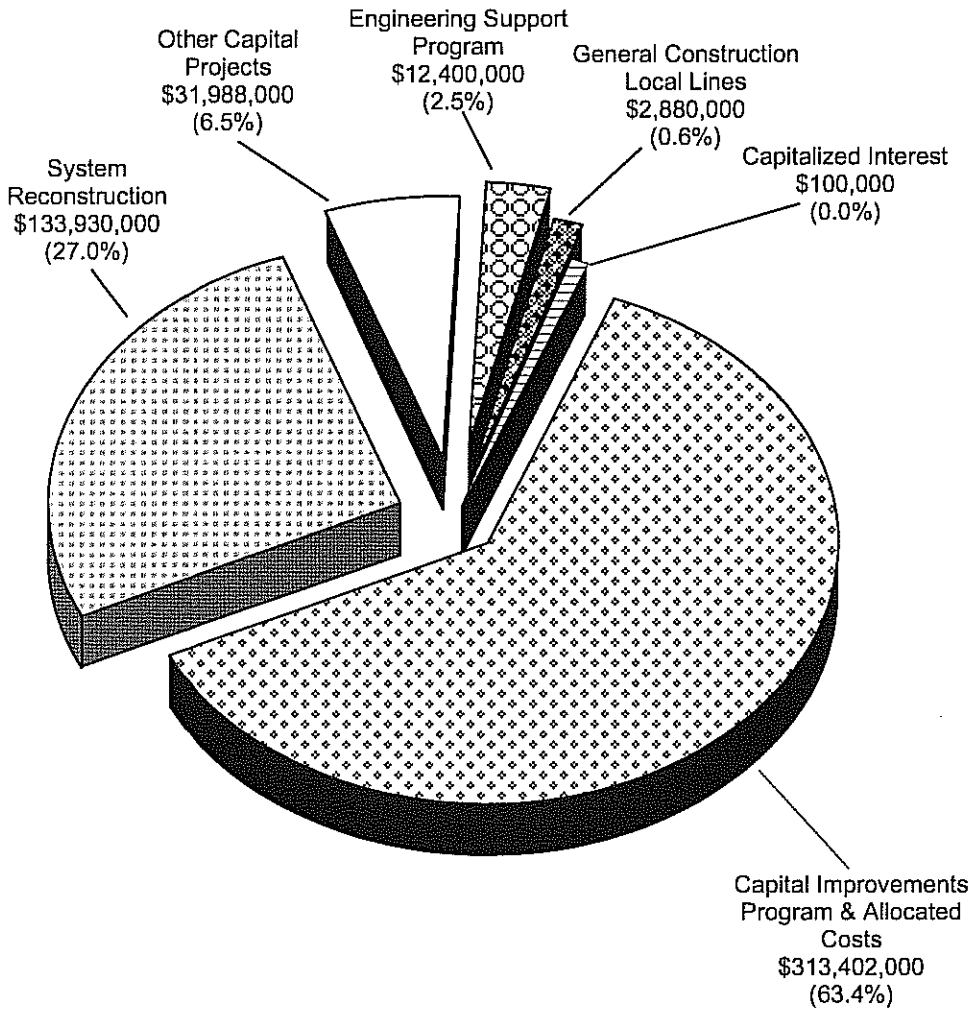
(\$ In Thousands)

	<b><u>FY'09 Actual</u></b>	<b><u>FY'10 Approved Budget</u></b>	<b><u>FY'11 Proposed Budget</u></b>
<b><u>GROSS FUNDS AVAILABLE</u></b>			
Bonds Issued and Cash on Hand	\$ 178,469	\$ 231,586	\$ 348,199
Anticipated Contributions:			
Federal and State Grants	199	46,578	60,919
System Development Charge (SDC)	23,067	70,320	70,231
Other	20,294	22,668	15,351
Available for Current Construction	<u>222,029</u>	<u>371,152</u>	<u>494,700</u>
<b><u>CAPITAL COSTS</u></b>			
Salaries & Wages	19,245	21,507	21,705
Contract Work	88,197	191,561	262,884
Consulting Engineers	29,151	42,652	62,049
Debt Service (Capitalized Interest)	154	19	100
All Other	76,701	115,413	147,962
<b>TOTAL COSTS</b>	<u>213,448</u>	<u>371,152</u>	<u>494,700</u>
Funds Available After Current Construction	<u>\$ 8,581</u>	<u>\$ -</u>	<u>\$ -</u>

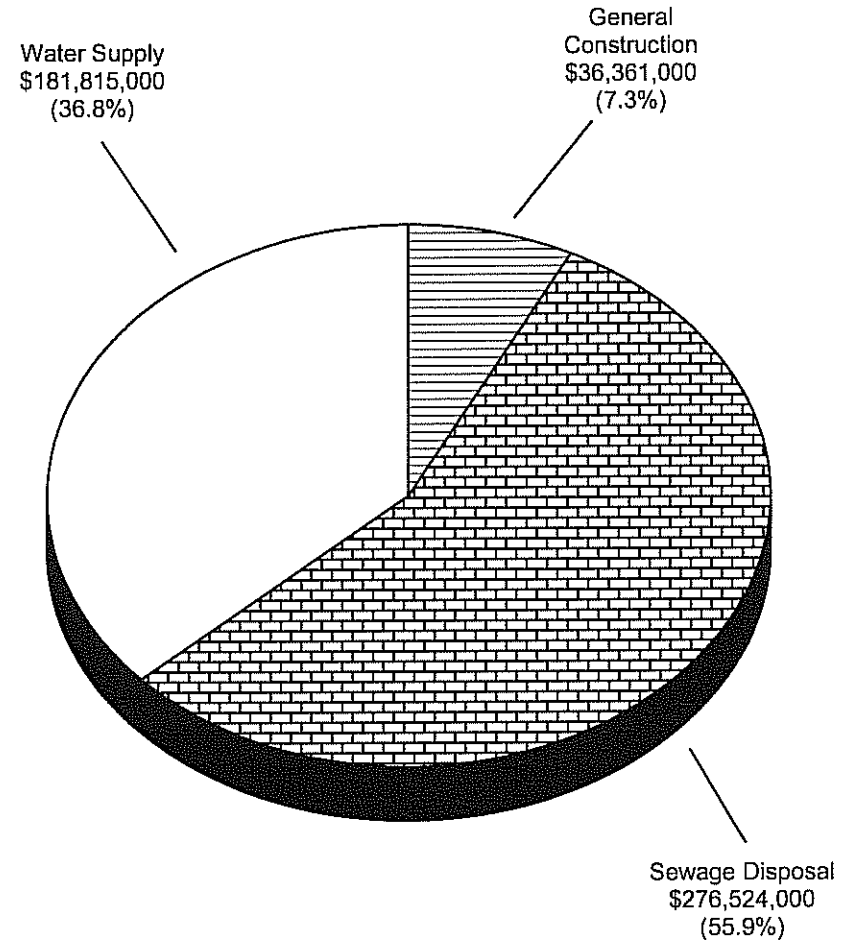
# FY 2011 PROPOSED BUDGET

## CAPITAL EXPENDITURES

BY PROGRAM



BY FUND



TOTAL CAPITAL = \$494,700,000

**FY'11 PROPOSED CAPITAL BUDGET  
FUND AND PROGRAM RELATIONSHIP**

(\$ In Thousands)

Displayed below is the relationship between the three Major Capital Funds and the Program Categories.

<u>Distribution by Program Category</u>	<u>Grand Total</u>	<u>Water</u>	<u>Sewer</u>	<u>General Construction</u>
Capital Improvements Program (CIP)* & Allocated Costs	\$ 313,402	\$ 101,579	\$ 201,246	\$ 10,577
Systems Reconstruction Program	133,930	57,378	64,945	11,607
Engineering Support Program	12,400	8,700	3,700	-
General Construction - Local Lines	2,880	-	-	2,880
Other Capital Projects	31,988	14,158	6,633	11,197
Capitalized Interest	100	-	-	100
<b>TOTAL</b>	<u>\$ 494,700</u>	<u>\$ 181,815</u>	<u>\$ 276,524</u>	<u>\$ 36,361</u>

\*CIP does not include those projects that will be funded and constructed by others.

## **SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM**

The WSSC's primary mission is to protect the health and safety of the residents of both counties by providing an adequate supply of safe drinking water, meeting fire-fighting requirements, and collecting and adequately treating wastewater before it is returned to the waters of the State of Maryland. The projects contained in the Capital Improvements Program (CIP) represent a multi-year plan to design and construct capital facilities to successfully accomplish this mission. The Commission strives to maintain a balance between the use of valuable resources and the public's demand for clean water and the treatment of sanitary waste in an ethically, financially, and environmentally responsible manner.

Under state law, the WSSC is responsible for annually preparing a Six-Year Capital Improvements Program for major water and sanitary sewerage facilities for those portions of Prince George's and Montgomery Counties included in the Washington Suburban Sanitary District (WSSD). Only expenditures for the first year (FY'11) of the six-year program are included in this document. These expenditures identify the funding required for acquiring sites and rights-of-way, and planning, designing, and constructing projects in order to provide potable water and environmentally responsible sanitary sewer services to residential and commercial customers, as well as federal, state, and local facilities within the WSSD. The CIP projects include water mains at least 16 inches in diameter, sewer lines at least 15 inches in diameter, water and sewage pumping stations, force mains, storage facilities, joint-use facilities, and water filtration plant and wastewater treatment plant improvements. The CIP is developed in coordination with and in direct support of the two counties' approved land use plans and policies for orderly growth and development associated with approved ten-year water and sewerage programs.

The construction of water and sewerage projects is financed primarily with long-term, rate-supported debt through the sale of bonds. Obtaining funding from other sources lowers our borrowing requirements, which in turn affects debt service requirements and ultimately our customers' bills. Other funding sources may include: payments from applicants for new service, including System Development Charges for certain projects which are intended to support new development; payments from other jurisdictions for projects which specifically benefit them; and state and federal grants. The amounts of these collections may vary from year to year. Water Supply bonds are issued to finance the planning, design, and construction of major water treatment, storage, and transmission facilities. Sewage Disposal bonds are issued and grants are received to finance the planning, design, and construction of major sewage collection and treatment facilities. These bonds are repaid to bond holders over a 20-year period by annual principal and interest payments (debt service). The annual debt service on outstanding bonds is paid from the Commission's operating funds. The primary funding source for the repayment of debt is the revenue generated by water consumption and sewer use charges. These charges are set on an annual basis to cover operations, maintenance, and debt service costs associated with the water supply and sewage disposal bonds of the Commission. In this manner, the initial high cost of capital improvements is spread over time and paid for by future customers who will benefit from the facilities, as well as by current customers. It is through this capital project financing process that the size of the Capital Improvements Program impacts the size of water and sewer bond issues, which in turn impacts customers' water and sewer bills.

## SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM

(Continued)

For FYs 2011-2016, CIP expenditures total approximately \$1.9 billion over the six-year program period, representing a \$773 million increase in the six-year total over last year's CIP. The increase is primarily due to revised higher estimates for projects at Blue Plains and the addition of the new Trunk Sewer Reconstruction and Large Diameter Pipe Rehabilitation Programs. A total of ten new projects have been added totaling \$577.9 million over the six-year program period.

Of the \$1.9 billion in the six-year program period, approximately \$282 million is for growth, \$540 million is to meet environmental mandates, and \$1.074 billion is for system improvements. Approximately \$29.6 million of the growth cost in the six-year program period is attributable to water and sewer developer projects, with approximately \$13.2 million programmed in FY'11. Developer project estimates for FY'11 are approximately the same level as approved for FY'10.

The estimated total expenditures for the first year of the FYs 2011-2016 CIP—the budget year—are included in this FY'11 Proposed Budget for approval. Expenditures for FY'11 are estimated to be \$332.9 million, which is approximately \$118.5 million greater than last year's FY'10 Approved Budget. The increase is primarily due to the addition of the new Trunk Sewer Reconstruction and Large Diameter Pipe Rehabilitation Programs and expenditures for several larger projects moving through construction at the Blue Plains WWTP. A summary of six-year program expenditures is displayed on the next page. Also included in this section is a table of FY'11 proposed spending for planning and design fees, land and rights-of-way acquisitions, construction, and other costs for the water and sewerage projects contained in the CIP. More detailed information is provided in the WSSC's Proposed FYs 2011-2016 Capital Improvements Program document available on our website and through our Communications & Community Relations Office. Some project expenditures published in the proposed CIP have been revised in this proposed budget.

Allocated Costs encompass all costs that are not specifically identifiable to a fund account. Instead the costs are accumulated in expense pools, and subsequently distributed to the fund accounts based upon various allocation methods. The methods are designed to allocate these costs based on the utilization of the cost item being distributed. Allocated costs include machinery, equipment, and transportation charges; materials and procurement costs; and administrative and general costs.

The machinery, equipment, and transportation charges include garage and shop maintenance, and repair and service to vehicles, machinery, and equipment. These costs are assigned to specific WSSC offices based upon utilization, and are then allocated to the capital fund accounts. Materials and procurement costs and costs related to purchasing, storing, issuing, and testing materials are distributed based upon the materials charged to fund accounts. Administrative and general costs include general supervision and all administrative and support areas such as payroll, data processing, management, and fringe benefits.

**CAPITAL IMPROVEMENTS PROGRAM  
SIX-YEAR FINANCIAL SUMMARY**

(\$ in Thousands)

	Budget Year FY'11	Year 2 FY'12	Year 3 FY'13	Year 4 FY'14	Year 5 FY'15	Year 6 FY'16	Total Six Years FY'11-'16
<b><u>Water Projects</u></b>							
Montgomery County	\$7,925	\$10,254	\$5,369	\$ -	\$ -	\$ -	\$23,548
Prince George's County	17,917	21,035	14,007	4,357	803	308	58,427
Bi-County	76,479	92,985	65,843	24,796	23,932	17,948	301,983
Total Water Projects	<u>102,321</u>	<u>124,274</u>	<u>85,219</u>	<u>29,153</u>	<u>24,735</u>	<u>18,256</u>	<u>383,958</u>
<b><u>Sewer Projects</u></b>							
Montgomery County	24,502	20,366	10,030	41	-	-	54,939
Prince George's County	54,478	56,548	40,519	22,809	1,984	1,598	177,936
Bi-County	151,550	382,741	351,815	194,638	117,912	80,884	1,279,540
Total Sewer Projects	<u>230,530</u>	<u>459,655</u>	<u>402,364</u>	<u>217,488</u>	<u>119,896</u>	<u>82,482</u>	<u>1,512,415</u>
<b>GRAND TOTAL</b>	<u><u>\$332,851</u></u>	<u><u>\$583,929</u></u>	<u><u>\$487,583</u></u>	<u><u>\$246,641</u></u>	<u><u>\$144,631</u></u>	<u><u>\$100,738</u></u>	<u><u>\$1,896,373</u></u>

## WATER AND SEWER OPERATING BUDGET IMPACTS OF CAPITAL PROJECTS

The construction of capital projects affects the water and sewer operating budget in several ways. The first and largest impact is the payment of debt service associated with major projects programmed in the capital budget.

### Impact on the Operating Budget

	<b>Approved <u>FY'10</u></b>	<b>Proposed <u>FY'11</u></b>
Debt Service	\$169,827,000	\$174,454,000

The second impact from capital improvements is less direct, and involves changes to operations, processes, or revenue streams when a capital project is completed. These changes can have positive effects on the operating budget, although the effects are difficult to quantify. For instance, the Commission's Water and Sewer Reconstruction Program for system-wide infrastructure improvements is funded through the capital budget and is focused on the aging portions of the Commission's extensive network of water transmission mains and sewage collection lines. These efforts include water main replacement, sewer reconstruction, and other non-Capital Improvements Program (CIP) sized pipeline replacements. These efforts are aimed at reducing service interruptions and providing all Commission customers with the same high levels of service. The infrastructure work will eliminate some line flushing, reduce the number of complaints to be addressed, reduce the number of leaks and breaks, and result in some deferral of costs related to preventive maintenance, costs which are paid out of operating funds.

The third impact of capital projects relates to the cost of operating and maintaining facilities that will be completed in FY'10 and FY'11 and will require operation and maintenance funding in the FY'11 budget. The most significant effect occurs when additional staff must be hired to operate and maintain a new or expanded facility. Typically, additional custodial and utility expenses will also be required.

In some cases, where capital projects provide for renovation or replacement of major existing facilities in the CIP, or encompass smaller infrastructure improvements such as those contained in the Commission's Engineering Support Program, the impacts on the operating budget are minimal and may even result in cost savings. Energy Performance Program projects serve to reduce operating expenses when state-of-the-art-computerized controls and modern pumping and treatment technology are installed at an existing facility. These improvements usually result in lower energy requirements and increased process efficiencies.

## WATER AND SEWER OPERATING BUDGET IMPACTS OF CAPITAL PROJECTS

(Continued)

### **Major Capital Projects Which Impact the FY'11 Operating Budget**

Potomac Water Filtration Plant Improvements: This comprehensive project will enable our Potomac plant to meet future demand projections for year 2030 and beyond, expanding the plant's reliable capacity to 218 MGD in the winter and 273 MGD in the summer. Our highest priority project, it is also among the largest in the CIP. Specifically, the project includes rapid mix/flow splitting modifications; new intermediate pumping station and ultraviolet disinfection facilities; replacement, upgrade, and expansion of major electrical systems; a new backwash pumping station; and new lime feed facilities. Scheduled for completion in late FY'10, the ongoing construction activities, along with the upgrades that included new sophisticated electronic relays and Power Management Control Systems, will require an even greater time commitment from our existing Electrical/Mechanical Staff requiring the addition of one new E/M Technician. In addition, an independent analysis of the staff allocation necessary to operate and maintain the new intermediate pumping station and ultraviolet disinfection facilities determined that one new Water Plant Operator would be required. Finally, operation of the new ultraviolet disinfection facilities will increase the plant's daily energy requirements. The FY'11 budget will reflect the first full year of increased operating costs.

Energy Performance Program: Two of the three projects included in the Phase IIB portion of the Energy Performance Program (EPP) have been completed. The new Seneca WWTP Backup Peak-Shaving Generator operates when the revenue value is greater than the cost of running the generator, and defaults to emergency backup for the plant's ultraviolet disinfection system during a loss of utility power. This backup is critical to maintaining plant reliability as effluent discharge is upstream from the Potomac WFP intake. At the Anacostia II WWPS, the two new 200 horsepower variable frequency drive pumps and control systems have vastly improved the pumping station's overall operating efficiency. These new pumps can handle approximately 90% of the station's flow (averaging 60-70 MGD). The third project included in Phase IIB, Western Branch Incinerator Upgrades, is currently in construction. The upgrades will increase capacity, lower emissions, and significantly lower natural gas usage. The upgrades to incinerator #1 were completed in the first half of FY'10. Upgrades to incinerator #2 are currently underway with completion expected in the second half of FY'10. The FY'11 budget will reflect lower energy costs.

Anacostia WWPS No. 2 Screenings Handling System: This project will replace the present practice of grinding wastewater screened solids and returning them to the flow for conveyance to Blue Plains WWTP, where they clog and damage filters. WSSC contributes a significant share of the cost of repairing and replacing those filters. The project will both increase the efficiency of the filter media and extend the service life of the filter bottoms at Blue Plains. The FY'11 budget will reflect higher costs for the compaction, removal and hauling away of the screened solids.

**WATER AND SEWER OPERATING BUDGET IMPACTS OF CAPITAL PROJECTS**

(Continued)

The table below summarizes the total estimated water and sewer operating budget impacts for the projects included in the FY'11 Capital Budget.

**Water and Sewer Impact of the FY'11 Capital Budget**

	<b><u>Approved FY'10</u></b>	<b><u>Proposed FY'11</u></b>	<b><u>Net Impact FY'11</u></b>
Operating Expenses			
Debt Service	\$169,827,000	\$174,454,000	\$4,627,000
Major Capital Projects	<u>                  -</u>	<u>          (11,100)</u>	<u>          (11,100)</u>
TOTAL	<u>\$169,827,000</u>	<u>\$174,442,900</u>	<u>\$4,615,900</u>

**FY'11 ESTIMATES FOR  
SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - WATER  
(In Thousands)**

<u>PROJECT NUMBER</u>	<u>PROJECT NAME</u>	<u>LAND AND RIGHTS OF WAY</u>	<u>PLANNING/ DESIGN FEES</u>	<u>CONSTRUCTION COSTS</u>	<u>OTHER COSTS</u>	<u>FY'11 TOTAL</u>
<b><u>MONTGOMERY COUNTY</u></b>						
W-3.02	Olney Standpipe Replacement	\$ -	\$ 216	\$ 944	\$ 174	\$ 1,334
W-46.14	Clarksburg Area Stage 3 Water Main, Parts 1, 2, & 3	-	96	1,850	292	2,238
W-46.15	Clarksburg Elevated Water Storage Facility	-	285	-	43	328
W-46.18	Newcut Road Water Main, Part 2	-	5	200	31	236
W-46.24	Clarksburg Area Stage 3 Water Main, Part 4	-	155	1,110	190	1,455
W-113.19	Countryside Drive Water Loop	-	2	6	1	9
W-138.02	Shady Grove Standpipe Replacement	-	250	-	38	288
W-153.00	Laytonsville Elevated Tank & Pumping Station	-	100	1,621	258	1,979
W-200.00	Land & Rights-of-Way Acquisition - Montgomery	50	-	-	8	58
<b>MONTGOMERY COUNTY SUBTOTALS</b>		<b>\$ 50</b>	<b>\$ 1,109</b>	<b>\$ 5,731</b>	<b>\$ 1,035</b>	<b>\$ 7,925</b>
<b><u>BI-COUNTY</u></b>						
W-73.16	Potomac WFP Improvements	\$ -	\$ 300	\$ 2,000	\$ 230	\$ 2,530
W-73.18	Power Reliability and Arc Flash Studies	-	1,494	-	224	1,718
W-73.19	Potomac WFP Outdoor Substation No. 2 Replacement	-	115	-	17	132
W-73.20	Potomac WFP Stage 2 Disinfection Byproducts Rule Implementation	-	140	3,800	591	4,531
W-73.30	Potomac WFP Submerged Channel Intake	-	560	-	56	616
W-127.01	Bi-County Water Tunnel	-	3,460	35,000	3,846	42,306
W-139.02	Duckett & Brighton Dam Upgrades	-	515	8,841	936	10,292
W-161.01	Large Diameter Pipe Rehabilitation Program	-	2,804	1,696	500	5,000
W-172.05	Patuxent WFP Phase II Expansion	-	527	6,803	733	8,063
W-172.07	Patuxent Raw Water Pipeline	-	900	-	90	990
W-172.08	Rocky Gorge Pump Station Upgrade	-	24	250	27	301
<b>BI-COUNTY SUBTOTALS</b>		<b>\$ -</b>	<b>\$ 10,839</b>	<b>\$ 58,390</b>	<b>\$ 7,250</b>	<b>\$ 76,479</b>

**FY'11 ESTIMATES FOR  
SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - WATER  
(In Thousands)**

<u>PROJECT NUMBER</u>	<u>PROJECT NAME</u>	<u>LAND AND RIGHTS OF WAY</u>	<u>PLANNING/ DESIGN FEES</u>	<u>CONSTRUCTION COSTS</u>	<u>OTHER COSTS</u>	<u>FY'11 TOTAL</u>
<b><u>PRINCE GEORGE'S COUNTY</u></b>						
W-12.02	Prince George's County HG415 Zone Water Main	\$ -	\$ 60	\$ -	\$ 9	\$ 69
W-34.02	Old Branch Avenue Water Main	-	538	450	99	1,087
W-69.03	Accokeek Elevated Water Storage Facility	-	20	32	8	60
W-111.05	Hillmeade Road Water Main	-	30	1,258	193	1,481
W-119.01	John Hanson Highway Water Main, Part 1	-	210	-	32	242
W-123.16	Marlboro Meadows System	-	275	2,400	401	3,076
W-123.20	Oak Grove/Leeland Roads Water Main, Part 2	-	27	4,944	745	5,716
W-129.12	Church Road Water Main & PRV, Part 2	-	24	-	4	28
W-147.00	Collington Elevated Water Storage Facility	-	109	1,146	187	1,442
W-147.01	Marlboro Zone Water Storage Facility	-	300	2,096	359	2,755
W-197.00	DSP & Conceptual Design Water Projects	-	684	953	248	1,885
W-204.00	Land & Rights-of-Way Acquisition - Prince George's	66	-	-	10	76
<b><u>PRINCE GEORGE'S COUNTY SUBTOTALS</u></b>		<b>\$ 66</b>	<b>\$ 2,277</b>	<b>\$ 13,279</b>	<b>\$ 2,295</b>	<b>\$ 17,917</b>
<b><u>GRAND TOTAL WATER PROJECTS</u></b>		<b>\$ 116</b>	<b>\$ 14,225</b>	<b>\$ 77,400</b>	<b>\$ 10,580</b>	<b>\$ 102,321</b>

**FY'11 ESTIMATES FOR  
SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - SEWER  
(In Thousands)**

<u>PROJECT NUMBER</u>	<u>PROJECT NAME</u>	<u>LAND AND RIGHTS OF WAY</u>	<u>PLANNING/ DESIGN FEES</u>	<u>CONSTRUCTION COSTS</u>	<u>OTHER COSTS</u>	<u>FY'11 TOTAL</u>
<b><u>MONTGOMERY COUNTY</u></b>						
S-25.03	Twinbrook Commons Sewer	\$ -	\$ 10	\$ 100	\$ 17	\$ 127
S-38.01	Preserve at Rock Creek Wastewater Pumping Station	-	50	350	56	456
S-38.02	Preserve at Rock Creek WWPS Force Main	-	5	138	22	165
S-53.21	Seneca WWTP Enhanced Nutrient Removal	-	488	3,500	399	4,387
S-53.22	Seneca WWTP Expansion, Part 2	-	1,390	10,000	1,139	12,529
S-61.01	Reddy Branch Wastewater Pumping Station Augmentation	-	150	-	22	172
S-84.46	Clarksburg Triangle Outfall Sewer, Part 1	-	2	10	2	14
S-84.47	Clarksburg Triangle Outfall Sewer, Part 2	-	155	926	162	1,243
S-84.60	Cabin Branch Wastewater Pumping Station	-	201	316	78	595
S-84.61	Cabin Branch WWPS Force Main	-	30	208	36	274
S-84.64	Casey West Property Sewer Main	-	2	37	6	45
S-84.65	Tapestry Wastewater Pumping Station	-	33	103	20	156
S-84.66	Tapestry WWPS Force Main	-	5	35	6	46
S-94.11	Damascus Centre WWPS Replacement	-	23	-	3	26
S-94.12	Damascus WWTP Enhanced Nutrient Removal	-	239	2,980	483	3,702
S-103.15	White Flint East (North Bethesda Center) Sewer Main	-	18	463	72	553
S-201.00	Land & Rights-of-Way Acquisition - Montgomery	10	-	-	2	12
<b><u>MONTGOMERY COUNTY SUBTOTALS</u></b>		<b>\$ 10</b>	<b>\$ 2,801</b>	<b>\$ 19,166</b>	<b>\$ 2,525</b>	<b>\$ 24,502</b>
<b><u>BI-COUNTY</u></b>						
S-22.06	Blue Plains WWTP: Liquid Train Projects, Part 2	\$ -	\$ 490	\$ 2,316	\$ 28	\$ 2,834
S-22.07	Blue Plains WWTP: Biosolids Management, Part 2	-	8,958	29,636	386	38,980
S-22.08	Blue Plains WWTP: Biological Nutrient Removal	-	1,473	5,959	74	7,506
S-22.09	Blue Plains WWTP: Plant-wide Projects	-	1,062	8,625	97	9,784
S-22.10	Blue Plains WWTP: Enhanced Nutrient Removal	-	7,057	27,579	346	34,982
S-22.11	Blue Plains: Pipelines & Appurtenances	-	3,134	6,105	92	9,331

**FY'11 ESTIMATES FOR  
SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - SEWER  
(In Thousands)**

<u>PROJECT NUMBER</u>	<u>PROJECT NAME</u>	<u>LAND AND RIGHTS OF WAY</u>	<u>PLANNING/ DESIGN FEES</u>	<u>CONSTRUCTION COSTS</u>	<u>OTHER COSTS</u>	<u>FY'11 TOTAL</u>
<b><u>BI-COUNTY (CONTINUED)</u></b>						
S-89.22	Anacostia Storage Facility	\$ -	\$ 1,060	\$ 4,400	\$ 546	\$ 6,006
S-89.23	Anacostia No. 2 Screenings Handling System	-	124	1,125	187	1,436
S-170.06	Sewer Basin Planning Program	-	1,061	-	159	1,220
S-170.07	Wastewater Pumping Station Capacity Evaluation	-	54	-	8	62
S-170.08	Septage Discharge Facility Planning & Implementation	-	300	-	30	330
S-170.09	Trunk Sewer Reconstruction Program	-	17,162	16,055	5,862	39,079
	<b><u>BI-COUNTY SUBTOTALS</u></b>	<b>\$ -</b>	<b>\$ 41,935</b>	<b>\$ 101,800</b>	<b>\$ 7,815</b>	<b>\$ 151,550</b>
<b><u>PRINCE GEORGE'S COUNTY</u></b>						
S-43.02	Broad Creek WWPS Augmentation	\$ -	\$ 2,498	\$ -	\$ 250	\$ 2,748
S-57.92	Western Branch Facility Upgrade	-	1,600	14,500	1,610	17,710
S-57.93	Western Branch WWTP Enhanced Nutrient Removal	-	1,000	13,000	1,400	15,400
S-75.21	Mattawoman WWTP Upgrades	-	7	409	4	420
S-77.18	Parkway WWTP Enhanced Nutrient Removal	-	752	7,000	775	8,527
S-77.19	Parkway WWTP Biosolids Facility Plan	-	76	-	11	87
S-96.12	Piscataway WWTP Enhanced Nutrient Removal	-	550	5,000	833	6,383
S-187.00	DSP & Conceptual Design Sewer Projects	-	301	2,446	421	3,168
S-205.00	Land & Rights-of-Way Acquisition - Prince George's	30	-	-	5	35
	<b><u>PRINCE GEORGE'S COUNTY SUBTOTALS</u></b>	<b>\$ 30</b>	<b>\$ 6,784</b>	<b>\$ 42,355</b>	<b>\$ 5,309</b>	<b>\$ 54,478</b>
	<b><u>GRAND TOTAL SEWER PROJECTS</u></b>	<b>\$ 40</b>	<b>\$ 51,520</b>	<b>\$ 163,321</b>	<b>\$ 15,649</b>	<b>\$ 230,530</b>

**SYSTEMS RECONSTRUCTION PROGRAM**

	<b><u>FY'09</u></b>	<b><u>FY'10</u></b>	<b><u>FY'11</u></b>
	<b><u>Actual</u></b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
• <b><u>Systems Reconstruction Program</u></b>	\$71,865,736	\$107,41,000	\$133,930,000

This program provides for the systematic replacement or rehabilitation of the Commission’s aging water and sewer systems. Through FY’09, the water and sewer systems had approximately 5,400 miles and 5,300 miles of main, respectively, along with 438,893 water house connections and 416,392 sewer house connections. Portions of the systems need to be replaced due to deterioration or complete failure, or because current customer demand is not adequately being met.

The total FY’11 proposed program is \$133.9 million, \$64.5 million for water reconstruction and \$69.4 million for sewer reconstruction.

The water reconstruction program consolidates several water main improvement activities designed to enhance water quality, pressure and reliability under one initiative and strategically targets funding to upgrade and/or replace aging water mains in Prince George's and Montgomery Counties. The majority of funding is dedicated to replacing older water mains previously prone to breaks with new sections of cement lined ductile iron pipe. Projects also could include pipeline appurtenances such as large meter and fire meter vaults. During FY’09, almost 35 miles of water mains were replaced. The FY’11 budget request provides for replacement of 36 miles of water main, 3,540 house connection renewals and 35 large meter/vault replacements.

The sewer reconstruction program provides for correcting structural deficiencies of sewer mains. These structural deficiencies result from soil settlement, root penetration, and corrosion, and often contribute to sewage overflows and backups into homes. The FY'11 budget request provides for rehabilitating 42 miles of main lines and 14 miles of lateral lines throughout the WSSD. Through FY'09, 233 miles of sewer mains had been rehabilitated.

Both the water and sewer reconstruction programs provide for renewing house connections. The house connections (from the main to the property line) need to be renewed due to complete failure or because maintenance requirements have become so frequent that the Commission has determined that replacement is less costly than continuing maintenance efforts. During FY’11, the Commission plans on renewing 3,450 water and 800 sewer house connections.

## ENGINEERING SUPPORT PROGRAM

	<b>FY'09</b>	<b>FY'10</b>	<b>FY'11</b>
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <b><u>Engineering Support Program</u></b>	\$4,433,800	\$10,000,000	\$13,000,000

The Engineering Support Program (ESP) represents the consolidation of a diverse group of multi-year projects and studies supporting the extensive water and sewer infrastructure and numerous support facilities that are owned, operated, and maintained by the WSSC. The Customer Care and Production Teams originate most ESP projects by requesting engineering support for planning, design, and construction project management to meet a wide range of needs. As such, ESP projects are diverse in scope, and typically include work needed to upgrade operating efficiency, modify existing processes, satisfy regulatory requirements, or rehabilitate aging facilities. The ESP does not include proposed “major projects” which, by law, must be programmed in the WSSC’s Six-Year Capital Improvements Program, or “growth” projects to serve new development.

The total FY'11 proposed program is \$13,000,000: \$12,400,000 in the capital budget and \$600,000 in the operating budget. A proposed program increase of \$3,000,000 is in anticipation of new sub-projects coming out of the Utility Master Plan. The ESP process provides a stable funding level for projects that require engineering support. All requested ESP projects are prioritized and then initiated subject to the available funding for the fiscal year. The projects described below may include both operating and capital costs.

Projects in the program include: new acoustical monitoring equipment in PCCP lines within the Potomac Water Filtration Plant; facility roof replacements; underground fuel storage tank replacements; and fire alarm upgrades at facilities. Further details of the program are included in the Information Only section of the FYs 2011-2016 Proposed Capital Improvements Program document.

**GENERAL CONSTRUCTION - LOCAL LINES**

	<b><u>FY'09</u></b>	<b><u>FY'10</u></b>	<b><u>FY'11</u></b>
	<b><u>Actual</u></b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
• <b><u>Non-Program Size Water Distribution Lines (Up to 15") &amp; Sewer Collection Lines (Up to 14")</u></b>	\$1,844,956	\$4,693,800	\$2,880,000

General Construction Bond funds are used for the design and installation of local water mains and sewers. As a class, these pipelines are smaller in diameter than those constructed with the proceeds from the sale of Water Supply and Sewage Disposal Bonds. The class includes all water mains up to 15 inches in diameter and sewer lines up to 14 inches in diameter. However, in some cases, larger water pipelines that provide a measure of service to individual customers are partially supported by General Construction funds in proportion to their localized function.

As the result of a legislative change, applications for service requested after July 1, 1999, require the Applicant to finance and construct the local water and sewer mains needed for new development. The WSSC will construct those remaining projects serving one new residence, providing relief from a residential health hazard, or serving existing homes previously connected to private systems.

To initiate an Applicant-built project, the Applicant submits a Hydraulic Planning Analysis Request. Once it has been determined that the property to be served is located within the appropriate service category and the proposed extensions are adequate, the WSSC issues a Letter of Findings which delineates the project conditions that must be met prior to the start of construction. Finally, the WSSC will perform a review for system integrity of the design plans. The Applicant can begin construction when design plans have been approved, all necessary construction permits and rights-of-way have been obtained, and the Applicant has satisfied all project conditions. The Applicant is responsible for the actual financing and construction of the project.

For WSSC-built projects, the WSSC will prepare the feasibility study and issue a Letter of Findings. The Letter of Findings will again delineate any project conditions and advise the Applicant of their cost responsibilities. If the Applicant elects to proceed with the project, the WSSC will prepare the design plans and obtain any necessary construction permits and rights-of-way. Once the Applicant has met all the project conditions, the design plans are approved, and all permits and rights-of-way are acquired, the WSSC will proceed with the construction of the project.

## FUNDING OF WATER AND SEWER CAPITAL PROGRAMS

For FY'11, expenditures of \$458.3 million are budgeted for the Water and Sewer Bond Funds to implement the Commission's water and sewer Capital Improvements Program, Engineering Support Program, and other Information Only Projects. The capital budget presents the spending level required to *fully implement* during FY'11 all planning, design, and construction activities scheduled for projects in these programs. However, historical experience indicates that some activities will not be completed during the budget year because of difficulties in acquiring land or rights-of-way, delays in obtaining permits from other governmental organizations, changes in developer schedules, and other considerations beyond the WSSC's control. Any delay in one or more of the projects will cause capital expenditures to be less than budgeted. Forecasts of actual FY'11 spending for capital programs are made by reducing the budgeted program dollars using completion and scaling factors. The completion and scaling factors are determined by analyzing projects in the programs and reviewing the historical relationship between budgeted and actual spending for capital projects.

Estimating actual spending is an important step in forecasting the issuance of new debt at a level which does not exceed the amount necessary to cover actual expenditures. Conservative issuance of long-term debt is essential to keep outstanding debt, debt service, and water and sewer rates at moderate levels. The amount of new debt is calculated by deducting other funding sources, such as grants and System Development Charges, from the total funding requirement. FY'11 spending for the Water and Sewer Bond Funds, adjusted for completion, is estimated to be \$410.1 million. The requirement for new long-term Water and Sewer Bonds is estimated to be \$290.6 million.

### FY'11 SOURCES AND USES OF WATER & SEWER FUNDS

(\$ in Thousands)

	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>
USES:			
Budgeted Capital Expenditures	\$181,815	\$276,524	\$458,339
Capital Expenditures adjusted for completion factor	158,349	251,703	410,052
SOURCES:			
Long-term Bonds (new)	109,146	181,503	290,649
Federal & State Grants	-	48,946	48,946
System Development Charge (SDC)	42,546	13,640	56,186
Other	<u>6,657</u>	<u>7,614</u>	<u>14,271</u>
TOTAL SOURCES	<u>\$158,349</u>	<u>\$251,703</u>	<u>\$410,052</u>

**FUNDING OF WATER AND SEWER CAPITAL PROGRAMS**

(Continued)

Both non-rate-supported and rate-supported sources fund Water and Sewer Bond Fund expenditures. Non-rate-supported sources (System Development Charges, federal and state grants, and developer contributions) account for approximately 28% of the funding. Rate-supported sources (long-term debt and construction notes) account for the remaining 72%. The new debt required to fund the capital program is reflected in the operating budget as debt service expense. The table below presents the debt service associated with both existing debt and new debt proposed for FY'11.

**WATER & SEWER BOND FUNDS**  
**RATE-SUPPORTED DEBT SERVICE EXPENSES**

(\$ in Thousands)

	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>
Debt Service for Existing Debt	\$74,541	\$72,067	\$146,608
Debt Service for Planned New Debt	<u>10,817</u>	<u>17,029</u>	<u>27,846</u>
Total Debt Service	<u>\$85,358</u>	<u>\$89,096</u>	<u>\$174,454</u>

**FACILITIES UNDER CONSTRUCTION, IN DESIGN,  
OR IN ADVANCED PLANNING STAGES**

<u>WASTEWATER</u>	<u>NAME OF FACILITY</u>	<u>ESTIMATED IN-SERVICE DATE</u>
S-38.01	Preserve at Rock Creek WWPS	FY 2011
S-43.02	Broad Creek WWPS Augmentation	July 2016
S-53.21	Seneca WWTP Enhanced Nutrient Removal	October 2012
S-53.22	Seneca WWTP Expansion, Part 2	October 2012
S-57.92	Western Branch Facility Upgrade	September 2012
S-57.93	Western Branch WWTP Enhanced Nutrient Removal	September 2012
S-75.19	Brandywine Woods WWPS	FY 2012
S-77.18	Parkway WWTP Enhanced Nutrient Removal	July 2012
S-84.60	Cabin Branch WWPS	October 2011
S-84.65	Tapestry WWPS	FY 2012
S-87.15	Rodenhauser WWPS	FY 2011
S-89.22	Anacostia Storage Facility	December 2013
S-94.12	Damascus WWTP Enhanced Nutrient Removal	July 2011
S-96.12	Piscataway WWTP Enhanced Nutrient Removal	April 2011
S-114.06	Science Center WWPS & Green Branch WWPS Upgrade	FY 2010
S-131.08	Preserves at Piscataway WWPS	FY 2013
S-170.08	Septage Discharge Facility Planning & Implementation	December 2012
<u>WATER</u>		
W-46.15	Clarksburg Elevated Water Storage Facility	FY 2013
W-73.16	Potomac WFP Improvements	May 2010
W-73.30	Potomac WFP Submerged Channel Intake	FY 2016
W-139.02	Duckett & Brighton Dam Upgrades	September 2012
W-147.00	Collington Elevated Water Storage Facility	December 2012
W-147.01	Marlboro Zone Water Storage Facility	FY 2014
W-153.00	Laytonsville Elevated Tank and Pumping Station	May 2011
W-172.05	Patuxent WFP Phase II Expansion	FY 2013
W-172.08	Rocky Gorge Pump Station Upgrade	July 2013

**OTHER CAPITAL PROJECTS**

(\$ in Thousands)

Displayed below is the allocation of the other Capital Projects category to the three major Capital Funds. The estimated expenditures of \$31,988 for this category are allocated as follows:

<b><u>Other Capital Projects</u></b>	<b><u>Grand Total</u></b>	<b><u>Water</u></b>	<b><u>Sewer</u></b>	<b><u>General Construction</u></b>
Energy Performance Program	\$6,252	\$3,657	\$2,595	\$ --
Anaerobic Digestion/Combined Heat & Power	1,419	--	1,419	--
Entrepreneurial Projects	320	160	160	--
Water Storage Rehabilitation Program	4,000	4,000	--	--
Utility Master Plan	924	462	462	--
Pressure Reducing Valve Rehabilitation Program	3,630	3,630	--	--
New House Connections	2,450	--	--	2,450
Relocations	5,975	--	--	5,975
Basic Ordering Agreements	4,746	2,249	1,997	500
Water Meters	2,272	--	--	2,272
<b>TOTAL</b>	<b>\$31,988</b>	<b>\$14,158</b>	<b>\$6,633</b>	<b>\$11,197</b>

**OTHER CAPITAL PROJECTS**

	<b>FY'09</b>	<b>FY'10</b>	<b>FY'11</b>
	<b><u>Actual</u></b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
• <b><u>Energy Performance Program</u></b>	\$4,451,300	\$3,430,000	\$6,452,000

The Energy Performance Program (EPP) includes expenditures for the engineering audit, design, construction, and maintenance necessary to replace and upgrade energy consuming equipment and systems at all major Commission facilities. The program will provide a reduction, guaranteed by the contractor, in energy usage (electricity, fuel oil, natural gas, or other fuel) and costs greater than, or equal to, the annual costs to be incurred. The program will maintain or enhance existing operating conditions and reliability while continuing to meet all permit requirements and ensuring a continued commitment to environmental stewardship at WSSC sites.

Additional savings in the form of Carbon Credits are estimated to be captured starting in FY'11, within the Regional Greenhouse Gas Initiative (RGGI) auction process established by the Maryland Department of the Environment or through a new Federal Cap and Trade program. The value of these credits is expected to add approximately 5-7% to the anticipated annual energy savings from the installation of energy efficient equipment included in the EPP.

The FY'11 proposed program is \$6,452,000: \$6,252,000 in the capital budget and \$200,000 in the operating budget. Phase IIA of the program addressing energy consuming equipment at the Richard G. Hocevar Building and wastewater facilities was completed in FY'06. Phase IIB of the program, additional facility upgrades and new energy management control systems, was approved in FY'07 and is currently in construction. Phase IIC of the program, to provide electricity generation from renewable wind power, was placed in service in April 2008. Phase IID of the program, replacing and rebuilding existing pumps at the Potomac Water Filtration Plant to improve operating efficiency began in FY'10. Phase IIE of the program to evaluate new solar power systems, was added in FY'11 in response to federal and state incentives making the cost of solar (on-site generated photo-voltaic) power competitive with conventional power.

Energy conservation measures may include, but are not limited to, the following: the replacement or upgrade of water and wastewater process equipment; aeration equipment; piping, valves, and motors; sludge dewatering/thickening equipment; grit removal; effluent disinfection systems; water pumps; wastewater pumps; incinerator upgrades; peak power shaving electric generation systems; variable speed drives; HVAC equipment/systems; lighting; water distribution system controls/optimization; electrical load aggregation; electric supply; and electric supply management services. Sub-metering will be required for all major equipment in order to provide a baseline and to verify energy savings. Further details of the program are included in the Information Only section of the FYs 2011-2016 Proposed Capital Improvements Program document.

**OTHER CAPITAL PROJECTS**

(Continued)

	<b><u>FY'09</u></b>	<b><u>FY'10</u></b>	<b><u>FY'11</u></b>
	<b><u>Actual</u></b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
• <b><u>Anaerobic Digestion/Combined Heat &amp; Power Program</u></b>	\$0	\$230,000	\$1,419,000

The Anaerobic Digestion/Combined Heat and Power Program is currently in the study phase to determine the feasibility of developing engineering, design, construction, maintenance, monitoring and verification necessary to add sustainable energy equipment and systems to produce biogas at the Seneca and Piscataway Wastewater Treatment Plants. The program will provide a reduction in energy and energy-related costs (electricity, natural gas, and transportation, and disposal of biosolids) which may in part be guaranteed by the contractor. The potential guaranteed reduction component includes avoided energy costs as well as operations and maintenance, chemicals, and biosolids transportation and disposal cost savings. The program will enhance existing operating conditions and reliability while continuing to meet all permit requirements, and ensure a continued commitment to environmental stewardship at WSSC sites. The scope of work may include, but is not limited to, the addition of anaerobic digestion equipment, gas cleaning systems, hydrogen sulfide and siloxane removal, tanks, piping, valves, pumps, sludge dewatering/thickening equipment, grit removal, effluent disinfection systems, instrumentation, flow metering, power measurement, and combined heat and power generation systems.

	<b><u>FY'09</u></b>	<b><u>FY'10</u></b>	<b><u>FY'11</u></b>
	<b><u>Actual</u></b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
• <b><u>Entrepreneurial Projects</u></b>	\$44,685	\$312,000	\$320,000

Entrepreneurial Projects are a consolidation of capital projects associated with WSSC's efforts to generate additional revenues to offset future rate increases. Currently, the Bolling Air Force Base contract is the only project with capital cost considerations. The WSSC will own, operate, and maintain the Bolling Air Force Base water and wastewater systems under the terms of a 50-year contract. The WSSC is implementing an Initial Capital Upgrades Plan to bring the systems up to WSSC standards. Additional capital requirements are addressed in the Renewals and Replacements Plan, which is subject to review and modification once every 3 years over the duration of the 50-year contract period.

## OTHER CAPITAL PROJECTS

(Continued)

	<b>FY'09</b>	<b>FY'10</b>	<b>FY'11</b>
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <b><u>Water Storage Facility Rehabilitation Program</u></b>	\$5,450,412	\$4,000,000	\$4,000,000

The Water Storage Facility Rehabilitation Program provides for the comprehensive rehabilitation of the Commission's 57 water storage facilities located throughout the WSSC service area safeguarding 200 million gallons of finished drinking water. The Program provides for structural metal and concrete foundation repairs, equipment upgrades to meet current OSHA standards, lead paint removal, security upgrades, advanced mixing systems to improve water quality, and altitude valve vault and supply pipe replacement. The Program does not include proposed "major projects" which, by law, must be programmed in the WSSC's Six-Year Capital Improvements Program.

The FY'11 proposed program is \$4,000,000 in the capital budget. By January 2011, there will be 24 steel tanks whose last painting contract was finished 10 or more years ago. The Program provides a stable funding level for the painting and rehabilitation of water storage facilities. All water storage facilities are prioritized based on the condition of the existing coating and structural integrity issues and then initiated subject to the available funding for the fiscal year.

The Program plan for FY'11 will address the following water storage facilities: Germantown, Pointer Ridge, Air Park, Carole Highlands, Falls Road, Forest Heights, Andrews, Wall Lane, Rogers Heights, North Woodside, and the Hill Road Reservoirs. Further details of the Program are included in the Information Only section of the FYs 2011-2016 Proposed Capital Improvements Program document.

	<b>FY'09</b>	<b>FY'10</b>	<b>FY'11</b>
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <b><u>Utility Master Plan</u></b>	\$1,470,993	\$2,291,000	\$1,200,000

The Utility Master Plan project provides for establishing an Asset Management Strategy and the development of Asset Management Plans which will identify and examine overall infrastructure needs over the next 30 years. The Plans will encompass the water and wastewater networks (treatment, transmission, distribution, collection, pumping and storage), buildings and grounds, and information technology assets (SCADA system, security services, telephony, land mobile radio system, data network, paging system, microwave network and antenna support structures). The Plans will examine existing and future capacity needs, regulatory needs and rehabilitation/replacement needs. This effort will build on a number of previous and existing efforts that address particular components of the networks.

The FY'11 proposed program is \$1,200,000: \$924,000 in the capital budget and \$276,000 in the operating budget.

**OTHER CAPITAL PROJECTS**

(Continued)

	<b><u>FY'09</u></b>	<b><u>FY'10</u></b>	<b><u>FY'11</u></b>
	<b><u>Actual</u></b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
• <b><u>Pressure Reducing Valve Rehabilitation Program</u></b>	\$0	\$0	\$3,630,000

The Pressure Reducing Valve Rehabilitation Program provides for the planning, design and construction of improvements and replacement of Pressure Reducing Valves (PRV) and their associated vaults as well as some specialty valves and vaults such as altitude or metering valve vaults throughout the water distribution system. The program includes valves ranging in size from 8-inches to 60-inches in diameter. The program will systematically evaluate the condition of individual installations, some of which were constructed as early as the 1930's, and upgrade or relocate the structures and equipment as necessary. The PRV rehabilitation program will improve reliability and increase efficiency of system operation.

	<b><u>FY'09</u></b>	<b><u>FY'10</u></b>	<b><u>FY'11</u></b>
	<b><u>Actual</u></b>	<b><u>Approved</u></b>	<b><u>Proposed</u></b>
• <b><u>New House Connections</u></b>	\$2,118,579	\$3,500,000	\$2,450,000

Water and/or sewer house connections are separate, small diameter pipes installed between the individual water and sewer service mains in the street and the owner's property line. These lines feed potable water, under pressure, into a customer's dwelling, place of business, or other structure and convey domestic sewage away, usually by gravity, into the mainline sewer in the street for transportation to a wastewater treatment facility located at a remote site. These connections are maintained by the Commission.

Most of the house connections are installed in conjunction with the installation of mainline extensions to serve new development, and may include abutting properties external to the new development. The remaining connections are constructed to serve existing or new structures in areas already developed and where mainlines already exist. Costs for the house connection construction programs are recovered through house connection fees, which are set annually by the Commission.

Historically, the number of water and sewer house connections constructed in a given year is approximately equal. The actual number of completed house connections was 7,342 in FY'08 and 4,299 in FY'09. The estimated number of connections to be completed in FY'10 is 10,000 and FY'11 is projected at 8,000. Many of these house connections will be constructed by developers at their expense.

**OTHER CAPITAL PROJECTS**

(Continued)

	<b><u>FY'09 Actual</u></b>	<b><u>FY'10 Approved</u></b>	<b><u>FY'11 Proposed</u></b>
• <b><u>Relocations</u></b>	\$3,850,068	\$5,969,600	\$5,975,000

The relocation of existing WSSC water mains and sewer lines is usually necessitated by construction that is proposed by other public agencies, developers, and occasionally the general public. The relocation program consists primarily of construction contract work associated with road improvement projects planned by the Maryland State Highway Administration, the Montgomery County Department of Public Works and Transportation, and the Prince George's County Department of Public Works and Transportation. The majority of the program is dependent upon construction scheduling by these agencies.

	<b><u>FY'09 Actual</u></b>	<b><u>FY'10 Approved</u></b>	<b><u>FY'11 Proposed</u></b>
• <b><u>Basic Ordering Agreements (BOA)</u></b>	\$1,778,750	\$3,130,000	\$4,746,000

Basic Ordering Agreements (BOA) are mechanisms for procurement of specialized professional services on a quick response basis. These services are normally in areas requiring expertise not available at the Commission, or where the Commission does not have sufficient staff to perform the task. BOA consultant selection, negotiations, and contract administration are conducted in generally the same manner as is any other professional engineering consultant contract, and are normally negotiated as separate tasks. Current BOAs provide services for general, electrical, and mechanical engineering services; corrosion control; and relocation design.

	<b><u>FY'09 Actual</u></b>	<b><u>FY'10 Approved</u></b>	<b><u>FY'11 Proposed</u></b>
• <b><u>Purchase of Water Meters</u></b>	\$1,515,876	\$2,620,100	\$2,272,000

The Customer Care Team is responsible for installing meters and ensuring that all WSSC's water meters, both large and small, accurately register customers' water use. Funds for the purchase of new and replacement meters are included in the General Construction Bond Fund of the Capital Budget. For FY'11, the Commission proposes to purchase small (5/8", 3/4", and 1") and large (1-1/2" and larger) meters as needed.

## **OTHER CAPITAL PROJECTS**

(Continued)

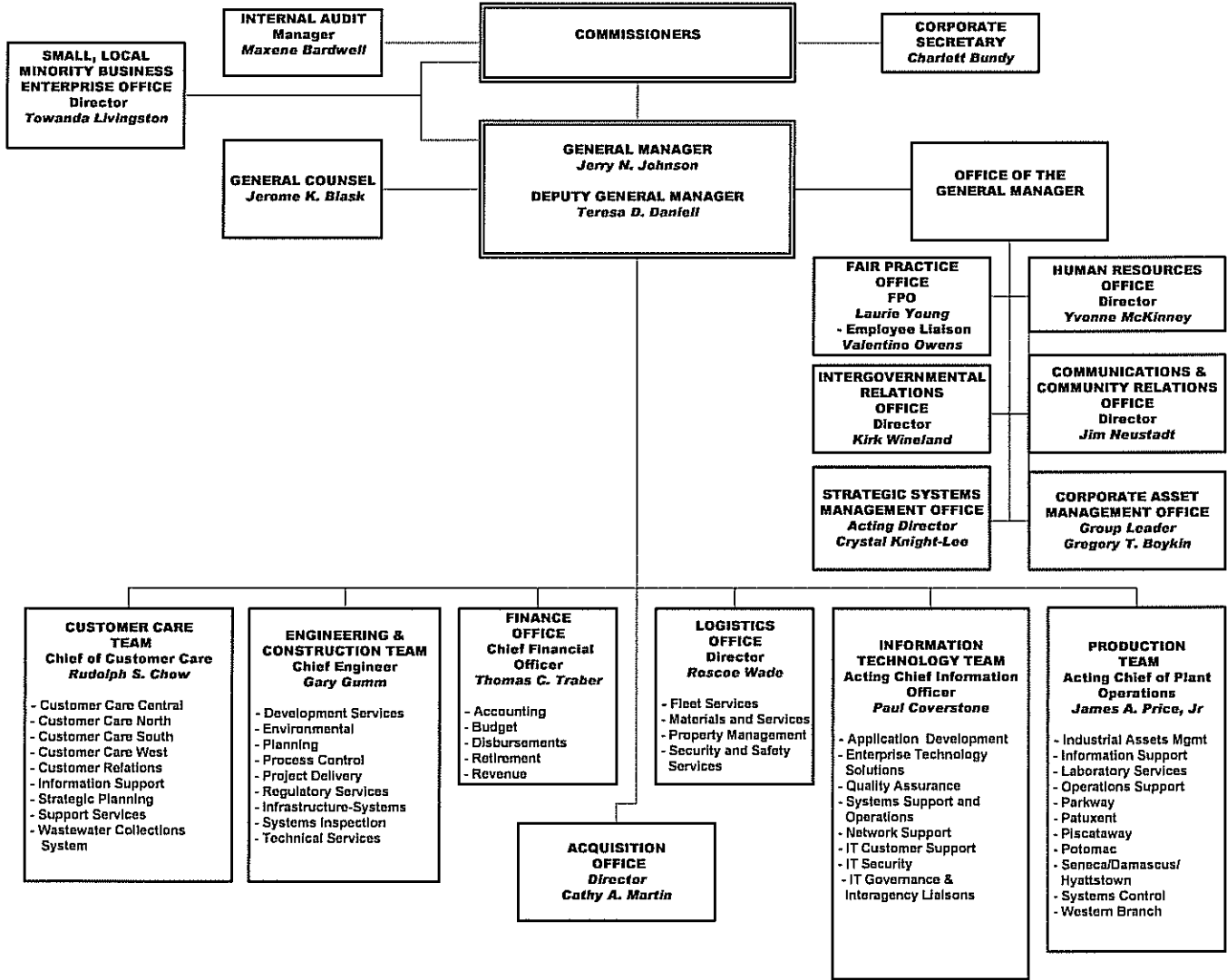
The Small Meter Maintenance Program monitors approximately 429,300 small meters within the water distribution system and sees to preventive and emergency maintenance. During FY'11, Customer Care estimates that it will install approximately 3,800 new small meters and replace about 18,200 small meters.

The Large Meter Maintenance Program monitors approximately 11,800 large meters to ensure that they accurately register. This program also includes scheduled preventive maintenance, testing, and repair or replacement. During FY'11, Customer Care plans to test and, if necessary, repair an estimated 1,310 large meters.

## **ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

### **SECTION 6**

# WSSC ORGANIZATION CHART



**Comparative Expenditures by Organizational Unit**

	FY'10 Approved		FY'11 Proposed	
	Workyears	Amount	Workyears	Amount
<b><u>Commissioners Office/Corporate Secretary's Office</u></b>	2.0	\$ 309,100	3.0	\$ 382,600
Internal Audit	8.0	986,900	8.0	980,100
<b><u>General Manager</u></b>	4.0	603,300	4.0	614,600
Intergovernmental Relations Office	5.0	580,400	5.0	581,500
Strategic Systems Management Office	10.0	921,600	10.0	954,800
General Counsel's Office	16.0	3,853,200	16.0	3,806,500
Communications & Community Relations Office	16.0	1,567,800	16.0	1,617,500
Human Resources Office	22.0	3,155,900	22.0	3,114,800
Small, Local and Minority Business Enterprise Office	8.0	656,000	8.0	1,087,900
Fair Practice Office	2.0	172,100	2.0	172,600
Acquisition Office	21.0	1,816,000	21.0	1,752,800
Corporate Asset Management Office	15.0	13,097,200	15.0	11,672,100
Engineering & Construction Team	303.0	353,816,100	319.0	467,566,100
Production Team	280.0	144,956,000	288.0	150,663,100
Logistics Office	173.0	26,731,500	177.0	25,933,900
Finance Office	62.0	5,377,700	62.0	5,400,800
Customer Care Team	535.0	77,471,400	573.0	95,210,400
Information Technology Team	79.0	19,502,600	83.0	18,817,800
Non-Departmental (Finance)	-	31,930,300	-	33,840,200
Non-Departmental (Human Resources)	-	25,910,800	-	29,652,200
Debt Service	-	236,688,500	-	233,136,000
Depreciation Expense	-	10,078,600	-	11,791,700
Operating Reserve Contribution	-	1,500,000	-	1,500,000
<b>SUMMARY-TOTAL</b>	<b><u>1,561.0</u></b>	<b><u>\$ 961,683,000</u></b>	<b><u>1,632.0</u></b>	<b><u>\$ 1,100,250,000</u></b>

**Comparative Personnel Complement by Organizational Unit**

	<u>FY'09 Actual</u>		<u>FY'10 Approved</u>		<u>FY'11 Proposed</u>	
	<u>Positions</u>	<u>Workyears</u>	<u>Positions</u>	<u>Workyears</u>	<u>Positions</u>	<u>Workyears</u>
<b><u>Commissioners Office/Corporate Secretary's Office</u></b>	*8	2.0	*8	2.0	*9	3.0
Internal Audit	8	7.2	8	8.0	8	8.0
<b><u>General Manager</u></b>	4	3.0	4	4.0	4	4.0
Intergovernmental Relations Office	5	4.1	5	5.0	5	5.0
Strategic Systems Management Office	10	7.7	10	10.0	10	10.0
General Counsel's Office	16	14.7	16	16.0	16	16.0
Communications & Community Relations Office	16	15.0	16	16.0	16	16.0
Human Resources Office	22	23.4	22	22.0	22	22.0
Small, Local and Minority Business Enterprise Office	8	6.7	8	8.0	8	8.0
Fair Practice Office	2	2.0	2	2.0	2	2.0
Acquisition Office	21	15.7	21	21.0	21	21.0
Corporate Asset Management Office	15	7.3	15	15.0	15	15.0
Engineering & Construction Team	302	272.2	303	303.0	319	319.0
Production Team	278	266.8	280	280.0	288	288.0
Logistics Office	173	146.1	173	173.0	177	177.0
Finance Office	62	56.8	62	62.0	62	62.0
Customer Care Team	532	504.3	535	535.0	573	573.0
Information Technology Team	79	73.1	79	79.0	83	83.0
<b>SUMMARY-TOTAL</b>	<b><u>1,555</u></b>	<b><u>1,428.1</u></b>	<b><u>1,561</u></b>	<b><u>1,561.0</u></b>	<b><u>1,632</u></b>	<b><u>1,632.0</u></b>

\* Commissioners (6) not included in total positions.

**Salaries and Wages Summary**

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	<b>FY'11 Proposed</b>	
	<u>Workyears</u>	<u>Amount</u>
Base Positions Funded Full Year	1,632	\$ 114,581,200
Overtime		<u>5,600,700</u>
Subtotal		120,181,900
Lapse on Base Positions *		<u>(3,435,000)</u>
Subtotal		116,746,900
Salary Enhancements		-
Salary - 6 Commissioners		<u>78,500</u>
<b>TOTAL</b>	<u>1,632</u>	<u>\$ 116,825,400</u>

\* Lapse is the reduction of gross salary costs due to vacancies and normal delays in filling positions.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### COMMISSIONERS OFFICE/CORPORATE SECRETARY'S OFFICE, GENERAL MANAGER & STAFF OFFICES

#### Organizational Descriptions

This group of organizations is comprised of the following offices: Commissioners/Corporate Secretary; General Manager; Internal Audit; Intergovernmental Relations; Strategic Systems Management; General Counsel; Communications and Community Relations; Human Resources; Small, Local and Minority Business Enterprise; Fair Practice; Acquisition and Corporate Asset Management.

- The responsibilities of the *Commissioners Office/Corporate Secretary's Office* are twofold: the Commissioners function as the Board of Directors and set general policy for the operation of the Commission, while providing leadership and guidance; and the Corporate Secretary is responsible for managing the corporate functions of the Commission.
- The *General Manager's Office* provides strategic direction and daily managerial oversight to ensure that the WSSC meets its mission of providing safe and reliable water to WSSC customers, and returning clean water to the environment, all in an ethically and financially responsible manner. In addition, the General Manager serves as the Commission's primary representative in relations with the county and state governments and other outside parties.
- *Internal Audit* is responsible for evaluating the adequacy and effectiveness of the WSSC's system of internal controls.
- The *Intergovernmental Relations Office* analyzes the impact of state and federal legislation on the Commission, and communicates with the legislative bodies.
- The *Strategic Systems Management Office* serves as the day-to-day manager of enterprise-wide change involving multiple change processes and projects, and provides integration and logistical support for the WSSC's change management efforts.
- The *General Counsel's Office* provides legal services to support the operational goals and objectives of the Commission, and is responsible for the disposition of surplus Commission real estate properties.
- The *Communications and Community Relations Office* is responsible for proactively communicating internally and externally and building relationships and strategic alliances throughout communities and industry. The Office is also responsible for providing the news media with timely and accurate information and managing crisis communications; overseeing the content on the WSSC's website; and providing graphic and photographic services.
- The *Human Resources Office* is responsible for planning, administering, and evaluating the Commission's personnel and related programs. The Office develops and maintains the employee benefit structures and the classification and compensation programs, conducts training courses, and manages the employee recruitment functions. The Office also provides counseling services on a variety of employee issues, and adheres to all applicable federal and state laws.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### COMMISSIONERS OFFICE/CORPORATE SECRETARY'S OFFICE, GENERAL MANAGER & STAFF OFFICES

(Continued)

#### Organizational Descriptions (Continued)

- The *Small, Local and Minority Business Enterprise Office* is responsible for planning, managing, coordinating, and monitoring the Commission's Small, Local and Minority Business Enterprise (SLMBE) Program and the Small, Local Business Enterprise (SLBE) Program, in accordance with state law. The Office develops policies designed to accomplish greater Minority Business Enterprise (MBE) and SLBE participation in Commission contracting opportunities; prepares reports for Commissioners, legislators, and managers; addresses contractor requests and inquiries; and promotes equity and responsiveness in WSSC contracting.
- The *Fair Practice Office* is responsible for planning, directing, and coordinating the activities of the Fair Practice Officer and employee liaison efforts as they relate to Equal Employment Opportunity practices.
- The *Acquisition Office* is responsible for the acquisition of materials, supplies, and services, including professional services, necessary to support Commission operations and functions, and the bid and award of all construction contracts.
- The *Corporate Asset Management Office* is responsible for all asset management initiatives including the Utility Master Plan and Enterprise Resource Planning/Enterprise Asset Management projects.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**COMMISSIONERS OFFICE/CORPORATE SECRETARY'S OFFICE**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Commissioners/Corporate Secretary	\$257,286	\$44,919	\$302,205	2.0	\$258,600	\$50,500	\$309,100	2.0	\$314,600	\$68,000	\$382,600	3.0
<b>TOTAL</b>	\$257,286	\$44,919	\$302,205	2.0	\$258,600	\$50,500	\$309,100	2.0	\$314,600	\$68,000	\$382,600	3.0

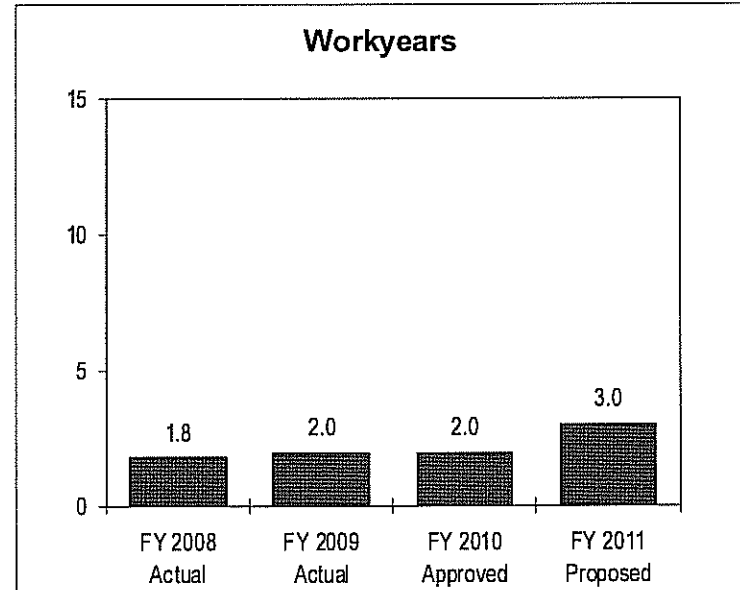
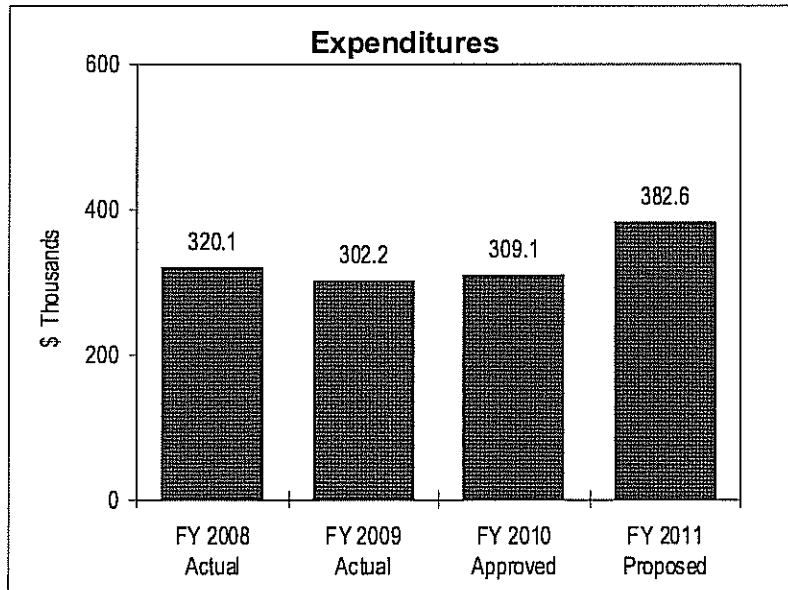
**Mission Statement**

The mission of the Commissioners is to function as the Board of Directors and set general policy for the operation of the Commission, while providing leadership and guidance. The Corporate Secretary is responsible for managing the corporate functions of the Commission. The Ethics Officer is responsible for ensuring the Commission achieves mission-critical objectives in an ethically responsible manner.

**Budget Overview**

The FY'11 Proposed Budget is \$73,500, or approximately 24%, more than the FY'10 Approved Budget due to the addition of one workyear for an Ethics Officer.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**COMMISSIONERS OFFICE/CORPORATE SECRETARY'S OFFICE**  
(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**COMMISSIONERS OFFICE/CORPORATE SECRETARY'S OFFICE**  
(Continued)

**SUMMARY BY ACTIVITY**

**Commissioners**

	Expenditures	Workyears
FY'09 Actual	\$96,321	0.0
FY'10 Approved	\$93,400	0.0
FY'11 Proposed	\$93,500	0.0

Six appointed Commissioners, three from Prince George's County and three from Montgomery County, establish policies for the operation of the Commission within the legal framework of Article 29, WSSD Laws, Annotated Code of Maryland.

**FY'11 Major Recommended Changes:** None

**Corporate Secretary and Ethics Officer**

	Expenditures	Workyears
FY'09 Actual	\$205,884	2.0
FY'10 Approved	\$215,700	2.0
FY'11 Proposed	\$289,100	3.0

The Commission's Corporate Secretary manages the corporate functions; prepares Commission Meeting Agendas; maintains the Commission's official records; provides staff support; handles official correspondence and telephone inquiries; and serves as liaison for the Commissioners with customers.

This activity is being expanded to include an Ethics Officer to provide support to the Commission's Board of Ethics and implement and administer the Commission's Ethics Program, and ensure the Commission achieves mission-critical objectives in an ethically responsible manner.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased by \$73,400, or approximately 34%, due to the addition of one workyear for an Ethics Officer.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**INTERNAL AUDIT**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Internal Audit	\$688,692	\$184,776	\$873,468	7.2	\$746,200	\$240,700	\$986,900	8.0	\$739,400	\$240,700	\$980,100	8.0
<b>TOTAL</b>	\$688,692	\$184,776	\$873,468	7.2	\$746,200	\$240,700	\$986,900	8.0	\$739,400	\$240,700	\$980,100	8.0

**Mission Statement**

The mission of Internal Audit is to evaluate the adequacy and effectiveness of the WSSC's system of internal controls.

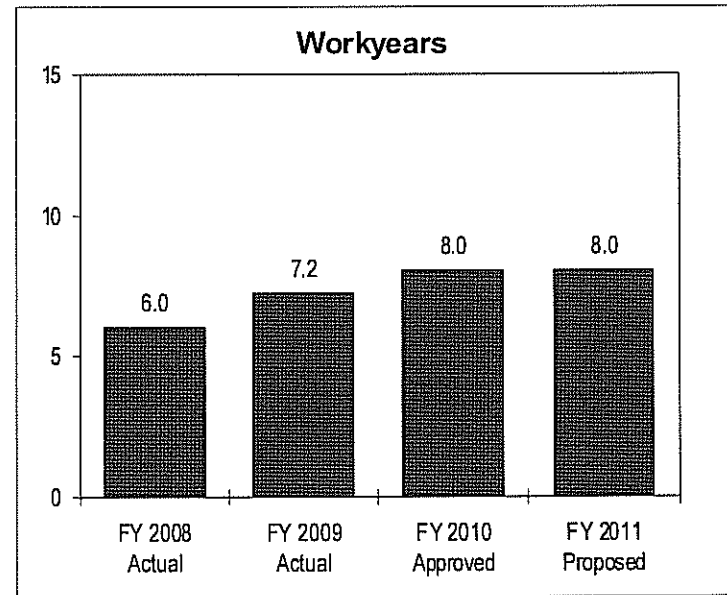
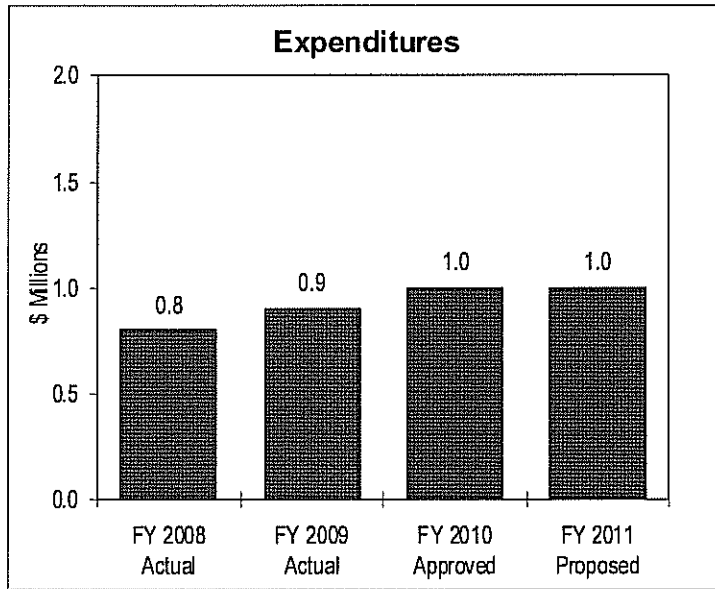
**Budget Overview**

The FY'11 Proposed Budget is approximately the same as the FY'10 Approved Budget.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## INTERNAL AUDIT

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**INTERNAL AUDIT**

(Continued)

**SUMMARY BY ACTIVITY**

**Blue Plains Audits - Non Billable**

	Expenditures	Workyears
FY'09 Actual	\$167,158	1.4
FY'10 Approved	\$167,700	1.3
FY'11 Proposed	\$226,800	1.8

This activity evaluates the accuracy of the billings for Regional Sewage Disposal submitted by the District of Columbia Water and Sewer Authority.

**FY'11 Major Recommended Changes:** None

**SDC Credit or Reimbursement Audits**

	Expenditures	Workyears
FY'09 Actual	\$180,418	1.5
FY'10 Approved	\$226,900	1.9
FY'11 Proposed	\$207,600	1.7

The System Development Charge (SDC) Credit or Reimbursement Audits activity utilizes audit resources for developer requested audits of SDC reimbursements for CIP-size construction projects (in accordance with Article 29 § 6-113).

**FY'11 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INTERNAL AUDIT

(Continued)

#### SUMMARY BY ACTIVITY

#### Other Audits

	Expenditures	Workyears
FY'09 Actual	\$243,286	2.0
FY'10 Approved	\$303,100	2.5
FY'11 Proposed	\$263,600	2.2

Other audits are separated into two types: risk-based and special request. Risk-based audits address operational, financial, and compliance issues and consider the effectiveness and efficiency of operations; the reliability of financial reporting; and compliance with applicable laws, regulations, and Commission policies, respectively. Special request audits arise throughout the fiscal year and are performed on an as-needed basis. The specific risk-based audits to be performed in FY'11 will be determined upon approval by the Commissioners of the Audit Plan, which is based on a comprehensive review of prior Internal Audit reports and analysis of current operations.

This activity also includes funding for external audits of the WSSC's annual financial statements as well as the Employees' Retirement Plan.

**FY'11 Major Recommended Changes:** None

#### Advisory Services

	Expenditures	Workyears
FY'09 Actual	\$114,458	1.0
FY'10 Approved	\$117,600	1.0
FY'11 Proposed	\$114,800	1.0

This activity is intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management or oversight responsibility. Examples of advisory services provided include the counsel, advice, facilitation, and training often demonstrated by auditor participation in standing committees (i.e., Consultant Selection Committee, Purchase Order Review Committee, Acquisition Strategy, etc.), limited-life-projects, ad hoc meetings, system conversions, routine information exchange, and formal consulting engagements.

**FY'11 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INTERNAL AUDIT

(Continued)

#### SUMMARY BY ACTIVITY

##### Board of Ethics Administrative Support

	Expenditures	Workyears
FY'09 Actual	\$168,148	1.3
FY'10 Approved	\$171,600	1.3
FY'11 Proposed	\$167,300	1.3

This activity provides administrative support to the Board of Ethics and administers the Code of Ethics. Responsibilities include maintaining the Financial Disclosure and Lobbyist Registration Forms, preparing quarterly and annual reports for the Montgomery and Prince George's County Councils, and implementing the Code of Conduct. Additionally, this activity conducts interviews for board positions, handles ethics inquiries, and provides training for employees and Commissioners.

**FY'11 Major Recommended Changes:** No changes are presently anticipated; however, future changes may be necessary as some responsibilities are transitioned to the new Ethics Officer.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**GENERAL MANAGER'S OFFICE**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
General Manager	\$473,540	\$57,478	\$531,018	3.0	\$587,200	\$16,100	\$603,300	4.0	\$598,500	\$16,100	\$614,600	4.0
<b>TOTAL</b>	\$473,540	\$57,478	\$531,018	3.0	\$587,200	\$16,100	\$603,300	4.0	\$598,500	\$16,100	\$614,600	4.0

**Mission Statement**

The mission of the General Manager's Office is to provide strategic direction and daily managerial oversight of the WSSC to ensure that it meets its mission of providing safe and reliable water to customers, and returning clean water to the environment, all in an ethically and financially responsible manner. As the Commission's chief executive, the General Manager provides managerial direction to all Commission operations and support functions, and serves as the Commission's primary representative in relations with the county and state governments and other outside parties.

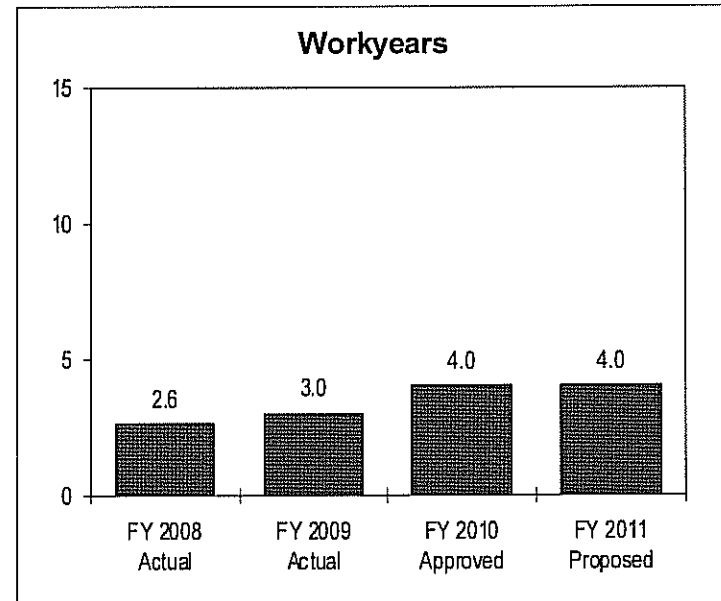
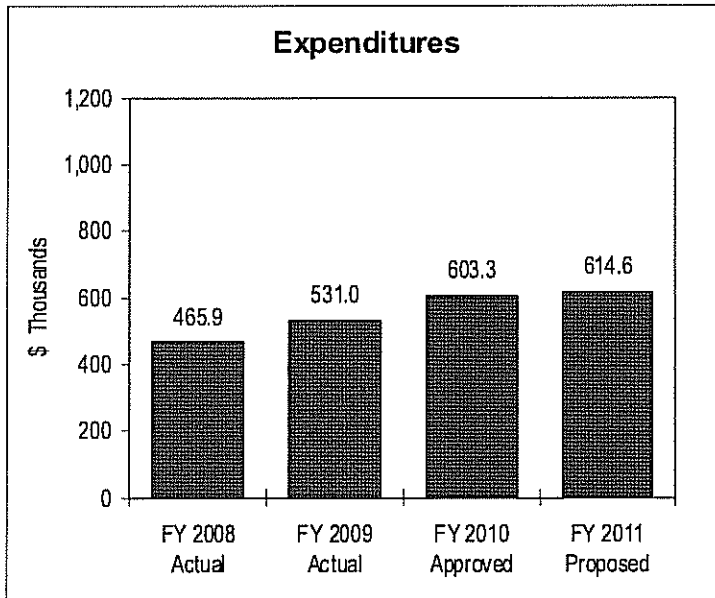
**Budget Overview**

The FY'11 Proposed Budget is approximately the same as the FY'10 Approved Budget.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## GENERAL MANAGER'S OFFICE

(Continued)



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### GENERAL MANAGER'S OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Management and Administration

	Expenditures	Workyears
FY'09 Actual	\$531,018	3.0
FY'10 Approved	\$603,300	4.0
FY'11 Proposed	\$614,600	4.0

The General Manager's Office is responsible for coordinating and supervising the activities of the team and staff offices of the WSSC, and for recommending courses of action to the Commissioners. As the principal executive, the General Manager is responsible for all Commission operations and functions.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**INTERGOVERNMENTAL RELATIONS OFFICE**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Intergovernmental Relations	\$367,817	\$156,017	\$523,834	4.1	\$426,500	\$153,900	\$580,400	5.0	\$426,500	\$155,000	\$581,500	5.0
<b>TOTAL</b>	\$367,817	\$156,017	\$523,834	4.1	\$426,500	\$153,900	\$580,400	5.0	\$426,500	\$155,000	\$581,500	5.0

**Mission Statement**

The mission of the Intergovernmental Relations Office is to analyze the impact of state and federal legislation on the Commission and act as the WSSC's representative before legislative bodies.

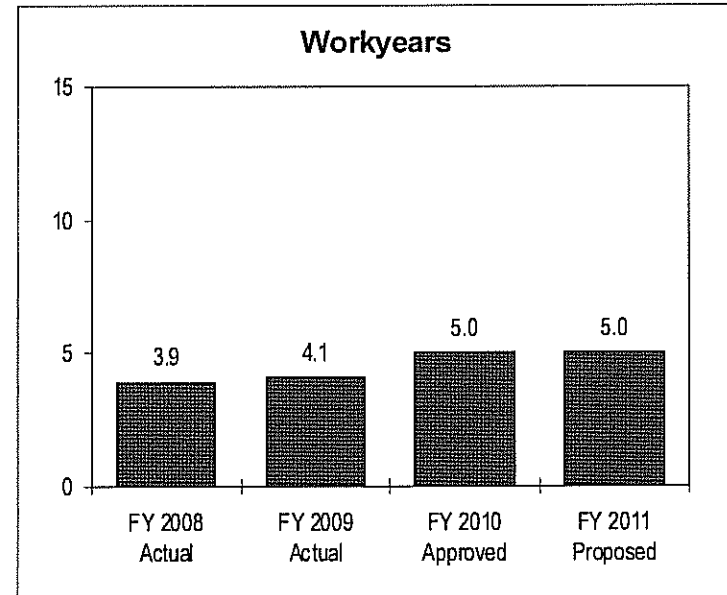
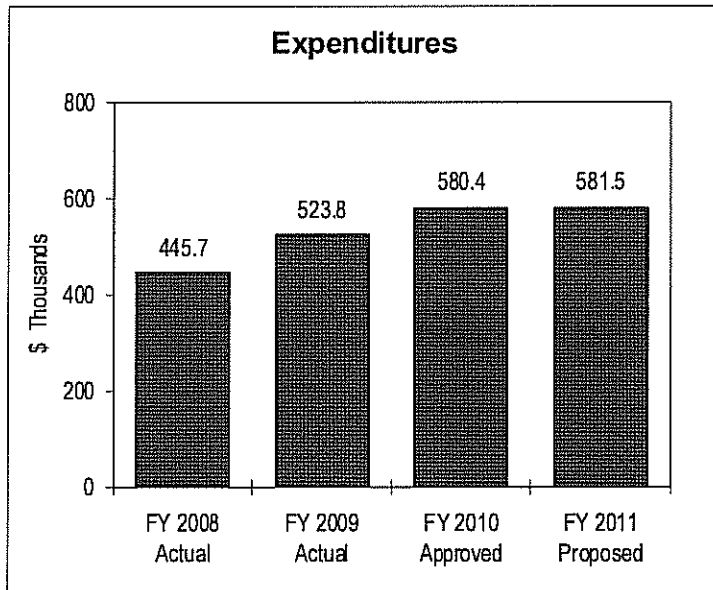
**Budget Overview**

The FY'11 Proposed Budget is approximately the same as the FY'10 Approved Budget.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INTERGOVERNMENTAL RELATIONS OFFICE

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**INTERGOVERNMENTAL RELATIONS OFFICE**

(Continued)

**ACTIVITY INDICATORS**

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
Inquiries - miscellaneous	250	300	300	325
Outreach meetings	78	86	50	90
Public hearings/bill hearings attended	80	100	80	100
State legislation reviewed	41	250	100	200
Federal legislation reviewed	65	75	65	75

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INTERGOVERNMENTAL RELATIONS OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

##### Management and Administration

	Expenditures	Workyears
FY'09 Actual	\$523,834	4.1
FY'10 Approved	\$580,400	5.0
FY'11 Proposed	\$581,500	5.0

The objective of the Intergovernmental Relations Office is to obtain passage of the Commission's legislative agenda, increase communication with state and local governments, and increase the Commission's role in federal legislative issues.

*FY'11 Major Recommended Changes:* None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**STRATEGIC SYSTEMS MANAGEMENT OFFICE**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Strategic Systems Management	\$867,723	\$206,863	\$1,074,586	7.7	\$728,300	\$193,300	\$921,600	10.0	\$811,500	\$143,300	\$954,800	10.0
<b>TOTAL</b>	\$867,723	\$206,863	\$1,074,586	7.7	\$728,300	\$193,300	\$921,600	10.0	\$811,500	\$143,300	\$954,800	10.0

**Mission Statement**

The mission of the Strategic Systems Management Office is to serve as the day-to-day manager of enterprise-wide change involving multiple change processes and projects; and to ensure watertight integrity of the WSSC's Mission, Vision, Strategies, and Values. The Office is also responsible for the analysis and documentation of the WSSC's business functions and organizational structure, performance measurement, and data gathering and collection activities.

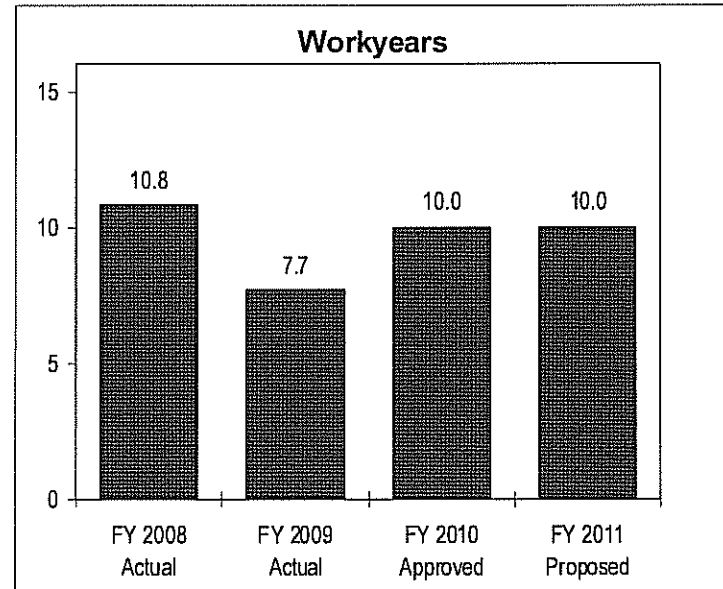
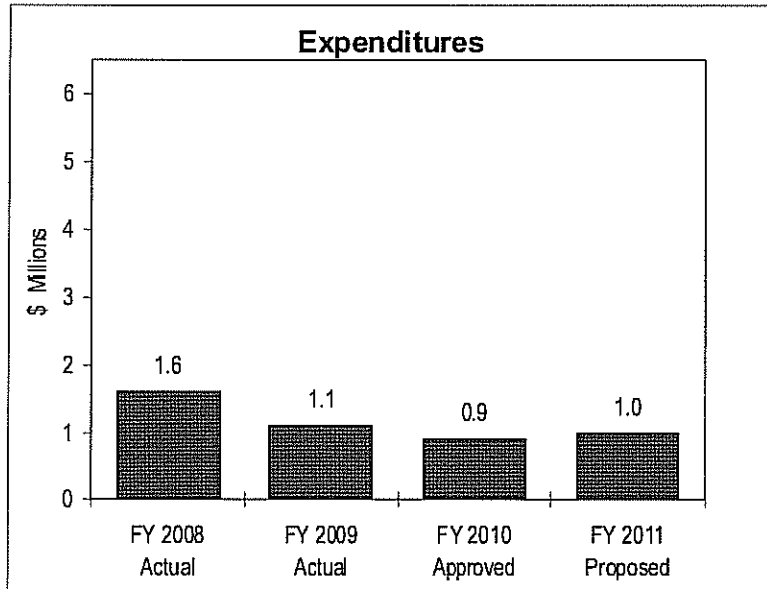
**Budget Overview**

The FY'11 Proposed Budget is approximately the same as the FY'10 Approved Budget.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### STRATEGIC SYSTEMS MANAGEMENT OFFICE

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**STRATEGIC SYSTEMS MANAGEMENT OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Strategic Planning**

	Expenditures	Workyears
FY'09 Actual	\$746,776	4.8
FY'10 Approved	\$465,400	6.0
FY'11 Proposed	\$515,300	6.0

This activity develops and administers a long-term strategic business plan for the Commission. This includes working with the Teams, the General Manager, and other Commission offices to establish the Mission, Vision, Strategies and Values for the Commission; and identifying Key Success Measures, Annual Action Items, and Departmental Action Items designed to ensure progress toward the Vision and targeted measures. Coordination of the All Management meetings and associated activities is also included in this activity.

**FY'11 Major Recommended Changes:** None

**Change Management**

	Expenditures	Workyears
FY'09 Actual	\$327,810	2.9
FY'10 Approved	\$456,200	4.0
FY'11 Proposed	\$439,500	4.0

This activity performs analyses necessary to assess the implementation potential for various strategic management plan initiatives, coordinates the Change Management programs, and facilitates enterprise-wide change initiatives. The activity ensures integrity between the Commission's Mission, Vision, Strategies, and Values and its Annual Action Items, and maintains a performance measurement system to monitor and report on Key Performance Indicators and Key Success Measures to ensure target goals are achieved.

The Strategic Program Management activity, previously reported separately, has been consolidated with this activity for FY'11. The activity is responsible for managing the Commission's Strategic Program Management System. The purpose of this system is to manage the implementation of cross-organizational projects that will result in substantial organizational change. Projects included in this program involve re-engineering of corresponding business processes based on best practices.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**GENERAL COUNSEL'S OFFICE**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
General Counsel	\$1,451,546	\$500,074	\$1,951,620	14.7	\$1,507,500	\$2,345,700	\$3,853,200	16.0	\$1,507,300	\$2,299,200	\$3,806,500	16.0
<b>TOTAL</b>	\$1,451,546	\$500,074	\$1,951,620	14.7	\$1,507,500	\$2,345,700	\$3,853,200	16.0	\$1,507,300	\$2,299,200	\$3,806,500	16.0

**Mission Statement**

The mission of the General Counsel's Office is to provide high-quality and cost-effective legal services to support the operational goals and objectives of the Commission, and facilitate disposition of surplus Commission real estate properties.

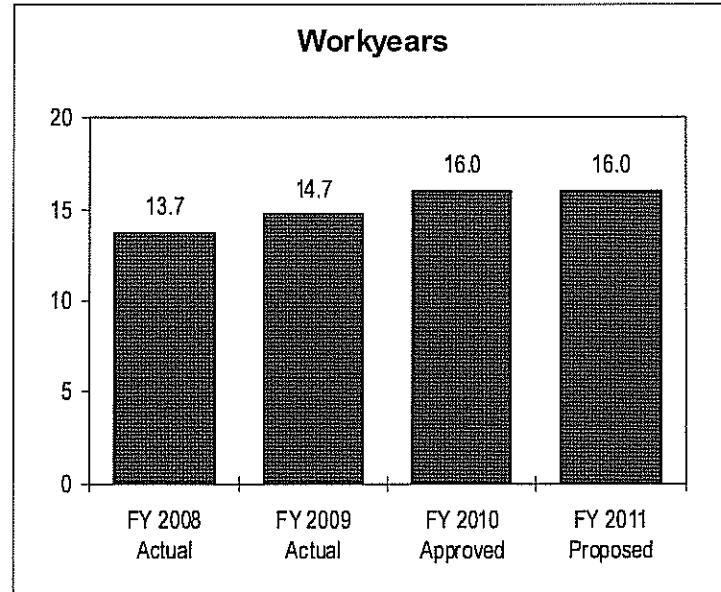
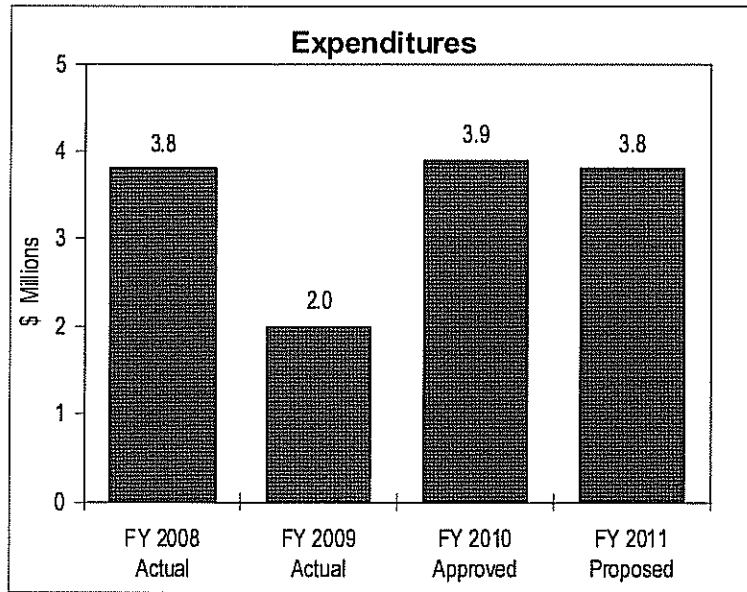
**Budget Overview**

The FY'11 Proposed Budget is approximately the same as the FY'10 Approved Budget.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## GENERAL COUNSEL'S OFFICE

(Continued)



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### GENERAL COUNSEL'S OFFICE

(Continued)

#### ACTIVITY INDICATORS

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
Administrative/Refund hearings	29	33	32	35
Petitions for bankruptcies received	378	526	625	700
Cases filed against the WSSC	67	94	105	100
Cases filed by the WSSC	63	59	54	60
Contested civil citations filed by the WSSC	30	37	42	50
Contracts/Agreements negotiated, drafted, or reviewed	53	138	77	100
Deeds, easements, and leases negotiated, drafted, or reviewed	24	48	27	75
Document/Public information requests received	27	81	25	100
Policies/Procedures/Resolutions reviewed	86	51	103	75

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### GENERAL COUNSEL'S OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

##### Legal Services

	Expenditures	Workyears
FY'09 Actual	\$1,951,620	14.7
FY'10 Approved	\$3,853,200	16.0
FY'11 Proposed	\$3,806,500	16.0

The General Counsel's Office provides legal advice, guidance, and preventive legal measures on regulatory and administrative matters to Commission staff and officials regarding statutory, regulatory, and administrative matters. The Office also assists in the lawful formulation, adoption, implementation, and enforcement of the WSSC's policies, procedures, rules, regulations, and programs. In addition, the Office is responsible for the disposition of surplus Commission real estate properties.

*FY'11 Major Recommended Changes:* None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**COMMUNICATIONS AND COMMUNITY RELATIONS OFFICE**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Communications and Community Relations	\$1,214,003	\$339,897	\$1,553,900	15.0	\$1,264,900	\$302,900	\$1,567,800	16.0	\$1,276,500	\$341,000	\$1,617,500	16.0
<b>TOTAL</b>	\$1,214,003	\$339,897	\$1,553,900	15.0	\$1,264,900	\$302,900	\$1,567,800	16.0	\$1,276,500	\$341,000	\$1,617,500	16.0

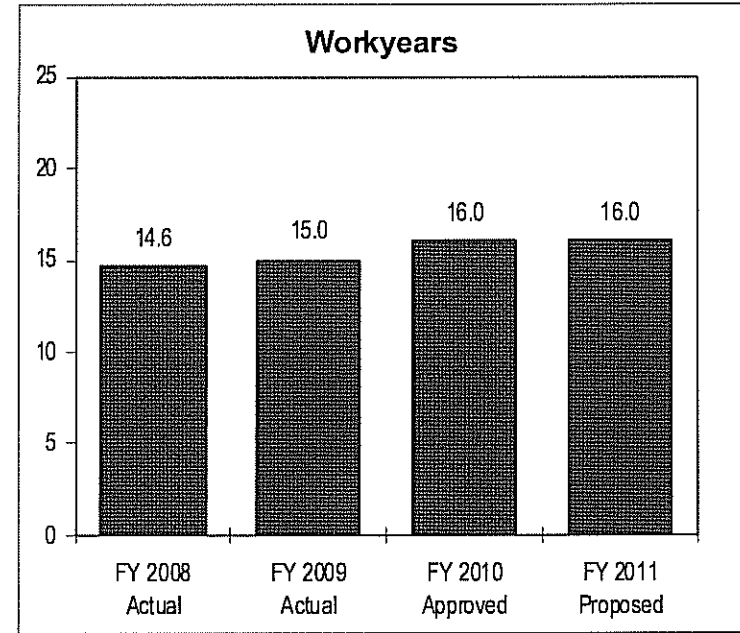
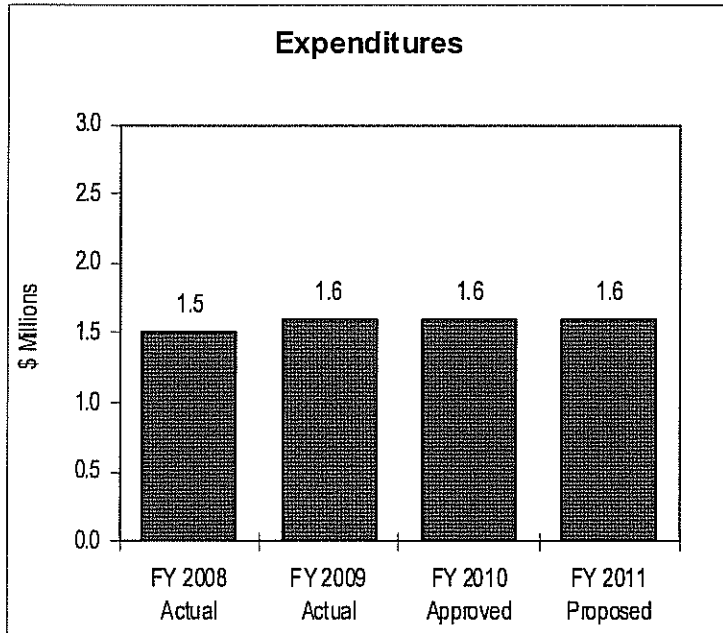
**Mission Statement**

The mission of the Communications and Community Relations Office is to provide timely and accurate information that is designed to educate and inform our internal and external customers and enhance the WSSC's image.

**Budget Overview**

The FY'11 Proposed Budget is \$49,700, or approximately 3%, more than the FY'10 Approved Budget. This increase is primarily due to the new Sewer Science for High School Program. The program is designed to educate students on the Fats, Oils, and Grease Program, ways to reduce Sanitary Sewer Overflows, and how science is used in wastewater treatment.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**COMMUNICATIONS AND COMMUNITY RELATIONS OFFICE**  
(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**COMMUNICATIONS AND COMMUNITY RELATIONS OFFICE**  
(Continued)

**SUMMARY BY ACTIVITY**

**Media and Public Relations**

	Expenditures	Workyears
FY'09 Actual	\$251,784	2.4
FY'10 Approved	\$216,000	2.0
FY'11 Proposed	\$208,400	1.8

This activity includes numerous functions which inform our customers, improve relationships with the media and constituencies, and enhance the WSSC's image. These functions include preparing news releases, conducting interviews with the press, briefing the media, developing web site content, and performing public service announcements.

**FY'11 Major Recommended Changes:** None

**Publications**

	Expenditures	Workyears
FY'09 Actual	\$106,224	0.6
FY'10 Approved	\$134,300	0.7
FY'11 Proposed	\$154,500	1.0

This activity includes efforts related to the preparation and/or distribution of annual reports, brochures/booklets, newsletters, and customer bill inserts, and the transition of printed information to the Commission's web site.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**COMMUNICATIONS AND COMMUNITY RELATIONS OFFICE**  
(Continued)

**SUMMARY BY ACTIVITY**

**Community Outreach**

	Expenditures	Workyears
FY'09 Actual	\$376,409	3.9
FY'10 Approved	\$400,800	4.1
FY'11 Proposed	\$384,500	3.5

This activity includes informing and updating customers of engineering and other projects impacting their communities via project and community meetings, exhibits, open houses, dedications and ground-breakings. Additional outreach efforts include arranging educational presentations for schools and dissemination of information and materials for the Fats, Oils, and Grease (FOG) Program. This activity also provides support to the Customer Advisory Board.

**FY'11 Major Recommended Changes:** None

**Other Public Communications Projects**

	Expenditures	Workyears
FY'09 Actual	\$278,128	2.0
FY'10 Approved	\$275,400	2.7
FY'11 Proposed	\$332,200	3.4

This activity involves preparing communications materials for requested meetings and events, coordinating tours for dignitaries, ordering promotional materials, and performing other activities as they arise.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$56,800, or approximately 21%, due to services and materials needed for the new Sewer Science for High School program, as well as reallocated workyears from the Community Outreach activity. The program is designed to educate students on the Fats, Oils, and Grease Program, ways to reduce Sanitary Sewer Overflows, and how science is used in wastewater treatment.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**COMMUNICATIONS AND COMMUNITY RELATIONS OFFICE**  
(Continued)

**SUMMARY BY ACTIVITY**

**Internal Communications and Events**

	Expenditures	Workyears
FY'09 Actual	\$306,005	2.9
FY'10 Approved	\$288,500	3.1
FY'11 Proposed	\$302,100	3.1

This activity informs WSSC employees about company news, events, policies, and benefits, and coordinates special events, service awards ceremonies, and the United Way Campaign. This activity also communicates the WSSC's Core Strategies and Values to company staff.

**FY'11 Major Recommended Changes:** None

**Graphics and Photography Support**

	Expenditures	Workyears
FY'09 Actual	\$235,350	3.2
FY'10 Approved	\$252,800	3.4
FY'11 Proposed	\$235,800	3.2

This activity provides support to all WSSC business units with needed graphics design and photographic services.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**HUMAN RESOURCES OFFICE**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Human Resources	\$2,079,866	\$914,055	\$2,993,921	23.4	\$1,946,100	\$1,209,800	\$3,155,900	22.0	\$1,925,000	\$1,189,800	\$3,114,800	22.0
<b>TOTAL</b>	\$2,079,866	\$914,055	\$2,993,921	23.4	\$1,946,100	\$1,209,800	\$3,155,900	22.0	\$1,925,000	\$1,189,800	\$3,114,800	22.0

**Mission Statement**

The mission of the Human Resources Office is to support employee, team, and organizational success; and provide quality employee systems in talent management, employee development, work force development, and total rewards.

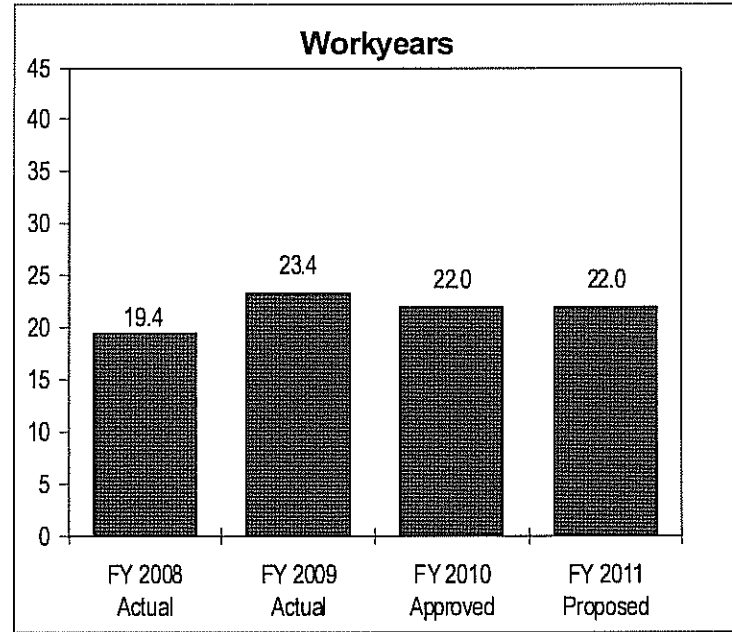
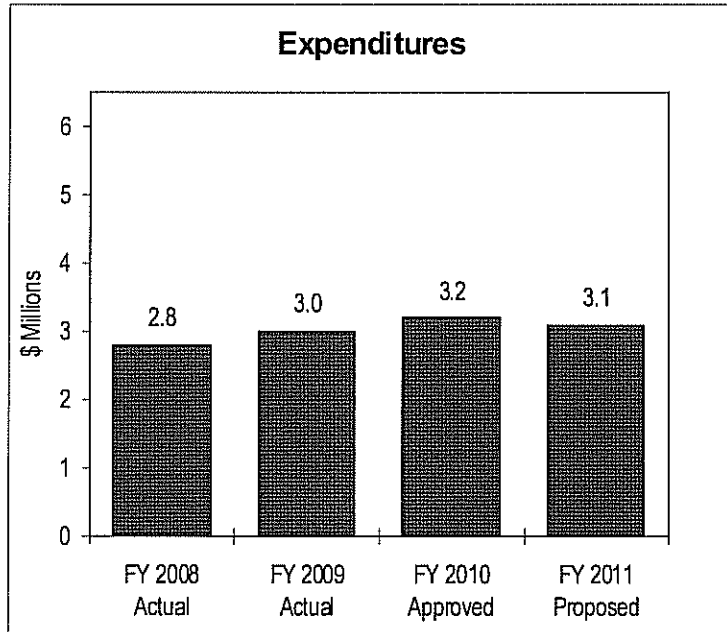
**Budget Overview**

The FY'11 Proposed Budget is approximately the same as the FY'10 Approved Budget.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### HUMAN RESOURCES OFFICE

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**HUMAN RESOURCES OFFICE**

(Continued)

**ACTIVITY INDICATORS**

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
Average days to fill a position (from receipt of requisition)	90	105	81	90
Employee turnover rate	6%	7%	7%	7%

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### HUMAN RESOURCES OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Employee Development and Succession Management

	Expenditures	Workyears
FY'09 Actual	\$949,230	5.3
FY'10 Approved	\$1,096,300	5.2
FY'11 Proposed	\$1,097,300	5.2

This activity involves the planning and administration of corporate training efforts, including educational assistance programs; career development and counseling; management and supervisory development and training; computer skills training; and assisting operating units with regard to technical and outside training.

FY'11 Major Recommended Changes: None

#### Benefits Administration

	Expenditures	Workyears
FY'09 Actual	\$710,299	7.1
FY'10 Approved	\$602,000	5.1
FY'11 Proposed	\$587,700	5.1

This activity involves developing and administering employee and retiree benefit programs and interfacing with payroll and other financial systems. This includes benefit plan review, redesign, and administration; disability plan administration (including workers' compensation and accident and sickness programs); administration of the deferred compensation program; benefit communications and enrollment design and administration; employment verifications; and processing changes to employee records due to performance evaluations, reclassifications, promotions, and resignations.

FY'11 Major Recommended Changes: None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### HUMAN RESOURCES OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Employee Relations and Talent Management

	Expenditures	Workyears
FY'09 Actual	\$888,770	7.1
FY'10 Approved	\$1,062,600	7.8
FY'11 Proposed	\$1,050,400	7.8

This activity delivers Human Resources (HR) services to Teams and Staff Offices with HR advice and guidance in the resolution of problems, delivery of services such as recruitment and position/organization restructuring, and implementation of the WSSC's HR initiatives. The Office is responsible for the recruitment and employment of new employees and administration of the internal Promotional/Transfer Opportunity Program, applicant testing, and the Employee Assistance Program. This activity also provides support for labor relations and collective bargaining issues, compliance with employment regulations, and Commission-wide policy development and implementation.

FY'11 Major Recommended Changes: None

#### Compensation

	Expenditures	Workyears
FY'09 Actual	\$445,622	3.9
FY'10 Approved	\$395,000	3.9
FY'11 Proposed	\$379,400	3.9

This activity facilitates development of the WSSC's compensation philosophy and manages the Commission's compensation program in alignment with that philosophy. This includes base pay programs, variable compensation and rewards, management of the WSSC's position classification and job evaluation programs, severance program, and information collection and data analysis services for collective bargaining activities. This activity addresses employee relations issues regarding specific salary and wage surveys, and participates in compensation studies and implementation of its recommendations.

FY'11 Major Recommended Changes: None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**SMALL, LOCAL AND MINORITY BUSINESS ENTERPRISE OFFICE**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Small, Local and Minority Business Enterprise (SLMBE)	\$469,885	\$336,567	\$806,452	6.7	\$560,500	\$95,500	\$656,000	8.0	\$552,400	\$535,500	\$1,087,900	8.0
<b>TOTAL</b>	\$469,885	\$336,567	\$806,452	6.7	\$560,500	\$95,500	\$656,000	8.0	\$552,400	\$535,500	\$1,087,900	8.0

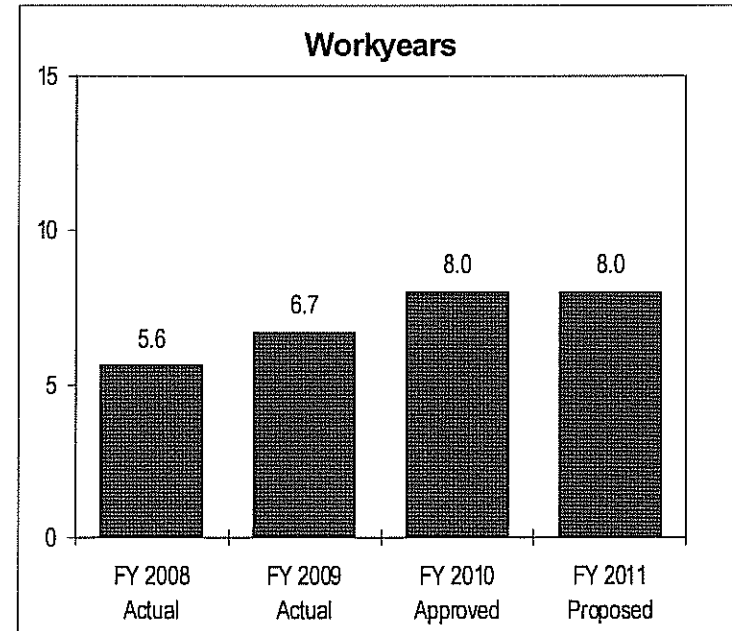
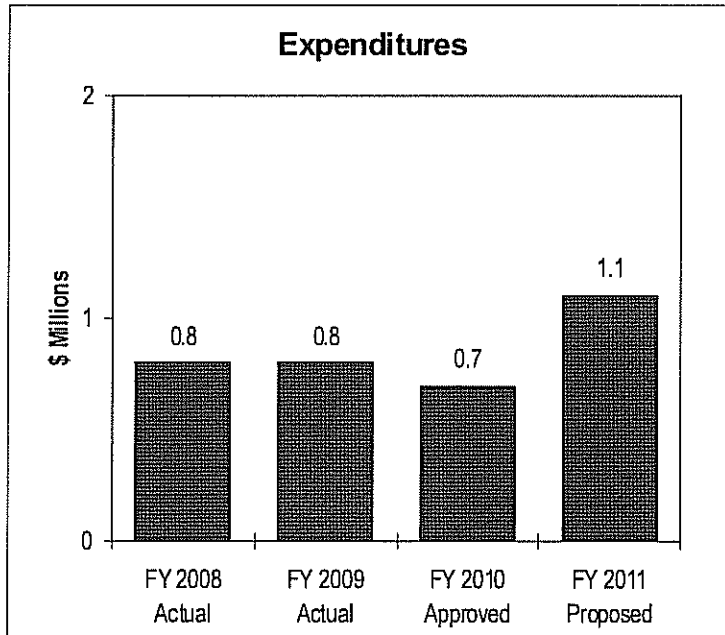
**Mission Statement**

The mission of the SLMBE Office is to create an inclusive purchasing environment while building sustainable relationships, expanding opportunities and cultivating growth of Small, Local and Minority Business Enterprises.

**Budget Overview**

The FY'11 Proposed Budget is \$431,900, or approximately 66%, more than the FY'10 Approved Budget. The majority of this increase is required to conduct a Disparity Study in support of the Commission's MBE Program.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**SMALL, LOCAL AND MINORITY BUSINESS ENTERPRISE OFFICE**  
(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**SMALL, LOCAL AND MINORITY BUSINESS ENTERPRISE OFFICE**

(Continued)

**ACTIVITY INDICATORS**

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
Number of Small, Local Business Enterprises (SLBEs) registered and approved to do business with the WSSC	319	301	383	332
Number of Minority Business Enterprises (MBEs) registered and certified to do business with the WSSC	288	430	346	520
Number of contract awards made to SLBEs	56	17	62	19
Number of contract awards made to MBEs *	304	278	335	307

\* Effective June 23, 2007, legislative authority for implementation of the Minority Business Enterprise (MBE) Program was reauthorized, pursuant to Maryland House Bill 691. The Commission has a new interim MBE Program that will remain in effect until a new MBE Policy is adopted.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**SMALL, LOCAL AND MINORITY BUSINESS ENTERPRISE OFFICE**  
(Continued)

**SUMMARY BY ACTIVITY**

**Small, Local and Minority Business Enterprise**

	Expenditures	Workyears
FY'09 Actual	\$806,452	6.7
FY'10 Approved	\$656,000	8.0
FY'11 Proposed	\$1,087,900	8.0

This activity involves planning, managing, coordinating and monitoring the Commission's Minority Business Enterprise (MBE) and Small, Local Business Enterprise (SLBE) Programs, in accordance with state law. The Office develops policies designed to provide an inclusive purchasing environment while building sustainable relationships, expanding opportunities, and cultivating growth to accomplish greater MBE and SLBE participation in Commission contracting opportunities.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$431,900, or approximately 66%. The majority of this increase is required to conduct a Disparity Study in support of the Commission's MBE Program.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FAIR PRACTICE OFFICE**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Fair Practice	\$172,526	\$904	\$173,430	2.0	\$169,100	\$3,000	\$172,100	2.0	\$169,100	\$3,500	\$172,600	2.0
<b>TOTAL</b>	\$172,526	\$904	\$173,430	2.0	\$169,100	\$3,000	\$172,100	2.0	\$169,100	\$3,500	\$172,600	2.0

**Mission Statement**

The mission of the Fair Practice Office is to ensure Commission compliance with Equal Employment Opportunity laws and practices, and address employee discrimination issues and complaints in accordance with the Commission's policies and procedures.

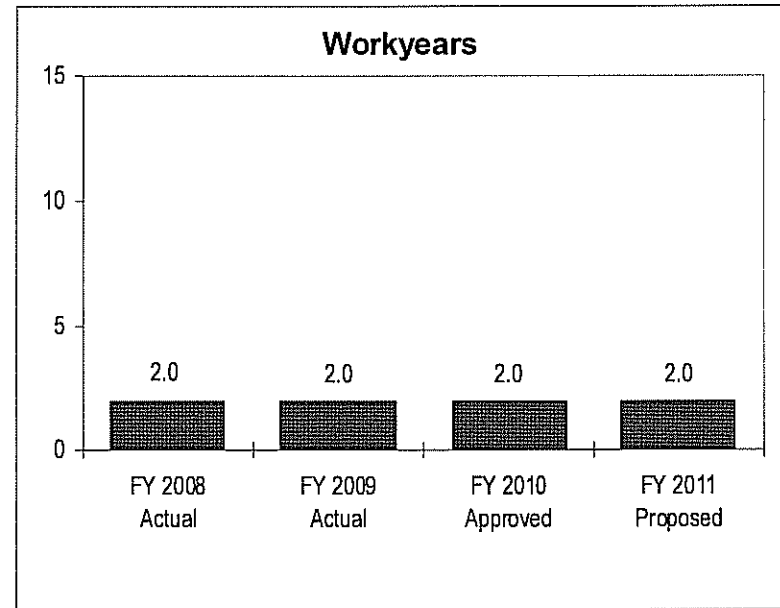
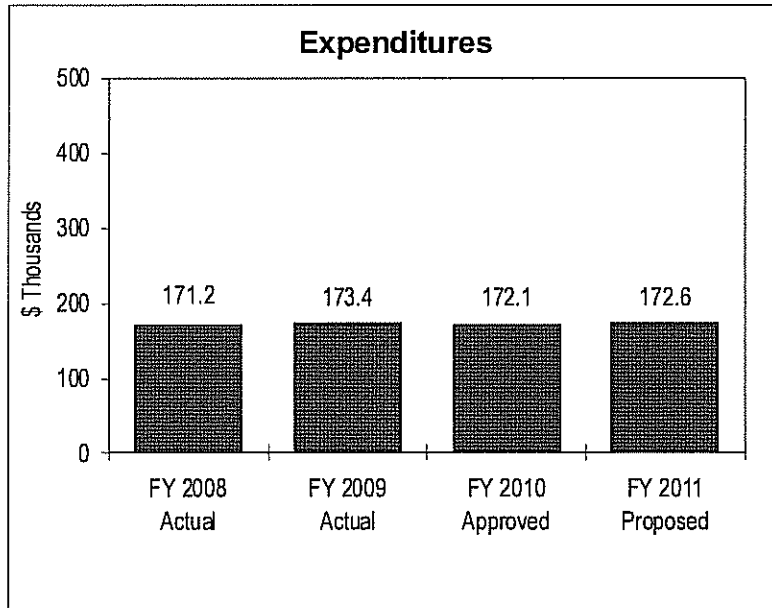
**Budget Overview**

The FY'11 Proposed Budget is approximately the same as the FY'10 Approved Budget.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## FAIR PRACTICE OFFICE

(Continued)



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FAIR PRACTICE OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Management and Administration

	Expenditures	Workyears
FY'09 Actual	\$173,430	2.0
FY'10 Approved	\$172,100	2.0
FY'11 Proposed	\$172,600	2.0

This activity directs the application of the Commission's equal employment principles and goals, and outlines the responsibilities of management, supervisory, and non-supervisory personnel for fostering a spirit of equal employment opportunity. Also included in the activity are investigations of discrimination claims in accordance with the Commission's policy and procedures.

*FY'11 Major Recommended Changes:* None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**ACQUISITION OFFICE**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Acquisition	\$1,285,397	\$95,837	\$1,381,234	15.7	\$1,658,400	\$157,600	\$1,816,000	21.0	\$1,645,200	\$107,600	\$1,752,800	21.0
<b>TOTAL</b>	\$1,285,397	\$95,837	\$1,381,234	15.7	\$1,658,400	\$157,600	\$1,816,000	21.0	\$1,645,200	\$107,600	\$1,752,800	21.0

**Mission Statement**

The mission of the Acquisition Office is to acquire all necessary commodities, supplies, and services, including professional services, necessary to support Commission operations and functions, and to oversee the bid and award process for all construction contracts.

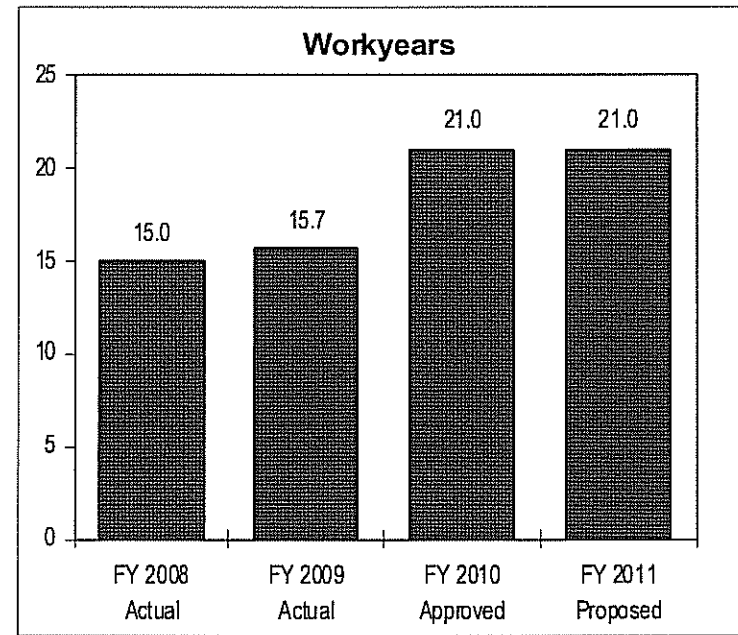
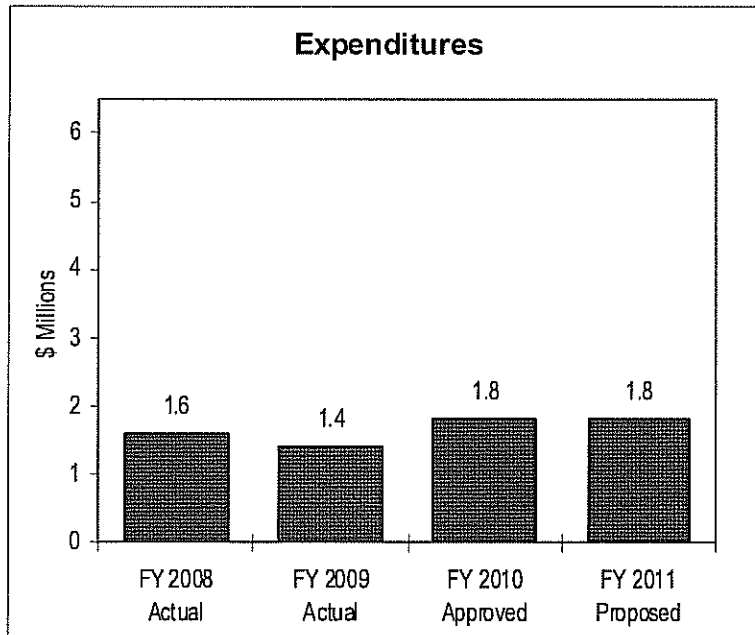
**Budget Overview**

The FY'11 Proposed Budget is approximately the same as the FY'10 Approved Budget.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### ACQUISITION OFFICE

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**ACQUISITION OFFICE**

(Continued)

**ACTIVITY INDICATORS**

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
Purchase requisitions received	3,515	1,491	3,925	4,317
Purchase orders awarded	3,847	1,751	3,415	3,756
Invitation for Bids/Requests for Proposals issued	213	148	221	223
Notices to Proceed issued (number of contracts)	98	103	109	120

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### ACQUISITION OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Procurement

	Expenditures	Workyears
FY'09 Actual	\$1,381,234	15.7
FY'10 Approved	\$1,816,000	21.0
FY'11 Proposed	\$1,752,800	21.0

This activity involves purchasing all commodities, supplies, equipment, and services necessary to support the WSSC's operations, maintenance, and staff functions at the lowest possible price through public competitive bidding. This is accomplished through competitive processes using Master and Blanket Purchase Orders, Requests for Proposal, Invitations for Bid, multi-year contracts, and Procurement Cards for small dollar item purchases. Also included in this activity are all contracting functions from Request to Advertise through Notice to Proceed; maintaining and administering the construction database system; and maintaining a complete contract file for all contracts regardless of contracting method.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**CORPORATE ASSET MANAGEMENT OFFICE**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Corporate Asset Management	\$786,793	\$2,670,167	\$3,456,960	7.3	\$1,500,300	\$11,596,900	\$13,097,200	15.0	\$1,556,500	\$10,115,600	\$11,672,100	15.0
<b>TOTAL</b>	\$786,793	\$2,670,167	\$3,456,960	7.3	\$1,500,300	\$11,596,900	\$13,097,200	15.0	\$1,556,500	\$10,115,600	\$11,672,100	15.0

**Mission Statement**

The Corporate Asset Management Office was established in FY'09 and oversees the Enterprise Resource Planning (ERP) Implementation Program and the Utility Master Plan (UMP) Program. The Office's mission is to facilitate the development, implementation, and institutionalization of enterprise-wide asset management business practices, processes, and technologies that fully leverage and support the WSSC's enterprise-wide resource planning strategies and asset management philosophies.

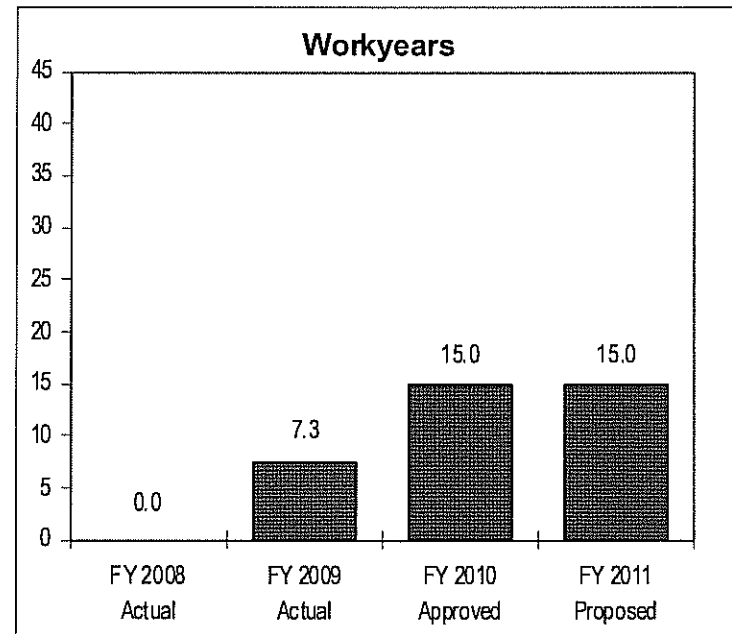
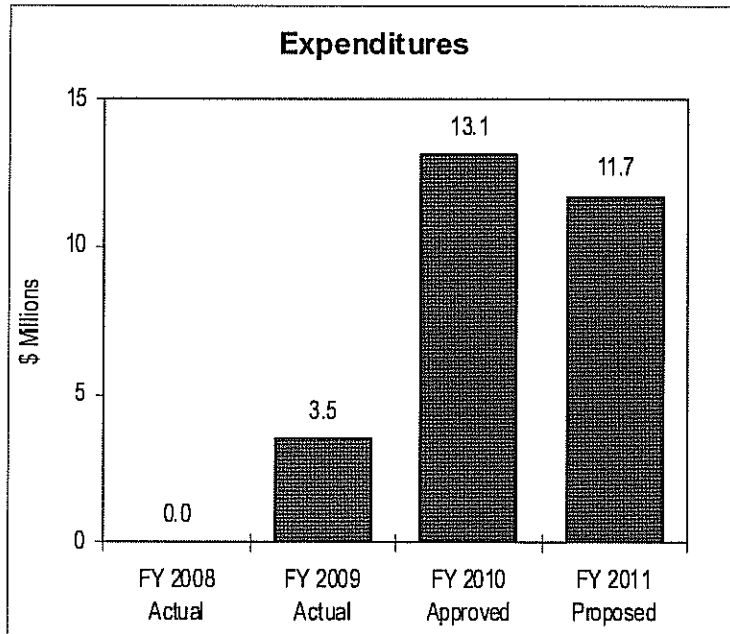
**Budget Overview**

The FY'11 Proposed Budget is \$1,425,100, or approximately 11%, less than the FY'10 Approved Budget. The decrease is due to the phasing of numerous projects within the ERP Implementation and UMP Programs.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### CORPORATE ASSET MANAGEMENT OFFICE

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CORPORATE ASSET MANAGEMENT OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Enterprise Resource Planning (ERP)  
Implementation Program**

	Expenditures	Workyears
FY'09 Actual	\$2,130,344	6.1
FY'10 Approved	\$10,794,800	11.5
FY'11 Proposed	\$9,996,500	11.7

This activity involves replacing existing legacy business systems with an integrated enterprise system, utilizing enterprise technology tools and processes to provide a consistent, integrated approach to the management of Commission resources. Included are the purchase, tracking, valuation, and allocation of Commission assets, and comprehensive tools for business analysis and decision-making. These new technologies will allow the Commission to reduce costs, increase the lifecycle of assets, increase productivity, and improve service levels.

***FY'11 Major Recommended Changes:*** The budgeted amount for this activity decreased by \$798,300, or approximately 7%, due to schedule changes which mandated changes to the project phasing. These adjustments have not caused any overruns in the total project budget.

**Utility Master Plan Program**

	Expenditures	Workyears
FY'09 Actual	\$1,326,616	1.2
FY'10 Approved	\$2,302,400	3.5
FY'11 Proposed	\$1,675,600	3.3

The Utility Master Plan (UMP) will focus on the development of an Enterprise Asset Management Plan which identifies the infrastructure needs for a 30-year planning period. This activity involves the identification of infrastructure needs (existing and future); development and implementation of an asset management strategy to strengthen current practices for optimal investment decision-making; and the advancement of the Commission's core strategy of Infrastructure Asset Management.

***FY'11 Major Recommended Changes:*** The budgeted amount for this activity decreased by \$626,800, or approximately 27%, due to the phasing of numerous projects within the Program.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

#### Organizational Descriptions

This Team, led by the Chief Engineer, is comprised of the Development Services, Planning, Project Delivery, Infrastructure-Systems, Process Control, Regulatory Services, Systems Inspection, Technical Services, and Environmental Groups.

- The ***Development Services Group*** is responsible for the integrity of the WSSC's water and sewer system through oversight of the planning, design, and construction of water and sewer extensions. The Group is also responsible for the review and issuance of all plumbing, gasfitting, and house connection applications and collection of related fees and charges; and review and processing of all on-site plans, service connection submittals, and applicant-built construction packages.
- The ***Planning Group*** is responsible for determining when facilities and major pipelines will reach capacity through an analysis of existing water demand and sewer flows, input from the counties' Ten Year Plans, and the population/employee growth projections provided by the Maryland-National Capital Park & Planning Commission. In addition, this Group participates in regional water and wastewater management and planning, including oversight of Blue Plains capital billing and Capital Improvements Program budgeting; supports negotiations of Blue Plains agreements; represents the WSSC on Blue Plains Committees; and contributes resources to the Regional Water Fund.
- The ***Project Delivery Group*** is responsible for administering and managing facility planning studies, special projects, and other miscellaneous contracts; facility and major pipeline designs; and the construction and inspection of major facility projects.
- The ***Infrastructure-Systems Group*** is responsible for the investigation and analysis of existing water pipeline systems. The Group decides which mains need to be replaced under the Water Main Replacement Program and conducts corrosion testing of major pipelines and Prestressed Concrete Cylinder Pipe (PCCP) inspections.
- The ***Process Control Group*** is responsible for coordinating and managing all process control activities. This includes designing process control systems for new facilities, improving automation for existing facilities, and properly maintaining and repairing all instrumentation systems.
- The ***Regulatory Services Group*** is responsible for the federally mandated pretreatment program, the Fats, Oils, and Grease (FOG) Program, and enforcement of the Plumbing and Gasfitting Regulations. The Group regulates discharges into the sewer system, samples discharges from industrial users, inspects food service facilities, conducts investigations, and responds to spills of hazardous materials entering the sewer system.
- The ***Systems Inspection Group*** is responsible for contract management and inspection of the construction contracts for water supply and wastewater pipelines.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

(Continued)

#### Organizational Descriptions (Continued)

- The *Technical Services Group* is responsible for preparing specifications for construction contracts; producing Engineer's Estimates; providing project estimates; maintaining the WSSC's General Conditions and Standards Specifications, and Standard Details; performing land surveys and property acquisitions; providing mechanical and electrical design work; and providing Geographic Information System (GIS) mapping work.
- The *Environmental Group* is responsible for overseeing environmental protection associated with WSSC programs, addressing emerging issues associated with public health, and providing technical support for the National Pollutant Discharge Elimination System permit reviews and negotiations.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Engineering & Construction Team Office	\$465,167	\$125,390	\$590,557	4.0	\$457,400	\$7,000	\$464,400	4.0	\$453,400	\$7,000	\$460,400	4.0
Development Services	3,183,228	81,898	3,265,126	40.8	3,131,100	2,361,000	5,492,100	41.0	3,159,300	1,486,000	4,645,300	41.0
Planning	721,777	46,901,782	47,623,559	7.3	799,400	71,892,900	72,692,300	9.0	795,900	106,762,100	107,558,000	9.0
Project Delivery	2,340,446	57,201,511	59,541,957	26.5	2,970,000	133,687,400	136,657,400	35.0	3,191,400	175,248,900	178,440,300	39.0
Infrastructure-Systems	2,043,832	8,487,480	10,531,312	25.4	2,224,500	10,878,000	13,102,500	28.0	2,309,200	15,426,100	17,735,300	29.0
Process Control	1,155,505	645,654	1,801,159	12.1	1,210,500	614,900	1,825,400	13.0	1,213,000	754,900	1,967,900	13.0
Regulatory Services	4,116,311	158,087	4,274,398	57.1	4,235,900	355,100	4,591,000	60.0	4,570,400	366,600	4,937,000	65.0
Systems Inspection	4,644,051	57,055,687	61,699,738	67.2	4,759,000	106,028,500	110,787,500	71.0	5,012,600	139,930,100	144,942,700	75.0
Technical Services	1,720,531	2,131,291	3,851,822	20.9	1,972,300	4,467,400	6,439,700	28.0	2,283,700	2,913,600	5,197,300	30.0
Environmental	1,034,491	289,438	1,323,929	10.9	1,215,400	548,400	1,763,800	14.0	1,186,400	495,500	1,681,900	14.0
<b>TOTAL</b>	<b>\$21,425,339</b>	<b>\$173,078,218</b>	<b>\$194,503,557</b>	<b>272.2</b>	<b>\$22,975,500</b>	<b>\$330,840,600</b>	<b>\$353,816,100</b>	<b>303.0</b>	<b>\$24,175,300</b>	<b>\$443,390,800</b>	<b>\$467,566,100</b>	<b>319.0</b>

#### Mission Statement

The mission of the Engineering & Construction Team is to ensure that the WSSC's water supply and sanitary sewerage systems and facilities are planned, designed, and constructed in a cost-effective and environmentally sensitive manner, while meeting all regulatory requirements, and accommodating the population and employment growth projections of Montgomery and Prince George's Counties within the State of Maryland.

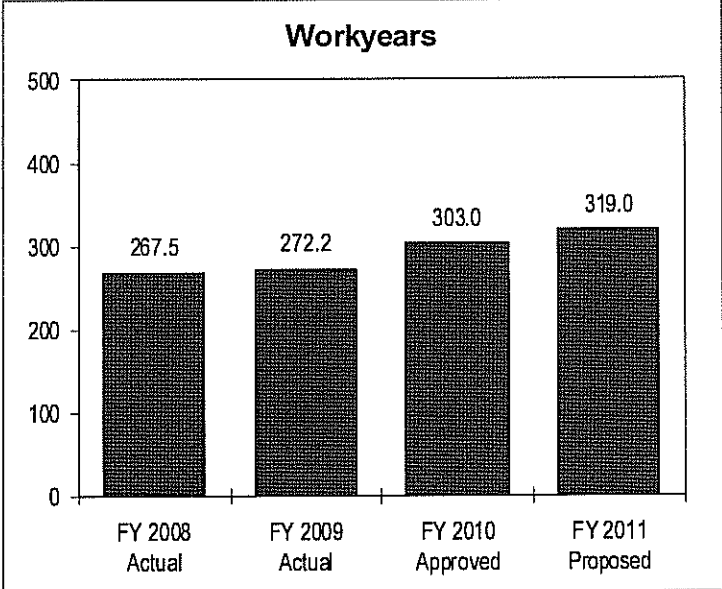
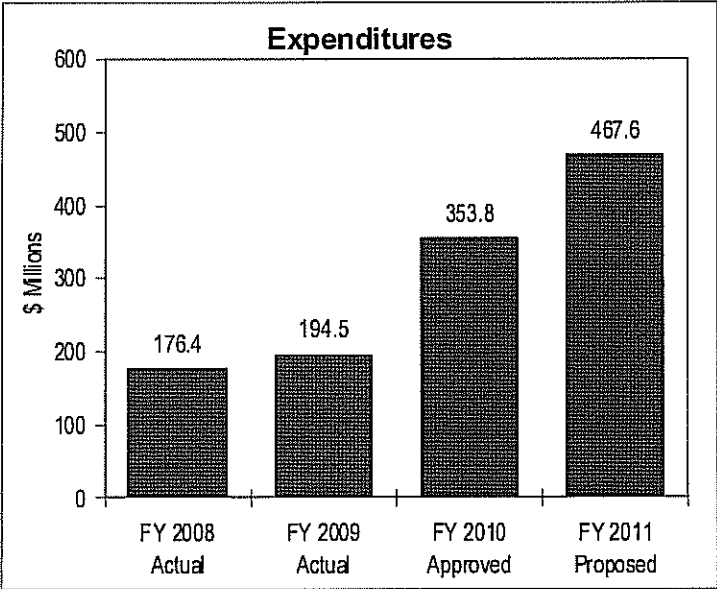
#### Budget Overview

The FY'11 Proposed Budget is \$113,750,000, or approximately 32%, more than the FY'10 Approved Budget. A majority of the increase is due to the addition of several new CIP projects, numerous CIP projects ramping up, and increases in Blue Plains WWTP projects. Sixteen new workyears were added to support the Cross Connection, Surveys, Geographic Information System (GIS), Corrosion Monitoring Programs, and capital construction projects.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)



**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<b>WORKLOAD DATA</b>	<b>FY'08 ACTUAL</b>	<b>FY'09 ACTUAL</b>	<b>FY'10 APPROVED</b>	<b>FY'11 PROPOSED</b>
<b><i>Development Services Group</i></b>				
Number of proposed water and sewer service category changes reviewed	61	48	110	100
Number of preliminary subdivision plans reviewed	388	380	600	390
Water and sewer pipeline plans reviewed	204	126	250	130
Pipeline plans to eliminate health hazards transmitted to construction	1	1	2	0
Percentage of plumbing/gasfitting permits issued within 2 days	86%	95%	85%	90%
Percentage of applicant-built house connection packages issued within 2 days	96%	98%	90%	90%
<b><i>Planning Group</i></b>				
Number of reports entered into Consolidated Engineering System	81	18	200	150
Number of plumbing permits assigned to mini-basin numbers	2,855	900	3,500	3,500
Number of individual connections entered into Consolidated Engineering System and Permits Processing Information System	190	185	300	300
<b><i>Project Delivery Group</i></b>				
Number of active planning and design phase projects	24	21	19	22
Number of active construction phase projects	20	10	26	11
<b><i>Infrastructure-Systems Group</i></b>				
Miles of pipe designed for replacement/relocation	45	35	35	40
Miles of prestressed concrete cylinder pipe (PCCP) physically inspected	7	10	13	16
Miles of PCCP newly equipped with fiber optic monitoring system	6	11	13	16
Miles of PCCP monitored using fiber optic technology	17	28	41	57
Number of in-house engineering designs	25	19	30	30
Number of in-house engineering studies	30	25	30	30

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
<i>Process Control Group</i>				
Number of programmable logic controllers upgraded	3	3	3	3
Number of remote terminal units (RTU) replaced	29	34	30	* 0
<i>Regulatory Services Group</i>				
On-site water/sewer plans reviewed	613	747	600	750
Plumbing and gasfitting plans reviewed	1,081	1,168	1,200	1,200
Plumbing and gasfitting license registrations issued	1,074	1,843	1,600	1,900
Plumbing and gasfitting inspections performed	69,253	48,763	75,000	61,000
Industrial discharge investigations performed	315	130	100	100
Industrial discharge samples analyzed	1,134	1,282	1,000	1,000
Number of Fats, Oils, and Grease (FOG) Program inspections	3,364	3,331	4,200	4,200
Number of FOG Program permits issued	1,110	1,495	2,000	300
Number of Cross Connection inspections performed	46	714	500	3,150
<i>Systems Inspection Group</i>				
Number of contract starts	169	81	200	150
Number of contract completions	132	118	150	125
Contract value of contract completions (millions of dollars)	\$51M	\$39M	\$91M	\$118M
Number of service connection permits inspected	252	228	300	300
<i>Technical Services Group</i>				
Number of contract documents prepared	98	99	102	105
Number of right-of-way packages reviewed and transmitted	258	208	225	250
<i>Environmental Group</i>				
Number of environmental assessment plans reviewed	729	503	1,300	1,300
Number of permits issued	188	132	400	400

\* Replacement of existing RTUs to be completed in FY'10.

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Development Support Process**

	Expenditures	Workyears
FY'09 Actual	\$307,412	3.5
FY'10 Approved	\$361,100	5.2
FY'11 Proposed	\$283,900	3.5

This activity ensures that accurate and timely technical information is provided to customers and government agencies. This involves responding to inquiries, both over the phone and in person; providing correct forms; and answering any questions concerning the process.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased \$77,200, or approximately 21%, due to the shifting of several tasks to Developer Built Projects in order to provide better service to applicants.

**Development Planning Process**

	Expenditures	Workyears
FY'09 Actual	\$252,198	3.1
FY'10 Approved	\$264,300	3.4
FY'11 Proposed	\$275,800	3.4

The purpose of this activity is to review all preliminary subdivision plans and provide early coordination among development planners on water and sewer issues. The activity involves the review of conceptual water and sewer layouts; verification of water and sewer availability; and identification of existing water and sewer locations, environmental impacts, and other technical review issues. This activity also determines off-site system adequacy and service requirements for properties in which ten-year water and sewer plan service area category changes have been requested.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Phase I – Developer Built Projects**

	Expenditures	Workyears
FY'09 Actual	\$350,183	3.9
FY'10 Approved	\$748,300	4.4
FY'11 Proposed	\$768,200	5.3

This activity includes planning and hydraulic reviews of developer requests to build projects. This activity also determines off- and on-site system adequacy, and recommends size and alignments of new water and sewer lines.

**FY'11 Major Recommended Changes:** None

**Phase II – Developer Built Projects**

	Expenditures	Workyears
FY'09 Actual	\$1,012,805	11.8
FY'10 Approved	\$1,002,000	11.4
FY'11 Proposed	\$1,097,500	12.2

This activity provides review and approval of plans necessary for construction of new water and sewer extensions. The process involves detailed review and coordination of all aspects of design, including coordination with internal experts and outside permitting agencies.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Phase III – Developer Built Projects**

	Expenditures	Workyears
FY'09 Actual	\$85,913	1.0
FY'10 Approved	\$86,900	1.1
FY'11 Proposed	\$139,500	1.6

This activity provides support during the construction phase of developer built projects. This includes processing revisions, partial releases, and final releases of projects; and closing and storing data relevant to completed developer projects.

***FY'11 Major Recommended Changes:*** The budgeted amount for this activity increased \$52,600, or approximately 61%. The increase results from the shifting of tasks from WSSC Built Projects to this activity in order to reduce overall project costs to applicants.

**Phase I – WSSC Built Projects**

	Expenditures	Workyears
FY'09 Actual	\$1,761	0.0
FY'10 Approved	\$42,700	0.5
FY'11 Proposed	\$2,500	0.0

This activity determines the method of providing requested water and/or sewer service for single residential units, and determines and advises the applicant of conditions which must be met in order for the requested service to be provided.

***FY'11 Major Recommended Changes:*** The budgeted amount for this activity decreased by \$40,200, or approximately 94% due to the shifting of tasks to Developer Built Projects from this activity in order to reduce overall project costs to applicants.

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Phase II/III – WSSC Built Projects**

	Expenditures	Workyears
FY'09 Actual	\$68,090	0.8
FY'10 Approved	\$291,300	0.6
FY'11 Proposed	\$206,500	0.1

The purpose of this activity is to address projects serving one new residence or providing relief from residential health hazards where WSSC prepares in-house design plans (Phase II) and supports construction (Phase III).

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased by \$84,800, or approximately 29%, due to the shifting of tasks to Developer Built Projects to reduce overall project costs to applicants.

**On-Site Review**

	Expenditures	Workyears
FY'09 Actual	\$235,891	2.9
FY'10 Approved	\$181,200	2.4
FY'11 Proposed	\$187,900	2.6

This activity involves the on-site submittal and hydraulic reviews for installing large size water/sewer connections to serve private on-site systems. This includes issuance of house connection, plumbing, and on-site permits associated with the installation of a water or sewer system.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Permits Processing**

	Expenditures	Workyears
FY'09 Actual	\$873,112	12.1
FY'10 Approved	\$562,100	8.7
FY'11 Proposed	\$612,400	9.9

The purpose of this activity is to review plumbing, gasfitting, and house connection applications and issue permits within the WSSD. It also ensures that the regulatory requirements necessary to issue permits are met, assesses the appropriate levies, and collects the related fees and charges.

**FY'11 Major Recommended Changes:** None

**Training (Development Services)**

	Expenditures	Workyears
FY'09 Actual	\$88,626	1.2
FY'10 Approved	\$275,300	2.7
FY'11 Proposed	\$204,300	2.0

This activity supports an extensive training effort for both the Development Services Group staff and outside developers and engineers. Staff training involves various technical design processes (water/sewer mains, tunnels, special blocking, preparing SDC Agreements, etc.). Developer and engineer training focuses on two areas: 1) design prerequisites and preparation of the first SEP submittal (to reduce poor submittals resulting in project delays); and 2) site utility submittal requirements and processes.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased \$71,000, or approximately 26%, due to funding restraints.

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Unsigned System Extension Permit (SEP)**

	Expenditures	Workyears
FY'09 Actual	\$0	0.0
FY'10 Approved	\$7,412,000	0.0
FY'11 Proposed	\$8,615,000	0.0

This activity reserves funds for developer projects that do not yet have a signed SEP. If the developer does not proceed with the project and the WSSC is required to fund it, these funds would cover the planning and design costs.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$1,203,000, or approximately 16%, due to an increase in the value of developer projects with unsigned system extension permits.

**Needs Analysis & Facility Planning**

	Expenditures	Workyears
FY'09 Actual	\$851,455	2.2
FY'10 Approved	\$1,887,000	2.9
FY'11 Proposed	\$3,203,600	2.8

This activity determines existing and future capacity constraints; evaluates land use planning and rezoning proposals; evaluates demographic and demand pattern changes; updates water production and wastewater flow factors; provides technical support for county ten-year water and sewer plan revisions; and performs system analysis and participates on project teams during facility planning and design phases of water and sewerage projects. This activity also includes development of water system hydraulic grades throughout the Washington Suburban Sanitary District.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$1,316,600, or approximately 70%, mainly due to the development of an improved water and sewer hydraulic modeling tool.

## ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Special Investigations and Technical Support

	Expenditures	Workyears
FY'09 Actual	\$77,091	0.7
FY'10 Approved	\$128,400	1.4
FY'11 Proposed	\$130,800	1.5

The purpose of this activity is to analyze operational problems and proposed shutdowns; review water and sewer main relocation plans; review fire flow tests; review pipe rehabilitation proposals; and respond to outside requests for technical support from the counties and the Maryland-National Capital Park & Planning Commission.

*FY'11 Major Recommended Changes:* None

#### Regulatory Permitting & Compliance

	Expenditures	Workyears
FY'09 Actual	\$129,380	1.2
FY'10 Approved	\$113,100	1.1
FY'11 Proposed	\$107,800	1.1

The purpose of this activity is to apply for and negotiate NPDES permits for WSSC facilities, respond to proposed regulatory initiatives, coordinate the WSSC's response to enforcement actions, and coordinate the Commission's review of proposed regulations.

*FY'11 Major Recommended Changes:* None

## ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Regional Wastewater Management

	Expenditures	Workyears
FY'09 Actual	\$46,399,099	1.2
FY'10 Approved	\$70,386,300	1.2
FY'11 Proposed	\$103,941,800	1.2

The purpose of this activity is to pay the WSSC's share of construction costs and participate in regional wastewater planning efforts for the Blue Plains Wastewater Treatment Plant (WWTP) in the District of Columbia. Overseeing capital billing and preparing the Capital Improvements Program for the Blue Plains WWTP and Mattawoman WWTP in Charles County are also included in this activity.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$33,555,500, or approximately 48%, due to increased costs associated with the WSSC's portion of capital projects for the Blue Plains WWTP.

#### Raw Water Supply

	Expenditures	Workyears
FY'09 Actual	\$43,383	0.4
FY'10 Approved	\$39,100	0.4
FY'11 Proposed	\$37,700	0.4

The purpose of this activity is to participate in regional raw water supply planning efforts primarily via the Water Utilities Co-op Section of the Interstate Commission on the Potomac River Basin.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Sewer System Commitment Monitoring**

	Expenditures	Workyears
FY'09 Actual	\$67,182	0.8
FY'10 Approved	\$62,800	0.9
FY'11 Proposed	\$61,800	0.9

This activity includes the management and use of a computer system to maintain records and monitor status of sewer system commitments. It includes transmitting a monthly report of commitments to the District of Columbia Water and Sewer Authority (DCWASA), and preparing reports on available capacity at the WSSC treatment plants and major trunk sewers to conform to applicable county sewer service policy or state requirements.

**FY'11 Major Recommended Changes:** None

**Flow Monitoring and Reporting**

	Expenditures	Workyears
FY'09 Actual	\$72,043	0.8
FY'10 Approved	\$89,800	1.2
FY'11 Proposed	\$87,700	1.2

This activity includes the final analysis of Blue Plains and Rockville flow data that is provided to the DCWASA, Rockville, and the Production Team for billing.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Facility Planning and Design**

	Expenditures	Workyears
FY'09 Actual	\$18,502,694	15.4
FY'10 Approved	\$26,612,600	12.1
FY'11 Proposed	\$18,561,700	10.0

This activity manages facility planning and design. This includes management of selected Architecture/Engineering contracts and in-house resources to investigate specific areas in the Washington Suburban Sanitary District which may need additional facilities to serve existing and future customers.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased \$8,050,900, or approximately 30%, due to completion of design of several major facility projects which are moving into construction. Several workyears were shifted to Facility Construction to accommodate the increase in construction projects.

**Facility Construction**

	Expenditures	Workyears
FY'09 Actual	\$41,097,614	11.5
FY'10 Approved	\$110,099,800	23.3
FY'11 Proposed	\$159,935,800	29.5

This activity funds and manages facility construction projects. Management includes ensuring contract items, conditions and specifications are fulfilled; processing contractor requests for information; reviewing and processing monthly and final payment requests; administering and negotiating change orders; and evaluating claims.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$49,836,0000, or approximately 45%, due to several major facility projects moving into construction including the Western Branch WWTP Facility Upgrade, Western Branch WWTP Enhanced Nutrient Removal, Brighton and Duckett Dam Upgrades, Anacostia Storage Facility, Piscataway WWTP Enhanced Nutrient Removal and the Patuxent WFP Phase II Expansion. Four new workyears were added to accommodate the increase in construction projects and two workyears were shifted from the Facility Planning and Design activity. The activity increase is partially offset by a decrease in costs for the Potomac WFP Improvements project.

## ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Infrastructure Management

	Expenditures	Workyears
FY'09 Actual	\$2,816,723	5.5
FY'10 Approved	\$5,223,200	5.4
FY'11 Proposed	\$5,569,600	7.5

This activity is comprised of three programs. The PCCP Inspection and Condition Assessment Program includes performing and coordinating annual inspections, installing acoustical fiber optic monitoring systems, and providing repair recommendations for the PCCP water transmission mains. The Corrosion Monitoring Program includes periodic readings of corrosion test stations, providing corrosion control designs, and recommending corrosion repairs. The Dam Safety and Inspection Program ensures the safety of the WSSC's three water supply dams by monitoring and performing regular inspections of the dams.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$346,400, or approximately 7%, due to an increased emphasis on Infrastructure Management. Expansion of this program includes an increase in the number of PCCP miles inspected and assessed from 13 to 16 miles; an increase in the installation of acoustical fiber optics (AFO) from 13 to 16 miles; and an increase in the number of miles of AFO monitored from 41 to 57. One workyear is added to support the expanded program.

#### Water Reconstruction Planning

	Expenditures	Workyears
FY'09 Actual	\$6,564,607	10.4
FY'10 Approved	\$6,533,100	15.3
FY'11 Proposed	\$10,786,400	12.0

This activity provides for identification, evaluation, and development of project scopes for the rehabilitation of water distribution mains. This includes obtaining permits and conducting community outreach. Associated construction costs are included in the Construction Management activity.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$4,253,300, or approximately 65%, due to an increase in design miles from 35 to 40 miles. In addition, several workyears were shifted to the Civil Engineering Support activity to more accurately reflect activity requirements.

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Civil Engineering Support**

	Expenditures	Workyears
FY'09 Actual	\$454,568	4.4
FY'10 Approved	\$451,300	2.2
FY'11 Proposed	\$485,800	4.4

This activity provides civil engineering support (general, civil, structural, geotechnical, hydraulic, and corrosion) to prepare contract documents for the WSSC's construction projects. It also provides mechanical and electrical design work and engineering support services to the Commission.

**FY'11 Major Recommended Changes:** None

**Water and Sewer Relocations**

	Expenditures	Workyears
FY'09 Actual	\$830,316	6.6
FY'10 Approved	\$1,028,400	6.5
FY'11 Proposed	\$1,025,900	6.5

This activity reviews construction plans for roads, development, and other construction by government agencies and the private sector; administers and monitors contracts for Architecture/Engineering work required as a result of State Highway Administration and county road projects; prepares emergency designs for the relocation of existing water and sanitary sewer systems; and prepares and processes System Extension Permits for developer projects.

**FY'11 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Corrective Maintenance (Process Control)

	Expenditures	Workyears
FY'09 Actual	\$232,908	1.3
FY'10 Approved	\$272,300	1.3
FY'11 Proposed	\$273,900	1.4

This activity provides for corrective maintenance of all process control systems in the Commission's facilities.

**FY'11 Major Recommended Changes:** None

#### Enhanced Upgrade Maintenance (Process Control)

	Expenditures	Workyears
FY'09 Actual	\$1,118,744	8.2
FY'10 Approved	\$590,100	3.8
FY'11 Proposed	\$485,000	2.7

This activity provides for enhanced upgrade maintenance of various water and wastewater process control systems. Maintenance is performed on either a regular basis or determined by productive means. It is designed to lengthen the service life and provide a means of inspecting all instrumentation and communication systems in the Commission's facilities.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased by \$105,100, or approximately 18%, due to a decrease in required workyears and management to complete enhanced upgrade management.

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**New Facility Support (Process Control)**

	Expenditures	Workyears
FY'09 Actual	\$257,064	2.4
FY'10 Approved	\$532,200	5.4
FY'11 Proposed	\$539,200	5.4

This activity provides for the installation and programming of process control equipment for newly constructed facilities, and management of contractual agreements with vendors.

**FY'11 Major Recommended Changes:** None

**New Equipment Installation (Process Control)**

	Expenditures	Workyears
FY'09 Actual	\$219,086	0.5
FY'10 Approved	\$451,300	2.7
FY'11 Proposed	\$688,900	3.7

This activity is to enhance various water and wastewater systems through the installation of new process control equipment and systems that are not associated or specified as part of new facility contracts.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$237,600, or approximately 53%, for the installation of several new RTUs and the upgrade of SCADA infrastructures located in the Consolidated Office Building and at master RTU sites.

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Regulatory Inspection Services**

	Expenditures	Workyears
FY'09 Actual	\$2,857,709	39.2
FY'10 Approved	\$3,033,700	41.9
FY'11 Proposed	\$3,403,400	47.0

This activity ensures compliance with the WSSC's Plumbing and Gasfitting Regulations. Plans for plumbing, gasfitting, and water/sewer site-utility systems are reviewed and permits are issued. System Development Charge (SDC) fees are levied. Licenses are issued to plumbers, gasfitters, and drain/sewer cleaners. Inspections are performed on commercial and residential plumbing and gas systems, backflow prevention devices, and grease abatement systems.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$369,700, or approximately 12%, to support the development of a more effective and systematic cross connection program that ensures water is protected from backflow contamination and non-residential businesses are in compliance with applicable regulations. Five new workyears are included to support the expanded program.

**Industrial Discharge Control Program**

	Expenditures	Workyears
FY'09 Actual	\$699,194	8.4
FY'10 Approved	\$755,200	8.4
FY'11 Proposed	\$719,200	8.4

This activity monitors and controls the discharge of industrial waste into the Commission's sanitary sewer system. Federal, state, and WSSC regulations govern industrial discharges to the sanitary sewer. Investigating, sampling, permitting, and reviewing industry reports to determine industry compliance with regulations are included.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Fats, Oils, and Grease Program (FOG)**

	Expenditures	Workyears
FY'09 Actual	\$843,226	10.3
FY'10 Approved	\$896,600	10.5
FY'11 Proposed	\$909,700	10.4

This activity monitors and controls the discharge of Fats, Oils, and Grease (FOG) Program from food service facilities, investigates sanitary sewer blockages and overflows caused by FOG discharges, and initiates enforcement action to ensure appropriate corrective measures are taken.

**FY'11 Major Recommended Changes:** None

**Contract Document Review**

	Expenditures	Workyears
FY'09 Actual	\$348,800	0.6
FY'10 Approved	\$245,600	3.6
FY'11 Proposed	\$48,300	0.7

This activity provides for review of prepared construction contract documents for construction and bid purposes. This review achieves quality, cost effectiveness, and timeliness in the deliverable (i.e., pipeline) to be constructed.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased by \$197,300, or approximately 80%, to more accurately reflect contract review costs.

## ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Construction Management (Systems Inspection)

	Expenditures	Workyears
FY'09 Actual	\$62,465,407	67.6
FY'10 Approved	\$104,893,700	68.6
FY'11 Proposed	\$119,247,600	70.8

This activity provides funding, management, and inspection for pipeline construction contracts. Contracts included are new house connections; pipeline relocations; and water, sewer, and trunk sewer reconstruction. Included in the water and sewer reconstruction contracts are pipe replacements, large meter replacements, and house connection renewals. Inspections are also performed on developer projects.

***FY'11 Major Recommended Changes:*** The budgeted amount for this activity increased \$14,353,900, or approximately 14%, mainly due to the addition of the Trunk Sewer Reconstruction Program and an increase in the Water and Sewer Reconstruction Programs. Four workyears and 21 contract inspectors are added to manage the expansion of the program. The increase is partially offset by the separation of street repair and restoration into a separate activity for FY'11.

#### Street Repair and Restoration

	Expenditures	Workyears
FY'09 Actual	\$0	0.0
FY'10 Approved	\$0	0.0
FY'11 Proposed	\$17,978,800	4.4

This activity involves the management and inspection of street and landscaping restoration contracts. It includes processing internal patch tickets, issuing work orders, supervising consultant paving inspectors, inspecting sites, coordinating permit requirements with county regulators, and managing contractor payments.

***FY'11 Major Recommended Changes:*** This activity was previously included in the Construction Management (Systems Inspection) activity. The proposed amount includes an increase of \$230,000 for 2 additional contract inspectors required in conjunction with the ramp-up of water and sewer rehabilitation contracts and an anticipated increase in water main breaks associated with the aging infrastructure.

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Construction Contract Services**

	Expenditures	Workyears
FY'09 Actual	\$702,067	7.4
FY'10 Approved	\$781,500	8.8
FY'11 Proposed	\$761,900	8.7

This activity produces contract bid documents for all construction, rehabilitation, new house connection, and renewal house connection contracts. Engineers' estimates are also calculated and used as a basis for validating bid responses and assessing contractor market responses.

**FY'11 Major Recommended Changes:** None

**Land Services**

	Expenditures	Workyears
FY'09 Actual	\$1,900,350	10.5
FY'10 Approved	\$4,834,000	12.1
FY'11 Proposed	\$2,810,400	9.8

This activity consists of the day-to-day operations required to acquire real estate and create rights-of-way. This includes preparing land plats, land documents, legal descriptions and sketches; and maintaining real property inventory. Land surveys are performed to prepare construction bid documents; designate topographic and boundary lines; determine potential health hazards; and locate manholes, valves, and other structures. In addition, mapping tasks are reviewed, checked for accuracy, and entered into WebMap.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased \$2,023,600, or approximately 42%, due to partial acquisition of property in accordance with the SSO Consent Decree and reorganization of responsibilities to the GIS Services activity. The decrease is partially offset by the addition of one workyear to support the expansion of in-house survey projects and one workyear to support engineering records.

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Engineering Science and Evaluation**

	Expenditures	Workyears
FY'09 Actual	\$224,217	2.2
FY'10 Approved	\$350,200	6.3
FY'11 Proposed	\$580,100	6.5

This activity provides solutions to engineering problems focusing on applied technology and knowledge utilization. A team of advisors stays informed of best practices and technology advances and provides input to asset management personnel within Production, Customer Care, and Property Management.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$229,900, or approximately 66%, to enable WSSC to stay current with best practices as well as the latest technological advances in materials and electrical/mechanical equipment.

**Geographic Information System (GIS) Services**

	Expenditures	Workyears
FY'09 Actual	\$104,708	1.0
FY'10 Approved	\$511,800	1.1
FY'11 Proposed	\$1,087,400	5.4

This activity provides for the development of an enterprise-wide Geographic Information System (GIS). This includes the coordination of development, installation, programmatic oversight, and maintenance of the GIS to ensure the system meets the needs of the users and maximizes the potential for beneficial use.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased by \$575,600, or approximately 112%, due to the shifting of some responsibilities from Land Services into this activity; and the addition of one new workyear to aid in the development and update of the GIS map into a modern format.

## ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

### ENGINEERING & CONSTRUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Process Engineering and Water Quality Studies

	Expenditures	Workyears
FY'09 Actual	\$412,257	3.3
FY'10 Approved	\$571,600	3.7
FY'11 Proposed	\$567,700	3.9

This activity provides treatment process expertise and services for in-house efforts, external studies, and designs. It ensures quality control for process engineering and provides for site-specific services needed to meet both current and anticipated regulations. In addition, this activity provides technical liaison with the Water Research Foundation, the Water Environment Research Foundation, and the National Association of Clean Water Agencies to ensure that extensive research efforts conducted by others will become available to the Commission.

**FY'11 Major Recommended Changes:** None

#### Water Resources Protection

	Expenditures	Workyears
FY'09 Actual	\$280,706	2.3
FY'10 Approved	\$325,800	2.9
FY'11 Proposed	\$303,900	2.9

This activity provides for the development of actions and strategies needed for water quality assessment and protection of the WSSC's water sources. This includes coordinating with other agencies to develop watershed and water quality protection; analyzing water quality samples from reservoirs and water streams; modeling the long-term impacts of land use on raw water; and obtaining grant funding for evaluation and preventative measures.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS & RESPONSIBILITIES**

**ENGINEERING & CONSTRUCTION TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Pollution Prevention Studies**

	Expenditures	Workyears
FY'09 Actual	\$185,474	0.9
FY'10 Approved	\$349,600	1.9
FY'11 Proposed	\$276,300	0.9

This activity provides support for prevention, control, and measurement of discharges in polluted waters; and handling and disposing of chemicals or materials that may impact the environment and public health.

**FY'11 Major Recommended Changes:** None

**Environmental Assessment, Permitting, and Enforcement**

	Expenditures	Workyears
FY'09 Actual	\$469,494	4.7
FY'10 Approved	\$538,800	5.7
FY'11 Proposed	\$554,500	6.4

This activity manages environmental assessments, wetlands evaluations, forest conservation efforts, archaeological historical studies, and water quality evaluations. This activity also includes administering the WSSC's Utility Erosion and Sediment Control Program and the Public Tree Care Program. This includes reviewing design plans, issuing permits, conducting field inspections and pursuing enforcement of the Programs if necessary.

**FY'11 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

#### Organizational Descriptions

This Team, led by the Chief of Plant Operations, is comprised of the Potomac, Patuxent, Piscataway, Parkway/Marlboro Meadows, Western Branch, Seneca/Damascus/Hyattstown, Laboratory Services, Systems Control, Industrial Assets Management, and Information Support Groups, and the Utility Cost Control Office.

- The *Potomac, Patuxent, Piscataway, Parkway/Marlboro Meadows, Western Branch, and Seneca/Damascus/Hyattstown Groups* are responsible for the operation and maintenance of their respective facilities, providing high-quality, cost-effective maintenance and continual operation of the Commission's water supply dams, water filtration plants, water distribution facilities, wastewater collection facilities, and wastewater treatment plants.
- The *Laboratory Services Group* is responsible for providing laboratory analysis, regulatory compliance, and consulting support to the plants, other WSSC groups, and local jurisdictions.
- The *Systems Control Group* is responsible for the 24 hour Control Center which operates the water distribution system and monitors the wastewater pumping stations. This group also operates and maintains the dams, water pumping stations, finished water storage facilities, and the water distribution system control valves.
- The *Industrial Assets Management Group* is responsible for providing specialized in-house electrical, mechanical, fabrication, welding, repair, and machine shop support for all WSSC facilities.
- The *Information Support Group* is responsible for providing design, development, and maintenance of the Production Team's management and analytical information systems.
- The Team's *Utility Cost Control Office* is responsible for payment and monitoring of all utility bills for electricity, gas, and oil.

In addition to the above, the Team will also provide for the beneficial utilization of biosolids; the safety training certification program for the WSSC's water and wastewater plant operators; coordination and oversight of regional water, wastewater, and environmental policies; support for water storage facilities at shared reservoirs; and NPDES permitting.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Production Team Office	\$535,057	\$59,348,599	\$59,883,656	6.1	\$753,800	\$60,741,300	\$61,495,100	8.0	\$773,200	\$68,254,800	\$69,028,000	8.0
Laboratory Services	1,756,961	866,285	2,623,246	24.8	1,827,200	740,400	2,567,600	27.0	1,799,900	731,800	2,531,700	27.0
Systems Control	2,541,140	6,343,146	8,884,286	32.5	2,349,500	4,949,600	7,299,100	34.0	2,469,300	5,155,200	7,624,500	34.0
Potomac	1,760,158	5,834,580	7,594,738	25.0	1,702,300	9,642,700	11,345,000	26.0	1,844,300	8,111,000	9,955,300	29.0
Patuxent	1,499,456	1,610,631	3,110,087	21.1	1,432,100	2,651,200	4,083,300	21.0	1,439,200	2,929,700	4,368,900	21.0
Piscataway	1,944,985	2,950,760	4,895,745	25.8	1,934,100	4,110,600	6,044,700	27.0	1,930,600	4,115,100	6,045,700	27.0
Western Branch	2,109,163	2,475,135	4,584,298	30.4	2,105,700	2,759,100	4,864,800	32.0	2,064,600	3,036,500	5,101,100	32.0
Parkway/Marlboro Meadows	1,864,922	1,240,267	3,105,189	24.4	1,679,000	2,091,500	3,770,500	23.0	1,650,700	1,826,200	3,476,900	23.0
Seneca/Damascus/Hyattstown	2,318,217	2,483,870	4,802,087	30.5	2,269,700	3,837,100	6,106,800	31.0	2,313,700	3,678,700	5,992,400	32.0
Industrial Assets Management	2,771,186	3,849,359	6,620,545	38.2	3,035,700	4,733,400	7,769,100	43.0	3,322,900	4,285,500	7,608,400	47.0
Information Support	688,299	13,884	702,183	8.0	666,800	35,200	702,000	8.0	666,500	33,400	699,900	8.0
Utility Cost Control	-	26,713,305	26,713,305	-	-	28,908,000	28,908,000	-	-	28,230,300	28,230,300	-
<b>TOTAL</b>	<b>\$19,789,544</b>	<b>\$113,729,821</b>	<b>\$133,519,365</b>	<b>266.8</b>	<b>\$19,755,900</b>	<b>\$125,200,100</b>	<b>\$144,956,000</b>	<b>280.0</b>	<b>\$20,274,900</b>	<b>\$130,388,200</b>	<b>\$150,663,100</b>	<b>288.0</b>

#### Mission Statement

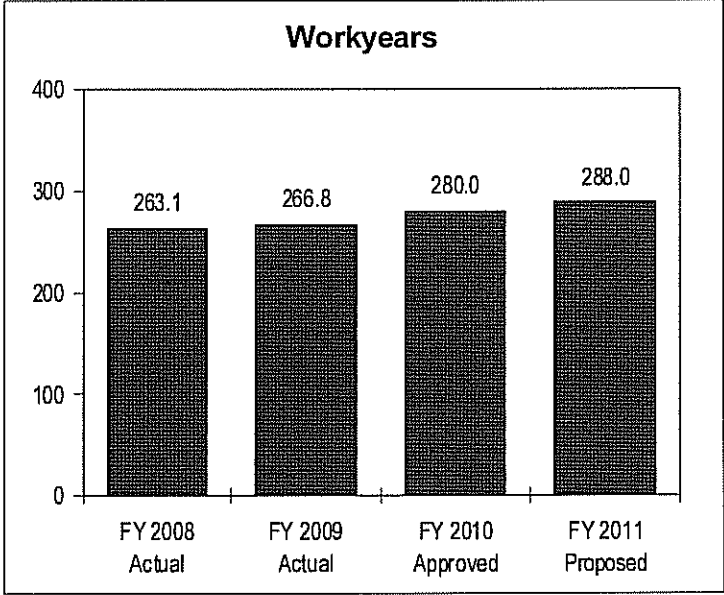
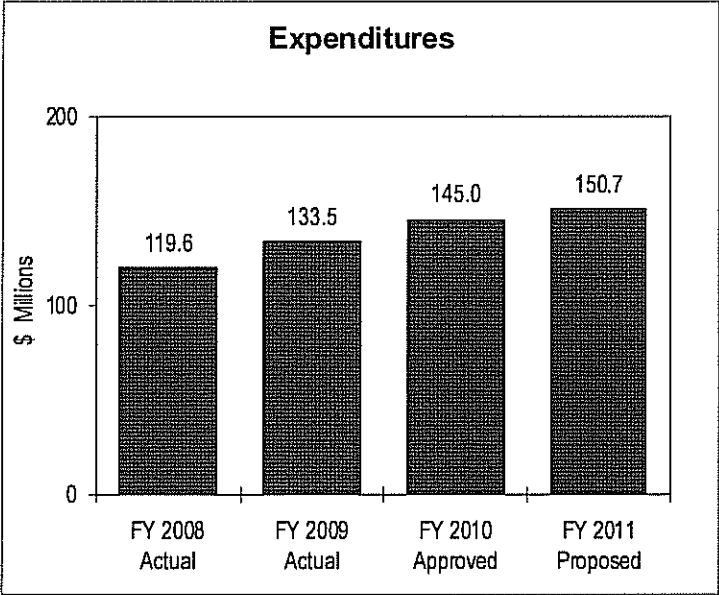
The mission of the Production Team is to provide continuous, high quality, cost-effective operation and maintenance of the WSSC's water supply, dams and reservoirs, water filtration plants, water distribution facilities, wastewater collection facilities, wastewater treatment plants, biosolids management programs, and laboratories.

#### Budget Overview

The FY'11 Proposed Budget is \$5,707,100, or approximately 4%, more than the FY'10 Approved Budget. This increase is primarily attributable to increased costs for wastewater treatment and biosolids management at Blue Plains, and increased emergency hauling for the Western Branch WWTP because of incinerator upgrades. The FY'11 request also reflects 8 additional workyears: 4 to support plant upgrades, operations, and maintenance needs at the Potomac and Seneca/Damascus/Hyattstown Plants; and 4 for the Industrial Assets Management Group, of which 3 are in direct support of the Utility Master Plan.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**PRODUCTION TEAM**  
(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**PRODUCTION TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
<i>Laboratory Services Group</i>				
Laboratory analyses performed (by Purpose)				
Clean Water Act	141,572	96,843	180,000	180,000
Safe Drinking Water Act	68,724	115,230	100,000	100,000
Customer Concerns	7,578	6,105	12,000	10,000
Process Control & Support	117,539	15,200	160,000	160,000
Outside Client Support	19,203	5,979	50,000	50,000
Analyses per workyear	13,852	9,651	18,593	18,519
<i>Systems Control Group</i>				
Control Center - Data points monitored	3,750	3,900	4,100	4,200
Standpipes, Reservoirs & Elevated Tanks - Total storage capacity (MG)	200.23	200.27	197.83	201.80
Remotely operated valves	80	84	84	84
<i>Potomac Group</i>				
Total filtered water to the distribution system (MG)	46,788	43,137	42,282	42,282
Average daily filtered water to the distribution system (MGD)	127.8	118.2	115.8	115.8
Maximum daily filtered water to the distribution system (MGD)	192.3	161.0	190.0	190.0
Solids handling (wet tons)	14,600	14,563	20,000	20,000
Chemicals used (tons) - Polymer (Filtration)	0	0	30	30
Chemicals used (tons) - Polyaluminum Chloride	7,464	7,582	8,500	8,500
Chemicals used (tons) - Lime	1,123	1,635	1,900	1,900
Chemicals used (tons) - Disinfectant	644	548	725	725
Chemicals used (tons) - Fluosilicic Acid	877	840	900	900
Chemicals used (tons) - Potassium Permanganate	76	0	110	110
Chemicals used (tons) - Phosphoric Acid	274	257	325	325
<i>Patuxent Group</i>				
Total filtered water to the distribution system (MG)	14,784	16,118	19,768	19,768
Average daily filtered water to the distribution system (MGD)	40.4	44.2	54.2	54.2
Maximum daily filtered water to the distribution system (MGD)	68.3	67.4	68.0	68.0
Solids handling (dry tons)	924	1,007	1,232	1,250

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

(Continued)

#### ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
Chemicals used (tons) - Ferric Chloride	0	0	25	25
Chemicals used (tons) - Polyaluminum Hydroxychlorosulfate	2,178	1,445	2,590	2,520
Chemicals used (tons) - Lime	415	423	888	890
Chemicals used (tons) - Disinfectant	277	289	419	420
Chemicals used (tons) - Fluoride	323	349	410	415
Chemicals used (tons) - Potassium Permanganate	12.2	11.9	20.3	22.0
Chemicals used (tons) - Phosphoric Acid	59	62	83	100
<i>Piscataway Group</i>				
Wastewater treated flow (MGD)	20.8	20.2	23.7	23.8
Biosolids production (wet tons)	26,719	29,529	30,519	32,543
Chemicals used (tons) - Aluminum Sulfate	775	664	882	886
Chemicals used (tons) - Lime	1,699	2,049	2,422	2,444
Chemicals used (pounds) - Polymer (Dewatering)	162,944	179,640	195,319	197,976
Chemicals used (pounds) - Polymer (Filtration)	0	0	6,987	6,987
Chemicals used (tons) - Sodium Hydroxide (25%)	6	0	6	6
Chemicals used (gallons) - Sodium Hypochlorite	0	0	36,600	36,600
<i>Western Branch Group</i>				
Wastewater treated flow (MGD)	20.4	19.7	22.9	23.2
Biosolids production (wet tons)	20,766	21,758	23,668	25,600
Chemicals used (tons) - Aluminum Sulfate	409	544	600	600
Chemicals used (gallons) - Methanol	471,559	432,504	450,000	450,000
Chemicals used (wet tons) - Polymer (Dewatering)	2,019	1,969	2,000	2,000
Chemicals used (tons) - Sodium Hydroxide	31	12	20	20
Chemicals used (gallons) - Sodium Hypochlorite	0	0	20,000	20,000

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**PRODUCTION TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
<i>Parkway/Marlboro Meadows Group</i>				
Wastewater treated flow (MGD)	5.6	5.8	6.5	6.5
Biosolids production (wet tons)	15,131	12,554	17,000	16,200
Chemicals used (gallons) - Aluminum Sulfate	20,166	1,338	15,000	15,000
Chemicals used (tons) - Lime	818	624	862	777
Chemicals used (gallons) - Polymer (Dewatering)	109,067	65,984	150,900	97,175
Chemicals used (gallons) - Sodium Bisulfite	20,288	23,908	23,500	26,700
Chemicals used (gallons) - Sodium Hydroxide	12,775	304	15,000	15,000
Chemicals used (gallons) - Sodium Hypochlorite	54,689	50,188	63,400	56,000
<i>Seneca/Damascus/Hyattstown Group</i>				
Wastewater treated flow (MGD)	15.9	16.0	19.7	20.1
Biosolids production (wet tons)	25,455	23,979	31,800	30,600
Chemicals used (tons) - Aluminum Sulfate	876	1,146	1,100	1,500
Chemicals used (tons) - Caustic Soda	89	0	200	200
Chemicals used - Chlorine Cylinders	140	100	160	140
Chemicals used (tons) - Lime	1,623	1,618	2,000	2,200
Chemicals used (pounds) - Polymer (Liquid)	319,360	272,260	363,500	367,200
Chemicals used (gallons) - Methanol	0	0	0	67,500
Chemicals used (pounds) - Sulfuric Acid	0	10,200	50,000	20,400
Chemicals used (gallons) - Sodium Hypochlorite	22,396	14,738	50,000	30,000

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Operations

	Expenditures	Workyears
FY'09 Actual	\$42,595,229	109.3
FY'10 Approved	\$31,544,600	109.8
FY'11 Proposed	\$30,359,300	115.8

This activity is associated with monitoring, controlling, and enhancing process systems associated with treatment and distribution/collection for water and wastewater systems. The process systems include controlling and monitoring processes with water and wastewater in its fluid stage; controlling and monitoring solids processing with water and wastewater treatment; and operating raw water reservoirs to mitigate and control flooding. This activity is budgeted in two water filtration facilities, seven wastewater treatment facilities, flood control facilities, and all pumping stations in the WSSD. Furthermore, this activity supports project planning, project design, and project construction of new facilities at WSSC plants.

***FY'11 Major Recommended Changes:*** The budgeted amount for this activity decreased \$1,185,300, or approximately 4%, due to lower unit costs associated with restructuring and rebidding biosolids hauling contracts, and decreased chemical costs. The overall reductions are partially offset by 6 additional workyears: 3 to support plant operations, and 3 to support the activities of the Utility Master Plan.

#### Operations Support

	Expenditures	Workyears
FY'09 Actual	\$37,321,435	8.9
FY'10 Approved	\$84,954,000	9.2
FY'11 Proposed	\$90,535,900	9.2

This activity involves the coordination of regional sewage disposal with the District of Columbia Water and Sewer Authority (DCWASA); the oversight of operational and maintenance issues associated with regional wastewater management; inspection of Blue Plains biosolids; trenching site restoration and monitoring; and utilities associated with the operation of all Commission facilities. This activity supports the management of programs (non-Blue Plains) associated with biosolids, including writing and managing biosolids management contracts; and the management of utility costs and energy taxes. Also included in this activity is the WSSC's participation with various government and regional agencies dealing with regulatory, legislative, technical, and policy development efforts.

***FY'11 Major Recommended Changes:*** The budgeted amount for this activity increased \$5,581,900, or approximately 7%. This increase is primarily due to additional funds budgeted for the WSSC's share of costs to operate and maintain the DCWASA Blue Plains Wastewater Treatment Plant, which is partially offset by reduced natural gas and electric prices.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Maintenance

	Expenditures	Workyears
FY'09 Actual	\$29,385,679	84.1
FY'10 Approved	\$13,842,600	88.9
FY'11 Proposed	\$14,819,900	86.9

This activity comprises all maintenance activities, from preventative to reactive to enhancement, for all of the Commission's facilities. Preventative maintenance is performed on a regular or scheduled basis and is designed to lengthen the service life of plant equipment. It also provides for inspections necessary to monitor the operation of this equipment, which in turn reduces reactive maintenance costs. Enhancement maintenance is performed to improve or enhance a functional piece of plant equipment, system, or facility, and the costs associated with correcting faulty or failing equipment components, grounds, structures, process, or safety concerns in order for the facilities to meet permit requirements. This activity also includes the general cleanup of buildings and grounds at all water and wastewater facilities.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$977,300, or approximately 7%, due to emergency hauling needs for the Western Branch WWTP because of incinerator upgrades, and increased plant and equipment maintenance requirements. The overall increase is partially offset by the reallocation of 2 workyears to support the Maintenance Support Services activity.

#### Maintenance Support Services

	Expenditures	Workyears
FY'09 Actual	\$13,292,973	38.9
FY'10 Approved	\$7,893,300	44.0
FY'11 Proposed	\$7,755,900	48.0

This activity provides funding for all activities that support the operation of the Commission's plants and facilities. This activity encompasses specialized services, such as electrical and mechanical work, welding, metal fabrication, and carpentry required for the proper operation of all the Commission buildings and facilities.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased \$137,400, or approximately 2%. This decrease is due to completion of numerous major projects at the Piscataway WWTP, and a proactive rehabilitation and replacement schedule, which provides control of spending through longer-range planning. The decrease is partially offset by 2 additional workyears to support operations and maintenance projects at plants and facilities, and the reallocation of 2 workyears from the Maintenance activity.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### PRODUCTION TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### Laboratory Services

	Expenditures	Workyears
FY'09 Actual	\$6,949,787	25.2
FY'10 Approved	\$2,640,300	27.6
FY'11 Proposed	\$2,611,000	27.6

This activity provides funding to operate and maintain a state-of-the-art, EPA certified environmental laboratory to provide the highest quality analytical data to the WSSC and other organizations for the benefit of public health and environmental quality. The activity provides for all laboratory testing necessary to operate the treatment processes, including biological, organic, and metals testing; analyze the chemical and physical properties of a variety of liquid, solid, and gaseous samples; and optimize treatment processes in order to meet or exceed the requirements of the Safe Drinking Water Act and other federal and state regulations. Also included in this activity is sampling and analysis, and maintaining the accuracy of this analytical data, for the Commission's Industrial Discharge Control Program.

**FY'11 Major Recommended Changes:** None

#### Capital Project Support

	Expenditures	Workyears
FY'09 Actual	\$3,974,262	0.4
FY'10 Approved	\$4,081,200	0.5
FY'11 Proposed	\$4,581,100	0.5

This activity is primarily associated with the management and oversight of the WSSC's Energy Performance Program (EPP). It provides funding for engineering feasibility studies, audit, design, construction, monitoring, verification, and maintenance with respect to the replacement or upgrade of energy consuming equipment and systems at all major Commission facilities. The EPP provides a reduction, guaranteed by the contractor, in energy usage (electricity, fuel oil, natural gas, or other fuel) and energy-related costs greater than, or equal to, the annual costs to be incurred; as well as operating and maintenance, chemical, and biosolids disposal costs.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$499,900, or approximately 12%, primarily due to the ramp-up of construction of Phases II-D and II-E of the Energy Performance Program.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### LOGISTICS OFFICE

#### Organizational Descriptions

This Office, led by the Logistics Director, is comprised of the Property Management, Fleet Services, Materials and Services, and Security and Safety Services Groups.

- The ***Property Management Group*** is responsible for providing necessary support services to operate and maintain all the WSSC's office buildings, warehouses, recreation facilities, and depots; and for maintaining the landscape of all improved land owned by the Commission.
- The ***Fleet Services Group*** is responsible for providing maintenance and repair services to vehicle and equipment fleets at 6 garage facilities. The Group provides preventive maintenance, repair, road service, fuel supply and management, tag and title processing, vehicle and equipment replacement planning and acquisition, emissions inspection, and fleet utilization management.
- The ***Materials and Services Group*** is responsible for acquiring and distributing materials and supplies throughout the Commission, providing printing services, processing mail, coordinating furniture and office equipment acquisition, and inspecting materials.
- The ***Security and Safety Services Group*** is responsible for safeguarding Commission real property; providing for the safety of WSSC personnel, customers, and visitors to our facilities; investigating theft of service cases; investigating illegal discharges into the wastewater collection system; and investigating complaints of criminal activity which occur on Commission property.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### LOGISTICS OFFICE

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Logistics Office	\$269,368	\$13,968	\$283,336	2.8	\$353,800	\$10,900	\$364,700	4.0	\$355,500	\$10,900	\$366,400	4.0
Property Management	1,724,863	5,183,776	6,908,639	24.9	1,790,100	4,222,700	6,012,800	28.0	1,862,500	4,222,800	6,085,300	29.0
Fleet Services	2,945,052	3,050,772	5,995,824	47.3	2,972,700	4,126,900	7,099,600	49.0	3,068,400	3,492,700	6,561,100	51.0
Materials & Services	2,099,726	4,643,536	6,743,262	36.2	2,299,000	6,185,200	8,484,200	41.0	2,312,700	5,737,100	8,049,800	41.0
Security & Safety Services	2,286,456	1,613,767	3,900,223	34.9	3,000,300	1,769,900	4,770,200	51.0	3,099,700	1,771,600	4,871,300	52.0
<b>TOTAL</b>	<b>\$9,325,465</b>	<b>\$14,505,819</b>	<b>\$23,831,284</b>	<b>146.1</b>	<b>\$10,415,900</b>	<b>\$16,315,600</b>	<b>\$26,731,500</b>	<b>173.0</b>	<b>\$10,698,800</b>	<b>\$15,235,100</b>	<b>\$25,933,900</b>	<b>177.0</b>

#### Mission Statement

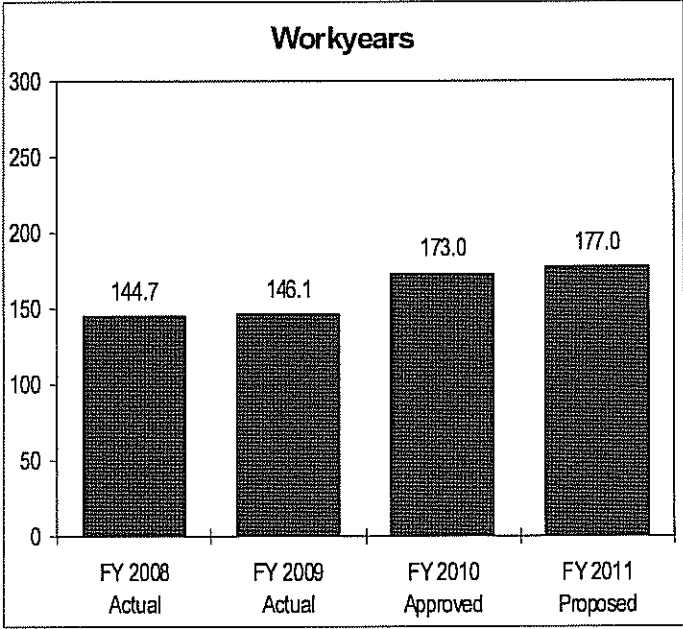
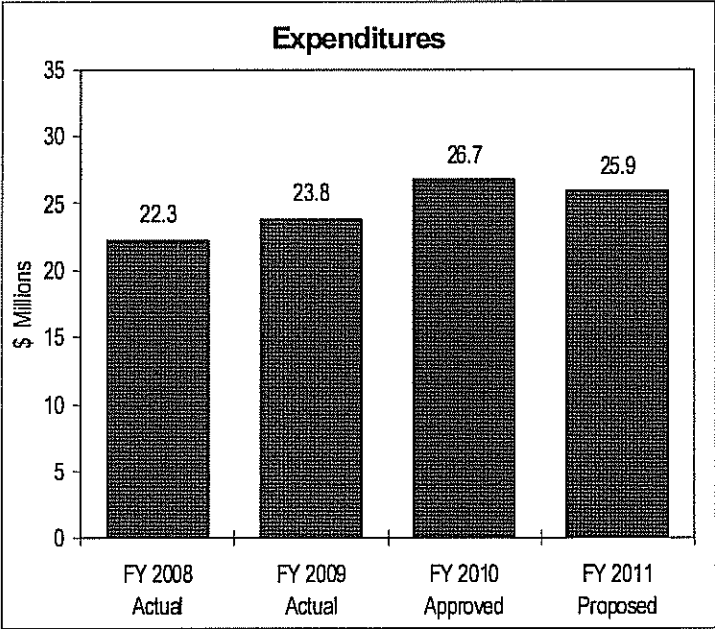
The mission of the Logistics Office is to plan, direct, and coordinate the activities of a number of vital support services at the WSSC including safety and security; fleet management; property management; warehousing and inventory management; mail and messenger services; printing and reprographic services; and records management.

#### Budget Overview

The FY'11 Proposed Budget is \$797,600, or approximately 3%, less than the FY'10 Approved Budget primarily due to a decrease in gasoline and diesel fuel costs; and a reduction in the number of required water meter purchases. This decrease is partially offset by the addition of 3 workyears to support the expansion of the in-house water main replacement program, and one workyear to support facilities maintenance.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**LOGISTICS OFFICE**  
(Continued)



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### LOGISTICS OFFICE

(Continued)

#### ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
<b><i>Fleet Services Group</i></b>				
Equipment fleet managed (pieces of equipment)	545	637	643	673
Vehicle fleet managed (number of vehicles)	853	865	863	907
Garages/equipment/body shops managed	6	6	6	6
Complete parts inventories conducted	4	4	4	4
Scheduled preventive maintenance completed on vehicles and equipment	4,093	4,143	4,200	4,400
Other (non-preventative maintenance) vehicle and equipment repairs	4,671	5,148	5,000	5,750
<b><i>Materials and Services Group</i></b>				
Stock quantities issued	619,858	699,647	750,000	750,000
Stock line items received	9,076	9,537	10,000	10,000
Supply contracts managed	46	46	50	50
Copier machine duplications	3,649,589	3,692,489	5,500,000	5,000,000
Mail posted (pieces)	2,386,776	2,450,321	2,400,000	2,500,000
Mail received (pieces)	1,759,683	1,662,459	1,700,000	1,700,000
<b><i>Security and Safety Services Group</i></b>				
Theft of service complaints/responses handled	246	168	200	200
Miles patrolled for preventive measures	174,865	152,414	250,000	250,000
Facility security inspections	21,495	20,657	25,000	25,000
Facility safety inspections	11	22	50	50
Job site inspections	69	41	100	100
Total occupational injuries reviewed	107	129	140	140
Driver improvement classes held	126	146	75	75

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### LOGISTICS OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Facility Operations & Maintenance Services

	Expenditures	Workyears
FY'09 Actual	\$6,957,872	25.4
FY'10 Approved	\$6,073,200	28.7
FY'11 Proposed	\$6,146,700	29.7

This activity provides for the maintenance of all the WSSC facilities – Commission office buildings, field depots, recreational facilities, and grounds. This includes the management of all heating, ventilation and air conditioning systems, the associated environmental management systems, and all small to medium size remodeling and facility rehabilitation projects.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$73,500 due to the addition of one workyear to support facilities maintenance.

#### Fleet Services

	Expenditures	Workyears
FY'09 Actual	\$6,089,347	48.1
FY'10 Approved	\$7,205,300	50.2
FY'11 Proposed	\$6,669,100	52.2

This activity involves managing and coordinating services for a vehicle and equipment fleet of 1,580 units at 6 garage facilities. This is accomplished by performing preventive maintenance, repairs, and road service; operating automated fuel supply sites; processing tag and title applications; planning and acquiring vehicle and equipment replacements; performing emissions inspections; and utilizing efficient fleet management practices.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased \$536,200, or approximately 7%, due to a decrease in the cost of gasoline, diesel, lubricants and other petroleum products. The decrease is partially offset by the addition of two workyears to support the expanded in-house water main replacement program.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**LOGISTICS OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Materials Handling**

	Expenditures	Workyears
FY'09 Actual	\$4,594,776	26.7
FY'10 Approved	\$5,860,300	29.8
FY'11 Proposed	\$5,344,400	29.8

This activity involves the acquisition and management of materials and supplies for inventoried items stocked at the Commission's warehouses and used by Commission employees and contractors in the maintenance and repair of the distributions systems. This activity also includes the receiving, storing, and issuing of these materials and supplies; the storage and maintenance of non-inventoried items and the delivery of these items to the ultimate user; materials inspection, testing and evaluation; the development of new material specifications; and the certification of manufacturing processes, materials, and plants for various materials. Funding for the purchase of water meters is included in this activity.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased \$515,900, or approximately 9%, to more accurately reflect required water meter purchases.

**General and Administrative Services**

	Expenditures	Workyears
FY'09 Actual	\$2,220,061	10.2
FY'10 Approved	\$2,712,400	12.1
FY'11 Proposed	\$2,792,300	12.1

This activity supports the Commission by providing printing and mail services to all employees. Additionally, this activity is responsible for the asset management of furniture and office equipment and the disposal of surplus property. This activity supports food services by maintaining and repairing cafeteria equipment, replacing cafeteria items, and monitoring vending machines.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**LOGISTICS OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Security Services**

	Expenditures	Workyears
FY'09 Actual	\$3,020,116	21.6
FY'10 Approved	\$3,824,500	38.5
FY'11 Proposed	\$3,865,500	38.4

This activity is responsible for providing security for employees and visitors to Commission-owned property and facilities. This involves conducting proactive patrols of all the WSSC properties and facilities; implementing physical/electronic security measures; enforcing all rules, regulations, and laws regarding forestry, the environment, and protection of natural resources; and providing proprietary guard services to specific depots, the Patuxent watershed, and other facilities.

**FY'11 Major Recommended Changes:** None

**Investigative Services**

	Expenditures	Workyears
FY'09 Actual	\$450,836	6.4
FY'10 Approved	\$458,000	6.2
FY'11 Proposed	\$448,300	6.2

This activity involves investigation into civil, criminal, and administrative matters and/or incidents involving Commission property or personnel. Also included are comprehensive investigations of contractors and potential Commission employees, theft of water service, and illegal waste dumping.

**FY'11 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### LOGISTICS OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Safety Services

	Expenditures	Workyears
FY'09 Actual	\$498,276	7.7
FY'10 Approved	\$597,800	7.5
FY'11 Proposed	\$667,600	8.6

This activity provides for the development and supervision of Commission-wide programs to minimize the risk of injuries, accidents, and damage to Commission property. This activity develops and implements training and medical surveillance, performs safety audits and inspections, evaluates work practices, recommends safety improvements, ensures safe use of hazardous materials, and reviews design of Commission facilities.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased by \$69,800, or approximately 12%, for an additional workyear to support the enhanced in-house water main replacement program.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

#### Organizational Descriptions

This Office, led by the Chief Financial Officer, is comprised of the Retirement, Revenue, Accounting, Disbursements, and Budget, Groups.

- The **Retirement Group** is responsible for administering the WSSC Employees' Retirement Plan for employees and retirees in accordance with the Plan and Internal Revenue Service regulations. The Group also supports the Plan's Board of Trustees in managing and investing Plan assets, and is responsible for investing the WSSC's available funds in accordance with state laws.
- The **Revenue Group** is responsible for receiving, processing, depositing, and recording all funds received by the Commission in an accurate and timely manner. The Group also recovers the WSSC's construction and related financing costs for non-program size water and sewer lines by assessing Front Foot Benefit (FFB) Charges as outlined by the Annotated Code of Maryland.
- The **Accounting Group** is responsible for maintaining the financial books and records of the Commission and preparing financial statements that fairly present the fiscal position of the Commission and the results of its operations.
- The **Disbursements Group** is responsible for maintaining and processing all of the Commission's disbursements, including payroll. Additionally, the Group maintains and reconciles the Commission's debt service records and health care records.
- The **Budget Group** is responsible for the formulation, preparation, justification, and administration of the Commission's Operating and Capital Budgets, and the six-year Capital Improvements Program (CIP), in accordance with Maryland State law. The Group forecasts the impacts of budget and CIP decisions, provides staff support to the Spending Affordability Group, and prepares the monthly status report on the Commission's budget performance.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
<b>Finance Office</b>	\$357,002	\$21,699	\$378,701	3.8	\$359,300	\$26,300	\$385,600	4.0	\$359,800	\$26,300	\$386,100	4.0
<b>Retirement</b>	553,894	189,470	743,364	6.0	541,700	212,800	754,500	6.0	542,800	212,800	755,600	6.0
<b>Revenue</b>	791,841	394,009	1,185,850	12.7	914,900	388,000	1,302,900	15.0	917,700	387,000	1,304,700	15.0
<b>Accounting</b>	1,026,083	18,167	1,044,250	13.0	1,066,400	4,400	1,070,800	14.0	1,081,700	4,400	1,086,100	14.0
<b>Disbursements</b>	1,005,793	97,598	1,103,391	14.0	996,100	61,000	1,057,100	14.0	998,700	62,100	1,060,800	14.0
<b>Budget</b>	670,460	102,234	772,694	7.3	691,200	115,600	806,800	9.0	691,900	115,600	807,500	9.0
<b>Total</b>	\$4,405,073	\$823,177	\$5,228,250	56.8	\$4,569,600	\$808,100	\$5,377,700	62.0	\$4,592,600	\$808,200	\$5,400,800	62.0

#### **Mission Statement**

The mission of the Finance Office is to maintain the fiscal integrity of the Commission and to help ensure that the available resources are efficiently allocated and productively used to provide value to our customers at the lowest possible price.

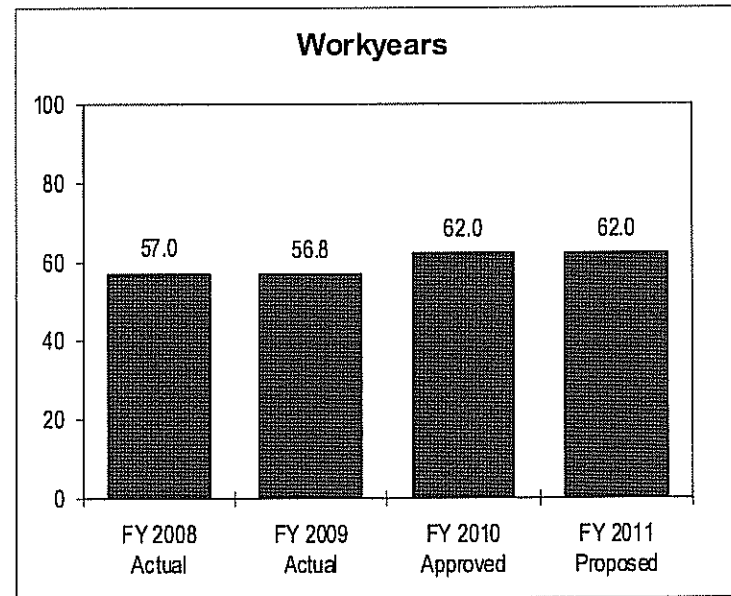
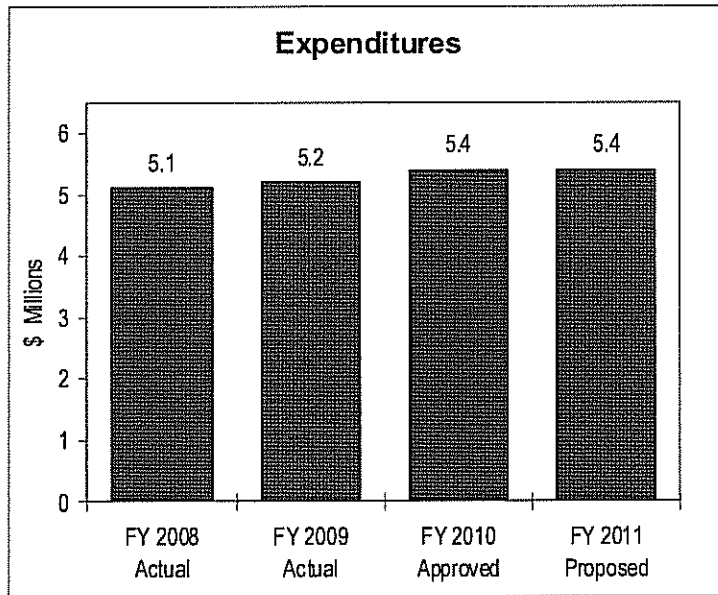
#### **Budget Overview**

The FY'11 Proposed Budget is approximately the same as the FY'10 Approved Budget.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## FINANCE OFFICE

(Continued)



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

(Continued)

#### ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
<i>Retirement Group</i>				
Annual actuarial valuations requested and reviewed	1	1	1	1
Annual retirement benefit statements prepared	0	1,500	1,500	1,500
Individual Plan benefit analyses prepared	50	150	50	150
Quarterly pre-retirement and annual post-retirement workshops conducted	1	3	3	4
Retirement deductions processed	2,600	2,600	3,000	3,000
Retirees' optional tax deduction change notifications processed	1,500	1,500	1,500	18,000
Periodic reports and analyses for the Board of Trustees prepared	30	30	30	30
<i>Revenue Group</i>				
Water and sewer bills processed	1,730,000	1,790,000	1,750,000	1,750,000
Total money processed	\$496,000,000	\$481,000,000	\$475,000,000	\$525,000,000
Percentage of bills processed within 24 hours of receipt	99.5%	99.5%	99.5%	99.5%
Percentage of bills processed without errors	99.9%	99.9%	99.9%	99.9%
Cashier receipts processed	5,200	4,550	5,800	5,000
Petty cash vouchers processed	1,100	1,100	1,100	1,100
Petty cash replenishments	77	81	85	85
New assessments levied	423	350	375	300
New assessment notices generated	345	285	275	230
Reclassification notices generated	78	65	100	70
Annual assessment appeal hearings held	0	0	0	0
Plats, splits, and combinations processed	800	775	800	750
Mainline contracts released for service	100	106	110	105
Deeds Stamped – Acquisitions/Condemnations	246	210	220	220

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
Development Services Contract Reviews	201	150	175	165
<i>Accounting Group</i>				
Internal financial statements prepared	11	11	11	11
Audited financial statements prepared	1	1	1	1
Uniform financial statements prepared	1	1	1	1
Code of accounts books maintained	1	1	1	1
Mass allocations (overhead rates) performed	12	12	12	12
U.S. Bureau of Census surveys completed	1	1	1	1
Moveable assets tracked	16,383	17,003	16,000	16,500
House Connection Cost Studies completed	1	4	1	1
Front Foot Benefit Sufficiency Studies completed	1	1	1	1
Cash monitoring analyses prepared	12	12	12	12
Bad checks processed (water and sewer service)	4,932	5,247	5,000	5,250
Customer bankruptcy adjustments completed	510	756	500	750
Claims reimbursement requests processed	59	53	53	50
State fuel usage reports prepared	12	12	12	12
Monthly and annual antennae lease collections	704	680	700	675
Fire hydrant meter lease reconciliations prepared	1,988	1,643	1,800	1,650
Citation payments processed	121	67	100	50
Invoices processed	1,458	953	1,400	1,000
<i>Disbursements Group</i>				
Payroll checks and direct deposit statements prepared	38,086	39,000	39,000	40,000
W-2 forms prepared	1,600	1,600	1,650	1,600
Timecards processed (includes correction timecards)	39,000	39,000	39,000	40,000
Payroll attachments processed	3,427	3,343	4,000	3,500

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
Invoices processed, including construction contract payments and consultants	29,446	30,000	30,000	29,000
Corporate credit card transactions processed	N/A	9,221	10,000	11,000
Checks disbursed and EFT payments processed	11,521	10,286	12,500	11,000
Bank reconciliations performed	156	156	156	156
<i>Budget Group</i>				
Proposed/Approved budget documents prepared for public distribution	8	8	8	8
Monthly Status Reports prepared	9	9	9	9
Status of Employment reports prepared	26	26	26	26
Overtime reports by organizational unit prepared	26	26	26	26
Spending affordability worksessions attended	3	3	3	3
System Development Charge annual reports prepared	1	1	1	1
Bond rating briefings conducted	3	3	1	3
State and Federal Grant and Loan Applications Prepared	7	31	5	5

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Retirement Administration

	Expenditures	Workyears
FY'09 Actual	\$494,108	4.3
FY'10 Approved	\$627,600	5.6
FY'11 Proposed	\$500,300	4.2

This activity includes administering the WSSC's Employees' Retirement Plan by providing retirement benefits counseling for employees and processing monthly annuity payments to retirees in accordance with the Plan and Internal Revenue Service regulations.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased by \$127,300, or approximately 20%, due to a reallocation of workyears to the Investment Operations activity.

#### Investment Operations

	Expenditures	Workyears
FY'09 Actual	\$292,128	2.1
FY'10 Approved	\$125,600	0.4
FY'11 Proposed	\$287,800	2.1

This activity, in accordance with Maryland law, invests the Commission's funds.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$162,200, or approximately 129%, due to reallocated workyears from the Retirement Administration activity.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Grants Administration**

	Expenditures	Workyears
FY'09 Actual	\$0	0.0
FY'10 Approved	\$20,600	0.2
FY'11 Proposed	\$36,000	0.5

This activity administers grant monies received from the Environmental Protection Agency and the Maryland Department of the Environment.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$15,400, or approximately 75%. The additional work in this activity is driven by Federal Stimulus grants, the Enhanced Nutrient Removal projects grants, and an increase in grant funding.

**Capital Funding – Maryland Water Quality (MWQ) Loans**

	Expenditures	Workyears
FY'09 Actual	\$0	0.0
FY'10 Approved	\$20,600	0.2
FY'11 Proposed	\$35,900	0.5

This activity includes all efforts associated with the Bond/Note Operations and the MWQ Loan Administration.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$15,300, or approximately 74%. The additional work in this activity is being driven by the Enhanced Nutrient Removal projects.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Revenue Operations**

	Expenditures	Workyears
FY'09 Actual	\$792,171	8.9
FY'10 Approved	\$767,900	9.2
FY'11 Proposed	\$771,200	9.2

This activity involves processing, depositing, and recording all revenue received by the Commission, including payment for water/sewer bills, billed work invoices, grants, permits, and other miscellaneous revenue.

**FY'11 Major Recommended Changes:** None

**Assessments Preparation and Services**

	Expenditures	Workyears
FY'09 Actual	\$484,425	4.7
FY'10 Approved	\$634,700	6.8
FY'11 Proposed	\$614,800	6.5

This activity identifies properties within Montgomery and Prince George's Counties that have newly constructed water and/or sewer mains, completed within the prior calendar year, to determine front foot benefit charge assessments. Additionally, this activity identifies, evaluates, and records all reclassifications as a result of property usage changes.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**General Ledger**

	Expenditures	Workyears
FY'09 Actual	\$646,922	7.9
FY'10 Approved	\$641,300	8.2
FY'11 Proposed	\$619,700	7.9

This activity maintains the Commission's books and records in a standard that allows the reporting of its operations and financial condition in accordance with Generally Accepted Accounting Principles.

**FY'11 Major Recommended Changes:** None

**Research, Special Handling, and Special Studies**

	Expenditures	Workyears
FY'09 Actual	\$292,889	3.6
FY'10 Approved	\$417,300	5.4
FY'11 Proposed	\$387,400	4.9

This activity includes performing special analyses and studies that are prepared on a regular and as-needed basis to support rates, fees, and charges calculations. This allows the Commission to set rates, fees, and charges based on accurate data and information, and ensures that Commission decisions and policies are made based on reliable financial information.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Invoicing and Delinquent Accounts**

	Expenditures	Workyears
FY'09 Actual	\$197,327	2.4
FY'10 Approved	\$105,300	1.4
FY'11 Proposed	\$154,800	2.0

In cooperation with other Groups, this activity accumulates total reimbursable costs incurred by the Commission, prepares invoices to the liable parties, and monitors collection of the amounts due. Billings include damage to Commission facilities, citations, special cost sharing arrangements, fire hydrant meter leases, and final accounting for developer projects.

**FY'11 Major Recommended Changes:** None

**Accounts Payable**

	Expenditures	Workyears
FY'09 Actual	\$678,818	9.5
FY'10 Approved	\$662,600	9.5
FY'11 Proposed	\$649,700	9.3

This activity includes processing of invoices; generating disbursement checks and electronic payments; and preparing and maintaining detailed schedules of the Commission's note and bond principal and interest expenses.

**FY'11 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

##### Maintenance of Debt Service Records

	Expenditures	Workyears
FY'09 Actual	\$123,366	0.5
FY'10 Approved	\$93,300	0.5
FY'11 Proposed	\$93,900	0.5

This activity maintains and reconciles the Commission's debt service schedules and tables and prepares debt service information booklets.

*FY'11 Major Recommended Changes:* None

##### Health and Dental Accounting

	Expenditures	Workyears
FY'09 Actual	\$66,503	0.8
FY'10 Approved	\$47,300	0.6
FY'11 Proposed	\$46,900	0.6

This activity maintains and reconciles the financial records of the Commission's four health care and two dental plans.

*FY'11 Major Recommended Changes:* None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE**

(Continued)

**SUMMARY BY ACTIVITY**

**Bank/Accounts Reconciliation**

	Expenditures	Workyears
FY'09 Actual	\$18,924	0.2
FY'10 Approved	\$21,300	0.2
FY'11 Proposed	\$20,200	0.2

This activity includes timely reconciliation of all Commission checking, collection, general receiving, disbursing, and payroll bank accounts. The activity also processes approved travel advances, ensures timely travel expense accounting, and verifies compliance with the Commission's travel policy.

**FY'11 Major Recommended Changes:** None

**Payroll Processing**

	Expenditures	Workyears
FY'09 Actual	\$315,815	4.0
FY'10 Approved	\$325,700	4.2
FY'11 Proposed	\$325,900	4.1

This activity processes bi-weekly payrolls. This includes collecting, editing, and reviewing payroll activity; ensuring compliance with all federal and state regulations; implementing appropriate deductions; handling direct deposits; preparing W-2s; preparing applicable journal entries; and maintaining the Commission's vendor file database.

**FY'11 Major Recommended Changes:** None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### FINANCE OFFICE

(Continued)

#### SUMMARY BY ACTIVITY

#### Budget and CIP Preparation and Administration

	Expenditures	Workyears
FY'09 Actual	\$788,575	7.5
FY'10 Approved	\$803,000	8.7
FY'11 Proposed	\$820,300	9.1

This activity prepares and transmits a proposed capital and operating budget to the counties by March 1 of each year. This is accomplished by developing assumptions, workload projections, and policies to guide the organizational units of the Commission in preparing budget requests; developing appropriate budget procedures and formats; providing guidance and support to various units in formulating budget recommendations and appropriate performance measures; analyzing operating programs and expenditure schedules; and maintaining liaison with the counties on budgetary and related fiscal policy matters.

A six-year Capital Improvements Program (CIP) for major water and sanitary sewerage facilities is also prepared and transmitted to the counties by October 1 of each year. Activities for the CIP involve supporting organizational units in preparing project information; reviewing project costs and expenditure schedules; assessing financial impacts; and providing analytical information to brief the General Manager, Commissioners, and county staff.

*FY'11 Major Recommended Changes:* None

#### Financial Planning and Studies

	Expenditures	Workyears
FY'09 Actual	\$36,279	0.4
FY'10 Approved	\$63,600	0.9
FY'11 Proposed	\$36,000	0.4

This activity is responsible for preparing long-range financial policies; conducting special studies and analyses; preparing the Commission's Monthly Status Report; providing staff support to the Spending Affordability Group; and performing other special studies and projects that may be required by governmental mandates and directives.

*FY'11 Major Recommended Changes:* None

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### CUSTOMER CARE TEAM

#### Organizational Descriptions

This Team, led by the Customer Care Team Chief, is comprised of the Customer Relations, Customer Care North, West, Central, South, Information Support, Support Services, Strategic Planning, and Wastewater Collections System Groups. This Team is directly responsible for maintaining water and sewer mains throughout the Washington Suburban Sanitary District.

- The ***Customer Relations Group*** is responsible for answering customer calls and letters regarding emergencies and more routine matters, such as: occupancy changes, high bills, payments and payment extensions, and suspension of services due to nonpayment of bills. In addition, this Group is responsible for walk-in customer service, handling requests for new meters, reviewing billing exceptions, correcting and adjusting billing, and investigating and resolving claims. They serve as the initial point of customer contact and are tasked with receiving and dispatching calls to the four Customer Care zones.
- The ***Customer Care North, West, Central, and South Groups*** are responsible for maintaining the distribution and collection system including all of the Commission's water and sewer mains and water meters, thus ensuring the consistent flow of water and outflow of wastewater within their geographical regions and preserving the infrastructure in order to provide quality service for our customers.
- The ***Information Support Group*** is responsible for maintaining the data integrity and distributing information regarding the automated systems currently utilized by the Customer Care Team staff. This Group also serves as the liaison with Information Technology staff in testing and implementing new technology to determine its effectiveness for potential use by Customer Care Team employees, as well as designing and testing new applications that are necessary to fill gaps that are identified within the current information systems.
- The ***Support Services Group*** is responsible for administering the in-house water main replacement program; the water meter evaluation, testing, and repair program for large and small meters; and for reading the WSSC's water meters, ensuring accurate customer billing. Auxiliary emergency maintenance support is provided to the other Customer Care Depots during peak periods or critical events. Additional support services provided include fire hydrant flow testing, the fire hydrant meter leasing program, and warehousing and issuing of large water meters.
- The ***Strategic Planning Group*** is responsible for training Customer Care Team employees and ensuring that the Team's current work practices are operationally effective. This Group searches for best practices and/or technology that will provide greater efficiencies and increase productivity in the various work groups of the Customer Care Team.
- The ***Wastewater Collections System Group*** is responsible for proper maintenance of the wastewater collection system, including inspection; line blockage analysis; routine, preventive, and emergency collection system cleaning; Sewer System Evaluation Surveys (SSES) for flow reduction; trunk sewer/creek crossing inspections; design of sewer main and manhole rehabilitation; and administration and reporting of Sanitary Sewer Overflow (SSO) Consent Decree requirements.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**  
**CUSTOMER CARE TEAM**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Customer Care Team Office	\$499,598	\$1,440,905	\$1,940,503	5.0	\$659,900	\$4,393,500	\$5,053,400	7.0	\$676,200	\$5,007,300	\$5,683,500	7.0
Customer Relations	4,820,202	4,795,303	9,615,505	88.5	5,071,300	4,534,600	9,605,900	92.0	5,074,300	4,599,300	9,673,600	92.0
Customer Care North	4,293,882	2,941,169	7,235,051	57.1	4,535,100	2,015,900	6,551,000	59.0	4,249,900	2,015,800	6,265,700	59.0
Customer Care West	5,100,123	2,613,272	7,713,395	65.7	4,925,900	2,786,300	7,712,200	67.0	4,979,500	2,786,000	7,765,500	67.0
Customer Care Central	4,786,393	6,499,069	11,285,462	61.5	4,765,400	3,132,200	7,897,600	64.0	4,731,000	3,132,000	7,863,000	64.0
Customer Care South	4,408,688	3,289,133	7,697,821	57.5	4,485,000	1,776,900	6,261,900	63.0	4,513,600	1,776,700	6,290,300	63.0
Customer Care Support Services	5,154,584	2,194,861	7,349,445	86.0	4,926,500	1,887,400	6,813,900	90.0	6,649,400	3,391,500	10,040,900	124.0
Customer Care Information Support	784,493	36,248	820,741	10.5	855,000	40,800	895,800	12.0	803,400	41,800	845,200	12.0
Customer Care Strategic Planning	623,538	5,887	629,425	7.3	670,600	10,600	681,200	8.0	728,200	61,100	789,300	9.0
Wastewater Collections System	4,648,034	19,280,293	23,928,327	65.2	4,894,100	21,104,400	25,998,500	73.0	5,176,200	34,817,200	39,993,400	76.0
<b>TOTAL</b>	<b>\$35,119,535</b>	<b>\$43,096,140</b>	<b>\$78,215,675</b>	<b>504.3</b>	<b>\$35,788,800</b>	<b>\$41,682,600</b>	<b>\$77,471,400</b>	<b>535.0</b>	<b>\$37,581,700</b>	<b>\$57,628,700</b>	<b>\$95,210,400</b>	<b>573.0</b>

**Mission Statement**

The mission of the Customer Care Team is to ensure that customers receive optimum service by promptly reading the WSSC's water meters and generating accurate bills, and effectively maintaining the water distribution and wastewater treatment systems infrastructure.

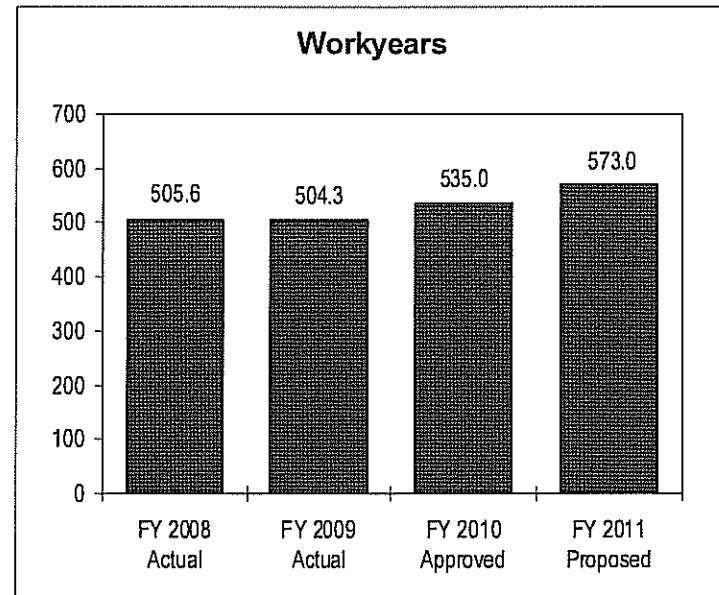
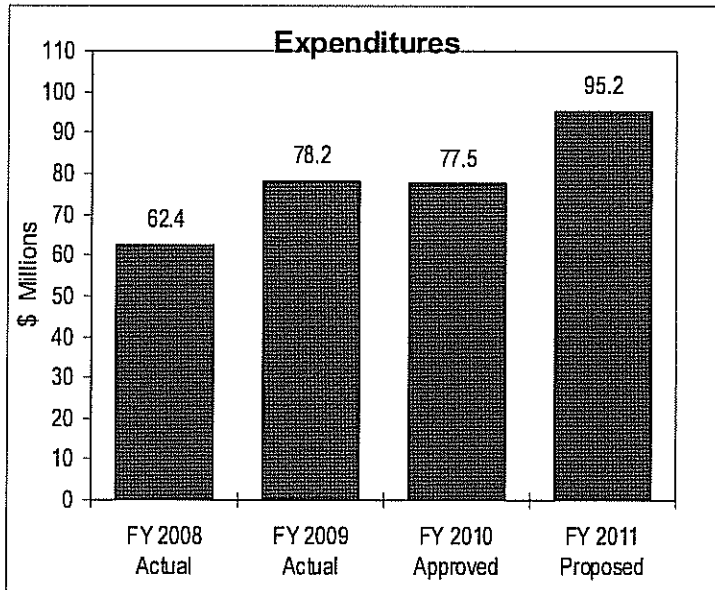
**Budget Overview**

The FY'11 Proposed Budget is \$17,739,000, or approximately 23%, greater than the FY'10 Approved Budget. The increase is due primarily to the expansion of the in-house water main replacement program, along with sewer reconstruction design, and several programs associated with the Consent Decree, i.e. pipe armoring, rights-of-way design, SSES for flow reduction, and consent decree consultant services. Thirty-eight new workyears have been added: thirty-five in support of the expanded in-house water main replacement program, and 3 in support of sewer reconstruction and rights-of-way design.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### CUSTOMER CARE TEAM

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

WORKLOAD DATA	FY'08 ACTUAL	FY'09 ACTUAL	FY'10 APPROVED	FY'11 PROPOSED
<i>Customer Relations Group</i>				
Claims received	1,373	1,459	1,500	1,600
Bill adjustments/corrections	13,638	13,306	20,000	18,000
Billed work investigations	654	522	600	700
Correspondence received	18,207	13,494	21,000	18,000
Non-emergency calls received	501,302	558,550	600,000	650,000
Emergency calls from customers answered	79,108	83,588	90,000	95,000
Large meter work orders processed	1,922	2,155	3,500	4,000
<i>Customer Care North Group</i>				
Large meter tests and, if necessary, repairs	122	174	116	135
Small meters replaced	2,314	2,089	3,100	2,500
Small meters installed (new connections)	890	664	1,100	800
Special meter readings completed	3,704	3,292	3,200	3,500
Property inspections performed	150	145	130	150
Collection turn-offs performed	3,385	4,879	5,000	5,000
Routine flush for discolored water	366	377	400	400
Emergency clean sewer service	17	29	39	30
Emergency clean sewer main	132	111	145	130
Emergency flush for discolored water	377	471	600	500
Water main repairs performed	388	463	360	450
Emergency sewer inspections performed	555	531	500	550
Emergency water inspections performed	2,426	2,819	3,200	3,000
Emergency water main shutdowns performed	29	23	31	30
<i>Customer Care West Group</i>				
Large meter tests and, if necessary, repairs	202	250	235	225
Small meters replaced	2,575	2,593	4,000	2,500

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### CUSTOMER CARE TEAM

(Continued)

#### ACTIVITY INDICATORS BY ORGANIZATION

WORKLOAD DATA	FY'08 ACTUAL	FY'09 ACTUAL	FY'10 APPROVED	FY'11 PROPOSED
Small meters installed (new connections)	720	505	650	500
Special meter readings completed	10,719	11,142	10,000	10,000
Property inspections performed	310	291	300	300
Collection turn-offs performed	6,575	6,890	6,000	6,000
Routine flush for discolored water	127	176	200	100
Emergency clean sewer service	69	47	100	50
Emergency clean sewer main	145	161	200	200
Emergency flush for discolored water	277	308	500	300
Water main repairs performed	341	466	400	400
Emergency sewer inspections performed	728	712	500	500
Emergency water inspections performed	2,221	2,508	2,700	2,500
Emergency water main shutdowns performed	66	86	30	50
<i>Customer Care Central Group</i>				
Large meter tests and, if necessary, repairs	193	162	300	300
Small meters replaced	3,389	2,982	7,300	7,300
Small meters installed (new connections)	1,293	612	1,500	1,000
Special meter readings completed	8,072	7,755	9,500	9,000
Property inspections performed	235	283	275	290
Collection turn-offs performed	8,391	11,907	10,000	13,000
Routine flush for discolored water	169	153	170	170
Emergency clean sewer service	21	10	25	15
Emergency clean sewer main	84	64	100	70
Emergency flush for discolored water	380	380	400	400
Water main repairs performed	426	425	475	475
Emergency sewer inspections performed	609	657	625	650
Emergency water inspections performed	3,079	3,231	3,250	3,400
Emergency water main shutdowns performed	53	41	55	50

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

WORKLOAD DATA	FY'08 ACTUAL	FY'09 ACTUAL	FY'10 APPROVED	FY'11 PROPOSED
<i>Customer Care South Group</i>				
Large meter tests and, if necessary, repairs	272	274	350	350
Small meters replaced	3,330	2,051	8,000	4,000
Small meters installed (new connections)	1,447	1,036	1,750	1,500
Special meter readings completed	7,599	8,641	10,700	10,000
Property inspections performed	280	299	400	400
Collection turn-offs performed	18,486	13,691	9,000	12,000
Routine flush for discolored water	372	365	260	350
Emergency clean sewer service	41	14	200	50
Emergency clean sewer main	97	105	100	150
Water main repairs performed	572	638	700	700
Emergency sewer inspections performed	808	763	600	800
Emergency water inspections performed	3,476	3,566	4,000	4,000
Emergency water main shutdowns performed	13	28	25	25
<i>Customer Care Support Services Group</i>				
Fire hydrant meters issued	2,154	1,521	2,100	2,100
Large meter special shop tests	17	23	10	25
Small meter shop tests	2,855	1,988	5,000	3,500
Water mains replaced (in feet)	34,320	35,904	34,320	34,320
Fire flow tests performed	285	276	350	300
Regular meter readings completed	1,785,582	1,779,298	1,800,000	1,800,000
Percentage of meter readings secured on first visit	99%	99%	95%	95%
<i>Wastewater Collections Systems Group</i>				
Percentage of on-schedule delivery of federal and state mandated reports	100%	100%	100%	100%
Miles of sewer mains cleaned for preventive maintenance	498	490	525	500
Miles of sewer mains cleaned on emergency basis	25	27	45	30
Emergency clear sewer services performed	150	100	125	100

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<b>WORKLOAD DATA</b>	<b>FY'08 ACTUAL</b>	<b>FY'09 ACTUAL</b>	<b>FY'10 APPROVED</b>	<b>FY'11 PROPOSED</b>
Number of repeat backups within 90 days of corrective cleaning	3	12	5	5
Miles of sewer main televised for proactive maintenance program (WSSC Crews)	65	59	75	75
Miles of mainline sewer televised (by contract)	322	366	350	250
Number of line blockage analysis reviews completed after CCTV inspection	690	710	1,000	650
Miles of sewer smoke-tested	5	5	10	10
Manholes inspected (by contract)	6,027	6,804	6,000	6,000
Telemetered gauges operated	150	178	150	200
Calibrations performed	500	141	500	250
Chemical root control (work order count)	2,099	2,858	4,000	2,550

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Claims**

	Expenditures	Workyears
FY'09 Actual	\$4,664,345	6.9
FY'10 Approved	\$4,577,400	6.9
FY'11 Proposed	\$4,595,300	6.9

This activity involves investigating claims made against the WSSC to determine liability exposure; assessing damages to determine appropriate settlement value; negotiating liability claims settlement, when appropriate; and pursuing claims against responsible third parties for damages incurred by the Commission.

**FY'11 Major Recommended Changes:** None

**Customer Account Maintenance**

	Expenditures	Workyears
FY'09 Actual	\$494,166	6.9
FY'10 Approved	\$759,200	10.3
FY'11 Proposed	\$794,600	11.5

This activity is associated with processing bill adjustments granted to customers who meet the adjustment policy criteria; updating adjustments to customer accounts in the Customer Service Information System (CSIS) database; and investigating refund requests, which may result in customer account modifications.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$35,400, or approximately 5%. This increase reflects the transfer of workyears and responsibilities associated with the Field Service Associate position from the depots to the Customer Relations Group. Field Service Associates are tasked with analyzing and entering results from scheduled field service into the CSIS. This function had previously been associated with management and administration.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Monthly Bill Customer Account Inquiry**

	Expenditures	Workyears
FY'09 Actual	\$187,892	2.3
FY'10 Approved	\$181,800	2.3
FY'11 Proposed	\$186,900	2.3

This activity determines appropriate actions to ensure that customers, particularly large users, producing 40% of the WSSC's revenue, are billed accurately; and that malfunctioning meters, which are inaccurately measuring consumption, are properly identified, investigated, and either repaired or replaced.

**FY'11 Major Recommended Changes:** None

**Billed Work**

	Expenditures	Workyears
FY'09 Actual	\$180,482	1.7
FY'10 Approved	\$123,500	1.7
FY'11 Proposed	\$124,300	1.7

This activity involves investigating and invoicing for damages to WSSC property caused by others, or damage the WSSC causes to others.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Bay Fee Administration**

	Expenditures	Workyears
FY'09 Actual	\$38,420	0.6
FY'10 Approved	\$37,000	0.6
FY'11 Proposed	\$37,200	0.6

This activity provides for administration of the State-mandated Chesapeake Bay Restoration Fee; specifically, adjustment processing for the Exemption Program.

**FY'11 Major Recommended Changes:** None

**Customer Correspondence**

	Expenditures	Workyears
FY'09 Actual	\$445,740	6.3
FY'10 Approved	\$399,100	6.3
FY'11 Proposed	\$413,900	6.3

This activity is associated with addressing written correspondence received from WSSC customers. Inquiries and communications received via letter, fax, or electronic mail are entered into the CSIS database to accurately reflect the customer's account history.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Dispute Resolution/Refund Hearing**

	Expenditures	Workyears
FY'09 Actual	\$94,040	1.2
FY'10 Approved	\$75,400	1.1
FY'11 Proposed	\$77,200	1.1

This activity is associated with all aspects of the dispute resolution and/or refund hearing process and the administrative functions necessary to track, evaluate, and prepare information associated with the hearings.

**FY'11 Major Recommended Changes:** None

**Customer Account Inquiry (Non-Emergency)**

	Expenditures	Workyears
FY'09 Actual	\$2,340,548	42.6
FY'10 Approved	\$2,433,800	42.9
FY'11 Proposed	\$2,378,200	41.9

This activity is associated with addressing customers' billing issues stemming from telephone conversations and walk-in inquiries. Specifically, this activity includes analyzing account records regarding household customer water use habits; generating work orders, scheduling and evaluating field service activities in the CSIS database such as inspections, field investigations, and restoration of service; and educating customers on such topics as sources of water loss and water conservation.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Customer Account Inquiry (Emergency)**

	Expenditures	Workyears
FY'09 Actual	\$556,455	9.2
FY'10 Approved	\$501,200	9.2
FY'11 Proposed	\$539,900	9.2

This activity is associated with answering emergency telephone calls to the WSSC's Call Center and generating work orders to ensure field representatives respond within the designated two hour window for emergency response.

**FY'11 Major Recommended Changes:** None

**Radio Dispatching**

	Expenditures	Workyears
FY'09 Actual	\$618,710	10.4
FY'10 Approved	\$527,000	10.3
FY'11 Proposed	\$559,900	10.3

This activity is associated with answering calls received through the Commission's 24-hour Communications Center and dispatching calls to field representatives within a geographical region for on-site investigation.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Meter Ordering**

	Expenditures	Workyears
FY'09 Actual	\$76,052	1.2
FY'10 Approved	\$65,400	1.2
FY'11 Proposed	\$68,300	1.2

This activity involves the acceptance, review, and processing of all new small meter order requests from registered Master Plumbers.

**FY'11 Major Recommended Changes:** None

**Research and Development**

	Expenditures	Workyears
FY'09 Actual	\$57,161	1.1
FY'10 Approved	\$28,100	0.5
FY'11 Proposed	\$27,300	0.5

This activity is associated with identifying initiatives that increase productivity and efficiency; evaluating the cost impact of "best in class" business practices, with specific emphasis on training and technology integration; and evaluating new products and metering systems.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Business Technology Analyst/Project Management (BTA/PM) Support**

	Expenditures	Workyears
FY'09 Actual	\$108,229	1.2
FY'10 Approved	\$122,400	1.2
FY'11 Proposed	\$110,800	1.2

This activity provides program and project management support for new enterprise system development and the replacement of the current legacy applications. This activity includes developing requirements and specifications for new and improved business processes, coordinating with IT Liaisons on behalf of business units, and identifying critical paths and doing risk analysis on all automation projects and program efforts for the Customer Care Team.

**FY'11 Major Recommended Changes:** None

**Meter Reading Route Management**

	Expenditures	Workyears
FY'09 Actual	\$0	0.0
FY'10 Approved	\$83,700	1.2
FY'11 Proposed	\$0	0.0

This activity provides for maintaining the efficiency of the meter reading routes and the integrity of the data retrieved from the handheld devices which store this information.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity has been removed from the proposed budget. Handheld meter reading equipment, vital in assuring the steady, uninterrupted flow of revenue into the WSSC, was replaced early in FY'10. Responsibility for maintaining the efficiency of the meter reading equipment and the integrity of the data retrieved from the handheld devices which store this information has been transferred to the Computerized Information Support activity.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Computerized Information Systems Support**

	Expenditures	Workyears
FY'09 Actual	\$473,045	5.9
FY'10 Approved	\$402,100	6.0
FY'11 Proposed	\$496,000	7.3

This activity involves managing information systems relative to changes, problems, performance, and service activities. This includes the mainframe systems such as the Customer Services Information System and the Maintenance Management Information System. This activity is also associated with providing support for application development and modifications to the current computerized applications used by the Commission.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$93,900, or approximately 23%, primarily due to the transfer of funds from Meter Reading Route Management and other activities within the Customer Care Information Support Group to more accurately reflect actual spending patterns.

**Temporary Fire Hydrant Meter Leasing and Maintenance**

	Expenditures	Workyears
FY'09 Actual	\$79,465	1.1
FY'10 Approved	\$92,700	1.1
FY'11 Proposed	\$91,300	1.1

This activity involves administering the Commission's Temporary Fire Hydrant Meter Leasing Program, which permits the temporary use of metered fire hydrants to individuals or firms. All fire hydrant meters are tested, repaired, and maintained to further ensure proper registration and billing accuracy.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Water Main Replacement**

	Expenditures	Workyears
FY'09 Actual	\$3,946,739	29.6
FY'10 Approved	\$3,512,600	29.5
FY'11 Proposed	\$6,340,500	57.3

This activity is associated with the replacement of water mains that are undersized or aged past their useful life by in-house staff. This function contributes to the reduction of discolored water complaints and service interruptions due to frequent main breaks, and increases fire protection.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$2,827,900, or approximately 81%, primarily due to the expansion of the in-house water main replacement program. This represents a shift from outsourcing a large portion of water main replacement to bring more of the program in-house. The in-house water main replacement program has proven to be more efficient and slightly more cost-effective. In addition to doubling water main replacement by in-house crews from 6 to 12 miles per year, it is anticipated that this expansion will provide emergency assistance during the winter months when water main breaks are most frequent. This is an effective use of personnel allowing for the efficient management of both the water main replacement program and emergency maintenance situations. Twenty-seven new workyears are included to support the expanded program.

**Field Crew Scheduling**

	Expenditures	Workyears
FY'09 Actual	\$34,536	0.5
FY'10 Approved	\$32,200	0.5
FY'11 Proposed	\$35,200	0.5

This activity involves simulating and scheduling water main shutdowns.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Flow Test**

	Expenditures	Workyears
FY'09 Actual	\$34,536	0.5
FY'10 Approved	\$35,700	0.5
FY'11 Proposed	\$38,700	0.5

This activity involves routine inspection of the water distribution system and performing fire flow tests for outside agencies.

**FY'11 Major Recommended Changes:** None

**Provide As-Built Plans**

	Expenditures	Workyears
FY'09 Actual	\$69,071	1.1
FY'10 Approved	\$64,200	1.1
FY'11 Proposed	\$191,100	3.2

This activity is associated with efforts to rehabilitate the water distribution and wastewater collection systems by providing as-built plans to contractors.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity has increased \$126,900, or approximately 198%. An increase in productivity associated with the in-house water main replacement program over the last several years has led to a sizeable increase in the need for as-built drawings, and a huge backlog. The backlog continues to grow, despite the use of contract help. An additional 2 workyears will be assigned exclusively to drafting as-built drawings.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Large Meter Testing, Repair & Replacement**

	Expenditures	Workyears
FY'09 Actual	\$1,292,498	16.4
FY'10 Approved	\$1,401,200	18.1
FY'11 Proposed	\$1,377,200	18.1

This activity involves testing, repairing, and replacing large meters to ensure billing accuracy.

**FY'11 Major Recommended Changes:** None

**Small Meter Testing, Repair & Replacement**

	Expenditures	Workyears
FY'09 Actual	\$1,642,787	24.9
FY'10 Approved	\$1,527,000	25.4
FY'11 Proposed	\$1,659,500	25.4

This activity involves testing, repair, and/or replacement of small meters in the WSSD service area. Meters that are tested and repaired on a routine preventive maintenance basis are more likely to operate at optimum levels with fewer instances of inaccurate registration. Some meters lose accuracy over time and it may be necessary to replace them to ensure accurate registration for our customers.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**New Meters**

	Expenditures	Workyears
FY'09 Actual	\$30,545	0.5
FY'10 Approved	\$28,100	0.6
FY'11 Proposed	\$27,300	0.6

This activity involves processing requests for both small and large meters from external customers. The primary function of this activity is to ensure that all activated meters are assigned an account number and properly billed.

**FY'11 Major Recommended Changes:** None

**Meter Reading**

	Expenditures	Workyears
FY'09 Actual	\$2,927,916	53.3
FY'10 Approved	\$3,043,100	58.1
FY'11 Proposed	\$3,032,300	57.4

This activity is associated with providing timely and accurate meter readings in order to render customer bills based on actual usage.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Collection**

	Expenditures	Workyears
FY'09 Actual	\$575,460	8.9
FY'10 Approved	\$520,600	9.5
FY'11 Proposed	\$628,500	9.7

This activity is associated with collecting revenue for delinquent accounts and is largely responsible for terminating and restoring water services.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity has increased \$107,900, or approximately 21%, due to a greater emphasis on collection activities.

**Maintenance**

	Expenditures	Workyears
FY'09 Actual	\$22,519,020	164.8
FY'10 Approved	\$16,773,600	172.4
FY'11 Proposed	\$18,098,500	173.7

This activity involves performing measures designed to lengthen the service life of water and sewer mains. This includes providing regular interval flushing to minimize discolored water and regularly locating and exercising large valves to ensure system operability. These measures seek to minimize or avoid more costly corrective maintenance activities. Adjustment, repair, and replacement of components after failure within the water distribution and wastewater collection systems are also included in this activity.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$1,324,900, or approximately 8%, primarily due to a re-evaluation and reassignment of tasks between the Maintenance, Inspection Maintenance, and Capital Project Support activities.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Inspection Maintenance**

	Expenditures	Workyears
FY'09 Actual	\$882,324	15.0
FY'10 Approved	\$1,266,300	14.4
FY'11 Proposed	\$1,121,700	14.4

This activity involves routine and emergency inspection of integral components of the water distribution and wastewater collection systems. The primary objective of this activity is to respond to and assess emergency maintenance requests from customers.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased \$144,600, or approximately 11%, primarily due to a re-evaluation and reassignment of tasks between the Maintenance, Inspection Maintenance, and Capital Project Support activities.

**Capital Project Support**

	Expenditures	Workyears
FY'09 Actual	\$7,033,796	7.7
FY'10 Approved	\$6,728,600	8.3
FY'11 Proposed	\$5,204,100	7.8

This activity involves the maintenance crew support of capital construction projects, such as water main shut downs, locating and exposing facilities, and new house connections.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased \$1,524,500, or approximately 23%, primarily due to a re-evaluation and reassignment of tasks between the Maintenance, Inspection Maintenance, and Capital Project Support activities.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Emergency Water & Sewer Main Repair/Replacement**

	Expenditures	Workyears
FY'09 Actual	\$483,228	5.5
FY'10 Approved	\$462,000	5.5
FY'11 Proposed	\$768,700	10.8

This activity is for the emergency assistance provided by the Systems Enhancement Unit (SEU) of the Customer Care Support Services Group to the four Customer Care depots when water main break occurrences are in peak season. The SEU's prime responsibility is the replacement of water and sewer mains that have aged past their useful life. During the coldest winter months, when water main breaks are most frequent, this group supports the depot crews in order to meet the WSSC's objective of restoring normal service to our customers within 24 hours from the time we are notified of an emergency. This is an effective use of personnel allowing for the efficient management of both emergency maintenance situations and the water/sewer main replacement program.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$306,700 or approximately 66%, due to expansion of the in-house water main replacement program. In addition to doubling water main replacement production by in-house crews, it is expected that increased staffing will provide greater back-up support to Customer Care crews in addressing water emergencies and improve customer relations by repairing breaks more quickly. Five new workyears are included to support the expanded program.

**Data Administration/Quality Assurance**

	Expenditures	Workyears
FY'09 Actual	\$249,117	3.5
FY'10 Approved	\$297,400	3.6
FY'11 Proposed	\$250,600	3.6

This activity provides support for data management and information integrity assurance of the WSSC's corporate data systems. Responsibilities include assisting in the programming, scheduling, evaluation, and quality control aspects of information systems and data processing activities; assisting in enhancing and maintaining different automated systems; generating test data and routines for various systems; and producing ad-hoc reports.

**FY'11 Major Recommended Changes:** None

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Design/Deliver/Evaluate Courses**

	Expenditures	Workyears
FY'09 Actual	\$609,520	6.8
FY'10 Approved	\$687,700	8.1
FY'11 Proposed	\$799,300	9.1

This activity involves identifying training requirements, developing training materials, coordinating and providing training courses, and evaluating course effectiveness. Course development includes specific business process computer skills, non-technical skills such as customer relations (telephone) etiquette, and technical skills such as pipe repair.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$111,600, or approximately 16%. This is due to an additional workyear, additional focus on American Standard for Training and Development (ASTD) training/certification classes, and an expansion of the program.

**Planning**

	Expenditures	Workyears
FY'09 Actual	\$3,535,527	6.1
FY'10 Approved	\$1,259,200	8.2
FY'11 Proposed	\$2,340,500	9.0

The purpose of this activity is to provide the necessary management and administration related to compliance with the requirements of the federal Sanitary Sewer Overflow (SSO) Consent Decree, and execution of the Line Blockage Analysis (LBA) Program, which provides for review of sewer lines and service stoppage data and recommendations for preventive maintenance sewer cleaning and other measures to eliminate repetitive backups and overflows.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$1,081,300, or approximately 86%, due primarily to the need for engineering services to support administration of WSSC's Consent Decree.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**CUSTOMER CARE TEAM**

(Continued)

**SUMMARY BY ACTIVITY**

**Field Maintenance**

	Expenditures	Workyears
FY'09 Actual	\$3,324,138	40.9
FY'10 Approved	\$3,632,700	42.0
FY'11 Proposed	\$3,110,500	40.7

This activity provides for the proactive cleaning and/or televising of sewer mains (Proactive Maintenance Program); preventive sewer cleaning in order to reduce or eliminate the possibility of future sewer backups or overflows; corrective sewer main and service cleaning on an emergency basis; and closed circuit television (CCTV) inspection of sewer main lines and service laterals after a customer has experienced a sewage backup into their home or business. It includes the analysis of related videotapes to provide a recommendation for preventive or corrective maintenance.

**FY'11 Major Recommended Changes:** None

**Sewer Analysis**

	Expenditures	Workyears
FY'09 Actual	\$13,803,378	11.7
FY'10 Approved	\$13,420,900	14.0
FY'11 Proposed	\$14,580,000	14.7

The purpose of this activity is to investigate problem basins utilizing in-house staff and contract assistance to develop flow monitoring projects to evaluate the magnitude of the problems. This activity also includes physical surveys, smoke testing, dye testing, and internal inspection to identify specific defects. Staff supporting this activity also perform Sewer System Evaluation Surveys (SSES) of selected basins for the purpose of identifying and eliminating extraneous flows. This activity also provides for inspecting and documenting the condition of manholes, trunk sewer lines, and creek crossings to identify and correct problems having the potential for causing sewer overflows; and managing and operating the flow surveillance components of the WSSC's Comprehensive Sewer Model.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity has increased \$1,159,100, or approximately 9%. SSES inspections are required by the Consent Decree and the increase is due to one additional SSES underway in FY'11, increasing the number of SSES contracts from 3 to 4.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### CUSTOMER CARE TEAM

(Continued)

#### SUMMARY BY ACTIVITY

##### Contracts

	Expenditures	Workyears
FY'09 Actual	\$4,806,789	8.0
FY'10 Approved	\$12,368,500	12.4
FY'11 Proposed	\$25,105,100	13.4

The purpose of this activity is to provide for preparation of contract documents and contract management for the Sewer Reconstruction Program. This is a comprehensive sewer system rehabilitation program, providing for rehabilitation and/or repair of sewer mains, house connections, and associated manholes. It addresses infiltration/inflow into the collection system and exposed pipe problems. CIP Project S-1.01, Sewer Reconstruction Program, is concerned with mains less than 15 inches in diameter, while S-170.09, Trunk Sewer Reconstruction Program, separately identifies the 15-inch diameter and larger trunk sewers. This activity also provides for management of various maintenance contracts in support of the above-mentioned programs (such as chemical root control, pipe armoring, fire hydrant painting, and grinder pump maintenance).

In addition, this activity also provides for "Miss Utility" locating/marketing services and payments to the "Miss Utility" Call Center for notification of planned excavations near WSSC facilities.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$12,736,600, or approximately 103%. This is due primarily to the newly identified Trunk Sewer Reconstruction Program, but also includes an increase in associated contracts for design, chemical root control, and pipe armoring.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INFORMATION TECHNOLOGY TEAM

#### Organizational Descriptions

This Team, led by the Chief Information Officer, is comprised of the Application Development, Enterprise Technology Solutions, Quality Assurance, Systems Support & Operations, Network Support, Information Technology (IT) Customer Support, IT Security, and IT Governance & Interagency Liaison Divisions. The Team Office is responsible for developing, maintaining, and supporting the long- and short-term IT Strategic Plan by managing the direction of all divisions to ensure that each is aligned with the Commission's core strategies and Annual Action Items. The Team Office is also responsible for providing contract administration, budget preparation and monitoring, and enterprise architecture.

- The *Application Development Division* is responsible for providing application software development to support the core business operations and initiatives of the Commission.
- The *Enterprise Technology Solutions Division* is responsible for supporting organization-wide needs of the Commission in areas of Geographic Information Systems (GIS), Internet and intranet web development, corporate reporting, and document management systems.
- The *Quality Assurance Division* is responsible for designing, documenting, and implementing quality assurance (QA) methods and systems for all custom applications, enterprise technology solutions, and third-party software in use at the Commission.
- The *Systems Support & Operations Division* is responsible for performance measuring and tuning; storage management; tape maintenance; database administration; technical support; production program management; and disaster recovery assistance. This Division also provides hardware and system software maintenance, and operational support across the WSSC's multi-platform infrastructure environments.
- The *Network Support Division* is responsible for managing the Commission's data network and telecom systems and services, encompassing the design, implementation, and support for all enterprise network and telephony infrastructure.
- The *IT Customer Support Division* is responsible for monitoring all Commission desktop initiatives and operations, IT Inventory/Asset management, and IT service request and delivery.
- The *IT Security Division* is responsible for protecting data and information technology assets from unauthorized use, modification, or destruction and maintaining a contingency plan for disaster recovery and business resumption.
- The *IT Governance & Interagency Liaison Division* is responsible for developing and managing the information technology governance process ensuring alignment of IT priorities with business initiatives and effective acquisition of third-party software, hardware, and change management.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES  
INFORMATION TECHNOLOGY TEAM**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
IT Team Office	\$409,097	\$179,533	\$588,630	5.1	\$752,200	\$340,000	\$1,092,200	6.0	\$766,200	\$286,200	\$1,052,400	6.0
Application Development	1,933,351	523,908	2,457,259	15.0	1,805,600	840,000	2,645,600	16.0	1,573,400	709,000	2,282,400	16.0
Enterprise Technology Solutions	1,115,551	1,485,058	2,600,609	11.7	1,429,500	1,855,000	3,284,500	13.0	1,375,700	1,580,000	2,955,700	13.0
Quality Assurance	376,906	362,621	739,527	4.0	372,600	466,700	839,300	4.0	348,400	645,000	993,400	4.0
Systems Support & Operations	1,176,966	2,464,334	3,641,300	11.7	1,603,900	2,875,500	4,479,400	16.0	1,527,400	2,775,500	4,302,900	16.0
Network Support	1,455,989	3,030,206	4,486,195	14.0	1,393,600	2,806,000	4,199,600	14.0	1,281,600	2,907,500	4,189,100	14.0
IT Customer Support	522,717	1,042,396	1,565,113	6.9	524,400	1,597,500	2,121,900	7.0	805,900	1,414,000	2,219,900	11.0
IT Security	211,907	632,318	844,225	2.0	319,100	521,000	840,100	3.0	301,000	521,000	822,000	3.0
PMO & IT Communications	136,619	58,121	194,740	1.7	--	--	--	--	--	--	--	--
IT Governance & Interagency Liaisons	103,148	--	103,148	1.0	--	--	--	--	--	--	--	--
<b>TOTAL</b>	<b>\$7,442,251</b>	<b>\$9,778,495</b>	<b>\$17,220,746</b>	<b>73.1</b>	<b>\$8,200,900</b>	<b>\$11,301,700</b>	<b>\$19,502,600</b>	<b>79.0</b>	<b>\$7,979,600</b>	<b>\$10,838,200</b>	<b>\$18,817,800</b>	<b>83.0</b>

**Mission Statement**

The mission of the Information Technology Team is to provide information technology support services and resources (hardware, software, and communications) for the Commission to service its customers and reduce overall operating costs.

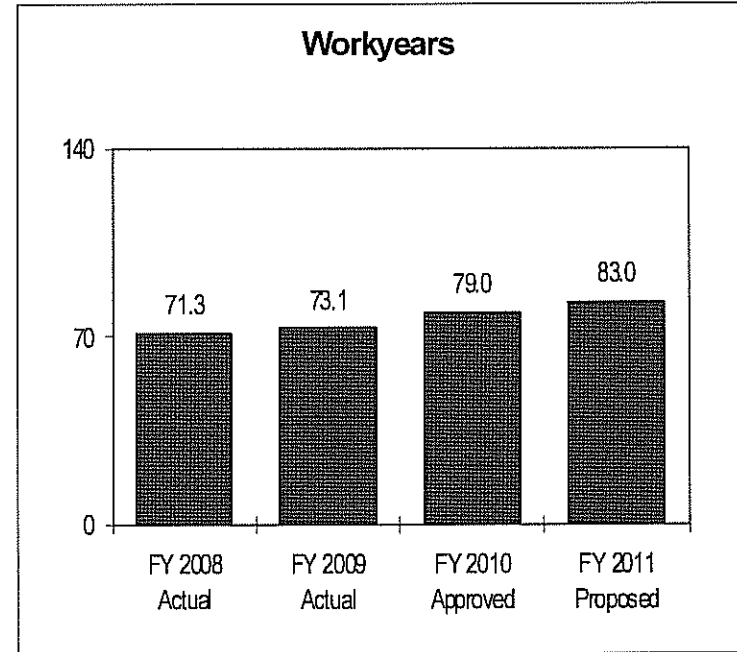
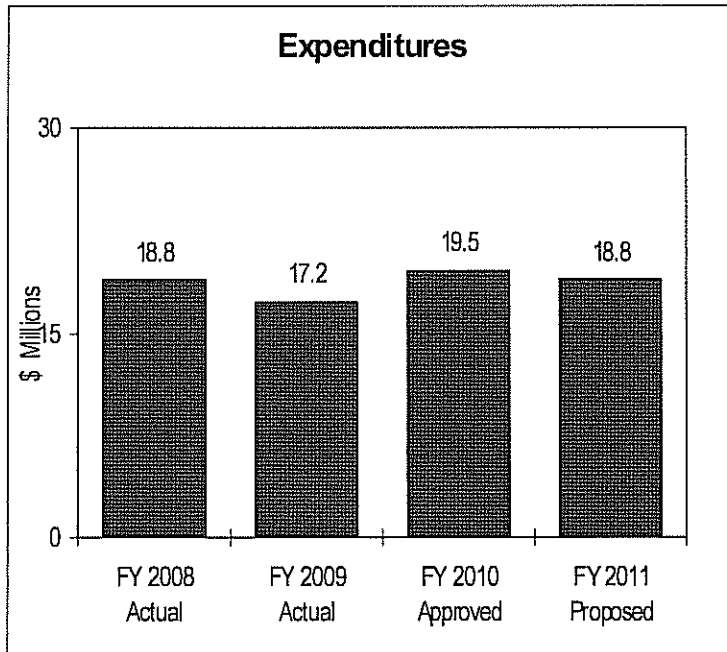
**Budget Overview**

The FY'11 Proposed Budget is \$684,800, or approximately 4%, less than the FY'10 Approved Budget. This decrease is primarily attributable to the ramping down of various projects; such as the Facilities Information Tool (FIT), a reporting system for the water and wastewater plants; Commission website redesign/enhancement; and proactive system monitoring, an automated process to maximize service availability on a proactive, rather than reactive basis; along with the Enterprise Architecture effort. Four additional workyears were added to the Team in exchange for a corresponding reduction in professional services.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INFORMATION TECHNOLOGY TEAM

(Continued)



## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INFORMATION TECHNOLOGY TEAM

(Continued)

#### ACTIVITY INDICATORS BY ORGANIZATION

WORKLOAD DATA	FY'08 ACTUAL	FY'09 ACTUAL	FY'10 APPROVED	FY'11 PROPOSED
<i>Application Development Division</i>				
Annual Action Items (AAls) processed *	5	3	5	3
Departmental Action Items (DAIs) prioritized	15	20	10	10
Small Work Requests (SWRs) received	185	230	180	200
Small Work Requests (SWRs) processed *	125	196	180	180
Break/fix (emergency) tasks processed *	400	320	300	300
<i>Enterprise Technology Solutions Division</i>				
AAls processed *	3	4	3	3
DAIs prioritized	10	8	10	10
SWRs received	44	40	35	35
SWRs processed *	39	35	25	25
Break/fix (emergency) tasks processed *	783	565	200	200
<i>Quality Assurance (QA) Division</i>				
AAls processed *	3	2	3	3
DAIs prioritized	10	12	15	18
SWRs received	60	100	120	130
SWRs processed *	55	90	110	120
<i>Systems Support &amp; Operations Division</i>				
Number of new servers deployed	5	15	12	10
Number of technical assistance requests handled	400	550	450	700
Number of IT projects supported/implemented	15	22	12	5

\* Processed refers to an item that has been addressed in one of the following ways: evaluated, begun development/implementation, completed, or cancelled.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INFORMATION TECHNOLOGY TEAM

(Continued)

#### ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'08 ACTUAL</i>	<i>FY'09 ACTUAL</i>	<i>FY'10 APPROVED</i>	<i>FY'11 PROPOSED</i>
Number of SWRs serviced	25	10	20	15
Mainframe printed output – pages	250,000	525,000	750,000	900,000
Mainframe support services performed	630	1,300	1,300	1,000
Number of services consolidated	15	7	12	10
Hours dedicated for Financial Information System (FIS) support activities	572	1,700	1,664	2,000
Hours dedicated for Non-FIS applications	728	8,640	9,500	9,500
Hours for managing server patches	96	144	144	144
Number of Standard Operating Procedures (SOPs) developed	15	36	56	25
Number of servers consolidated/decommissioned	10	5	5	10
<i>Network Support Division</i>				
Number of telephone systems maintained	17	17	17	17
Number of telephone ports maintained	4,056	4,060	4,060	4,060
Number of cellular phones maintained	739	769	750	800
Number of pagers supported	296	300	300	100
Number of mobile radios maintained and operational	685	685	685	685
Number of Blackberries supported	102	155	175	200
<i>IT Customer Support Division</i>				
Number of calls handled by the Help Desk	15,142	15,534	19,000	17,000
Number of service catalog requests received	5,555	5,330	10,000	5,000
Number of service catalog requests unresolved	29	61	285	200
Number of initial calls unresolved by the Help Desk	62	30	500	100
Number of incident management requests unresolved	0	2	105	100
Number of IT emergency situations handled by the Help Desk	95	65	120	100

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**INFORMATION TECHNOLOGY TEAM**

(Continued)

**ACTIVITY INDICATORS BY ORGANIZATION**

<b>WORKLOAD DATA</b>	<b>FY'08 ACTUAL</b>	<b>FY'09 ACTUAL</b>	<b>FY'10 APPROVED</b>	<b>FY'11 PROPOSED</b>
Number of tickets for the Inventory/Asset Management section processed	600	966	700	800
<i>IT Security Division</i>				
Number of IT security incidents	50	21	20	20
Number of virus outbreaks handled	10	0	3	3
Number of spyware infections prevented	30	3	5	3
Number of vulnerabilities (patch management) investigated	20	5	6	5
Success rate for production changes implemented	90%	95%	95%	95%

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INFORMATION TECHNOLOGY TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### IT Projects and Small Work Requests

	Expenditures	Workyears
FY'09 Actual	\$7,112,295	41.0
FY'10 Approved	\$10,549,100	44.6
FY'11 Proposed	\$9,398,100	46.0

This activity encompasses all aspects of IT project delivery necessary to take a project from conception to completion and implementation as they relate to the Systems Development Lifecycle (SDLC) and Project Management Best Practices. It involves researching, planning, designing, programming, executing, maintaining, and supporting the delivered product for the Commission, including customer and third-party vendor resources. Efforts under this activity include projects to support the Commission's business units, application software development, infrastructure projects, and Small Work Requests (SWRs).

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased \$1,151,000, or approximately 11%, due primarily to the ramping down of various projects, such as the Facilities Information Tool (FIT), a reporting system for the water and wastewater plants; Commission website redesign/enhancement; and proactive system monitoring, an automated process to maximize service availability on a proactive, rather than reactive basis.

#### Information and Resource Administration

	Expenditures	Workyears
FY'09 Actual	\$935,342	2.2
FY'10 Approved	\$726,300	1.9
FY'11 Proposed	\$916,800	3.1

This activity entails all costs associated with managing the security services of information technology assets with regard to computing platforms, hardware, software, and internet/intranet services. It also includes asset management and all services in the area of client/server applications distributed to the entire organization for collaborative computing, including the management of computing standards for desktop, laptops, and other mobile devices.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$190,500, or approximately 26%, due to additional software and hardware licensing requirements and an elevated focus on risk assessment of Commission IT systems and infrastructure.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INFORMATION TECHNOLOGY TEAM

(Continued)

#### SUMMARY BY ACTIVITY

#### End-User Computing Services

	Expenditures	Workyears
FY'09 Actual	\$382,561	2.4
FY'10 Approved	\$524,300	2.5
FY'11 Proposed	\$518,700	4.7

This activity provides administration and support associated with Commission customers of IT services. This includes printing services, new workstation installation, maintenance of workstations and peripheral equipment, and all services associated with the Help Desk.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity remains virtually unchanged. However, 2 additional workyears have been added in exchange for a corresponding reduction in contractual services.

#### Technology Planning and Development

	Expenditures	Workyears
FY'09 Actual	\$474,877	3.5
FY'10 Approved	\$560,700	2.4
FY'11 Proposed	\$491,100	2.3

This activity encompasses the overall planning and development of information technology including the development and implementation of IT methodologies, processes, standards, and policies to ensure a common strategic technology vision is achieved.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity decreased \$69,600, or approximately 12%, primarily due to the ramping down of the Enterprise Architecture effort.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### INFORMATION TECHNOLOGY TEAM

(Continued)

#### SUMMARY BY ACTIVITY

##### IT Operations and Break/fix Services

	Expenditures	Workyears
FY'09 Actual	\$8,315,671	24.0
FY'10 Approved	\$7,142,200	27.6
FY'11 Proposed	\$7,493,100	26.9

This activity encompasses all day-to-day operational functions for the Commission's information systems, including break/fixes, emergency repairs, and upgrades necessary to ensure that the Commission's information systems are always accessible and performing correctly and efficiently. This includes systems and database support as it may relate to patches, security performance, issue configuration, data center operations, telecommunications network and data network infrastructure support. It also covers IT maintenance fees for annual hardware and software licensing and support services.

**FY'11 Major Recommended Changes:** The budgeted amount for this activity increased \$350,900, or approximately 5%, due primarily to mainframe hardware upgrades, telecom expense management and on-going ERP maintenance costs as a result of ERP implementation.

**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**FINANCE OFFICE NON-DEPARTMENTAL**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Finance Office Non-Departmental	-	\$243,102,019	\$243,102,019	-	-	\$268,618,800	\$268,618,800	-	-	\$266,976,200	\$266,976,200	-
<b>TOTAL</b>	-	\$243,102,019	\$243,102,019	-	-	\$268,618,800	\$268,618,800	-	-	\$266,976,200	\$266,976,200	-

**Mission Statement**

Finance Office Non-Departmental budgets for all payments associated with insurance premiums, Social Security, the WSSC Employees' Retirement Plan, Maryland State Retirement Plan, bond sale expenses, bond coupon payment and redemption expenses, and debt service.

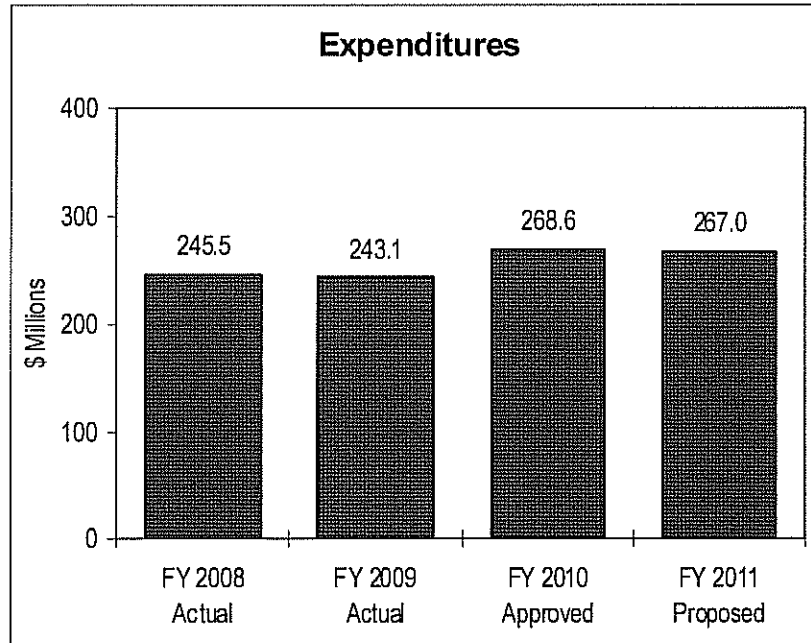
**Budget Overview**

The FY'11 Proposed Budget is \$1,642,600, or approximately 1%, less than the FY'10 Approved Budget. The reduction is primarily the result of decreased debt service expenses, partially offset by increased retirement payments and continued increased funding for the fourth year of the 8-year phase-in for Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions (GASB 45). This is necessary to fund the costs of Other Post Employment Benefits (OPEB) to a Health Care Trust.

# ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

## FINANCE OFFICE NON-DEPARTMENTAL

(Continued)



**ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES**

**HUMAN RESOURCES NON-DEPARTMENTAL**

	FISCAL YEAR 2009 ACTUAL				FISCAL YEAR 2010 APPROVED				FISCAL YEAR 2011 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Human Resources Non-Departmental	-	\$24,888,151	\$24,888,151	-	-	\$25,910,800	\$25,910,800	-	-	\$29,652,200	\$29,652,200	-
<b>TOTAL</b>	-	\$24,888,151	\$24,888,151	-	-	\$25,910,800	\$25,910,800	-	-	\$29,652,200	\$29,652,200	-

**Human Resources Non-Departmental**

Human Resources Non-Departmental budgets for payments associated with Group Life, Accidental Death & Dismemberment, Accident & Sickness, and Workers' Compensation insurance premiums; health care programs; and Maryland Unemployment Insurance.

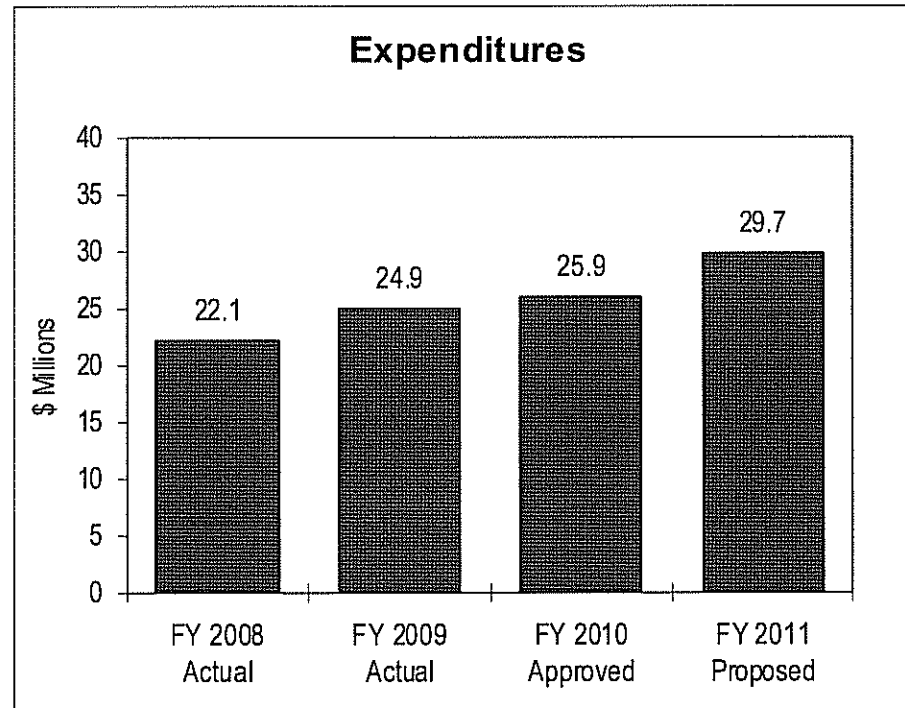
**Budget Overview**

The FY'11 Proposed Budget is \$3,741,400, or approximately 14%, more than the FY'10 Approved Budget. This increase is due to higher Workers' Compensation and health care costs.

## ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

### HUMAN RESOURCES NON-DEPARTMENTAL

(Continued)



## **APPENDICES**

## **A PROFILE OF THE WASHINGTON SUBURBAN SANITARY COMMISSION AND ITS SERVICE AREA**

The Washington Suburban Sanitary Commission (WSSC) and the Washington Suburban Sanitary District (WSSD) were created in 1918 by an Act of the Maryland General Assembly under Article 29 of the Annotated Code of Maryland. The WSSC operates as a public corporation and provides water supply and sewage disposal services for Montgomery and Prince George's Counties in Maryland. The area initially incorporated within the Sanitary District has been expanded by legislative enactments to its present boundaries and includes almost 1,000 square miles within Montgomery and Prince George's Counties. The Sanitary District now encompasses nearly all of the two counties except for the municipalities of Bowie, Rockville, and Poolesville, and rural areas in northeast Montgomery County and southeast Prince George's County.

The WSSC, which manages the Sanitary District, is a corporate body governed by six members who are required to be residents of the WSSD. Three Commissioners are appointed by the County Executive of Montgomery County, and three Commissioners are appointed by the County Executive of Prince George's County, subject to confirmation by the respective County Councils. The term of office for the Commissioners is four years, with staggered termination dates. The Chair and the Vice Chair of the Commission are elected by their fellow Commissioners and may not be from the same county. These two offices rotate annually between the two counties.

The Commission currently operates two water filtration plants, three raw water reservoirs, and seven wastewater treatment plants, in addition to sharing the use of the regional Blue Plains Wastewater Treatment Plant (WWTP) in the District of Columbia and the Mattawoman WWTP in Charles County, Maryland.

### **Water Sources and Filtration Facilities**

Two major sources—the Patuxent and Potomac Rivers—provide raw water for processing and delivery to the Commission's customers. The Patuxent system includes two raw water storage reservoirs, the Triadelphia and T. Howard Duckett reservoirs, which have a combined surface of 1,600 acres and store over 10 billion gallons. These reservoirs feed the Patuxent Water Filtration Plant (WFP) in northern Prince George's County, with a production capacity of 72 million gallons per day (MGD). The Commission owns 4,400 acres of watershed land adjoining the two reservoirs and maintains this property under strict soil conservation control. The Potomac WFP withdraws water from the natural flow of the Potomac River near Watts Branch in western Montgomery County. The effective filtration capacity of this plant is 250 MGD. An additional Potomac source, the Jennings Randolph Reservoir 200 miles upstream from the Potomac WFP intake, is operated by the U.S. Army Corps of Engineers. This reservoir has 13 billion gallons of storage for water supply and 17 billion for river quality and flow. Little Seneca Lake, on a tributary of the Potomac, provides nearly 4 billion gallons of water supply storage that is shared by the District of Columbia, the Fairfax County Water Authority, and the WSSC.

The Commission maintains a water distribution network that includes more than 5,400 miles of water mains. There are filtered water storage structures located at strategic points along this network to assist in meeting peak customer demands and fire protection requirements. These structures have a combined gross storage capacity of more than 200 million gallons.

**Wastewater Treatment Facilities**

The Commission operates seven wastewater treatment plants with a total capacity of 89.5 million gallons per day (MGD): Piscataway, Western Branch, Parkway, Seneca, Damascus, Marlboro Meadows, and Hyattstown. The majority of the sewage from the Sanitary District flows to the Blue Plains Wastewater Treatment Plant (WWTP) in Washington, D.C. Blue Plains, which is operated by the District of Columbia Water and Sewer Authority, is an advanced wastewater treatment facility with a treatment capacity of 370 MGD. The WSSC is allocated 169 MGD of Blue Plains’ capacity under a regional agreement. In return, the Commission pays a share of Blue Plains’ operating and capital expenses. The Commission has also purchased one-fifth of the capacity of the Mattawoman WWTP (developed and operated by Charles County, Maryland). Wastewater is conveyed through the Commission’s system of sewage pipelines, which includes over 5,300 miles of sewers. These conveyance systems employ 49 pumping stations.

During FY’09, the Blue Plains WWTP received 42.7 billion gallons of sewage from the Commission’s system, while the following flows were handled during the year at Commission-operated facilities: Piscataway Plant, 7.4 billion gallons; Western Branch Plant, 7.2 billion gallons; Parkway Plant, 2.1 billion gallons; Seneca Plant, 5.5 billion gallons; and other smaller plants, 0.3 billion gallons.

In recent years, as part of the efforts to improve water quality in the Chesapeake Bay, the Commission has emphasized the expansion and improvement of its wastewater treatment facilities to serve the current and future needs of the WSSC’s bi-county service area. Every plant receiving wastewater from the Commission’s system has been equipped to provide advanced treatment.

**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
2009	1,720,000	5,427	438,893	59,255	162.3	5,314	416,392
2008	1,706,000	5,403	436,600	61,572	168.2	5,285	414,386
2007	1,692,000	5,365	432,716	61,795	169.8	5,250	410,923
2006	1,678,000	5,300	427,639	62,228	170.5	5,188	406,303
2005	1,612,000	5,260	422,451	61,566	168.7	5,136	401,580

## Customer Characteristics

As of December 2009, the Commission had 434,263 active customer accounts. The vast majority of these—94.8%—are residential users, another 4.7% are commercial and industrial customers, and 0.5% involve government facilities. Three quarters (74.6%) of the Commission’s customer accounts consist of single-family residences, with townhouses, garden apartments, high-rise and other apartments, and commercial properties comprising most of the remainder.

### WSSC Active Customer Accounts (As of December 2009)

	<u>Number of Customer Accounts</u>	<u>Percentage of Accounts</u>
<b>Total Customer Accounts</b>	434,263	100.0%
<b>By Type of Customer</b>		
Residential	411,622	94.8%
Commercial and Industrial	20,521	4.7%
Government	2,120	0.5%
<b>By Type of Property</b>		
Single-Family Residence	324,052	74.6%
Townhouse	79,775	18.4%
General Commercial	20,521	4.7%
Garden Apartment	4,085	1.0%
Multi-Unit (individually metered)	3,133	0.7%
High-Rise Apartment	470	0.1%
Other	2,227	0.5%

### Key Characteristics of Montgomery County, Maryland

Form of Government:	
Executive Branch	Elected County Executive
Legislative Branch	Elected Nine-Member County Council
Incorporated Municipalities	19
Land Area (square miles)	496
Population (2008 estimate)	950,680
K-12 Public School Enrollment (as of September 30, 2008)	139,282
Payroll Employment (2008)	
Government Sector	
Federal	41,543
State	1,080
Local	37,860
Private Sector	
Goods-Producing	43,835
Service-Providing	332,608
Unclassified	<u>592</u>
TOTAL EMPLOYMENT	457,518
Resident Employment (2009)	484,452
Unemployment Rate (2009)	5.2%
Largest Private Employers (2008 - 2009)	
Lockheed Martin	IBM
Adventist Health Care	Discovery Communications
Giant Food Corporation	BAE Systems Applied Technologies
Marriott International, Inc.	Kaiser Foundation Health Plan
Holy Cross Health	Chevy Chase Bank
Major Federal Employers (2008 - 2009)	
Department of Health and Human Services	Department of Commerce
National Institutes of Health	National Oceanic & Atmospheric Administration
U.S. Food and Drug Administration	National Institute of Standards and Technology
Department of Defense	U.S. Nuclear Regulatory Commission
National Naval Medical Center	U.S. Department of Energy
National Geospatial-Intelligence Agency	
Walter Reed Army Medical Center	
Per Capita Personal Income (2007)	\$67,525
Median Household Income (2008)	\$94,200

### Key Characteristics of Prince George's County, Maryland

Form of Government:	
Executive Branch	Elected County Executive
Legislative Branch	Elected Nine-Member County Council
Incorporated Municipalities	27
Land Area (square miles)	485
Population (2008 estimate)	820,852
K-12 Public School Enrollment (as of September 30, 2008)	127,977
Payroll Employment (2008)	
Government Sector	
Federal	25,439
State	16,801
Local	43,189
Private Sector	
Goods-Producing	41,859
Service-Providing	186,105
Unclassified	3
<b>TOTAL EMPLOYMENT</b>	<b>313,396</b>
Resident Employment (2009)	412,013
Unemployment Rate (2009)	7.1%
Largest Private Employers (2008 - 2009)	
United Parcel Service	Shoppers Food Warehouse
Giant Food, Inc.	Chevy Chase Bank
Verizon	Target
Dimensions Health Care System	Southern Maryland Hospital Center
Safeway Stores, Inc.	Computer Sciences Corporation (CSC)
Major Federal Employers (2008 - 2009)	
Andrews Air Force Base	U.S. Internal Revenue Service
U.S. Census Bureau	USDA – Beltsville Agricultural Research Center
NASA/Goddard Space Flight Center	U.S. National Archives & Records Administration
Adelphi Laboratory Center	
Per Capita Personal Income (2007)	\$37,555
Median Household Income (2008)	\$70,050

## GLOSSARY

Account Maintenance Fee	A charge on customer water and sewer bills designed to recover the fixed cost of servicing a customer account independent of the amount of water used or sewage generated. The Account Maintenance Fee includes the cost of purchasing and reading meters; processing meter readings and generating, mailing, and collecting bills; and providing customer services. Prior to 1992, these costs were included in the water and sewer rate structure rather than identified and billed as a separate fee.
Accrual	The recognition of revenue or expenses at the time they are earned or incurred, regardless of when the money is received or paid out.
Accumulated Net Revenue	See Fund Balance.
Ad Valorem Tax	A property tax based “according to the value” of the property. Such taxes are levied on real and personal property according to the property’s assessed valuation and the tax rate.
Applicant	Any firm, corporation, municipality, agency, person, or persons who owns or develops property which requires water or sewer service provided by systems, facilities, or service connections within the Washington Suburban Sanitary District.
Authorized Workyears	Employee workyears that are funded in the adopted budget and may be filled during the budget year.
Balanced Budget	A financial plan showing estimated or planned revenues equaling expenses.
Biosolids	Solids produced as a byproduct of treating sewage to produce clean water; also referred to as sludge.
Blue Plains	The regional wastewater treatment plant owned and operated by the District of Columbia Water and Sewer Authority. Approximately 67% of the wastewater from the Washington Suburban Sanitary District is treated at Blue Plains. The WSSC shares in the operating and capital costs of Blue Plains in accordance with the terms of a regional agreement signed by the Maryland and Virginia suburbs and the District of Columbia.
Bond	A written promise to pay a sum of money on a specific date at a specified interest rate.

**GLOSSARY**  
(Continued)

Break/fix	Refers to any interruption to or failure of service that requires immediate attention. In a break/fix situation, the functionality of any automated system, whether hardware or software related, has been altered and must be repaired such that the service is restored.
Capital Budget	The annual request for capital funding for the first year of the Capital Improvements Program including those projects in the Information Only Section (Water Reconstruction Program, Sewer Reconstruction Program, Engineering Support Program, Energy Performance Program, Utility Master Plan, Water Storage Facility Rehabilitation Program, Pressure Reducing Valve Rehabilitation Program, and Entrepreneurial Projects), new house connection construction, relocations and major systems contracts, water meter purchases, other engineering contracts, and for the associated administrative and support costs.
Capital Expenditures	An amount spent for the planned purchase of long-term assets (such as filtration/treatment plants and pump stations, storage, joint-use facilities, and equipment upgrades).
Capital Improvements Program	(Also referred to as CIP) The comprehensive presentation of capital project expenditure estimates, funding requirements, capital budget requests, and program data for the construction of all major water and sewerage projects planned by the WSSC over a six-year period.
Capital Project	A WSSC effort involving expenditures and funding for the creation, expansion, renovation, or replacement of major facilities and other assets having relatively long life. Expenditures within capital projects may include costs of planning, design, land, construction, and contract supervision.
Capitalized Interest	Interest paid from proceeds of bond sales rather than from other operating revenues.
Consumer Price Index	(Also referred to as CPI) A commonly accepted indicator of inflation as it applies to consumer goods, including the supplies, materials, and services required by the WSSC.
Cost-of-Living Adjustment	(Also referred to as COLA) A general increase in salaries and wages to wholly or partially offset the adverse effect of inflation on employee compensation.

## GLOSSARY

(Continued)

Cryptosporidium	A microbial contaminant of raw water that can potentially cause chronic or fatal intestinal disorders. In 1993, cryptosporidium was identified as the primary source of an outbreak of water-borne disease in Milwaukee that caused more than 400,000 illnesses and over 100 deaths.
Debt Service	The annual payment of principal and interest on bonded indebtedness.
Debt Service Reimbursement	The annual payment from Prince George's County to reimburse the Commission for the debt service on WSSC storm drainage bonds (for Prince George's County facilities) issued prior to July 1, 1987. (Prince George's County assumed responsibility for this program—and for paying the debt service on any outstanding storm drainage bonds—as of July 1, 1987.)
Development Services Process	(Also referred to as DSP) The process by which the WSSC reviews proposed projects that are being undertaken wholly to support future growth. Service to properties reviewed under the Development Services Process almost always requires the extension of small-diameter subdivision lines, and may involve program-sized pipe, which must be included in the CIP.
Energy Performance Program	(Also referred to as EPP) The program provides for the engineering audit, design and construction necessary to replace and upgrade energy consuming equipment and systems at all major Commission facilities. The program stipulates a reduction in energy usage and costs greater than, or equal to, the annual capital costs to be incurred.
Engineering Support Program	(Also referred to as ESP) The consolidation of a diverse group of projects whose unified purpose is to support the extensive water and sewer infrastructure and numerous support facilities that are owned, operated, and maintained by the WSSC. The ESP does not include major projects included in the CIP or projects authorized by the Commission to serve new development.
Enterprise Asset Management (EAM) System	An automated system designed to provide the capability to manage the Commission's resources, including the purchase, tracking, valuation, and allocation of Commission assets, to meet the desired level of reliability at the lowest possible cost.

**GLOSSARY**  
(Continued)

Enterprise Resource Planning (ERP) System	An automated system that integrates all data and processes of an organization into a unified system. A typical ERP system will use multiple components of computer software and hardware to achieve the integration. A key ingredient of most ERP systems is the use of a unified database to store data for the various system modules. The main benefits of implementing an ERP system are a single base of consistent information, tighter financial controls, ability to automate business processes, consolidation of redundant systems, improved system reliability, and improved long-term asset management.
Expenditure/Expense	Payment for an asset obtained or goods and services received.
Fats, Oils, and Grease Program	(Also referred to as FOG) A federally mandated program that advises customers on how to properly manage fats, oils, and grease (FOG); monitors and controls the discharge of FOG from commercial food service establishments; investigates sanitary sewer blockages and overflows caused by FOG discharges; and initiates enforcement action to ensure appropriate corrective measures are taken.
Fee	A charge for service to the user or beneficiary of the service. According to state law, charges must be related to the cost of providing the service.
Fiscal Policy	The WSSC's policies with respect to revenues, spending, and debt management as these relate to WSSC services, programs, and capital investments. Fiscal policy provides a set of principles for the planning and programming of budgets, uses of revenues, and financial management.
Fiscal Year	The 12-month period to which the annual operating and capital budgets and their expenditure authorizations apply. The WSSC's fiscal year starts on July 1 and ends on June 30.
Fixture Unit	(Drainage fixture unit or water supply fixture unit) A measurement of the probable discharge into the drainage system (sewer) or the probable hydraulic demand on the water supply (water) by various types of plumbing fixtures (bathtubs, lavatories, water closets, drinking fountains, etc.). For example, a drinking fountain corresponds to 0.5 drainage fixture units, while a conventional bathtub corresponds to 2.0 drainage fixture units.

**GLOSSARY**  
(Continued)

Force Main	The discharge pipe from a wastewater pumping station through which flow is lifted under pressure to a higher elevation. A pipe of this type is used to overcome changes in topography by conveying flow over a ridge or other high point to a nearby, existing sewer line. This avoids the need to construct a longer conventional gravity line in another direction.
Fringe Benefits	Contributions made by the WSSC to help underwrite the Commission's share of the costs for Social Security and various pension, health, and life insurance plans provided to employees. Fringe benefits are centrally budgeted in non-departmental accounts.
Front Foot Benefit	(Also referred to as FFB) A charge assessed owners of property abutting WSSC water mains and/or sewers who derive a benefit from the construction of these water mains and sewers. Revenue from front foot benefit charges is used to pay debt service on General Construction Bonds.
Fund	A set of interrelated accounts to record revenues and expenditures associated with implementing specific activities or achieving certain objectives in accordance with special regulations, restrictions, or limitations, and constituting an independent fiscal and accounting entity.
Fund Balance	The amount by which resources exceed the obligations of the fund. The beginning fund balance represents the residual funds brought forward from the previous year (ending fund balance). Fund balance is also referred to as Accumulated Net Revenue in this document.
General Bond Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with carrying out the activities of designing and constructing the Commission's minor water supply and wastewater collection and disposal systems (water mains less than 16 inches in diameter and sewer mains less than 15 inches in diameter), and all administrative and support facilities. Water meters are also purchased from this fund.
Geographic Information System	(Also referred to as GIS) A geographic information system integrates hardware, software, and data for capturing, storing, managing, analyzing, and displaying all forms of geographically referenced

**GLOSSARY**  
(Continued)

information. The technology can be used for scientific investigation, resource management, or development planning.

Goal	A long-term, attainable target for an organization – its vision of the future.
Governmental Accounting Standards Board (GASB) Statement No. 45	A pronouncement that addresses how state and local governments should account for and report their costs and obligations related to post-employment benefits other than pensions. The statement generally requires that state and local governmental employers account for and report the annual cost of other post-employment benefits (OPEB) and the outstanding obligations and commitments related to OPEB in essentially the same manner as is done for pensions, rather than on a “pay-as-you-go” basis.
House Connection Charge	A fee set annually by the WSSC to cover the cost of the installation of small diameter pipe between water and sewer mains and the owner’s property line. House connections feed water to a dwelling, place of business, or other structure and convey domestic sewage into the main line sewer for transportation to a wastewater treatment facility.
Infiltration	Groundwater that flows into sewer lines due to defective pipes or manholes.
Inflow	Surface stormwater from rainfall that flows into sewer lines due to defective pipes or manholes.
Interest and Sinking Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with paying the debt service on bonds issued to finance the Commission’s general construction and administrative and support facility construction program; paying the debt service on WSSC bonds issued in past years in support of the Prince George’s County stormwater management program; and administering the Commission’s front foot benefit assessment activities.
Level of Service	The existing or current services, programs, and facilities provided by the WSSC to its customers. The level of service may increase, decrease, or remain the same, depending upon needs, alternatives, and available resources.

## GLOSSARY

(Continued)

Memorandum of Understanding	(Also referred to as MOU) An agreement issued to cover design and construction of any water and sewerage system or facilities within the Sanitary District that will be constructed and financed by others.
Merit Increase	An increment in an employee's pay within the salary range for a given class of work to recognize the completion of a period of satisfactory service. Merit increase percentages are applied based upon the overall performance review for the employee.
Mission	The desirable purpose of any activity. Missions are generally broad and long-range in nature compared to objectives, which are more specific and immediate. An example of a mission is "... to provide safe and reliable water, life's most precious resource, and return clean water to our environment, all in an ethically and financially responsible manner."
Nephelometric Turbidity Units	(Also referred to as NTU) A measure of the clarity of water. Maintaining very low levels of filtered water turbidity is recognized as a means of effectively guarding against cryptosporidium.
Non-Departmental	Expenditure items essential to the operation of the WSSC which either do not fall within the functional assignment of any office or which provide for expenditures related to more than one office. Examples include fringe benefits and insurance.
National Pollutant Discharge Elimination System	(Also referred to as NPDES) The National Pollutant Discharge Elimination System is a permit program controlling water pollution by regulating point sources that discharge pollutants into waters of the United States. Point sources are discrete conveyances such as pipes or man-made ditches. (Individual homes that are connected to a municipal system, use a septic system, or do not have a surface discharge do not need a NPDES permit; however, industrial, municipal, and other facilities must obtain permits if their discharges go directly to surface waters.)
Objective	A specific measurable and observable result of an organization's activity which advances the organization toward its goal.

**GLOSSARY**  
(Continued)

Operating Budget	A comprehensive financial plan by which the WSSC's operating programs are funded for a single fiscal year.
Other Post-Employment Benefits	(Also referred to as OPEB) Employees in the public sector may be compensated in a variety of forms in exchange for their services. In addition to salary, employees may earn benefits over their years of service that will not be received until their service has been severed due to retirement or other reasons. The most common type of post-employment benefit is a pension. Other post-employment benefits generally take the form of health insurance, dental, prescription drug, or other health care benefits. It may also include life insurance, legal services, or other benefits.
Outcome Measure	A measure of the degree to which an objective has been achieved. For the WSSC, this usually corresponds to the impact of a service on an organization's key responsibilities, especially the effect on citizens, customers, or other users of the service.
Pay-As-You-GO Financing	(Also referred to as PAYGO) The funding of capital expenditures with cash instead of debt.
Products and Technology	A budget category to account for the revenues and expenses associated with the sale, lease, or licensing of certain WSSC-developed products and technology. State law requires these revenues and expenses to be itemized in the annual budget.
Public Hearing	Opportunities for customers and the citizenry in general to voice opinions and concerns to appointed or elected officials. Section 1-204, Article 29, WSSC Laws, Annotated Code of Maryland, requires that the Commission publish a budget before January 15, make it available to the public upon request, and hold a public hearing on the budget not less than 21 days after the budget is released for comment, but before February 15. Notice of the WSSC's public hearings is sent to all customers. In addition, public hearing specifics (date, time, location, contact information, and procedures for testifying) are advertised in local and regional newspapers.

## GLOSSARY

(Continued)

Rate Stabilization	The implementation of a customer bill increase greater than the amount needed to support planned operating expenses in order to avoid a large future bill increase. The excess funds collected are used to fund capital projects with cash to avoid the issuance of additional debt.
Reconstruction Debt Service Offset	(Also referred to as REDO) The use of surplus funds from the Interest and Sinking Fund to offset a portion of the debt service cost of the Systems Reconstruction Program. REDO was established in FY'83 to use the surplus that had accumulated in the General Bond Debt Service account to benefit all WSSC ratepayers on a long-term basis.
Regional Sewage Disposal	The WSSC's share of the maintenance and operating costs of the District of Columbia Water and Sewer Authority's Blue Plains Wastewater Treatment Plant.
Remote Terminal Unit	(Also referred to as RTU) An electronic device that is located at a remote facility and collects status data from the facility's equipment (e.g., if a pump is running or is off, a level in a tank, etc.). The RTU sends the data to a central computer system via a wired or wireless network. Both the RTU and the central computer system are part of the SCADA system.
Salaries and Wages	A budget expenditure category for monetary compensation in the form of annual or hourly pay for work performed.
Salary Lapse	The reduction of gross salary and wage costs attributable to turnover, vacancies, and normal delays in filling positions. The amount of lapse differs among organizational units, and from year to year.
Sanitary Sewer Overflow Consent Decree	A court-enforced legal document that was negotiated between the WSSC, the Maryland Department of the Environment, the United States Environmental Protection Agency, the United States Department of Justice, and a number of Citizen Groups that requires the WSSC to take certain actions in order to improve the performance of the wastewater collection system and reduce the number of sanitary sewer overflows.

## GLOSSARY

(Continued)

SDC Debt Service Offset	The use of a portion of System Development Charge (SDC) revenue to pay the debt service on bonds issued to pay for growth-related CIP projects. FY'94 was the first year that the SDC was in effect.
Sewage Disposal Bond Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with carrying out the activities of designing and constructing the Commission's major wastewater collection, storage, and disposal facilities, including all sewer mains 15 inches and larger, wastewater treatment plants, force mains, and wastewater pumping stations.
Sewer Operating Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with carrying out the activities of operating and maintaining the Commission's wastewater collection and disposal system.
Sewer System Evaluation Survey	(Also referred to as SSES) The Sewer System Evaluation Survey is an analytical evaluation of a sanitary sewer system to detect sewer pipe defects, blockages, and capacity problems through the use of techniques such as manhole inspections, trunk sewer inspections, smoke tests, dye tests, closed circuit television (CCTV), flow monitoring, rain monitoring, building service connection location/inspection, and night flow isolations. The SSES is performed to determine the specific location of problems, estimate dry and wet weather flow rates, possible methods of rehabilitation, and the cost of rehabilitation/replacement.
Significant Industrial User	(Also referred to as SIU) Defined by the Environmental Protection Agency as: (1) All industrial users subject to Categorical Pretreatment Standards under 40 CFR 403.6 and 40 CFR chapter I, subchapter N; (2) Any other industrial user that: discharges an average 25,000 gallons per day or more of process wastewater; contributes a process waste stream which makes up 5 percent or more of the average dry weather hydraulic or organic capacity of the treatment plant; or (3) Is designated as a SIU by the WSSC on the basis that the industrial user has a reasonable potential for adversely affecting the operation of the WSSC's wastewater treatment plants.

## GLOSSARY

(Continued)

Spending Affordability	An approach to budgeting that assigns expenditure ceilings for the forthcoming year prior to the development of detailed budget estimates. Limits on new water and sewer debt, total water and sewer debt service, total water and sewer operating expenses, and the amount of the water and sewer bill increase are established each year by the Montgomery and Prince George's County Councils prior to the WSSC's budget preparation. This process started with the FY'96 budget.
System Development Charge	(Also referred to as SDC) A charge levied on new development to pay for the construction of major water and sewerage facilities needed to accommodate growth.
System Extension Permit	(Also referred to as SEP) A WSSC-issued permit for extensions to the WSSC's system. This permit replaces the MOU for systems projects, and is required for the Applicant to build water and sewer systems that the WSSC will, upon satisfactory completion, take over for maintenance and operations.
Total Project Delivery Cost	(Also referred to as TPDC) The cost for design and construction of a project, including staff time and contract costs.
Trihalomethanes	A group of potentially cancer-causing substances that can be present as low-level contaminants in finished water. Trihalomethanes can be produced as disinfection byproducts when the chlorine used to treat the raw water reacts with certain normally occurring organic contaminants present in the raw water.
Washington Suburban Sanitary District	(Also referred to as WSSD) The area served by the Washington Suburban Sanitary Commission, as specified by state law. The District includes nearly all of Prince George's and Montgomery Counties, with the exception of the municipalities of Bowie, Rockville, and Poolesville, and rural areas in northeastern Montgomery County and southeastern Prince George's County.
Water Operating Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with carrying out the activities of operating and maintaining the Commission's water supply and distribution system.

**GLOSSARY**  
(Continued)

Water Supply Bond Fund

An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with carrying out the activities of designing and constructing the Commission's major water supply and distribution facilities, including all water mains 16 inches and larger, water filtration plants, water pumping stations, and water storage facilities.

Workyear

A standardized unit for measurement of personnel effort and costs. A workyear is the equivalent of 2,080 work hours or 260 work days.

## ACRONYMS

AAI	Annual Action Item	FFB	Front Foot Benefit
ADC	Average Daily Consumption	FIS	Financial Information System
A/E	Architecture/Engineering	FLSA	Fair Labor Standards Act
AWWA	American Water Works Association	FM	Fire Meter
BG	Billion Gallons	FMLA	Family and Medical Leave Act
BOA	Basic Ordering Agreement	FOG	Fats, Oils, and Grease
BOD	Biological Oxygen Demand	FY	Fiscal Year
CADD	Computer Aided Design and Drafting	GAAP	Generally Accepted Accounting Principles
CCTV	Closed Circuit Television	GASB	Governmental Accounting Standards Board
CIP	Capital Improvements Program	GFOA	Government Finance Officers Association
COLA	Cost-of-Living Adjustment	GIS	Geographic Information System
CPI	Consumer Price Index	GPD	Gallons per Day
CRM	Customer Relations Management	GPS	Global Positioning System
CSIS	Customer Service Information System	H/C	House Connection
CY	Calendar Year	HVAC	Heating, Ventilating, and Air-Conditioning
DAI	Departmental Action Item	IDCP	Industrial Discharge Control Program
DCWASA	District of Columbia Water and Sewer Authority	IFB	Invitation for Bid
DOD	Department of Defense	I/I	Infiltration and Inflow
DOT	Department of Transportation	ISD	In-Service Date
DSP	Development Services Process	IT	Information Technology
EAM	Enterprise Asset Management	IVRS	Interactive Voice Response System
EEO	Equal Employment Opportunity	LBA	Line Blockage Analysis
EPA	Environmental Protection Agency	MBE	Minority Business Enterprise
EPP	Energy Performance Program	MCL	Maximum Contaminant Level
ERP	Enterprise Resource Planning	MG	Million Gallons
ESP	Engineering Support Program	MGD	Million Gallons per Day

## ACRONYMS

(Continued)

MMIS	Maintenance Management Information System	SDC	System Development Charge
M-NCP&PC	Maryland-National Capital Park & Planning Commission	SDWA	Safe Drinking Water Act
MOU	Memorandum of Understanding	SEOC	Systems Expansion Offset Charge
MWQ	Maryland Water Quality	SEP	System Extension Permit
NPDES	National Pollutant Discharge Elimination System	SIU	Significant Industrial User
NTP	Notice to Proceed	SLBE	Small, Local Business Enterprise
NTU	Nephelometric Turbidity Units	SLMBE	Small, Local and Minority Business Enterprise
OPEB	Other Post-Employment Benefits	SQL	Structured Query Language
OSHA	Occupational Safety & Health Administration	SSES	Sewer System Evaluation Survey
P/TOP	Promotion/Transfer Opportunity Program	SSO	Sanitary Sewer Overflow
PAYGO	“Pay-As-You-GO” Financing	SWR	Small Work Requests
PCCP	Prestressed Concrete Cylinder Pipe	THM	Trihalomethanes
PMO	Project Management Office	TPDC	Total Project Delivery Cost
PPIS	Permits Processing Information System	WASA	See DCWASA
PRV	Pressure Reducing Valve	WEF	Water Environment Federation
PVC	Polyvinyl Chloride	WFP	Water Filtration Plant
QA	Quality Assurance	WPS	Water Pumping Station
REDO	Reconstruction Debt Service Offset	WSSC	Washington Suburban Sanitary Commission
RFP	Request for Proposal	WSSD	Washington Suburban Sanitary District
RTA	Request to Advertise	WWOA	Water and Waste Operators Association
RTU	Remote Terminal Unit	WWPS	Wastewater Pumping Station
SCADA	Supervisory Control and Data Acquisition	WWTP	Wastewater Treatment Plant