



WASHINGTON SUBURBAN SANITARY COMMISSION

APPROVED BUDGET

FY 2022

July 1, 2021 – June 30, 2022



FISCAL YEAR 2022 APPROVED BUDGET

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

Carla A. Reid, General Manager/CEO

ATTEST: Julianne Montes De Oca, Corporate Secretary

GOVERNMENT FINANCE OFFICERS ASSOCIATION



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Washington Suburban Sanitary Commission

Maryland

For the Fiscal Year Beginning

July 1, 2020

Christopher P. Morill

Executive Director

The Government Finance Officers Association (GFOA) of the United States and Canada presented an award of Distinguished Budget Presentation to WSSC Water for its annual budget for the fiscal year beginning July 1, 2020. This is the 26th consecutive year that WSSC Water has received this award.



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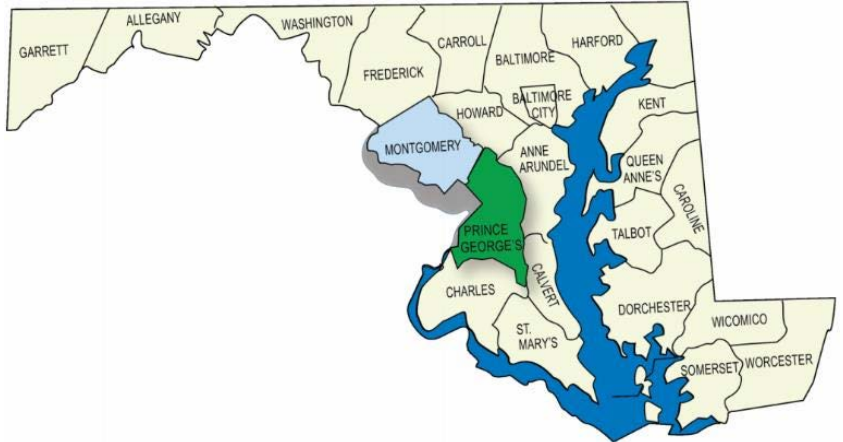
SECTION I
WSSC WATER OVERVIEW

WSSC WATER OVERVIEW

WSSC Water provides water and sewer services to approximately 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) agency under Article 29, it was later re-codified into Division II of the Public Utilities Article of the Annotated Code of Maryland. The agency ranks among the largest water and sewer utilities in the country, encompassing a service area of nearly 1,400 square miles.

GENERAL INFORMATION

To fulfill its primary mission of providing safe and reliable water and returning clean water to the environment, WSSC Water operates and maintains an extensive array of highly automated facilities. The agency's two water filtration plants (WFPs), drawing raw water from the Potomac and Patuxent rivers, are projected to produce an average of 163 million gallons of water per day in Fiscal Year (FY) 2022 and deliver that water to homes and businesses in Montgomery and Prince George's Counties, serving over 475,000 customer accounts through a system of 6,000 miles of water mains. To ensure a reliable water supply for all seasons and conditions, WSSC Water operates three reservoirs with a total capacity exceeding 14 billion gallons.



How long is 11,700 miles of water and sewer pipeline



Sewage treatment is provided by six water resource recovery facilities (WRRFs) operated by the agency, and the Blue Plains Advanced Wastewater Treatment Plant (Blue Plains) operated by DC Water. In FY 2022, it is projected that an average of 192 million gallons of wastewater per day from Montgomery and Prince George's Counties will move to these facilities through over 5,700 miles of sewer lines maintained by WSSC Water. The six WRRFs owned by the agency have a combined capacity of 95 million gallons per day (MGD). Blue Plains is a regional facility that serves the District of Columbia and several northern Virginia jurisdictions, as well as WSSC Water. Under the Inter-Municipal Agreement that

governs the agency's arrangement with DC Water, WSSC Water is allocated 169 MGD of Blue Plains' 370 MGD capacity. The agency, in turn, pays a proportionate share of Blue Plains' operating and capital expenses. All but one of these facilities (the Hyattstown plant) go beyond conventional wastewater treatment 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.

The agency also reviews preliminary subdivision plats as to suitability of water and sewer design; reviews street grades where there are agency facilities; formulates regulations, issues permits and inspects all plumbing and gas-fitting installations; and conducts examinations for master and journeyman plumbers and gas-fitters and issues licenses to those qualified to perform plumbing and gas-fitting work.



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 ethical, sustainable and financially responsible manner.



Our Vision

To be THE world-class water utility, where excellent products and services are always on tap.

Our Values



Accountability

We are responsible employees who act ethically, are accountable and conduct ourselves with integrity and transparency.



Collaboration

We work as a team across the agency to fulfill the needs of our customers.



Environmental Stewardship

We continuously enhance and protect natural resources and the environment for the health of future generations.



Excellence

We achieve the highest level of quality, safety, productivity and cost-effectiveness, demonstrating world-class service to everyone.



Innovation

We promote creativity to develop new products, streamline processes and enhance services.



Our Strategic Priorities



Enhance Customer Experience

- Deliver safe, reliable and consistent service
- Provide timely response to customer queries
- Be a good citizen within our communities



Spend Customer Dollars Wisely

- Improve operating efficiency
- Improve fixed asset utilization
- Improve financial process efficiency and fiscal sustainability



Optimize Infrastructure

- Achieve industry-leading reliability and asset integrity
- Expand resilience and balance risk



Protect Our Resources

- Resolve and learn from past incidents
- Maintain best-in-class operating environment safety for employees
- Plan proactively with community stakeholders
- Secure the agency's critical infrastructure



Transform Employee Engagement

- Acquire the best people
- Retain top performers
- Develop and grow talent
- Communicate effectively

Journey to World Class

WSSC Water's Strategic Roadmap

The men and women of WSSC Water work 24/7/365 to fulfill our clean water mission. Throughout FY 2022, we will work with our customers, neighbors, stakeholders and each other to deliver these essential key strategic initiatives:



Enhance Customer Experience

- Deliver the essential: Produce an average of 163 MGD of safe, clean reliable drinking water and safely process an average of 192 MGD of wastewater each day for our 1.8 million residents (approx. 475,000 customer accounts)
- Initiate Advanced Metering Infrastructure (AMI) so customers can better track their water usage, which can significantly reduce their bills and save them money*
- Enhance and expand customer affordability programs
- Stabilize Customer-to-Meter (C2M) billing system



Spend Customer Dollars Wisely

- Continue efforts to control costs and save money through strategic sourcing, reducing overtime, freezing positions, limiting growth in the cost of group insurance plans, conserving energy and focusing on employee safety to reduce lost work days
- Improve contract lifecycle management to ensure deliverables are provided on-time, on-budget and within scope
- Maintain AAA bond rating through strong financial policies and planning



Optimize Infrastructure

- Implement the first year of the Fiscal Years 2022-2027 Capital Improvements Program (CIP)
- Rehabilitate and repair wastewater collection system in southern Prince George's County to reduce infiltration and inflow
- Ensure resiliency of WSSC Water's water supply and delivery
- Continue to invest in innovative technology, processes and ideas
- Invest in maintenance programs to improve the condition of buildings, systems and grounds



Protect Our Resources

- Assess and adapt to the impacts of climate change on WSSC Water infrastructure and continue to invest in projects that reduce greenhouse gas emissions
- Comply with the Sanitary Sewer Overflow (SSO) and Potomac WFP consent decrees
- Develop a biosolids and water treatment residuals master plan
- Conduct analysis to determine resource needs to support core mission
- Develop a digital strategy to create value-added improvements for WSSC Water and its customers, while ensuring confidentiality and integrity



Transform Employee Engagement

- Infuse innovation and creativity throughout the workforce to address the new normal
- Consolidate and enhance employee training, learning and development
- Drive employee culture change through research, data-driven decision-making and program management
- Update employee onboarding process and new employee orientation

**Note: Due to the ongoing COVID-19 pandemic and corresponding economic uncertainty, WSSC Water Commissioners voted on November 18, 2020 to indefinitely defer all activities related to the AMI project. WSSC Water will continue to closely monitor the economic conditions in both Counties and revisit the project at the appropriate time.*

WSSC WATER GOVERNANCE

A six-member Commission governs WSSC Water - three members from each County. The Commissioners are appointed to four-year terms by their respective County Executives and confirmed by their County Councils. The agency's powers and responsibilities are set forth in Division II of the Public Utilities Article of the Annotated Code of Maryland and in any subsequent legislative amendments. The Maryland General Assembly conferred these powers upon WSSC Water 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 agency's mains to abutting property lines
- To approve the locations of, and issue permits for, utilities installed in public ways
- 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



Prince George's County Commissioners



Keith E. Bell
Chair



Chris Lawson
Commissioner



Sandra L. Thompson
Commissioner



Montgomery County Commissioners



Howard A. Denis
Vice Chair

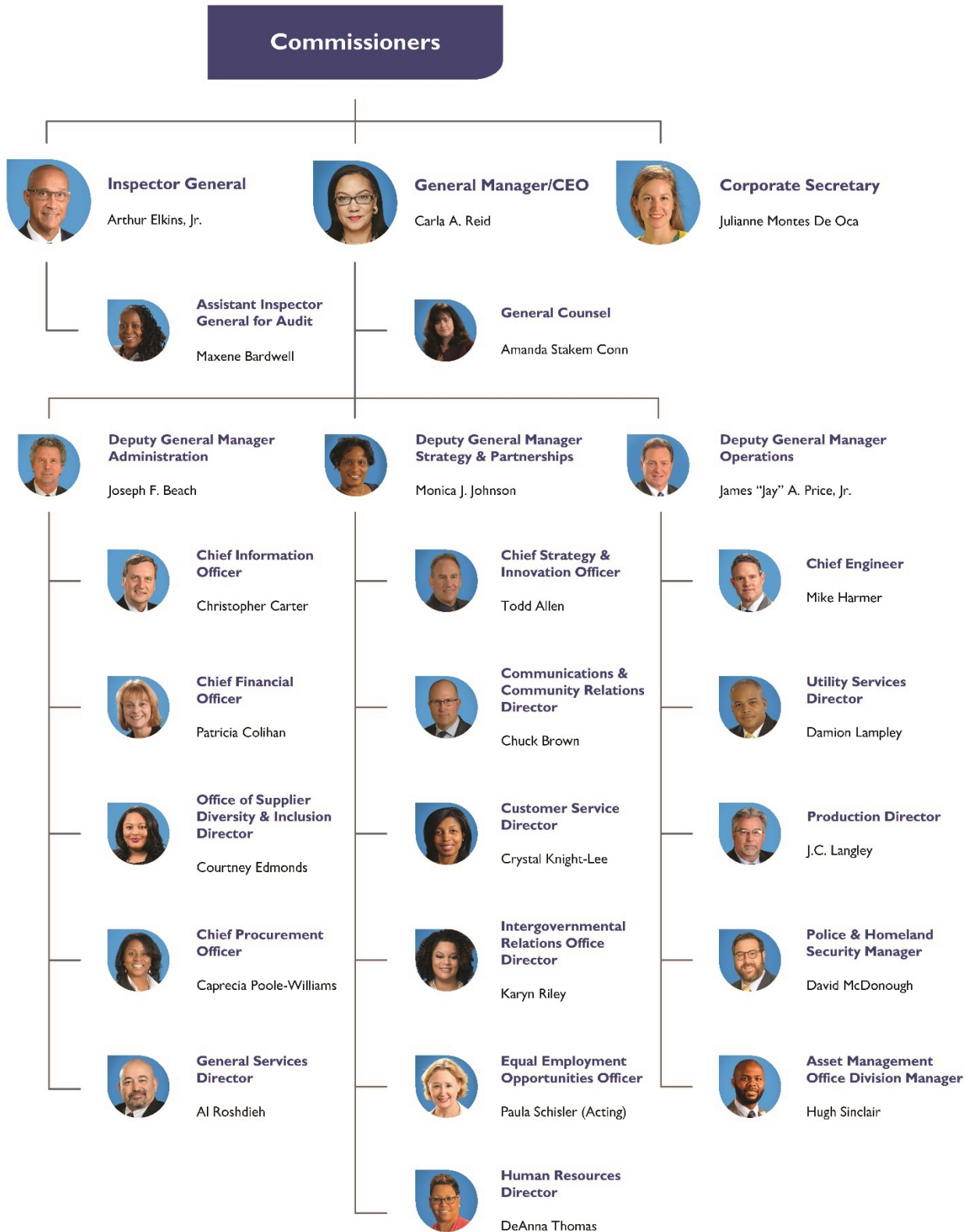


Fausto R. Bayonet
Commissioner



T. Eloise Foster
Commissioner

OUR LEADERSHIP AND ORGANIZATION





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

GENERAL MANAGER
Carla A. Reid

July 1, 2021

To the Honorable:

County Executives of Prince George's and Montgomery Counties

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

Elected Officials, Valued Customers, and Interested Citizens:

We are pleased to present the WSSC Water's Approved Budget for Fiscal Year (FY) 2022, which begins on July 1, 2021. The budgeted was adopted by the Commission on June 16, 2021. This \$1.556 billion, including \$852.1 million for operating expenses and \$703.7 million for capital expenses.

As expected, the Covid-19 pandemic resulted in significant FY 2021 revenue losses for WSSC Water as we remained committed to providing essential water and sewer services to our customers regardless of their ability to pay. We experienced a reduction in revenue of over \$64 million primarily due to a decline in nonresidential customer usage and a 72% increase in past due water and sewer bills as a result of the economic impact on our customers. While we received no federal assistance to offset the revenue decline, we successfully executed our \$72 million savings plan which kept WSSC Water financially sound. Our revenues are still falling short of expectations as we progress into FY 2022 requiring us to closely monitor this trend and possibly initiate another savings plan. It's extremely important to note that these savings plans could potentially impact services as continued reductions are not sustainable. The Customer Assistance Program, the Water Fund and payment plans are available to help qualified financially struggling customers by providing assistance with water and sewer bills.

Approved Budget reflects our mission to provide safe and reliable water, life's most precious resource, and return clean water to the environment, all in an ethical, sustainable, and financially responsible manner. The programs, goals, and objectives included in this budget seek to achieve WSSC Water's mission through the following strategic priorities:

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

The Approved Budget includes a 5.9% percent volumetric rate increase to help us continue achieving critical objectives. Specifically, the budget provides for:

- Implementing the first year of the FYs 2022-2027 Capital Improvement Program (CIP);
- Paying WSSC Water's share of operating (\$59 million in FY 2022) and capital costs (\$55 million in FY 2022; \$392 million in FYs 2022-2027) for the District of Columbia Water and Sewer Authority's (DC Water) Blue Plains Wastewater Treatment Plant;
- Paying debt service of \$316.8 million - of which \$309.0 million is in the Water and Sewer Operating Funds;
- Holistically rehabilitating the Piscataway basin to reduce infiltration and inflow;
- Funding additional operating costs at the Piscataway Water Resource Recovery Facility (WRRF) due to increased flows;
- Funding maintenance and repairs at critical facilities;
- Replacing 31 miles of small diameter and 6.5 miles of large diameter water mains
- Rehabilitating 31 miles of small diameter sewer mains and lateral lines and 14.4 miles of large diameter sewer mains;
- Funding \$71.1 million for large diameter pipe rehabilitation. This includes \$35.3 million for PCCP inspection, repair, and acoustic fiber optic monitoring of the pipes' condition; \$32.4 million for large diameter repairs and cathodic protection; \$3.4 million for large valve inspections, replacement, and repairs;
- Complying with the SSO and the Potomac WFP Consent Orders;
- Operating and maintaining a system of three reservoirs impounding 14 billion gallons of water, two water filtration plants, six WRRF's, 6,000 miles of water main, and over 5,700 miles of sewer main 24 hours a day, seven days a week; and
- Limiting compensation enhancements considering the very challenging fiscal environment.

Comparative Expenses by Fund

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

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

In addition to reviewing expenses and revenues for water and sewer services, we have analyzed the cost and current fee levels for other WSSC Water services. Based upon these analyses, some new fees and adjustments to current fees have been approved. A listing of all fees and changes are included in Section 2.

The Approved FY 2022 Budget ensures that the WSSC Water will be able to maintain its commitment to provide safe drinking water, to ensure reliable service, and to safeguard the environment - all in a financially responsible manner. WSSC Water is proud to continue its tradition of innovation and excellence in serving the citizens of Prince George's and Montgomery Counties, a tradition that has been a hallmark of the agency for over 102 years.

Comparative Expenses by Major Expense Category

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

SECTION 2
APPROVED RATES, FEES AND CHARGES

APPROVED RATES, FEES AND CHARGES

Presented in this section are the Fiscal Year (FY) 2022 approved variable and fixed rates, as well as fees and charges that will be effective July 1, 2021. The majority of WSSC Water’s revenue is derived from user charges for high-quality water and sewer services provided to customers. WSSC Water assessed these rates through an in-depth process ensuring revenue stability, cost recovery, conservation management and affordability.

COMBINED WATER AND SEWER OPERATING FUNDS - APPROVED RATE IMPACT

5.9% Average Water and Sewer Rate Increase

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

The FY 2022 Approved Budget calls for a combined 5.9% average increase in water consumption and sewer use revenue. This approved increase meets the 5.9% Spending Affordability Guidelines (SAG) limit recommended by both Prince George’s and Montgomery Counties. Even with this increase, WSSC Water rates remain favorable when compared to many other comparable water and sewer utilities as shown on page 2-4.

WATER AND SEWER RATE SCHEDULES

Approved Rate Schedule Effective July 1, 2021

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

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

QUARTERLY CUSTOMER BILLS AT VARIOUS CONSUMPTION LEVELS

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

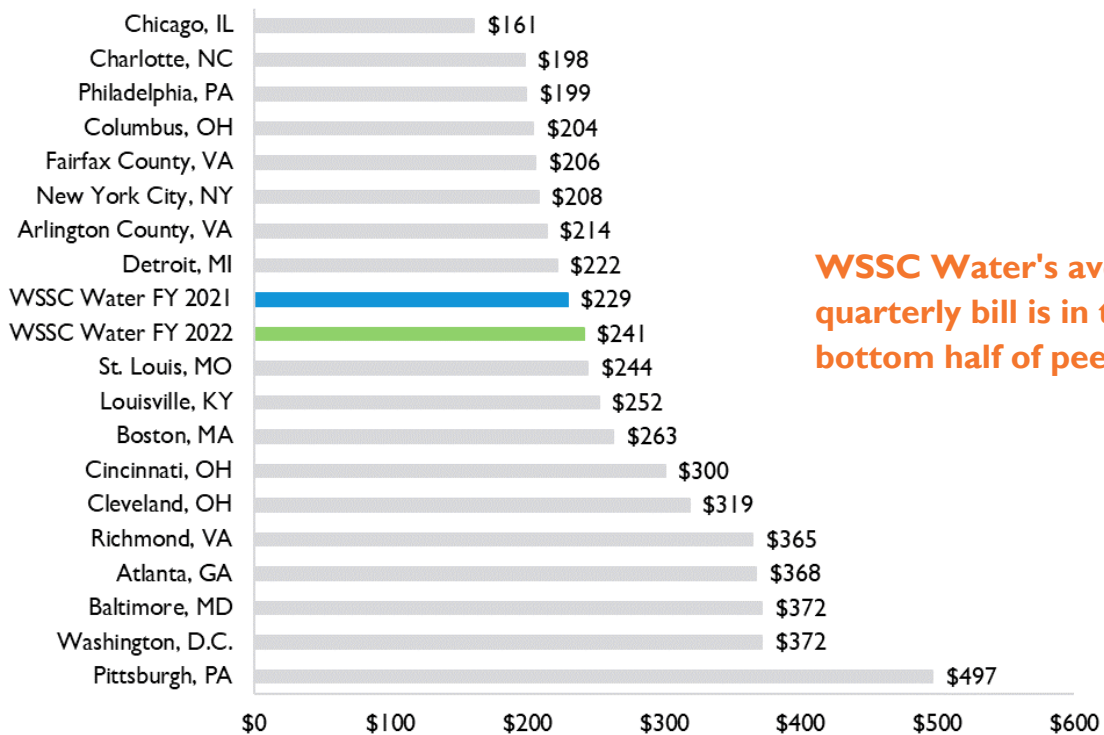
Amounts include the Account Maintenance Fees and Infrastructure Investment Fees shown on pages 2-7 and 2-8.

WATER AND SEWER BILL COMPARISONS

Quarterly Bill Comparison

Presented below is a comparison of WSSC Water’s average quarterly residential bill for water and sewer services at 165 gallons per day to the equivalent bill from 18 other cities and communities, both locally and nationally. The consumption level of 165 gallons per day represents the average household in WSSC Water’s service area, a 3-person household using 55 gallons of water per person per day. The rates and fees used in this comparison were in effect as of December 2020. The chart includes WSSC Water bills at FY 2021 approved and FY 2022 approved rates. As shown in the chart, the quarterly bills in the other communities range from a low of \$161 in Chicago, Illinois to a high of \$497 in Pittsburgh, Pennsylvania. WSSC Water ranks in the bottom half of the peer agencies, with quarterly bills of \$229 in FY 2021 and \$241 in FY 2022. This shows that WSSC Water’s rates and fees are competitive both locally and nationally.

**Quarterly Residential Water and Sewer Bill
(165 Gallons per Day)**



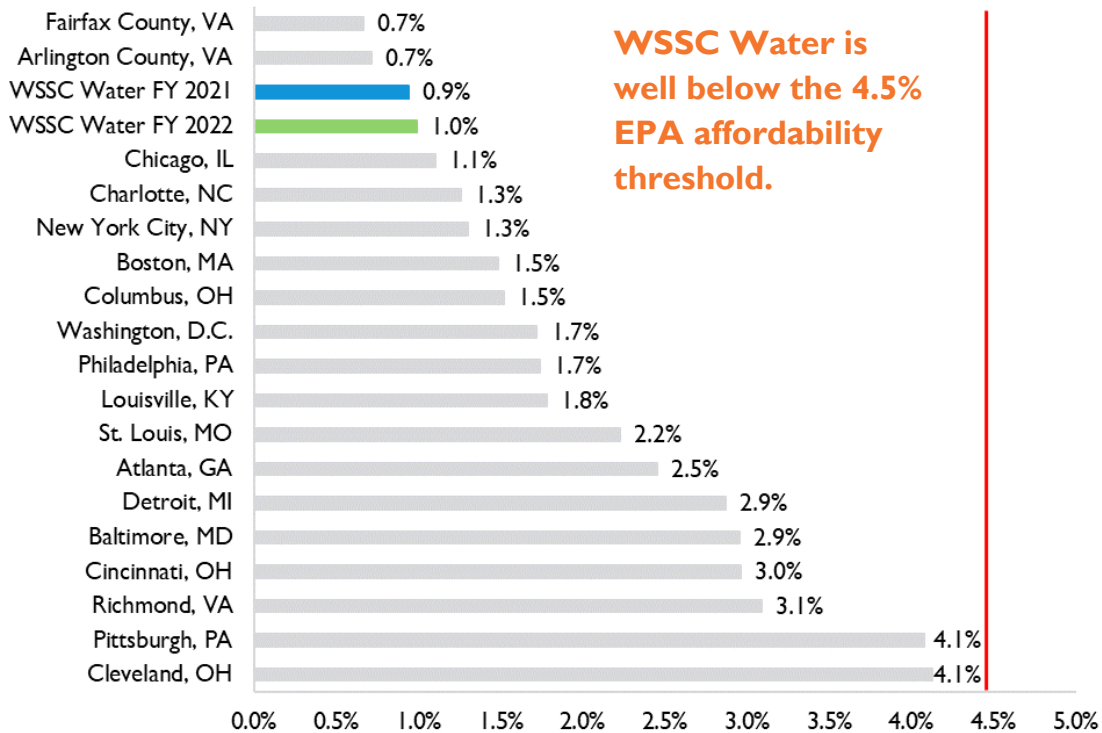
WSSC Water's average quarterly bill is in the bottom half of peer agencies.

WATER AND SEWER BILL COMPARISONS (Continued)

Bill as a Percentage of Median Household Income Comparison

The chart below shows a comparison of the average residential bills as a percentage of median household income for WSSC Water and the 18 other cities and communities analyzed for customers using 165 gallons of water per day. The average annual bill from WSSC Water in FY 2022 is only 1.0% of the median household income of its customers, a slight increase from the 0.9% in FY 2021. This places WSSC Water among the most affordable of its peer agencies, with only two agencies (Fairfax County and Arlington County in Virginia) having lower percentages. Additionally, WSSC Water is well below the 4.5% threshold that the EPA considers to be affordable for customers.

Average Residential Bill as a Percentage of Median Household Income (165 Gallons per Day)



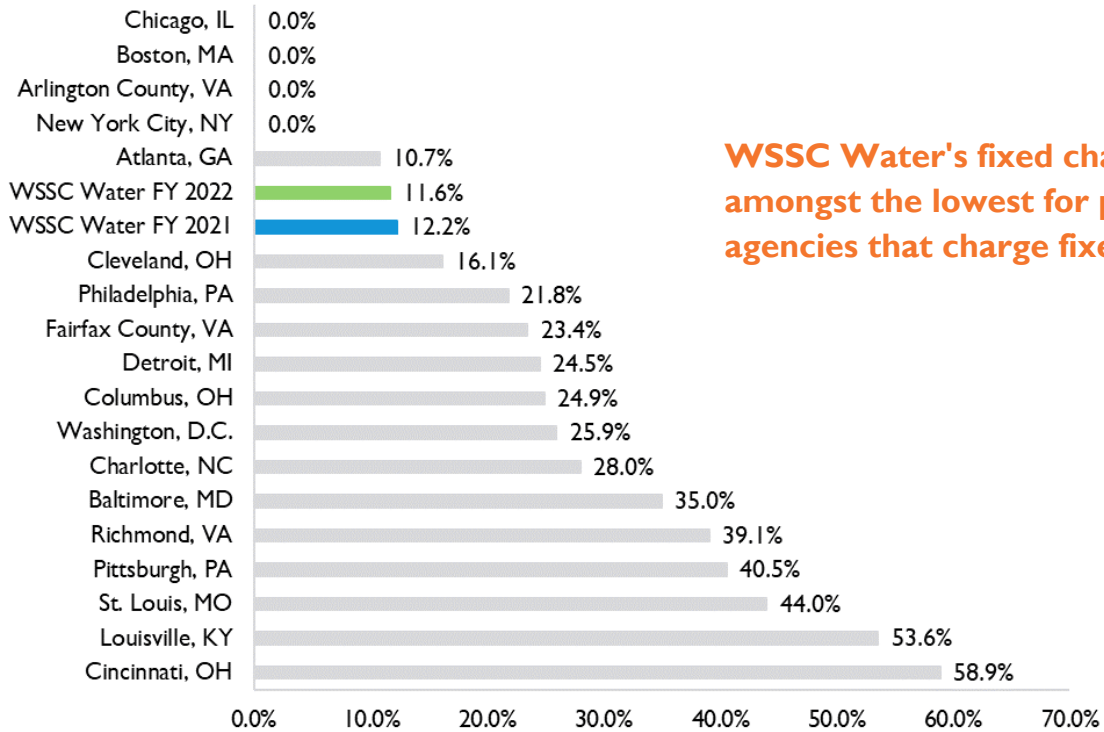
Median household income figures (in 2019 dollars) from the U.S. Census Bureau (www.census.gov), American Community Survey 5-Year Estimates for 2015-2019.

WATER AND SEWER BILL COMPARISONS (Continued)

Percentage of Bill from Fixed Charges Comparison

The chart below compares fixed charges as a portion of the average residential bill for WSSC Water and the 18 other cities and communities reviewed. Four of the peer agencies (Chicago, Illinois; Boston, Massachusetts; Arlington County, Virginia; and New York City, New York) do not have any fixed fees as part of their water and sewer bills. Of the agencies that do charge fixed fees, WSSC Water's fixed charges are the second lowest as a percentage of the average bill. In FY 2021, 12.2% of the average residential bill from WSSC Water was attributable to fixed fees. In FY 2022, that percentage will drop to 11.6%, as the water and sewer rates increase but the fixed fees remain the same. WSSC Water's CAP focuses on limiting the impact of these fixed fees on those who are most likely to struggle to pay their bills.

Percentage of Average Residential Bill from Fixed Charges
(165 Gallons per Day)



WSSC Water's fixed charges are amongst the lowest for peer agencies that charge fixed fees.

ACCOUNT MAINTENANCE FEES

Approved For Implementation July 1, 2021

Meter Size	FY 2021 Approved Quarterly Charges	FY 2022 Approved Quarterly Charges
<u>Small Meters</u>		
5/8" to 1"	\$ 16.00	\$ 16.00
<u>Large Meters</u>		
1-1/2"	16.00	16.00
2"	27.00	27.00
3"	66.00	66.00
4"	142.00	142.00
6"	154.00	154.00
8"	200.00	200.00
10"	246.00	246.00
<u>Detector Check</u>		
2"	33.00	33.00
4"	177.00	177.00
6"	255.00	255.00
8"	461.00	461.00
10"	633.00	633.00
<u>Fire Service Meters</u>		
4"	182.00	182.00
6"	293.00	293.00
8"	452.00	452.00
10"	682.00	682.00
12"	989.00	989.00

This quarterly fee is prorated based on the number of days in the billing cycle.

INFRASTRUCTURE INVESTMENT FEES

Approved For Implementation July 1, 2021

Meter Size	FY 2021 Approved Quarterly Charges	FY 2022 Approved Quarterly Charges
<u>Small Meters</u>		
5/8"	\$ 11.00	\$ 11.00
3/4"	12.00	12.00
1"	14.00	14.00
<u>Large Meters</u>		
1-1/2"	90.00	90.00
2"	185.00	185.00
3"	585.00	585.00
4"	813.00	813.00
6"	1,265.00	1,265.00
8"	2,845.00	2,845.00
10"	4,425.00	4,425.00
<u>Fire Service Meters</u>		
4"	499.00	499.00
6"	616.00	616.00
8"	2,524.00	2,524.00
10"	2,714.00	2,714.00
12"	5,214.00	5,214.00

This quarterly fee is prorated based on the number of days in the billing cycle.

SYSTEM DEVELOPMENT CHARGES

Approved For Implementation July 1, 2021

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

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

WSSC Water provides a number of services for which separate fees or charges have been established. Recent review of the costs required to provide these services indicates a need to change the amounts charged for some of the services. The fee and charge changes listed below are approved to be effective July 1, 2021.

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

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

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

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

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

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

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

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

Fee/Charge Number and Name	FY 2022 Approved
METERS AND RELATED SERVICES (Continued)	
16 Sub-Meter Installation Fees	
One-time Sub-Meter Charge - Small	\$ 261
One-time Sub-Meter Charge - Large	528
One-time Inspection Fee	76
Minimum Permit Inspection fee	242
17 Water Turn-Off, Turn-On Fees*	
A. Customer Requested - Water Turn-Off, Turn-On Fees	
Small Meter Turn-Off	60
Small Meter Turn-On	90
Large Meter Turn-Off	200
Large Meter Turn-On	230
B. WSSC Water Scheduled Action - Water Turn-Off, Turn-On Fees	
Small Meter Turn-Off	-
Small Meter Turn-On	135
Large Meter Turn-Off	-
Large Meter Turn-On	405
18 Call Back Fee (small meters, plumbers)	93
19 Call Back Fee (large meters, plumbers)	346
20 Missed Appointment Fees	
First Missed Appointment or Restoration of Service Turn-On	97
Each Additional Missed Appointment	110
21 Meter Reinstallation Correction Fee	388
22 Sewer Meter Maintenance Fee (per year)	15,873
Quarterly Calibrations (per quarter)	3,969
23 Property Inspection Fee	119
24 Warehouse Restocking Fee	56

*The approved Water Turn-On and Turn-Off Fees are different than those proposed in the FY 2022 Proposed Budget. The fee is now separated into two categories: (A) Customer Requested - Water Turn-Off and Turn-Ons and (B) WSSC Water Scheduled - Water Turn-Off and Turn-Ons.

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

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

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

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

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

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

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

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

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

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

SECTION 3

EXPLANATION OF BUDGET AND SUMMARIES

EXPLANATION OF BUDGET AND SUMMARIES

Maryland state law requires that WSSC Water prepare capital and operating budgets each fiscal year. The FY 2022 Approved Budget shows funding and staff requirements, organizational components and program and fund sources.

BUDGET FORMULATION

The budgets for all funds are prepared on a modified accrual basis. Expenses are recognized when goods and services are received, and revenues are recognized when water is delivered to the system. WSSC Water's annual audited financial statements 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 included under GAAP are not recognized under the debt service basis (such as depreciation on capital assets and pension expenses as defined by Governmental Accounting Standards Board Statement 68 – Accounting & Finance Reporting for Pensions).

The budget process begins with submission of requests by all organizational units following the guidance provided by the General Manager. 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 preliminary proposed budget document must be available to the public by January 15. Hearings on the WSSC Water budget are held in each County or virtually via livestream before February 15. The agency considers comments and testimony given at the public hearings before the proposed budget is transmitted to the Counties. The flow chart on page 5-3 depicts the budget and CIP process.

State law requires that WSSC Water transmit its proposed budget to the Counties by March 1 of each year. The County Councils, 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 agency 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.

Fiscal Year

The 12-month period used to account for revenues and expenditures commences on July 1 of each year and ends on June 30 of the following year.

Capital Budget & Capital Improvements Program

Preparation of the six-year Capital Improvements Program (CIP) spans 15 months, beginning in April of each year. After a preliminary staff-level review in May, the General Manager and key management personnel review all CIP project submissions in June to assess the justification for new projects, the criticality and priority of ongoing projects and the overall financial impacts of these projects on spending affordability.

Only the debt service requirements for bond funded capital expenditures in the first budget year of the six-year CIP are included in the operating budget. By July, the General Manager submits a draft CIP to WSSC Water's Commissioners for their consideration, and work sessions are conducted to solicit input from County governments, Maryland-National Capital Park and Planning Commission and local municipality representatives. A draft proposed document is made available to the public in August and public hearings on the CIP are held in September. WSSC Water is required by state law to transmit the Proposed CIP to both County governments by October 1 of each year.

The approved capital budget for a given budget year consists largely of spending for the first year of the six-year CIP, including those projects in the Information Only section. Projects shown in the Information Only section are not required to be in the CIP, but may be included to provide more comprehensive information on important programs or 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.

BUDGET FORMULATION (Continued)

Capital Budget & Capital Improvements Program (Continued)

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 agency then has 30 days to adopt these changes before the beginning of the fiscal year on July 1.

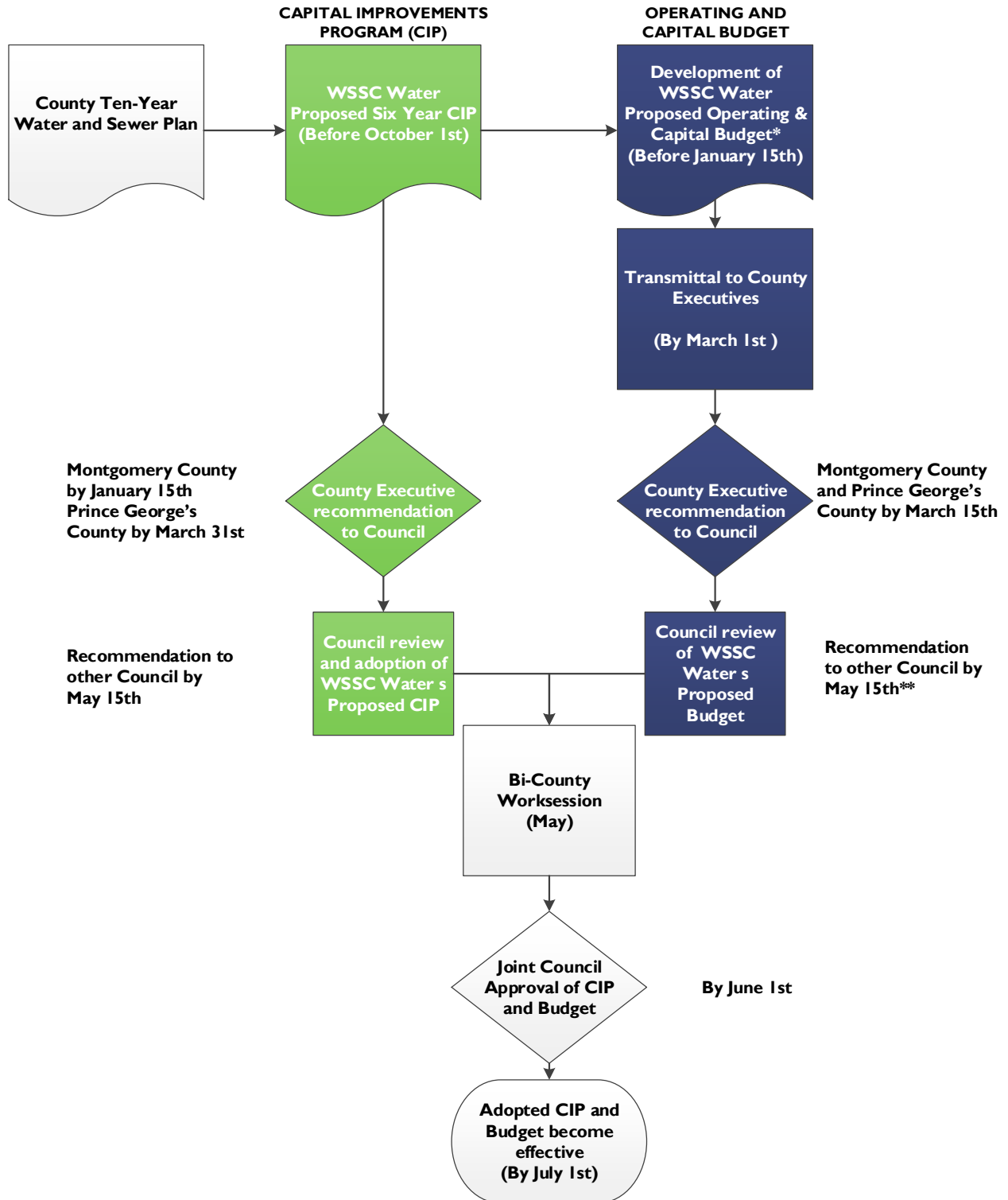
Operating Budget

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 WSSC Water'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 CIP, also shape the operating budget by helping to determine debt service requirements 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 agency'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.

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 WSSC Water must contribute to the capital and operating expenses of the Blue Plains Advanced Wastewater Treatment Plant (Blue Plains), budget planning by the District of Columbia Water and Sewer Authority (DC Water) - and the budget's subsequent review and approval by DC Water's multi-jurisdictional Board of Directors - can have important impacts on planning for WSSC Water's capital and operating budgets.

WSSC WATER BUDGET AND CAPITAL IMPROVEMENTS PROGRAM PROCESS



*Includes the operating budget and first year capital budget of the Proposed Six-Year CIP. Capital budget also incorporates Information Only projects and General Construction Bond projects.

**Incorporates changes to funding in the first year of capital budget.

FUND STRUCTURE

The budget consists of six separate funds, three in the capital budget (the Water Supply Bond, Sewage Disposal Bond, and General Construction Bond Funds) and three in the operating budget (the Water Operating, Sewer Operating, and General Bond Debt Service 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 General Bond Debt Service Fund receives Front Foot Benefit Charges (FFBC) to underwrite the debt service on smaller lateral water and sewer lines.

The respective purpose and revenue source of each fund are described in the table below. Although each fund is essentially a separate entity authorized to expend funds for prescribed purposes and derive revenues from specific rates and charges as prescribed by state law, WSSC Water audited annual financial statements consider only a single operating budget without further fund delineation. Audited financial statements can be found at <https://www.wsscwater.com/financereports>.

Capital Fund	Major Purpose	Major Revenue Source
Water Supply Bond	Construct major water supply treatment and transmission facilities; Reconstruct water distribution system.	Water Supply Bonds and System Development Charges (SDC)
Sewage Disposal Bond	Construct major sewage treatment and transmission facilities; Reconstruct sewerage collection system.	Sewage Disposal Bonds, SDC and Grants
General Construction Bond	Construct minor water and sewer lines and support facilities.	General Construction Bonds and House Connection (H/C) Charges
Operating Fund	Major Purpose	Major Revenue Source
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
General Bond Debt Service	Pay debt service on General Construction Bonds.	FFBC and Deferred H/C Charges

Water

WSSC Water issues Water Supply Bonds (Capital Fund) and collects SDC 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. Water operating revenues - customer payments for water bills - are used to pay for operating and maintaining these water facilities, and to pay the debt service (principal and interest that must be repaid) on Water Supply Bonds. Water consumption charges are based upon metered water use.

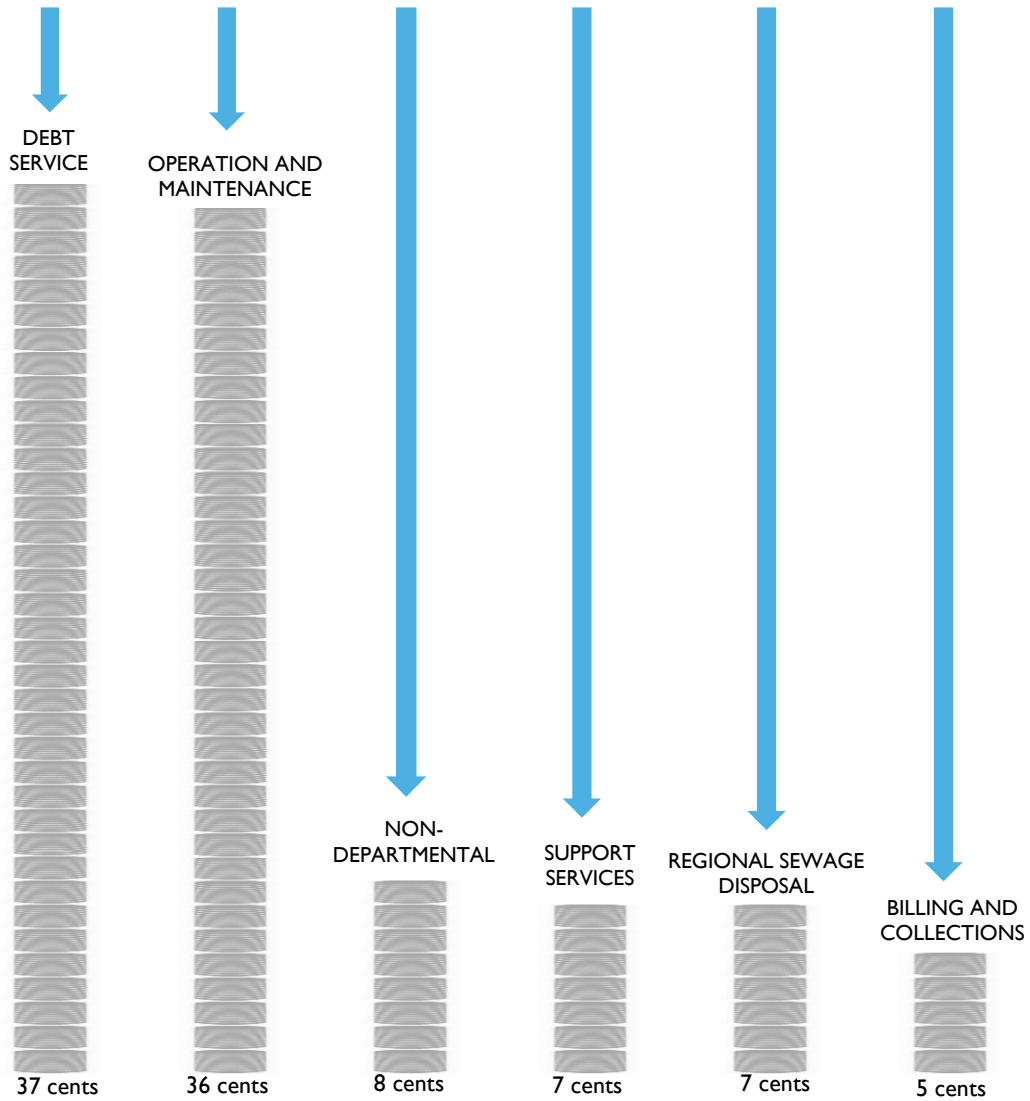
Sewer

WSSC Water issues Sewage Disposal Bonds (Capital Fund), collects SDC, 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, sewage treatment facilities (including reimbursement to DC Water for construction at Blue Plains) and improvements or modifications to these facilities. Sewer operating revenues - customer payments for sewer bills - are used to pay for operating and maintaining these facilities, and to pay the debt service on Sewage Disposal Bonds. Sewer use charges are generally based upon metered water use.

General Construction

WSSC Water issues General Construction Bonds (Capital Fund) to pay for the construction of minor water and sewer lines (water distribution lines less than 15 inches in diameter and sewer lines less than 14 inches in diameter) and support facilities. General Bond Debt Service Fund revenues - customer payments for FFBC - 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.

HOW EACH DOLLAR OF A WATER AND SEWER BILL IS SPENT



OPERATING REVENUE & EXPENSE BY MAJOR SOURCE CATEGORY AND FUND TYPE

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

Assumptions:

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

CAPITAL FUNDING & EXPENSE BY MAJOR SOURCE CATEGORY AND FUND TYPE

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

PROJECTED CHANGE IN FUND BALANCE

Fund (\$ in thousands)	Fund Balance - July 1st	Operating Revenues	Operating Expenses	Other Credits and Transfers	Adjust.	Fund Balance - June 30th	Fund Balance	
							Increase/ (Decrease)	% Chg
Water Operating								
FY 2021	\$ 34,469	\$ 351,994	\$ (365,190)	\$ 13,196	\$ 6,732	\$ 41,201	\$ 6,732	19.5 %
FY 2022	41,201	373,864	(380,565)	6,701	-	41,201	-	- %
Sewer Operating								
FY 2021	113,136	457,257	(470,833)	13,576	7,954	121,090	7,954	7.0 %
FY 2022	121,090	454,663	(461,734)	7,071	-	121,090	-	- %
General Bond Debt Service								
FY 2021	21,818	11,207	(13,633)	-	-	19,392	(2,426)	(11.1) %
FY 2022	\$ 19,392	\$ 8,558	\$ (9,794)	\$ -	\$ -	\$ 18,156	\$ (1,236)	(6.4) %

Operating expenses include debt service.

Explanation of Significant Changes to Fund Balance

Water and Sewer Operating Funds

The FY 2022 Approved Budget ending fund balance remains the same due to the decision to not use available fund balance to fund current expenses. The FY 2021 beginning fund balance reflects prior period adjustment and the COVID-19 savings plan.

General Bond Debt Service Fund

The FY 2022 Approved Budget ending fund balance is 6.4% lower than the projected FY 2021 ending balance for the General Bond Debt Service Fund. Revenues for this fund are derived from FFBC and H/C charges. Developers now build these types of mains and lines that were previously built by WSSC Water for new development. As a result, property owners of newly developed sites do not pay FFBC to WSSC Water. Additionally, as the bonds associated with older sites expire, the impacted property owners cease paying WSSC Water the associated FFBC. Therefore, the revenues for this fund are expected to decrease further in the future. Surplus funds that have accumulated in the General Bond Debt Service Fund are transferred to the Water and Sewer Operating Funds to benefit all ratepayers.

REVENUE AND EXPENSE TRENDS

Water & Sewer Operating Funds - Combined

(\$ in thousands)	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2022 Approved
Revenues					
Water Consumption Charges	\$ 271,735	\$ 273,753	\$ 271,173	\$ 295,512	\$ 318,941
Sewer Use Charges	325,879	341,496	346,985	393,698	398,862
Account Maintenance Fees	32,473	32,116	35,922	32,360	31,866
Infrastructure Investment Fees	39,847	39,278	42,781	39,410	38,808
Plumbing and Inspection Fees	12,141	13,594	14,425	14,470	14,350
Rockville Sewer Use	3,223	3,106	3,147	3,000	3,100
Miscellaneous	19,117	20,913	21,053	20,801	21,600
Interest Income	5,478	9,306	4,881	10,000	1,000
Total Revenue	\$ 709,893	\$ 733,562	\$ 740,367	\$ 809,251	\$ 828,527
Other Credits and Transfers					
Use of Fund Balance	227	11,580	11,341	8,000	-
Reconstruction Debt Service Offset	7,700	12,500	11,600	9,500	6,000
SDC Debt Service Offset	2,396	5,551	6,695	5,772	5,772
Premium Transfer	-	-	7,904	1,500	-
Underwriters Discount Transfer	-	-	-	2,000	2,000
Total Funds Available	\$ 720,216	\$ 763,193	\$ 777,907	\$ 836,023	\$ 842,299
Expenses					
Salaries & Wages	117,144	125,100	131,711	127,726	133,039
Heat, Light & Power	20,033	19,683	15,534	20,423	18,493
Regional Sewage Disposal	58,331	54,809	56,414	58,000	59,160
Debt Service					
Principal Payments	151,057	153,565	154,238	177,022	170,902
Interest Payments	106,445	121,819	125,507	136,843	138,143
PAYGO	10,065	15,754	-	31,016	27,585
All Other	242,540	268,103	268,488	284,993	294,977
Total Expenses	\$ 705,615	\$ 758,833	\$ 751,892	\$ 836,023	\$ 842,299

REVENUE AND EXPENSE TRENDS (CONTINUED)

General Bond Debt Service Fund

(\$ in thousands)	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2022 Approved
Operating Revenues					
Front Foot Benefit & House Connection	\$ 19,191	\$ 15,809	\$ 12,824	\$ 10,378	\$ 8,428
Interest Income	865	1,127	483	600	-
Miscellaneous	285	268	174	229	130
Total Operating Revenues	\$ 20,341	\$ 17,204	\$ 13,481	\$ 11,207	\$ 8,558
Other Credits and Transfers					
Reconstruction Debt Service Offset	7,700	12,500	11,600	9,500	6,000
Use of Fund Balance	(7,700)	(12,500)	(11,600)	(9,500)	(6,000)
Total Funds Available	\$ 20,341	\$ 17,204	\$ 13,481	\$ 11,207	\$ 8,558
Expenses					
Salaries & Wages	701	751	863	643	691
Heat, Light & Power	11	-	-	8	8
All Other	802	825	852	1,254	1,313
Subtotal	\$ 1,514	\$ 1,576	\$ 1,715	\$ 1,905	\$ 2,012
Debt Service					
Principal Payments	12,672	13,337	9,445	8,796	5,803
Interest Payments	4,922	3,934	3,132	2,932	1,979
Subtotal	\$ 17,594	\$ 17,271	\$ 12,577	\$ 11,728	\$ 7,782
Total Expenses	\$ 19,108	\$ 18,847	\$ 14,292	\$ 13,633	\$ 9,794

REVENUE AND EXPENSE TRENDS (CONTINUED)

Capital Fund

(\$ in thousands)	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2022 Approved
Funds Provided					
Bonds and Notes Issues/Cash on Hand	\$ 609,678	\$ 338,012	\$ 289,097	\$ 531,659	\$ 607,766
PAYGO Contribution to	10,065	15,754	-	31,016	27,585
Federal & State Grants	3,706	995	1,589	23,000	24,471
System Development Charge	23,200	15,000	14,077	9,530	31,329
Other Contributions	12,807	7,667	12,451	10,177	12,594
Total Capital Funds	\$ 659,456	\$ 377,428	\$ 317,214	\$ 605,382	\$ 703,745
Expenses					
Salaries & Wages	\$ 27,717	\$ 27,293	\$ 26,388	\$ 27,826	\$ 27,449
Heat, Light & Power	264	213	155	277	222
Contract Work	225,086	202,735	211,404	353,066	444,405
Consulting Engineers	41,718	51,872	44,478	77,183	79,614
All Other	180,431	104,682	111,960	147,030	152,055
Total Capital Expenses	\$ 475,216	\$ 386,795	\$ 394,385	\$ 605,382	\$ 703,745

LONG-RANGE FINANCIAL PLAN FOR WATER AND SEWER OPERATING FUNDS

(\$ in thousands)	FY 2021 Approved	FY 2022 Approved	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
New Water and Sewer Debt Issues	\$ 409,922	\$ 409,704	\$ 415,548	\$ 356,388	\$ 350,000	\$ 350,000	\$ 350,000
Water and Sewer Combined Rate Increase (Avg)	6.0 %	5.9 %	8.0 %	8.0 %	7.0 %	6.5 %	6.0 %
Operating Revenues							
Consumption Charges	\$ 689,210	\$ 717,803	\$ 765,097	\$ 827,329	\$ 886,354	\$ 945,173	\$ 1,003,177
Account Maintenance Fees	32,360	31,866	31,930	31,994	32,058	32,122	32,186
Infrastructure Investment Fees	39,410	38,808	38,886	38,963	39,041	39,119	39,198
Plumbing and Inspection Fees	14,470	14,350	14,781	15,224	15,681	16,151	16,636
Rockville Sewer Use	3,000	3,100	3,100	3,100	3,100	3,100	3,100
Miscellaneous	20,801	21,600	21,816	22,034	22,255	22,477	22,702
Interest Income	10,000	1,000	1,000	1,500	2,000	2,500	3,000
Total Operating Revenue	\$ 809,251	\$ 828,527	\$ 876,610	\$ 940,144	\$ 1,000,489	\$ 1,060,642	\$ 1,119,999
Other Credits and Transfers							
Use of Fund Balance	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconstruction Debt Service Offset	9,500	6,000	4,000	2,000	-	-	-
SDC Debt Service Offset	5,772	5,772	5,772	5,772	5,772	5,772	5,748
Premium Transfer	1,500	-	-	-	-	-	-
Underwriters Discount Transfer	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Total Funds Available	\$ 836,023	\$ 842,299	\$ 888,382	\$ 949,916	\$ 1,008,261	\$ 1,068,414	\$ 1,127,747
Operating Expenses							
Salaries & Wages	\$ 127,726	\$ 133,039	\$ 138,813	\$ 145,059	\$ 151,587	\$ 158,408	\$ 165,537
Heat, Light & Power	20,423	18,493	19,233	20,002	19,191	18,413	19,278
Regional Sewage Disposal	58,000	59,160	60,343	61,550	62,781	64,037	65,317
All Other	284,993	294,977	301,084	307,105	313,247	319,512	325,903
Total Operating Expenses	\$ 491,142	\$ 505,669	\$ 519,473	\$ 533,716	\$ 546,806	\$ 560,370	\$ 576,035
Debt Service							
Bonds and Notes Principal and Interest	\$ 313,865	\$ 309,045	\$ 328,519	\$ 352,154	\$ 377,451	\$ 398,406	\$ 418,476
Other Transfers and Adjustments							
Additional and Reinstated	-	-	-	-	5,000	5,000	20,000
PAYGO	31,016	27,585	31,016	44,000	65,000	80,000	80,000
Total Expenses	\$ 836,023	\$ 842,299	\$ 879,008	\$ 929,870	\$ 994,257	\$ 1,043,776	\$ 1,094,511
Net Revenue (Loss)	\$ -	\$ -	\$ 9,374	\$ 20,046	\$ 14,004	\$ 24,638	\$ 33,236
Beginning Fund Balance - July 1							
Beginning Fund Balance - July 1	147,605	162,291	162,291	171,665	191,711	205,715	230,353
Net Increase (Decrease) in Fund Balance	-	-	9,374	20,046	14,004	24,638	33,236
Adjustments	14,686	-	-	-	-	-	-
Ending Fund Balance - June 30	\$ 162,291	\$ 162,291	\$ 171,665	\$ 191,711	\$ 205,715	\$ 230,353	\$ 263,589
Debt Service Coverage (1.10 - 1.25 is Target)	1.01	1.04	1.09	1.15	1.19	1.24	1.25
Debt Service as a % of Total Expenses (<40% is Target)	37.5 %	36.7 %	37.4 %	37.9 %	38.0 %	38.2 %	38.2 %
End Fund Balance as a % of Operating Revenue (min. 15%)	20.1 %	19.6 %	19.6 %	20.4 %	20.6 %	21.7 %	23.5 %
Days Operating Reserve-on-Hand (75 - 105 Days is Target)	70.9	70.3	71.3	75.3	75.5	80.6	87.9
Total Workyears (All Funds)	1,776	1,786	1,786	1,786	1,786	1,786	1,786

Assumptions:

1. The FYs 2023-2027 projections reflect WSSC Water's multi-year forecast and assumptions. The projected expenditures, revenues and fund balances for these years may be based on changes to rates, fees, usage, inflation, future labor agreements and other factors not assumed in the FY 2022 Approved Budget. Data excludes General Construction Debt Service and General Construction Bonds.
2. Debt service for bonds and notes includes Maryland Water Quality Bonds and interfund debt service transfers.
3. Adjustments to Consumption Charges for Water and Sewer Combined Rate Increase assumes rate increase is in effect for 12 months.
4. Debt Service Coverage is Operating Revenues less Operating Expenses (excluding Debt Service and PAYGO) divided by the debt service on bonds and notes.
5. Adjustments shown for FY 2021 reflect prior period adjustment and the COVID-19 savings plan.

SECTION 4
CAPITAL BUDGET

CAPITAL BUDGET

The principal objective of the capital budget is the programming of planning, design and construction activities on a yearly basis for major water and sewerage infrastructure projects and programs. These projects and programs may be necessary for system improvements for service to existing customers, to comply with federal and/or state environmental mandates or to support new development in accordance with the Counties' approved plans and policies for orderly growth and development. The capital budget has conformed to the Spending Affordability Guidelines (SAG) established by both County governments every year since 1994.

EXPENSE CATEGORIES

The WSSC Water capital budget is comprised of two main expenditure categories: the Capital Improvements Program (CIP) and Information Only projects.

Capital Improvements Program

The projects included in the CIP represent a multi-year plan to design and construct the capital facilities required to protect the health and safety of the residents of the two Counties we serve by protecting our source water, 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. WSSC Water 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. The estimated total expenditures from the first year of the CIP - the budget year - are included in the expenditure summary on the next page. Detailed project information is provided in the CIP document available through our Communications & Community Relations Office and on our website at <https://www.wsscwater.com/fin>.

Information Only

The Information Only projects section of the CIP document contains projects that are not required to be in the CIP but may be included for any number of reasons such as: fiscal planning purposes, the reader's improved understanding of the full scope of a specific set of projects or responding to requests from County governments. The projects that make up the largest expenditures in this section are as follows: the water and sewer system reconstruction programs, the Engineering Support Program and the Other Capital Programs. The reconstruction programs provide for the systematic replacement and rehabilitation of small diameter water mains and sewer lines. The Engineering Support Program represents a consolidation of a diverse group of smaller, non-CIP sized, projects that support our existing facilities. The Other Capital Programs includes miscellaneous capital projects and expenditures for common operational activities such as relocations, new house connections, water meters, paving and general construction of local lines. Detailed project information is provided in the Information Only projects section of the CIP document. A list of the Information Only projects is shown in the expenditure summary on the next page.

CAPITAL BUDGET EXPENSE SUMMARY

The total Fiscal Year (FY) 2022 Approved Capital Budget is \$703.7 million. This is comprised of \$466.9 million in CIP projects, \$245.0 million in Information Only projects and an adjustment of \$8.1 million to account for expenditures funded via developer contributions for projects with a signed System Extension Permit (SEP). The FY 2022 Approved Capital Budget is \$98.4 million higher than the FY 2021 Approved Capital Budget. The increase is primarily driven by a \$91.8 million increase in expenditures for the CIP projects in the budget year. Key changes leading to the increase are as follows:

- The ramping up of construction on the Piscataway Bioenergy project
- The addition of five new wastewater pumping station (WWPS) and force main (FM) replacement projects to address aging assets that are at or beyond their useful lives

(\$ in thousands)	FY 2021 Approved	FY 2022 Approved
Capital Improvements Program:		
Montgomery County Water	\$ 1,821	\$ 2,864
Prince George's County Water	36,484	62,481
Bi-County Water	85,314	87,972
Montgomery County Sewer	9,637	8,512
Prince George's County Sewer	38,756	70,103
Bi-County Sewer	203,061	234,947
Total Capital Improvements Program	\$ 375,073	\$ 466,879
Information Only:		
Water Reconstruction Program	72,494	83,563
Sewer Reconstruction Program	55,495	71,083
Laboratory Division Building Expansion	1,276	9,482
Engineering Support Program	18,000	18,000
Energy Performance Program	7,595	3,576
Water Storage Facility Rehabilitation Program	1,650	3,000
Specialty Valve Vault Rehabilitation Program	1,132	2,252
Advanced Metering Infrastructure	20,687	-
Other Capital Programs	61,313	53,738
D'Arcy Park North Relief Sewer	290	290
Total Information Only	\$ 239,932	\$ 244,984
Total Capital Expenses	\$ 615,005	\$ 711,863
Adjustment for Developer Contributions	(9,623)	(8,118)
Total Capital Budget	\$ 605,382	\$ 703,745

CAPITAL BUDGET FUNDING SUMMARY

The total funding for the FY 2022 Approved Capital Budget is \$703.7 million. The funding is comprised of \$607.8 million in bonds, \$27.6 million in PAYGO and \$68.4 million in grants, contributions and other funding sources. The \$98.4 million increase from the FY 2021 Approved Capital Budget is primarily for bond funded CIP projects. Key changes leading to the increase in bond funding are as follows:

- The ramping up of construction on the Piscataway Bioenergy project
- The addition of five new WWPS and FM replacement projects to address aging assets that are at or beyond their useful lives

Additionally, there is also a significant increase of \$21.8 million in SDC funding for CIP projects. The primary drivers of this increase are the following:

- The addition of two new projects in FY 2022 that are funded in part via SDC funds, for a total of \$6.1 million of new SDC funded expenditures in FY 2022
- Increased utilization of SDC funding by existing projects advancing into periods of heavy construction, such as the Branch Avenue Water Transmission Improvements (\$10.7 million increase) and South Potomac Supply Improvement, Phase 2 (\$7.3 million increase) projects

(\$ in thousands)	FY 2021 Approved	FY 2022 Approved
Capital Improvements Program:		
Bonds	\$ 311,921	\$ 383,072
PAYGO	31,016	27,585
Federal Grants	1,500	4,120
State Grants	1,500	351
Local Government Contribution	3,675	3,343
SDC	9,530	31,329
Contribution/Other	15,931	17,079
Total Capital Improvements Program	\$ 375,073	\$ 466,879
Information Only:		
Bonds	219,738	224,694
State Grants	20,000	20,000
Contribution/Other	194	290
Total Information Only	\$ 239,932	\$ 244,984
Total Capital Funding	\$ 615,005	\$ 711,863
Adjustment for Developer Contributions	(9,623)	(8,118)
Total Capital Budget Sources	\$ 605,382	\$ 703,745

IMPACT OF CAPITAL PROGRAM ON THE OPERATING BUDGET

Capital projects generate future operating budget impacts for debt service, use of reserves and changes in operating costs due to new or renovated facilities.

Debt Service

Capital projects are financed primarily with long-term, rate-supported debt through the sale of bonds. Water Supply bonds are issued to finance major water treatment, storage and transmission facilities. Sewage Disposal bonds are issued to finance major sewage collection and treatment facilities. These bonds are repaid to bondholders over a 30-year period by annual principal and interest payments (debt service). The annual debt service on outstanding bonds is paid from WSSC Water'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 the operation, maintenance and debt service costs of the agency. 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 budget impacts the size of water and sewer bond issues, which in turn impacts customers' water and sewer bills.

Obtaining funding from other sources and through the use of PAYGO funding (when budgeted) lowers our borrowing requirements, which in turn lowers debt service requirements and ultimately our customers' bills. Other funding sources may include: payments from applicants for new service, including SDC funds 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.

Estimating future 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 adjusting for other funding sources and incorporating expected construction completion rates. Taking into account these adjustments results in an estimated new long-term water and sewer debt requirement of \$409.7 million. The FY 2022 debt service payment is shown in the next section.

Operating Budget Impacts

The construction of capital projects impacts the water and sewer portion of the 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.

The second impact from capital projects is less direct, and involves changes to operations, processes or revenue streams when a project is completed. These changes can have positive effects on the operating budget, although the effects are difficult to quantify. For instance, WSSC Water's water and sewer system reconstruction programs for infrastructure improvements are funded through the capital budget and are focused on the aging portions of our extensive network of water distribution mains and sewage collection lines. These efforts include water main rehabilitation, sewer reconstruction and other non-CIP sized pipeline replacements. These efforts are aimed at reducing service interruptions and providing all of WSSC Water's 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 new facilities that will require operation and maintenance funding in the operating budget. The most significant effect occurs when additional staff must be hired to operate and maintain a new or expanded facility, or in cases where new or increased regulations require new equipment and processes that may increase operating costs for energy, chemicals, monitoring or maintenance. In some cases, where capital projects provide for renovation or replacement of major existing facilities, or encompass smaller infrastructure improvements, 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 increase process efficiencies and lower our overall energy requirements.

IMPACT OF CAPITAL PROGRAM ON THE OPERATING BUDGET (Continued)

Operating Budget Impacts (Continued)

The following table summarizes the estimated impact on the FY 2022 Approved Operating Budget based upon projects included in the FY 2022 Approved Capital Budget:

(\$ in thousands)	FY 2021 Approved	FY 2022 Approved	FY 2022 Net Impact
Operating - Water and Sewer Program			
Debt Service Expense	\$ 313,865	\$ 309,045	\$ (4,820)
Major Capital Projects Net Impact	-	196	196
Total	\$ 313,865	\$ 309,241	\$ (4,624)

Major capital projects which will impact the FY 2022 Approved Operating Budget are summarized below:

- Clarksburg Wastewater Pumping Station & Sewer Improvements - This project provides for the planning, design and construction of a 0.9 MGD WWPS and 1,270 feet of FM. The new WWPS and FM will provide service to the Miles property and the Clarksburg Historic District. Operating and maintenance costs will increase to support this new facility.
- Piscataway Bioenergy - This project provides for the engineering, design, construction, maintenance and monitoring and verification necessary to add sustainable energy equipment and systems to produce biogas and electricity at the Piscataway WRRF. The new bioenergy facility will handle waste from five existing WRRFs, employing innovative technologies to recover resources and produce green energy. Once the new facility is fully operational, it is expected to reduce net operating costs by more than \$3.0 million per year as a result of significantly lower expenditures for energy, biosolids disposal and chemicals.

SECTION 5
ORGANIZATIONAL BUDGETS AND MEASURES

ORGANIZATIONAL BUDGET AND MEASURES

This section discusses expenses by organizational unit, assumptions related to WSSC Water's workforce and compensation, including retiree benefits. In addition, this section highlights the role, mission and core activities of each organization within the agency. It also provides goals, outcomes and measures for key performance metrics measures by the agency.

COMPARATIVE EXPENSES BY ORGANIZATIONAL UNIT ALL OPERATING AND CAPITAL FUNDS

Organization	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Change
	Work Years	Amount	Work Years	Amount	Work Years	Amount	
Governance & General Manager's Office							
Commissioners'/Corporate Secretary's Office*	2.0	\$ 260,613	2.0	\$ 389,067	2.0	\$ 410,432	\$ 21,365
Office of the Inspector General*	7.4	1,289,752	10.0	1,569,853	10.0	1,628,871	59,018
General Manager's Office	8.2	1,529,607	8.0	1,428,515	8.0	1,480,154	51,639
General Counsel's Office	25.6	10,813,481	28.0	10,553,926	28.0	10,481,323	(72,603)
Strategy & Partnerships							
Intergovernmental Relations Office	3.8	631,405	4.0	761,095	4.0	778,837	17,742
Strategy & Innovation Office	17.4	3,000,446	19.0	3,156,740	19.0	5,830,574	2,673,834
Communications & Community Relations Office	16.0	2,595,793	19.0	3,062,240	19.0	2,957,801	(104,439)
Human Resources Office	34.4	6,337,223	36.0	7,955,917	36.0	8,049,422	93,505
Equal Employment Opportunity Office	1.0	242,977	1.0	233,664	1.0	237,823	4,159
Customer Service Department	115.1	14,061,223	86.0	13,338,210	94.0	14,197,482	859,272
Operations							
Asset Management Office	4.7	1,634,023	6.0	1,828,820	6.0	1,794,247	(34,573)
Police & Homeland Security Office	33.8	4,959,794	40.0	5,951,654	40.0	5,951,878	224
Engineering & Construction Department	349.2	397,930,450	376.0	571,491,507	376.0	685,173,258	113,681,751
Production Department	311.1	141,838,990	330.0	143,843,456	332.0	152,791,839	8,948,383
Utility Services Department	477.7	94,476,940	512.0	137,722,473	512.0	122,030,861	(15,691,612)
Administration							
Office of Supplier Diversity & Inclusion	8.5	903,320	9.0	1,519,383	9.0	1,292,695	(226,688)
Procurement Office	24.2	2,631,687	27.0	2,691,204	27.0	2,717,721	26,517
General Services Department	88.9	34,123,740	96.0	42,457,998	96.0	41,149,538	(1,308,460)
Finance Department	63.1	7,832,219	64.0	8,167,790	64.0	8,271,660	103,870
Information Technology Department	91.8	66,093,393	103.0	56,460,627	103.0	61,389,484	4,928,857
Other							
Human Resources Non-Departmental	-	24,460,411	-	31,456,610	-	31,665,326	208,716
Finance Non-Departmental							
Debt Service	-	293,268,854	-	325,593,000	-	316,827,000	(8,766,000)
PAYGO	-	-	-	31,016,000	-	27,585,000	(3,431,000)
Other (Social Security, Retirement, etc.)	-	50,409,447	-	53,138,404	-	51,914,428	(1,223,976)
Retirement Trust Chargeback	-	(756,355)	-	(750,042)	-	(769,300)	(19,258)
Total	1,683.9	\$1,160,569,433	1,776.0	\$1,455,038,111	1,786.0	\$1,555,838,354	\$ 100,800,243

(*) Commissioners (6) and Inspector General (1) not included in totals for workyears. However, funds shown in table do provide for associated workyear expenses.

ORGANIZATIONAL BUDGETS AND MEASURES

This section discusses assumptions related to WSSC Water’s workforce and compensation, including retiree benefits. In addition, this section highlights the role, mission and core activities of each organization within the agency. It also provides goals, outcomes and measures for key performance metrics measured by the agency.

WORKFORCE AND COMPENSATION

Salaries & Wages Summary

	<u>FY 2022 Approved</u>	
	Work Years	Amount
Base Positions Funded Full Year	1,786	\$ 159,974,769
Overtime		8,088,000
Subtotal		168,062,769
Lapse on Base Positions*		(8,292,449)
Subtotal		159,770,320
Salary Enhancements		1,330,759
Salary - 6 Commissioners		78,500
Total	1,786	\$ 161,179,579

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

Employee Benefits

The following employee benefits are funded in WSSC Water’s FY 2022 Approved Budget through a combination of lump sum or payroll-based contributions.

FICA (Social Security & Medicare) – Contributions are collected each payday based on actual payroll. Since contribution rates and salary maximums change at the start of the calendar year, figures used in the budget represent an average of the projected changes for FY 2022. The employer rates are 6.2% for Social Security and 1.45% for Medicare and are not expected to change.

Workers' Compensation – This is handled by the Human Resources Office. Contributions are set each year based on an actuarial valuation of exposures, past and projected claims experience and administrative expenses.

Group Insurance – The contributions for health insurance are actuarially determined, and the contribution for life insurance is based on fixed rates per coverage amounts based on an employee's salary. Contribution rates are set based on various factors, including the fund balance in the Retiree Other Post-Employment Benefits (OPEB) Trust and claims cost experience.

Retirement System – WSSC Water maintains a retirement system for its employees which is intended to provide income during their retirement years. The Employees’ Retirement Plan is administered by an Executive Director who is appointed by the General Manager.

WORKFORCE AND COMPENSATION (Continued)

Employee Benefits (Continued)

Retiree Health Benefits Trust – The trust is a single employer contributory fund established to address the rising cost of life insurance and medical benefits for future retirees and beneficiaries. Through a trust vehicle, annual contributions by WSSC Water are set aside and actively invested. Over time, funding would be sufficient to pay for future retiree health benefits, as well as any accrued interest on the unfunded liability.

Employee and retiree benefits and related expenses are budgeted in two non-departmental organizations for Human Resources and Finance.



GOVERNANCE & GENERAL MANAGER'S OFFICE

Governance & General Manager's Office are comprised of the offices listed below.

Budget Summary

Governance & General Manager's Office	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Commissioners'/Corporate Secretary's Office(*)	2.0	\$ 260,613	2.0	\$ 389,067	2.0	\$ 410,432	-	\$ 21,365
Office of the Inspector General(*)	7.4	1,289,752	10.0	1,569,853	10.0	1,628,871	-	59,018
General Manager's Office	8.2	1,529,607	8.0	1,428,515	8.0	1,480,154	-	51,639
General Counsel's Office	25.6	10,813,481	28.0	10,553,926	28.0	10,481,323	-	(72,603)
Total	43.2	\$ 13,893,453	48.0	\$ 13,941,361	48.0	\$ 14,000,780	-	\$ 59,419

(*) Commissioners (6) and Inspector General (1) not included in totals for workyears. However, funds shown in table do provide for associated workyear expenses.

COMMISSIONERS'/CORPORATE SECRETARY'S OFFICE

WSSC Water is governed by a six-member Commission of appointed officials.

The Commission provides oversight of WSSC Water and establishes policies for the operation of the agency within the legal framework of Division II of the Public Utilities Article of the Annotated Code of Maryland. Three Commissioners are appointed by the Prince George's County Executive and three by the Montgomery County Executive, subject to approval by the two respective County Councils.

The Corporate Secretary is a corporate officer responsible for overseeing the day-to-day operations of the Commissioners'/Corporate Secretary's Office and managing WSSC Water's corporate functions, to include organizing and facilitating agency meetings, drafting and posting official meeting agendas, preparing official meeting minutes, maintaining the agency's corporate seal and certifying documents on behalf of the agency. The Corporate Secretary also serves as the agency's registered agent, official custodian of records and liaison to customers and other stakeholders on behalf of Commissioners.

Mission Statement

To function as the official governing body of WSSC Water responsible for setting general policy for WSSC Water's operation, while providing leadership, guidance and oversight.

Core Activities

Public Oversight and Corporate Functions – The Commission provides public oversight of WSSC Water, conducts the corporate business of the agency, such as adopting rates and fees, reviewing management reports and approving contracts. The Corporate Secretary assists the Commissioners in conducting the corporate business, serves as WSSC Water's registered agent, serves as parliamentarian at the meetings of the Commission and prepares official meeting minutes for public inspection.

OFFICE OF THE INSPECTOR GENERAL

The Office of the Inspector General (OIG) is an independent office of WSSC Water. The OIG was established and is governed by the WSSC Office of the Inspector General Act, as promulgated under Maryland Public Code 17-601 et seq. (2018). The OIG reports to the Commission.

The OIG assesses the effectiveness and efficiency of WSSC Water operations and programs and serves to promote transparency for the agency stakeholders, as well as serving as the safety net for compliance with rules, regulations and overall best business practices. The OIG administers the Fraud, Waste and Abuse Hotline and investigates reported allegations.

The OIG is responsible for providing independent and objective recommendations that add value to and improve WSSC Water's programs and operations. The OIG helps the agency accomplish its mission by providing a systemic, objective and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within WSSC Water.



Mission Statement

To help WSSC Water meet its objectives in a fiscally transparent, sustainable and ethically responsible manner, by conducting independent audits, evaluations and investigations; making evidence-based recommendations to promote economy, efficiency and effectiveness; and preventing and detecting fraud, waste, abuse, mismanagement and misconduct within WSSC Water programs and operations.

Core Activities

Performance Audits – This activity includes engagements that provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, to reduce costs, to facilitate decision-making by parties with responsibility to oversee or initiate corrective action and to contribute to public accountability.

Assurance Audits – This activity provides an objective examination of evidence for the purpose of providing an independent assessment on risk management, control or governance processes for the organization. Examples may include financial, compliance, system security and due diligence engagements. Assurance audits add value by improving opportunities to achieve organizational objectives, identifying operational improvement and/or reducing risk exposure.

Special Request Audits – The OIG periodically receives requests for audit work from Commissioners, WSSC Water's Board of Ethics and WSSC Water's management and stakeholders. These are one-time audits of identified problem areas that are performed on a priority basis. All requests for special audits are carefully considered.

OFFICE OF THE INSPECTOR GENERAL (Continued)

Core Activities (Continued)

Fraud, Waste and Abuse Hotline – This activity provides a centralized reporting vehicle for WSSC Water’s employees, customers, contractors and other stakeholders of the agency to report suspected occurrences of fraud, waste and abuse anonymously, without fear of retaliation. The OIG staff includes Certified Fraud Examiners which serves as investigators of occurrences reported through the Fraud, Waste and Abuse Hotline.

GENERAL MANAGER'S OFFICE

As WSSC Water’s chief executive, the General Manager/CEO provides managerial direction to all agency operations and support functions and serves as the agency’s primary representative in relations with the Counties, state and other outside parties.



Mission Statement

To provide strategic direction to ensure WSSC Water provides safe and reliable water to customers, and returns clean water to the environment, all in an ethical, sustainable and financially responsible manner.

Core Activities

General Management – This activity includes coordinating and supervising the agency-wide activities of WSSC Water and recommending courses of action to the Commissioners. As the principal executive, the General Manager/CEO is responsible for all agency operations and functions.

GENERAL COUNSEL'S OFFICE

The General Counsel’s Office (GCO) represents WSSC Water as legal counsel in judicial and administrative proceedings, advocating and defending its interests in those proceedings. This office educates agency personnel about legal requirements and preventable risk, and also investigates and resolves claims made against the agency.

Mission Statement

To provide legal representation to WSSC Water in a tradition of excellence in the quality of services provided to its clients, while maintaining the highest standards of professional ethics and integrity.

GENERAL COUNSEL'S OFFICE (Continued)

Core Activities

Legal Services – This activity provides legal advice, guidance and preventive legal measures on regulatory and administrative matters to WSSC Water staff and officials regarding statutory, regulatory and administrative matters. The office also assists in the lawful formulation, adoption, implementation and enforcement of WSSC Water's policies, procedures, rules, regulations and programs.

Claims – This activity involves investigating claims made against WSSC Water to determine liability exposure, assessing damages to determine appropriate settlement value, negotiating liability claims settlement and pursuing claims against responsible third parties for damages incurred by the agency, within delegated levels of authority.

Billed Work – This activity involves investigation of damage to WSSC Water's property caused by others, or damage WSSC Water causes to others.

Ethics Office Administration – The Ethics Officer administers the Code of Ethics and provides support to the Board of Ethics. Responsibilities include maintaining the Financial Disclosure Forms, managing the Lobbyist Registration Awareness Program and associated registration forms and preparing quarterly and annual reports for the Montgomery and Prince George's County Councils. The Ethics Officer handles ethics inquiries, provides ethics training and is responsible for monitoring WSSC Water's standards, policies and procedures to ensure compliance.

STRATEGY & PARTNERSHIPS

Strategy & Partnerships oversees the people and partnerships of the agency. The Deputy General Manager for Strategy & Partnerships provides leadership and guidance on building strategic collaboration with customers, legislators, businesses and other key stakeholders. These partnerships are essential to ensuring the General Manager’s vision for enhancing customer experience. The Deputy General Manager also oversees internal functions critical to employees, including human resources and fair practices. Strategy & Partnerships is comprised of the offices and departments listed below.

Budget Summary

Strategy & Partnerships	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Intergovernmental Relations Office	3.8	\$ 631,405	4.0	\$ 761,095	4.0	\$ 778,837	-	\$ 17,742
Strategy & Innovation Office	17.4	3,000,446	19.0	3,156,740	19.0	5,830,574	-	2,673,834
Communications & Community Relations Office	16.0	2,595,793	19.0	3,062,240	19.0	2,957,801	-	(104,439)
Human Resources Office	34.4	6,337,223	36.0	7,955,917	36.0	8,049,422	-	93,505
Equal Employment Opportunity Office	1.0	242,977	1.0	233,664	1.0	237,823	-	4,159
Customer Service Department	115.1	14,061,223	86.0	13,338,210	94.0	14,197,482	8.0	859,272
Total	187.7	\$ 26,869,067	165.0	\$ 28,507,866	173.0	\$ 32,051,939	8.0	\$ 3,544,073

INTERGOVERNMENTAL RELATIONS OFFICE

The Intergovernmental Relations Office oversees WSSC Water's legislative agenda and represents the agency before elected bodies. The office is responsible for researching, developing, analyzing and lobbying for or against legislation impacting WSSC Water. In addition, the office also serves as a liaison between WSSC Water and elected officials.

Mission Statement

To analyze the impact of state and federal legislation on WSSC Water and act as the agency's representative before legislative bodies. The office cultivates and maintains key stakeholder relationships with elected, government, community, industry and business stakeholders to champion WSSC Water’s policy interests and obtain resources necessary to fulfill our mission of providing safe and reliable water, life’s most precious resource, and returning clean water to our environment, all in an ethical, sustainable and financially responsible manner.

Core Activities

Intergovernmental Relations – This activity focuses on the passage of WSSC Water’s legislative agenda, increasing communication with state and local governments and increasing the agency’s role in federal legislative issues.

STRATEGY & INNOVATION OFFICE

The Strategy & Innovation Office looks across the entire organization to identify where we can work smarter, collaborate and use data to make informed decisions. Led by the Chief Strategy & Innovation Officer, the office is comprised of the divisions in the following chart.

Organizational Structure



Mission Statement

The Strategy & Innovation Office develops, communicates, executes and sustains strategic initiatives, innovation and enterprise risk management. The office is accelerating organizational performance through cohesive strategy planning and execution, knowledge management and the implementation of an organizational dashboard for impact and organizational effectiveness.

Budget Summary

Strategy & Innovation Office	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Office of the Chief Strategy & Innovation Officer	1.9	\$ 296,643	2.0	\$ 370,524	2.0	\$ 379,228	-	\$ 8,704
Strategic Performance Division	9.7	1,242,329	11.0	1,366,784	11.0	1,424,440	-	57,656
Innovation & Research Division	5.8	1,461,473	6.0	1,419,432	6.0	1,392,306	-	(27,126)
Organizational Development Division(*)	-	-	-	-	-	2,634,600	-	2,634,600
Total	17.4	\$ 3,000,445	19.0	\$ 3,156,740	19.0	\$ 5,830,574	-	\$ 2,673,834

(*) As of FY 2022, the Organizational Development Division was established.

Explanation of Major Variances

The FY 2022 Approved Budget for the office reflects an increase of approximately 85% over the FY 2021 Approved Budget. The increase is primarily due to creation of a new division, Organizational Development, focused on increasing organizational effectiveness through changes in processes and systems.

Highlights

- Facilitates Project Cornerstone organizational development to stabilize Customer-to-Meter (C2M) billing system and processes
- Initiated a flexible hose pipe liner pilot request-for-proposal planning starting in FY 2022. This innovative pipe liner is ideal for bridge and river crossings because it minimizes impact to the bridge or river and is a more cost-effective approach than a dig and replace option

STRATEGY & INNOVATION OFFICE (Continued)

Accomplishments

- Introduced the risk management process across the strategic sourcing lifecycle, provided training and facilitated risk workshop for the strategic sourcing initiatives
- Completed the leak detection technical evaluation and recommended satellite leak detection. Satellite leak detection has moved onto the implementation phase on 1,000 miles of water main. Preliminary results show a significant reduction in cost per leak found over status quo
- Installed and began pilot testing a smart flushing unit; this unit monitors water quality and flushes the system when chlorine or turbidity are outside of specified range until water quality has recovered, avoiding customer complaints, optimizing flushing operations and increasing understanding of how water quality responds to flushing
- Completed design and construction of dewatering flow meters for water removal and accurately tracking the amount of water lost during a dewatering/emptying a pipe; pilot testing is underway
- Completed various plant production improvements by developing innovative products including a solids bin de-clogging air cannon at Patuxent water filtration plant (WFP) and a solids pump repair rigging system, a lime silo high-flow chute adaptor and a sedimentation pump electric hoist crane, all at the Potomac WFP
- Developed C2M Performance Dashboard to provide the ability to drill-down into the high level data
- Prepared weekly COVID-19 situation report for WSSC Water's Operational Continuity Team
- Started the side-stream enhanced biological phosphorus removal pilot at Parkway Water Resource Recovery Facility (WRRF)
- Developed a business and marketing plan for the biosolids WSSC Water will produce at the new Piscataway Bioenergy facility

OFFICE OF THE CHIEF STRATEGY & INNOVATION OFFICER

The Chief Strategy & Innovation Officer is responsible for leading and managing the Strategy & Innovation Office.

Core Activities

Management and Administration – This activity involves the management and supervision of the Strategy & Innovation Office. The Chief Strategy & Innovation Officer is responsible for creating an environment where innovative ideas and new ways of doing business are encouraged across the agency.

STRATEGIC PERFORMANCE DIVISION

The Strategic Performance Division engages employees in strategic planning and facilitates alignment with the WSSC Water strategic priorities by using data to inform decision-making. The division also provides internal consulting services, including data analysis, business planning, enterprise risk, strategic sourcing and process improvement.

Core Activities

Strategic Planning – This activity supports the leadership team and Commissioners in charting WSSC Water's future. Key functions include strategic plan workshops, all management meetings and employee outreach efforts.

Enterprise Risk Management – This activity supports the leadership team in achieving the agency's strategic objectives by designing and implementing the Enterprise Risk Management Plan. The program identifies, assesses, responds, monitors and reports risks and opportunities through regular activities, such as: risk management training, risk workshops, risk registers and enterprise risk reports.

STRATEGIC PERFORMANCE DIVISION (Continued)

Core Activities (Continued)

Strategic Sourcing – This activity manages the agency’s cost savings operation; evaluates and manages current and potential sourcing opportunities; and formulates and implements actions, plans and processes for critical commodities or supply networks. This is accomplished by utilizing a fact-based and data driven approach to drive process improvement and to reduce the total cost of operations.

Data Analysis – This activity identifies, collects and analyzes data to educate and inform business decisions. Key products include: the WSSC Water Performance Report, WSSC Water internal dashboards, American Water Works Association utility benchmarking, employee survey analysis and data visualization and analysis training.

INNOVATION & RESEARCH DIVISION

The Innovation & Research Division focuses on finding new ideas, technologies and process changes to improve operational efficiency, empower employees, develop new products and services, create new tools to compliment safe work practices, share our knowledge and expertise to benefit the industry, expand our partnerships and increase the sustainability of our infrastructure. The office also identifies, evaluates and pursues revenue opportunities created from innovative ideas and research.



Core Activities

Innovation and Research – This activity researches problems, develops possible solutions and tests results. The division applies ideas and solutions to increase internal and external customer value and productivity.

Business Development Activities – This activity involves the development, review and implementation of opportunities to generate non-rate related revenues through the sale of services or products.

ORGANIZATIONAL DEVELOPMENT DIVISION

Organizational Development (OD) is a new division within the Strategy & Innovation Office focused on increasing organizational effectiveness through changes in processes and systems. OD supports WSSC Water in adapting to change by facilitating cross-organizational teams to achieve anticipated business outcomes for transformational projects. In FY 2022, OD will be focused on supporting the Customer Service, Utility Services and Finance departments in adapting to WSSC Water’s C2M and Mobile Workforce Management systems.

ORGANIZATIONAL DEVELOPMENT DIVISION (Continued)

Core Activities

Facilitation – This activity includes leading weekly meeting of business offices to share cross-organizational perspectives on system adaptation and prioritize fixes for quarterly technology releases. It plans OD work activities to improve business outcomes.

Process – This activity comprises of working with business leaders to document and streamline work processes through system re-configurations and robotic process automation. It provides quality assurance and operations support to fulfill tasks generated by systems.

People – This activity develops tailored communication on process and system changes resulting from quarterly releases, provide training on system changes and develop dashboards and data marts to assist managers in making data-driven decisions.

COMMUNICATIONS & COMMUNITY RELATIONS OFFICE

The Communications & Community Relations Office proactively communicates internally and externally while building relationships and strategic alliances throughout communities and industries. The office also provides the news media with timely and accurate information, manages crisis communications, oversees the content on the WSSC Water website and provides graphic and photographic services.



Mission Statement

To provide timely and accurate information that is designed to educate and inform the Communications & Community Relations Office's internal and external customers and enhance WSSC Water's image.

Core Activities

Media and Public Relations – This activity includes numerous functions which inform our customers, improve relationships with the media and constituencies and enhance WSSC Water's image. These functions include preparing news releases, conducting interviews with the press, briefing the media, performing public service announcements, conducting customer surveys and managing various platforms of social media.

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

COMMUNICATIONS & COMMUNITY RELATIONS OFFICE (Continued)

Core Activities (Continued)

Community Outreach – This activity includes informing, updating and educating customers and stakeholders of engineering and other projects impacting their communities. This is accomplished via project and community meetings and events, exhibits, dedications, ground-breakings and conducting educational presentations at schools and various WSSC Water facilities. Additional outreach efforts include managing the Sewer Science Program; disseminating information and materials on the Fats, Oils and Grease (FOG) and Can the Grease Programs; and conducting events such as the H2O Fest, Children's Water Festival, Fishing Derby, the Watershed Festival and the Annual Family Campfire. This activity also provides support to the Customer Advisory Board and supports the community outreach activities of other agency offices.

Other Public Communications Projects – This activity involves preparing communications materials for requested meetings and events, coordinating tours for dignitaries, ordering promotional materials, producing informational videos and providing advisory services to other offices and teams on their communications needs or issues.

Internal Communications and Events – This activity informs WSSC Water employees about company news, events, policies and benefits, and coordinates special events, service awards ceremonies and giving campaigns. This activity also communicates WSSC Water's strategic priorities and values to the agency's staff.

Graphics, Photography and Videography Support – This activity provides support to all WSSC Water business units with needed graphics design and photographic and videographic services.

Web Content Administration – This activity includes overall management of WSSC Water's website and oversight of the web content publication process for each organization within the agency, including creating, updating and publishing public notices, feature tabs, news releases, photo galleries and the events calendar. This activity also recommends, drafts and edits website content to provide user-friendly information to WSSC Water customers and stakeholders; manages the content on the internal website (intranet); assists other offices and divisions on their training and content needs; and provides content for agency-wide activities, need-to-know business and messages from senior leadership.

HUMAN RESOURCES OFFICE

The Human Resources Office is responsible for planning, administering and evaluating the WSSC Water's personnel related programs and supports the negotiation and management of any collective bargaining agreement. The Human Resources Office develops and maintains the employee benefit structures and the classification and compensation programs, conducts training courses and manages the employee recruitment functions. The Human Resources Office also provides counseling services on a variety of employee relations issues, and adheres to all applicable federal, state and local regulations. It is also responsible for providing a safe and healthy work environment for WSSC Water employees, administering occupational safety and health programs to ensure compliance with all federal, state and local regulations.

Mission Statement

To support employee, department and organizational success; and provide quality employee systems in talent management, employee development, work force development and total rewards.

Core Activities

Talent Development – This activity involves the development, planning and administration of corporate employee development including succession management and tuition assistance programs; career development and counseling; leadership, management and supervisory development; knowledge capture and transfer methodologies; computer skills training; and assisting operating units with externally provided technical training.

Benefits Administration – This activity involves the development, administration and communication of all employee and retiree benefit plans, leave programs and deferred compensation plan to ensure they meet all regulatory requirements and interfaces with GCO, payroll and other financial systems. This activity also provides for the employee wellbeing program, which incorporates opportunities for employees to become engaged to make healthier behavioral and lifestyles choices.

HUMAN RESOURCES OFFICE (Continued)

Core Activities (Continued)

Employee and Labor Relations – This activity designs, implements and administers WSSC Water's human resources programs including, but not limited to employee relations, labor relations, accommodations, unemployment, onboarding, exit processes, policies and procedures. provides advice and guidance on human resources services to departments and staff offices on resolution of employee relations and labor relations matters. This activity provides support for collective bargaining; compliance with employment regulations; and policy development, implementation and interpretation as well as other assigned duties.

Compensation and Human Resources Information System – This activity develops, plans and manages the compensation program in alignment with WSSC Water's compensation philosophy and regulatory requirements, and manages the human resources information management system. This activity develops and maintains the classification and pay schedules, maintains job descriptions, performs market analysis and job evaluations to determine appropriate grade assignment, addresses salary issues provides report and data analysis and maintains employee records.

Talent Acquisition – This activity includes recruitment, internal staffing (promotions, transfers and voluntary demotions), assessment testing, selection, hiring and onboarding compliance processes. This function is also responsible for internship, apprenticeship and student cooperative program development, implementation and management. This function assists with contingent worker hiring, workforce planning, and statistical analysis of recruitment and staffing activities.

Occupational Safety and Health – This activity provides for the development and supervision of the agency-wide programs to minimize the risk of injuries, accidents and damage to WSSC Water 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 the agency facilities.

EQUAL EMPLOYMENT OPPORTUNITIES OFFICE

The Equal Employment Opportunities (EEO) Office is responsible for identifying, investigating and resolving employee EEO matters with integrity, neutrality and transparency. The EEO Office uses best efforts to resolve all allegations of harassment, employment discrimination and retaliation expeditiously and efficiently, with a view towards fair and equitable treatment for all persons involved. Related to complaint processing, the EEO Office is responsible for developing and implementing an Alternate Dispute Resolution (ADR) program intended to resolve complaints through mediation. The EEO Office also develops, conducts or oversees requisite training programs throughout WSSC Water related to EEO, harassment, diversity and ADR. The EEO Office is responsible for developing a program that enhances diversity by adopting and implementing a diversity strategy for WSSC Water.

Mission Statement

To ensure WSSC Water's compliance with EEO laws and practices, and address employee discrimination issues and complaints in accordance with the agency's policies and procedures.

Core Activities

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

CUSTOMER SERVICE DEPARTMENT

The Customer Service Department is responsible for providing residential and commercial customers with timely, accurate and responsive customer services. The department helps customers understand their water and sewer services including rates, water consumption, starting or stopping service and detecting household plumbing leaks. The department provides account services, such as billing adjustments and corrections, billing and collections operations and revenue analysis and management. The Customer Service Department also provides a variety of payment options and customer assistance solutions to help customers pay their water and sewer bills. Key priorities include improving the overall customer experience, streamlining operations to improve customer satisfaction and enhancing customer relationships. Led by the Customer Service Director, the department is comprised of the four divisions shown in the chart below.



Organizational Structure



Mission Statement

To provide a world-class customer experience to every customer, every time, by treating all customers in a friendly, helpful and professional manner.

CUSTOMER SERVICE DEPARTMENT (Continued)

Budget Summary

Customer Service Department	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Office of the Director, Customer Service	5.1	\$ 755,650	4.0	\$ 722,517	4.0	\$ 728,803	-	\$ 6,286
Customer Care Division	62.5	6,375,763	50.0	5,897,694	54.0	6,671,421	4.0	773,727
Center of Excellence Division	6.2	757,610	5.0	713,446	5.0	724,674	-	11,228
Customer Engagement & Advocacy Division	4.7	559,506	6.0	604,404	6.0	752,998	-	148,594
Billing & Revenue Protection Division	36.6	5,612,694	21.0	5,400,149	25.0	5,319,586	4.0	(80,563)
Total	115.1	\$ 14,061,223	86.0	\$ 13,338,210	94.0	\$ 14,197,482	8.0	\$ 859,272

Explanation of Major Variances

The FY 2022 Approved Budget for the department reflects an increase of approximately 6% from the FY 2021 Approved Budget. This increase is primarily due to continued stabilization and system enhancement efforts associated with the roll-out of the new C2M billing system.

Highlights

- Stabilization of departmental operations and business performance following replacement of the Customer Service Information System with the C2M billing system
- The addition of two new workyears to assist with revenue recovery
- Continued funding for enhancements to financial assistance programs that will provide conservation kits, plumbing inspections for qualified customers and high bill leak adjustment assistance to qualified customers

Accomplishments

- Improved billing timeliness by billing over 99.5% of customer accounts in a timely manner
- Launched the Here to Help Campaign to improve customer awareness about WSSC Water's financial assistance programs
- Increased funding for financial assistance programs and revised policies to enhance participation

OFFICE OF THE DIRECTOR, CUSTOMER SERVICE

The Customer Service Director is responsible for leading and managing the Customer Service Department.

Core Activities

Management and Administration – This activity involves the management and supervision of the Customer Care, Center of Excellence, Customer Engagement & Advocacy and Billing & Revenue Protection divisions.

CUSTOMER CARE DIVISION

The Customer Care Division serves as the voice of WSSC Water for customer oriented services and is comprised of the Customer Service Center and Research & Communications Section. The division responds to general and complex customer requests, such as customer assistance with billing matters, research and analysis and assisting our walk-in customers.



Core Activities

Customer Correspondence – This activity addresses written correspondence received from WSSC Water customers. Inquiries and communications received via letter, fax or electronic mail are entered into the C2M database to accurately reflect the customer's account history.

Dispute Resolution/Refund Hearings – This activity focuses on 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.

Customer Account Inquiry (Non-Emergency) – This activity addresses 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 C2M database such as inspections, field investigations and restoration of service; and educating customers on such topics as sources of water loss, water conservation and customer assistance programs.

Goals, Objectives and Outcome Measures

Goal: Provide a quick response to customer problems or system emergencies. **Strategic Priority:** Enhance customer experience

Objectives	Outcome Measure	FY 2019 Actual / Target	FY 2020 Actual / Target	FY 2021 Target	FY 2022 Target
Respond to customers' telephone calls	Percentage of calls answered (non-emergency calls)	82.8% / 92.0%	85.9% / 95.0%	87.0% *	95.0%

(*) The decrease in the target from 95.0% in FY 2020 to 87.0% in FY 2021 reflects revised performance expectations due to continued stabilization and system enhancement efforts associated with the roll-out of the new C2M billing system.

CENTER OF EXCELLENCE DIVISION

The Center of Excellence Division provides centralized strategies and resources for the Customer Service Department, including workforce scheduling, forecasting and resource allocation; quality assurance, training and coaching; employee engagement and performance-based management; and innovative business process and customer service technology strategies for the enterprise.

Core Activities

Workforce Management, Quality Assurance and Training – This activity includes developing and managing strategies related to workforce optimization, quality assurance, employee engagement, departmental performance and training.

Process and Technology – This activity includes developing and managing strategies via continuous process improvement and technological innovation.

CUSTOMER ENGAGEMENT & ADVOCACY DIVISION

The Customer Engagement & Advocacy Division serves as an advocate for all customers for resolving complex customer service issues and promoting effective customer relationships. This division informs communities and stakeholders about WSSC Water priorities and projects and promotes customer assistance programs and initiatives.

Core Activities

Customer Awareness – This activity focuses on educating WSSC Water external customers on water conservation and publishing and distributing material on WSSC Water’s contributions to the surrounding communities. The activity also involves informing customers of any projects or events that will impact their water and sewer service.



BILLING & REVENUE PROTECTION DIVISION

The Billing & Revenue Protection Division manages billing and collections operations, billing adjustments and corrections and revenue analysis and management. The division partners with the Utility Services Department to handle account collections and turn-offs and support timely and effective meter reading.

Core Activities

Billing and Revenue Protection – This activity ensures effective and efficient billing, accounts receivable collection functions and fraud management. Additionally, the division assesses and authorizes requests for billing adjustments, manages delinquent accounts and reconciles billing.

Water and Sewer Bill Composition and Printing – This activity comprises the design, composition, printing and distribution of electronic and paper water and sewer bills to customers.

Customer Account Maintenance – This activity is associated with processing bill adjustments granted to customers who meet the adjustment policy criteria, updating adjustments to customer accounts in the C2M database and investigating refund requests, which may result in customer account modifications.

Monthly Bill Customer Account Inquiry – This activity determines appropriate actions to ensure that customers are billed accurately, particularly large users. The activity also ensures that malfunctioning meters which inaccurately measure consumption are properly identified, investigated and either repaired or replaced.

OPERATIONS

Operations refers to the departments critical to the planning, design, construction, operation and maintenance of the agency's water and sewer services. The Deputy General Manager for Operations provides leadership, oversight and guidance regarding facility planning, construction, maintenance and operations, as well as maintenance and repair of the agency's vast water distribution and sewer collection systems, ensuring continuous delivery of life's most precious resource. The offices and departments that fall under Operations are listed in the table below.

Budget Summary

Operations	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Asset Management Office	4.7	\$ 1,634,023	6.0	\$ 1,828,820	6.0	\$ 1,794,247	-	\$ (34,573)
Police & Homeland Security Office	33.8	4,959,794	40.0	5,951,654	40.0	5,951,878	-	224
Engineering & Construction Department	349.2	397,930,450	376.0	571,491,507	376.0	685,173,258	-	113,681,751
Production Department	311.1	141,838,990	330.0	143,843,456	332.0	152,791,839	2.0	8,948,383
Utility Services Department	477.7	94,476,940	512.0	137,722,473	512.0	122,030,861	-	(15,691,612)
Total	1,176.5	\$ 640,840,197	1,264.0	\$ 860,837,910	1,266.0	\$ 967,742,083	2.0	\$ 106,904,173

ASSET MANAGEMENT OFFICE

The Asset Management Office is responsible for the development and implementation of world class asset management strategies and practices in order to balance the competing goals of maximizing the level of service we deliver to our customers, while at the same time minimizing the lifecycle cost of the assets and the business risk exposure of the agency; sustaining the infrastructure to continue delivering the highest level of reliable water and wastewater service; optimizing decision-making processes; and maximizing the utilization of existing resources.

Mission Statement

To implement asset management strategies to strengthen current asset management practices and develop an Enterprise Asset Management Plan which identifies the infrastructure needs for a 30-year planning period and is utilized to develop a 10-year fiscal plan.

Core Activities

Asset Management Program – This activity involves the development and implementation of the WSSC Water Asset Management Program. The program includes the development of asset management plans, processes and procedures for all WSSC Water facility assets, water transmission and distribution assets, wastewater collection assets and support service facility assets. This effort is being delivered in multiple phases over a number of years. In addition, the office oversees WSSC Water's Project Needs Validation Process, which focuses on identifying the most effective solution based upon lifecycle costs, risk and level of service.

POLICE & HOMELAND SECURITY OFFICE

The Police & Homeland Security Office is responsible for safeguarding the agency's real property; providing for the safety of WSSC Water personnel, customers and visitors to our facilities; investigating theft of service cases; investigating illegal discharge of substances into the wastewater collection system; and investigating complaints of criminal activity which occur on agency property.

POLICE & HOMELAND SECURITY OFFICE (Continued)



Mission Statement

To provide the highest quality critical infrastructure security, police and emergency management services to WSSC Water to protect the people, resources and infrastructure operated by the agency.

Core Activities

Security Services – This activity provides security for employees and visitors to the agency-owned property and facilities. This involves conducting proactive patrols of all WSSC Water properties and facilities; implementing and proactively monitoring centralized physical and electronic security systems; expanding and improving the performance of electronic security systems; enforcing all rules, regulations and laws regarding forestry, the environment and protection of natural resources; and providing proprietary guard services to WSSC Water facilities.

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

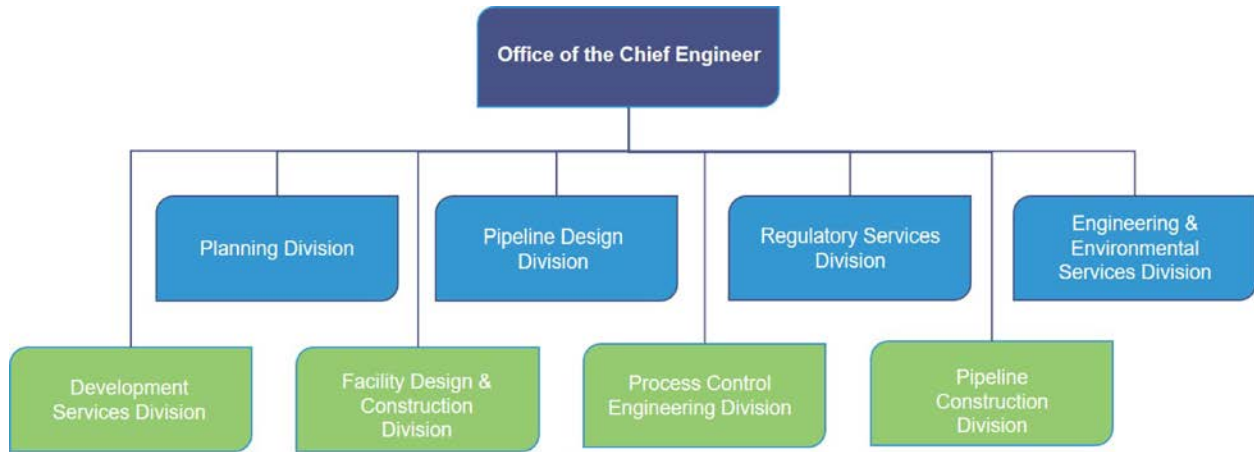
Emergency Management – This activity includes coordination of the entire preparedness cycle - planning, training and exercising, for emergency situations and disasters. This activity is also responsible for assisting in the agency-wide coordination of response to large-scale emergency incidents and disasters and coordinating with state and local government public safety agencies during those incidents. Emergency management includes updating of emergency response, operations and Continuity of Operations Plans (COOP). In particular, COOP is an effort within individual executive departments and agencies to ensure continued performance of essential functions during all-hazards, both natural and man-made. Emergency management also includes management of and improving follow-through on improvement planning processes and after-action reports following emergency exercises and real-world incidents.

Risk and Threat Assessment and Mitigation – This activity involves conducting risk and resiliency assessments and revision of emergency response plans under the America's Water Infrastructure Act (S. 3021; Public Law 115-270, enacted October 23, 2018). Utilities must also review and, if necessary, revise these documents at least every five years. The law requires community water systems to complete risk and resiliency assessments that have considered physical risks posed by malicious actors and natural disasters, as well as risks from cyber threats. The assessments must consider possible impacts to treatment and distribution infrastructure, as well as intakes and source water. Systems are also required to assess their computer and automated systems, chemical use and storage, operations and maintenance, monitoring practices and financial infrastructure.

ENGINEERING & CONSTRUCTION DEPARTMENT

The Engineering & Construction (E&C) Department manages the planning, design and construction of the water and sewer systems throughout the Washington Suburban Sanitary District (WSSD), and serves as the water and sewer regulatory body that protects the system and the public. The department emphasizes continuous improvement through the development and management of its people, the efficient use of existing and emerging technologies and the use of scientific, engineering and business knowledge to proactively solve practical problems. Led by the Chief Engineer, the department is comprised of the eight divisions shown in the chart below.

Organizational Structure



Mission Statement

To provide engineering and regulatory expertise to plan, design and build necessary infrastructure as well as operational support for delivering safe water and wastewater services in a timely, cost-effective and environmentally sound manner.

Budget Summary

Engineering & Construction Department	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Office of the Chief Engineer	1.4	\$ 247,990	4.0	\$ 4,754,711	2.0	\$ 7,235,257	(2.0)	\$ 2,480,546
Development Services Division	52.3	5,668,768	51.0	5,753,519	51.0	5,900,338	-	146,819
Planning Division	13.0	57,734,686	15.0	71,725,328	15.0	69,351,070	-	(2,374,258)
Facility Design & Construction Division	29.6	132,406,747	34.0	144,068,425	33.0	217,786,942	(1.0)	73,718,517
Pipeline Design Division	33.0	16,293,234	37.0	28,796,137	39.0	33,506,835	2.0	4,710,698
Process Control Engineering Division	13.6	2,729,128	14.0	2,724,832	14.0	2,728,070	-	3,238
Regulatory Services Division	72.8	7,359,693	77.0	7,216,071	77.0	7,285,613	-	69,542
Pipeline Construction Division	75.3	163,644,823	82.0	293,262,243	83.0	328,923,725	1.0	35,661,482
Engineering & Environmental Services Division	58.2	11,845,381	62.0	13,190,241	62.0	12,455,408	-	(734,833)
Total	349.2	\$ 397,930,450	376.0	\$ 571,491,507	376.0	\$ 685,173,258	-	\$ 113,681,751

ENGINEERING & CONSTRUCTION DEPARTMENT (Continued)

Explanation of Major Variances

The FY 2022 Approved Budget for the E&C Department reflects an overall increase of almost 20% from the FY 2021 Approved Budget. The increase is entirely attributable to the capital budget, as the operating budget for the E&C Department decreased by about \$0.1 million. The increase in the capital budget is primarily driven by the annual update to the Capital Improvements Program (CIP), which is \$98.3 million higher overall in FY 2022, as discussed in Section 8. The increase reflects the ramping up of construction on the Piscataway Bioenergy project and the addition of five new wastewater pumping station (WWPS) and force main replacement projects to address aging assets that are at or beyond their useful lives.

Highlights

- WSSC Water continues to comply with all aspects of the Sanitary Sewer Overflow (SSO) Consent Decree
- A total of 39 miles of sewer assets were identified for rehabilitation as part of the Piscataway Rehabilitation Program and are in various stages of design and construction with completion anticipated in FYs 2023 and 2024
- WSSC Water received approval from the Maryland Department of the Environment (MDE) for the Potomac Water Filtration Plant Consent Decree Program long-term upgrade plan on May 6, 2019; Construction will be completed for the short-term improvements, leak mitigation and filter drain valve replacements in FY 2021; Final design is underway on the gravity thickeners expansion with construction bid anticipated in the fall of 2021; Final design is underway on the upgrades to the sedimentation basins and backwash treatment system with construction bid anticipated in early 2022
- The Piscataway Bioenergy project started construction in FY 2020 and will continue in FY 2021 with an anticipated substantial completion by November 2024

Accomplishments

- For the distribution and transmission mains reconstruction programs, the E&C Department completed 32.7 miles of water main rehabilitation in FY 2020
- The final phase (close-out) of the Broad Creek WWPS Augmentation project will be complete by January 1, 2021

OFFICE OF THE CHIEF ENGINEER

The Chief Engineer is responsible for leading and managing the E&C Department.

Core Activities

Management and Administration – This activity involves the management and supervision of the E&C Department. The Chief Engineer is responsible for leading capital project delivery, regulatory compliance processes, process controls for water and wastewater treatment facilities and environmental initiatives.

Unsigned System Extension Permit (SEP) – This activity reserves funds for developer projects that do not yet have a signed SEP, in the event WSSC Water has to proceed with development.

DEVELOPMENT SERVICES DIVISION

The Development Services Division is responsible for the integrity of WSSC Water's water and sewer system through oversight of the planning, design and construction of developer-built water and sewer extensions, WWPS and relocations. The division also reviews all plumbing, gas-fitting and house connection applications; issues permits; collects related fees and charges; administers the System Development Charge (SDC) reimbursement process; and reviews and processes site utility plans, service connection submittals and applicant built construction packages.

Core Activities

Development Design – This activity includes three stages of design: planning, design review and construction coordination for developer-built land development projects. Planning includes hydraulic analysis, determining the adequacy of existing mains and requirements for the size and alignment of new water and sewer mains, easements and coordination with other jurisdictions. Design review encompasses the review and approval of construction plans of new and/or relocated developer-built water and sewer mains for both WSSC Water and privately-owned systems associated with new development and issuance of all house connection, plumbing and site utility installation permits. Construction coordination involves review and approval of plan revisions during construction, as well as processing partial and final releases and working with other WSSC Water divisions to close-out and store as-built data for completed projects.

Permits – This activity includes reviewing plumbing, gas-fitting and house connection applications and issuing permits within the WSSD. It also ensures regulatory requirements are met and assesses and collects levies, related fees and charges.

PLANNING DIVISION

The Planning Division responsibilities are four-fold. First, it is responsible to ensure adequate capacity of the water treatment, transmission, distribution, and storage systems, as well as the wastewater treatment, collection and conveyance systems for both existing and future customers. Secondly, it is responsible to develop projects and perform preliminary engineering before they are transferred to the design teams in order to expedite the project delivery process. Part of this effort includes several infrastructure replacement programs including water main, sewer main, force main, and pre-stressed concrete cylinder pipe (PCCP). Additionally, it is responsible to develop new, and manage existing, regional cooperative agreements with adjoining jurisdictions and other agencies with whom WSSC Water shares resources, and to provide technical resources that advise the agency concerning any proposed State and Federal policy initiatives, laws and regulations that may impact its activities. This includes review and approval of all invoices related to WSSC Water's relevant share of the wastewater CIP projects for the District of Columbia Water and Sewer Authority (DC Water) and Charles County. Lastly, it is responsible to execute business cases that are recommended by the Asset Management Program's Project Needs Validation Process. The business cases evaluate feasible alternatives for a given need and perform a lifecycle cost and business risk exposure evaluation to develop a recommended solution.

Core Activities

Need Analysis & Facility Planning – This activity identifies and develops water and sewer system capacities through computerized hydraulic modelling and identifies deficiencies and solutions to mitigate them. This work is limited to CIP-sized facilities and can include development-related needs. It also develops long-range flow projections, provides technical support for County 10-year water and sewer plan revisions and prepares quarterly reports on available capacity.

Special Investigations and Technical Support – This activity provides operational support for planned and emergency shut-downs, and analysis for PCCP and transmission system inspections and rehabilitation. This work also includes preparing and submitting the annual water audit and water loss reduction plan required by MDE.

Flow Monitoring & Reporting – This activity monitors wastewater flows, reviews data, and develops sewer meter flow reporting used for billing and system operations.

Regulatory Permitting & Compliance – This activity includes the analysis of and response to proposed regulatory initiatives, coordination of comments on proposed legislation and evaluation of environmental legislation that may impact WSSC Water.

PLANNING DIVISION (Continued)

Core Activities (Continued)

Regional Water & Wastewater Management – This activity oversees payments to DC Water for WSSC Water's share of construction at the Blue Plains Advanced Wastewater Treatment Plant (Blue Plains) and other wastewater collection and conveyance facilities located in Washington, D.C. The division also oversees capital billing and reviews the preparation of Blue Plains and Mattawoman WRRF (located in Charles County) CIP projects. This activity also includes developing new and managing existing agreements with adjoining jurisdictions such as Howard County, the City of Bowie and the City of Rockville, as well as regional water supply cooperative agreements and planning activities through the Interstate Commission on the Potomac River Basin (ICPRB).

Replacement Planning – This activity pertains to all planning work associated with the water main, sewer main, trunk sewer, force main, valve replacement and facility replacement programs.

PCCP Investigations and Analysis – This activity represents all work associated with the planning efforts on the PCCP replacement program.

Business Case Evaluations – This activity performs evaluations to determine the most effective solutions to validated needs based upon lifecycle cost, business risk exposure and level of service.

FACILITY DESIGN & CONSTRUCTION DIVISION

The Facility Design & Construction Division administers and manages the design, construction and inspection of major water, wastewater and biosolids facility projects. The division also oversees special projects and planning studies.

Core Activities

Facility Planning and Design – This activity manages select architecture and engineering contracts and in-house resources designing major facility projects and investigating specific WSSD areas needing additional facilities serving existing and future customers.

Facility Construction – This activity funds and manages facility construction projects, including ensuring contract terms, general conditions and specifications are fulfilled; reviewing submittals; processing contractor requests for information; reviewing and processing monthly and final payment requests; administering and negotiating change orders; and evaluating claims.



PIPELINE DESIGN DIVISION

The Pipeline Design Division is responsible for managing pipeline designs in the CIP and water and sewer main reconstruction programs; pipeline designs for water and sewer relocations associated with road improvement projects for the state, Counties and municipalities; and reviewing water and sewer relocations to ensure compliance with WSSC Water guidelines.

PIPELINE DESIGN DIVISION (Continued)

Core Activities

Pipeline Design – This activity prepares and manages contract design documents for CIP water and sewer main projects and the water and sewer reconstruction programs, including project scope preparation and design, overseeing consultants, performing technical reviews, coordinating community outreach and acquiring rights-of-way permits.

Water and Sewer Relocations – This activity reviews construction plans for new roads and other WSSC Water, government agency and private sector construction. It also administers and monitors architectural and engineering contracts required for governmental road construction projects. In addition, the division prepares designs for relocating existing water and sanitary sewer systems.

Goals, Objectives and Outcome Measures

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

Strategic Priority: Optimize Infrastructure

Objectives	Outcome Measure	FY 2019 Actual / Target	FY 2020 Actual / Target	FY 2021 Target	FY 2022 Target
Design the number of miles for the Water Reconstruction Program as planned	Miles of water mains designed	26.0 / 25.0	25.6 / 25.0	25.0	25.0
Design the number of miles for the Sewer Reconstruction Program as planned	Miles of sewer mains designed	25.8 / 20.0	25.2 / 25.0	25.0 *	33.0

(*) This figure does not include the additional work in FY 2021 related to the holistic rehabilitation efforts to address infiltration and inflow in the Piscataway Basin.

PROCESS CONTROL ENGINEERING DIVISION

The Process Control Engineering Division designs, procures, configures and installs process control systems for new and existing facilities; improves automation for existing facilities; and maintains and repairs automation and Supervisory Control and Data Acquisition (SCADA) systems.

Core Activities

Corrective Maintenance – This activity provides corrective maintenance of all process control systems at WSSC Water facilities.

Enhancement and Upgrade Maintenance – This activity includes software programming and configuration enhancements, hardware upgrades and process control system improvements.

Inventory Management – This activity orders, receives and performs database management of materials and inventory.

New Facility Support – This activity participates in design reviews to integrate, install and program new process control equipment for newly constructed facilities, including managing contractual agreements with vendors.

REGULATORY SERVICES DIVISION

The Regulatory Services Division is responsible for the federally mandated pretreatment (industrial discharge control) program; the Fats, Oils and Grease (FOG) Program; and the implementation and enforcement of the Plumbing and Gas-Fitting Regulations. The division regulates discharges into the sewer system; samples discharges from industrial users; inspects food service facilities; conducts investigations; responds to spills of hazardous materials entering the sewer system; monitors and inspects cross connections to prevent backflow contamination; maintains the Plumbing and Fuel Gas Code; maintains engineering design and meter design standards; reviews and approves plumbing and gas-fitting engineering designs; and inspects the installation of commercial and residential plumbing and gas-fitting systems, plumbing and gas fixtures/appliances and grease abatement systems.

Core Activities

Code Planning and Plans Review – This activity plans, develops and maintains the technical aspects of WSSC Water’s Plumbing and Fuel Gas Code along with performing all plumbing and gas-fitting engineering design reviews and approvals.

Cross Connection – This activity includes inspection of backflow prevention devices, maintenance of inspection records and all activities associated with the WSSC Water backflow prevention program.

Plumbing and Gas-Fitting Inspections – This activity inspects for proper permitting and installations, in compliance with WSSC Water's Plumbing and Fuel Gas Code, of installed commercial and residential plumbing and gas-fitting systems and grease abatement systems for construction projects.

Industrial Discharge Control Program – This activity monitors and controls industrial/non-domestic and hauled waste discharged into WSSC Water's sanitary sewer systems in compliance with all government regulations and investigates, samples, permits and reviews industry reports to confirm industry regulation compliance.

Fats, Oils and Grease (FOG) Program – This activity monitors and controls the food service industry discharge of fats, oils and grease into the sewer systems; investigates sanitary sewer blockages and overflows resulting from FOG discharges; and initiates enforcement actions.



PIPELINE CONSTRUCTION DIVISION

The Pipeline Construction Division is responsible for the management and inspection of water supply and wastewater collection pipeline construction contracts, as well as associated contracts for house connections, paving and landscaping.



Core Activities

Construction Management – This activity provides for management and inspection for all pipeline construction projects, including new house connections, pipeline relocations, site utilities and rehabilitations. Rehabilitation contracts include water and sewer replacement, water main cleaning and lining, large water meter replacement, cathodic protection, house connection renewals and sewer main lining. It also includes inspection of work performed by others, such as developers and relocations by state, County, and municipal agencies.

Street Repair and Restoration – This activity manages and inspects street and landscaping restoration contracts, including processing internal patch tickets, issuing work orders, supervising consultant paving inspectors, inspecting sites, coordinating permit requirements with County regulators and managing contractor payments.

Contract Document Review – This activity reviews prepared construction and bid contract documents to achieve quality, cost effectiveness and timeliness in the deliverables.

Goals, Objectives and Outcome Measures

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

Strategic Priority: Optimize Infrastructure

Objectives	Outcome Measure	FY 2019 Actual / Target	FY 2020 Actual / Target	FY 2021 Target	FY 2022 Target
Replace the number of miles for the Water Reconstruction Program as planned	Miles of water mains replaced	43.8 / 43.0	28.1 / 23.0	23.0	29.0
Rehabilitate the number of miles of sewer mains and lateral lines for the Sewer and Trunk Sewer Reconstruction Programs as planned	Miles of sewer mains and lateral lines rehabilitated	16.4 / 35.0	10.1 / 38.0	38.0 *	42.0

(*) This figure does not include the additional work in FY 2021 related to the holistic rehabilitation efforts to address infiltration and inflow in the Piscataway Basin.

ENGINEERING & ENVIRONMENTAL SERVICES DIVISION

The Engineering & Environmental Services Division provides a full range of in-house civil, mechanical and electrical engineering support including: technical services for capital planning, design and construction; maintenance of engineering records and the Geographic Information System (GIS); environmental engineering and science support; infrastructure management; and land services (rights-of-way, land acquisition and recordation and land surveys).

Core Activities

Construction Contract Services – This activity reviews and produces contract bid documents for all construction, rehabilitation and new and renewal house connection contracts. The division also calculates and validates engineer bid estimates and contractor market responses.

GIS Services – This activity develops and maintains the web-based Enterprise Geographic Information System (EGIS) including: development, installation and programmatic oversight; collaboration with government agencies and other entities; and providing GIS data access to WSSC Water employees and other entities.

Electrical and Mechanical Support – This activity provides electrical and mechanical support including: asset management, ongoing project engineering and construction projects, research and evaluation of associated materials and methods and emerging technologies and traditional practices. The activity includes facility master plans, standardization, in-house engineering and technical support.

Civil Engineering Support – This activity provides in-house general civil, hydraulic, structural, corrosion and geotechnical engineering expertise to support asset management. It includes reviewing pipeline and facility designs, specification documents, manuals and guidelines, shop drawings and preparing contract documents and specialty designs.

Infrastructure Management – This activity includes the Dam Safety and Inspection Program and the Corrosion Management Program. The Dam Safety and Inspection Program includes monthly water supply dam inspections and repair recommendations, piezometer readings, silt measurements and preparation of the annual dam report submitted to the state. The Corrosion Management Program includes monitoring approximately 1,500 corrosion test stations, providing and coordinating corrosion design and repair recommendations and developing and maintaining corrosion design guidelines.

Property and Rights-of-Way Acquisition – This activity provides real estate acquisition and rights-of-way support relating to new development, capital pipelines and facility projects. The services include preparing land plats and documents, legal descriptions and sketches and maintaining the real property inventory. Mapping is reviewed and entered into the EGIS.

Surveys – This activity provides water and sewer design surveys through completion of final as-built drawings for maintenance and future design. It also includes locating structures for maintenance and field verification of assets for the EGIS.

Engineering Records – This activity supports quality control and tracking of engineering plans and as-built drawings, including scanning, indexing and uploading record drawings into WSSC Water's Webmap.

Process Engineering and Water Quality Studies – This activity provides treatment process expertise and services for in-house projects, external studies and designs related to treatment of water and wastewater, including managing biosolids and related permits. The division ensures quality process engineering and site-specific services to meet regulations. In addition, it is the technical liaison with industry foundations and agencies to give WSSC Water access to research efforts and results.

Water Resources Protection – This activity develops strategies for water quality assessment and protection, including coordinating with outside agencies to pursue watershed and source water quality protection, collecting water samples, long-term modeling of land use on raw water and obtaining grant funding for evaluation and preventive measures.

Pollution Prevention Studies – This activity develops and implements pollution prevention plans protecting water, air and soil from possible WSSC Water discharge of pollutants.

Environmental Assessment, Permitting and Enforcement – This activity manages environmental assessments, including wetlands evaluations, forest conservation efforts, archaeological historical studies and water quality evaluations. The division administers WSSC Water's Utility Erosion and Sediment Control Program and the Public Tree Care Program. The division also reviews and approves design plans, issues permits, conducts field inspections and enforces WSSC Water regulations for utility construction erosion and sediment control.

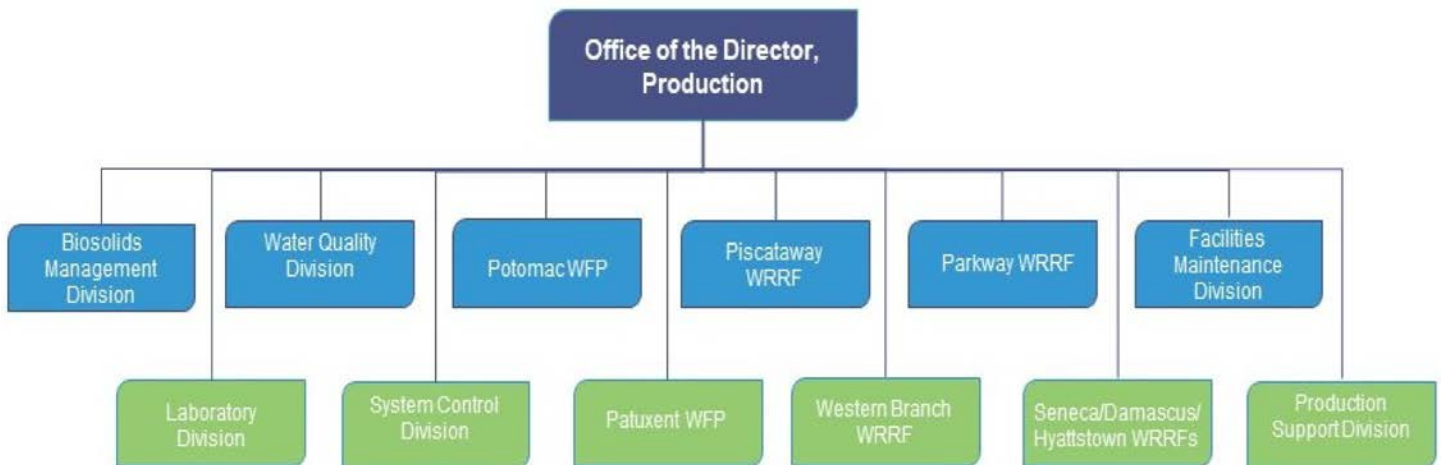
Electronic As-Built Prep – This activity prepares pipeline rehabilitation as-built contracts using AutoCad, including integrating the Global Positioning System (GPS) units to transmit digital appurtenance locations to AutoCad. The AutoCad results are then transmitted to EGIS.

PRODUCTION DEPARTMENT

The Production Department is committed to meeting two primary objectives: to provide our customers with a safe and reliable supply of drinking water that meets or exceeds all Federal and State standards and regulations; and protect public health and the environment by returning a clean wastewater effluent back to the environment. WSSC Water's yearly recognition by the Partnership for Safe Water and Peak Performance Award Programs is indicative of our commitment to provide our customers with the best water and wastewater services possible. Led by the Production Director, the department is comprised of 12 divisions shown in the following chart.



Organizational Structure



Mission Statement

To provide a safe and reliable supply of drinking water, and to produce a high quality wastewater effluent that provide high quality, cost-effective operation and maintenance of the agency's water supply, dams and reservoirs, water filtration plants, water distribution facilities, wastewater collection facilities, wastewater resource recovery facilities, biosolids management programs and laboratories.

PRODUCTION DEPARTMENT (Continued)

Budget Summary

Production Department	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Office of the Director, Production	3.8	\$ 636,257	4.0	\$ 604,018	2.0	\$ 349,974	(2.0)	\$ (254,044)
Biosolids Management Division	-	-	-	-	5.0	499,681	5.0	499,681
Laboratory Division	29.2	4,267,245	29.0	4,299,048	29.0	4,318,259	-	19,211
Water Quality Division	6.8	919,231	8.0	1,701,874	8.0	1,709,593	-	7,719
Systems Control Division	32.2	5,146,015	32.0	4,662,041	32.0	9,284,912	-	4,622,871
Potomac WFP	33.1	9,392,764	35.0	10,035,773	35.0	9,627,597	-	(408,176)
Patuxent WFP	24.2	4,654,167	26.0	4,767,337	26.0	4,670,399	-	(96,938)
Piscataway WRRF	25.2	9,656,223	26.0	11,458,693	26.0	10,783,722	-	(674,971)
Western Branch WRRF	30.4	11,528,023	32.0	9,405,050	32.0	9,614,181	-	209,131
Parkway WRRF	20.1	3,966,800	22.0	3,708,834	22.0	3,819,528	-	110,694
Seneca/Damascus/Hyattstown WRRFs	31.1	6,043,602	32.0	5,943,737	32.0	6,052,612	-	108,875
Facilities Maintenance Division	60.2	17,697,643	68.0	17,605,636	68.0	20,363,828	-	2,758,192
Production Support Division	14.8	67,931,020	16.0	69,651,415	15.0	71,697,553	(1.0)	2,046,138
Total	311.1	\$ 141,838,990	330.0	\$ 143,843,456	332.0	\$ 152,791,839	2.0	\$ 8,948,383

Explanation of Major Variances

The Production Department FY 2022 Approved Budget reflects an increase of approximately 6.0% over the FY 2021 Approved Budget. The increase is primarily due to new funding for water tank rehabilitation; hydraulic dredging of the Triadelphia Reservoir; facility maintenance projects; and additional DC Water operational costs. This increase is partially offset by decreased chemical costs.

Highlights

- Two new workyears are included for the new Piscataway BioEnergy facility
- Water tank rehabilitation is underway for three elevated tanks near the City of Bowie, Prince George's County
- Hydraulic dredging will begin at the Triadelphia Reservoir to relieve the undue stresses on the structure of the Brighton Dam caused by the accumulated sediment in the immediate vicinity of the dam intake structure as well as along the incline of the dam and along the northern shoreline
- Expand facility maintenance to include roofing, paving, electrical and HVAC upgrades

Accomplishments

- FY 2020 marked our 102nd year without a drinking water violation
- Both Potomac and Patuxent WFPs earned the prestigious Partnership for Safe Water Presidents Award, the only two water filtration plants in Maryland to win the award
- All six WRRFs earned National Association of Clean Water Agency Peak Performance Awards in 2020

OFFICE OF THE DIRECTOR, PRODUCTION

The Production Director is responsible for the oversight and operation of the Production Department.

Core Activities

Management and Administration – This activity involves the management and supervision of the Department. It also involves coordination with other regional agencies, supports employee certifications and employee association memberships.

BIOSOLIDS MANAGEMENT DIVISION

The Biosolids Management Division's primary focus is on receiving the biosolids from all WSSC Water's WRRFs and producing an exceptional quality Class A product suitable for beneficial reuse all while producing renewable energy.

Core Activities

Biosolids Management Program – The Biosolids Management Division plans, organizes and directs the activities of WSSC Water's AD/CHP facility, consisting of thermal hydrolysis pre-treatment; mesophilic anaerobic digestion; cake receiving; de-watering operations; side stream treatment and combined heat & power processes and equipment. The Division also manages all the contractual and regulatory issues related to biosolids and residuals.

LABORATORY DIVISION

This division is responsible for the operation and maintenance of the WSSC Water's laboratory facilities and for providing high quality analytical data to the agency and other organizations for the benefit of public health and environmental quality.

Core Activities

Laboratory Services – This activity operates and maintains a state-of-the-art Environmental Protection Agency certified laboratory providing the highest quality analytical data to WSSC Water and other organizations for the benefit of public health and environmental quality. The activity handles all laboratory testing necessary to operate the treatment processes, including biological, organic, and metals testing; analyzing the chemical and physical properties of a variety of liquid, solid and gaseous samples; and optimizes treatment processes in order to meet or exceed the requirements of the Safe Drinking Water Act and other federal and state regulations.



WATER QUALITY DIVISION

This division establishes a unified, central structure in which all water quality issues are managed, so the agency's water quality goals are met consistently and reliably. This division is responsible for management and coordination of drinking water regulatory compliance activities, implementation and operation of water quality surveillance and response programs, response to stakeholder and customer inquiries on water quality and proactive planning on water quality.

Core Activities

Water Quality Program – The program's core functions include compliance with drinking water regulations, drinking water contamination monitoring and response, as well as customer and stakeholder support on water quality issues. Specifically, the division performs planning, management and operation of all Safe Drinking Water Act compliance activities including monitoring and reporting, identification and resolution of current and upcoming water quality problems, implementation of surveillance and response programs to better detect contamination events and communicating with customers and stakeholders to address their water quality concerns.

SYSTEMS CONTROL DIVISION

This division is responsible for the operation and maintenance of the water distribution system's pumping stations, water storage tanks, throttling valves, specialty valves, electrically operated valves and associated instrumentation. The division operates and maintains SCADA systems through the Control Center, monitoring remote water and wastewater facilities to ensure reliable service and minimizing environmental damage. The ultimate goal of the division is to provide reliable and safe water throughout the distribution system. The division also operates and maintains three dams and the raw water reservoirs impounded behind them. Operations on the Patuxent River dams to provide notifications with emergency management personnel during flooding events.

Core Activities

Operations – This activity involves the operation and maintenance of the water distribution system's pumping stations, water storage tank throttling valves, specialty valves, electrically operated valves, associated instrumentation and three dams and their impounded raw water.

Maintenance – This activity maintains and operates the agency's Patuxent reservoirs to protect water quality. This activity also performs maintenance required by the dam regulatory offices and the maintenance of the watershed recreational areas. In addition, this activity provides support to the Communications & Community Relations Office for its community outreach events. During drought years and during the current Brighton Dam rehabilitation project, this unit has removed silt from the upper reservoir reaches to regain reservoir storage.

Maintenance Support Services – This activity is associated with monitoring, controlling, and enhancing process systems associated with treatment, distribution, and collection for water and wastewater systems. This activity also monitors real time energy costs to minimize the Commission's electrical costs. In addition, this activity supports project planning, project design, and project construction of new facilities within the WSSD. When necessary, the WSSC Water's Emergency Operating Center is directed within this area.

POTOMAC AND PATUXENT WFPs

These two WFPs are responsible for the operation and maintenance of their respective facilities, providing high-quality, cost-effective maintenance and continual operation of the agency's water filtration plants, water distribution facilities and water supply dams.

POTOMAC AND PATUXENT WFPs (Continued)

Core Activities

Operations – This activity is associated with monitoring, controlling and enhancing process systems associated with water treatment to meet or exceed rigorous federal water quality standards under the Safe Drinking Water Act as well as monitoring and reporting of the plant discharge pursuant to the requirements of the Federal Clean Water Act. This activity also monitors and controls the chlorine residual levels entering the water system to maintain water safety to the customer tap as well as conducts annual enhanced coagulation to reduce chlorine by-product formation in the water system.

Maintenance – This activity is comprised of maintenance activities, from preventative to reactive to enhancement, for the agency’s WFPs. 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 to reduce 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.

Activity Indicators

Workload Data	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2022 Approved
Average daily filtered water to the distribution system (MGD)	161.7	162.6	164.0	163.0

PISCATAWAY, WESTERN BRANCH, PARKWAY, SENECA, DAMASCUS AND HYATTSTOWN WRRFs

These WRRFs are responsible for the operation and maintenance of their respective facilities, providing high quality, cost effective maintenance and continual operation of the agency’s wastewater collection facilities and WRRFs. The facilities produce effluent that meets all requirements for discharging into waters of the State of Maryland; utilize the biosolids generated in an environmentally beneficial manner; and operate and maintain wastewater pumping stations to convey wastewater without overflows.

Core Activities

Operations – This activity is associated with monitoring, controlling, and enhancing process systems associated with wastewater collection and water resource recovery. The process systems include controlling and monitoring processes with wastewater in its fluid stage and controlling and monitoring solids processing as well.

Maintenance – This activity is comprised of maintenance activities, from preventative to reactive to enhancement, for the agency’s WRRFs. Preventative maintenance is performed on a regular or scheduled basis and is designed to lengthen the service life of plant equipment. It 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 equipment, system or facility, and the costs associated with correcting faulty or failing equipment components, grounds, structures, processes or safety concerns in order for the facilities to meet permit requirements.

Activity Indicators

Workload Data	Wastewater Treated Flow (MGD)			
	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2022 Approved
Piscataway WRRF	32.4	26.3	26.2	26.8
Western Branch WRRF	25.8	22.6	22.2	23.1
Parkway WRRF	7.0	6.4	6.5	6.5
Seneca/Damascus/Hyattstown WRRFs	17.7	17.4	17.8	17.8

FACILITIES MAINTENANCE DIVISION

This division provides specialized maintenance services for the Production Department facilities and general facility maintenance and renovation services for all WSSC Water facilities.



Core Activities

Maintenance Support Services – This activity provides operational support and maintenance services for all of the agency’s facilities and properties. This activity includes specialized maintenance services such as electrical, mechanical, instrumentation, welding, metal fabrication and carpentry services, which are provided in the form of enhancements, repairs, replacements and preventative and predictive maintenance services. This activity also includes all buildings and grounds maintenance and repairs.

PRODUCTION SUPPORT DIVISION

The primary focus of this division is on asset management, centralized purchasing efforts such as chemical contract management, biosolids management, competitive action efforts, safety, training and security.

Core Activities

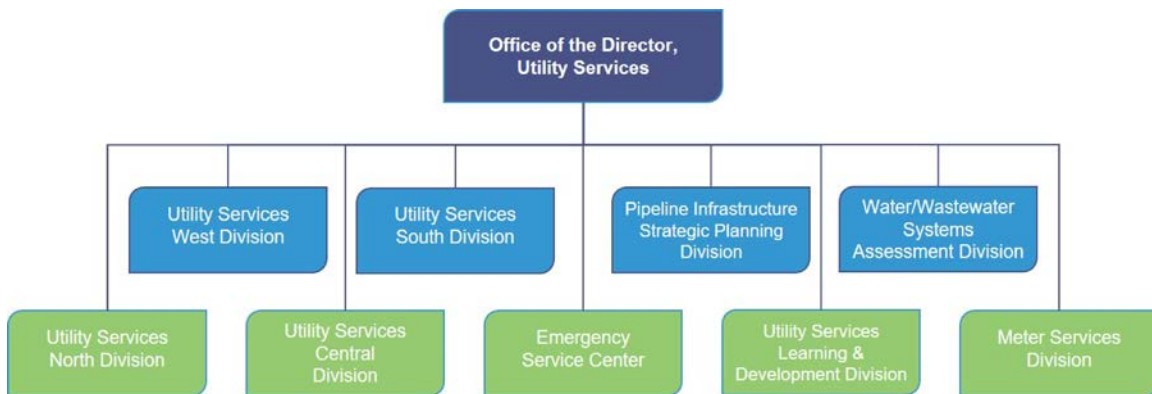
Production Support – This activity includes facility support through asset management, contract management, training and WSSC Water biosolids management. It also includes management of the shared operation and maintenance costs for utilities in other jurisdictions, and shared costs to support coordination of regional water supply issues and water system emergencies.

UTILITY SERVICES DEPARTMENT

The Utility Services Department is directly responsible for maintaining the distribution and collection systems including all of WSSC Water’s water and sewer mains, thus ensuring the consistent flow of water and outflow of wastewater within the WSSD and preserving the infrastructure in order to provide quality service for customers. Led by the Utility Services Director, this department is comprised of the nine divisions shown in the following chart.



Organizational Structure



Mission Statement

We are entrusted by our community to maintain the water and wastewater infrastructure and protect the environment – all to serve WSSC Water’s customers.

UTILITY SERVICES DEPARTMENT (Continued)

Budget Summary

Utility Services Department	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Office of the Director, Utility Services	11.6	\$ 7,564,110	12.0	\$ 21,003,794	11.0	\$ 20,941,960	(1.0)	\$ (61,834)
Utility Services North Division	57.3	7,478,622	59.0	9,617,021	59.0	9,212,169	-	(404,852)
Utility Services West Division	57.6	8,596,482	60.0	10,475,461	60.0	10,472,693	-	(2,768)
Utility Services Central Division	63.2	9,076,380	65.0	11,902,255	62.0	11,653,777	(3.0)	(248,478)
Utility Services South Division	54.1	9,692,909	58.0	10,501,933	58.0	10,459,891	-	(42,042)
Emergency Service Center	19.4	1,518,513	18.0	1,614,569	18.0	1,621,074	-	6,505
Pipeline Infrastructure Strategic Planning Division	23.0	3,317,924	33.0	4,912,611	37.0	6,075,801	4.0	1,163,190
Utility Services Learning & Development Division	7.7	833,502	8.0	825,898	8.0	888,623	-	62,725
Water/Wastewater Systems Assessment Division	77.1	36,267,113	83.0	38,265,668	83.0	38,346,375	-	80,707
Meter Services Division	106.7	10,131,385	116.0	28,603,263	116.0	12,358,498	-	(16,244,765)
Total	477.7	\$ 94,476,940	512.0	\$ 137,722,473	512.0	\$ 122,030,861	-	\$ (15,691,612)

Explanation of Major Variances

The FY 2022 Approved Budget is approximately 11.4% less than the FY 2021 Approved Budget. The primary decreases relate to the postponement of the Advanced Metering Infrastructure (AMI) capital project.

Highlights

- Implementing leak detection satellite monitoring technology
- Continuing focus on large meter testing, repair and replacement

Accomplishments

- Expanded large water meter testing, repair and replacement
- Completed Montgomery Village watermain replacement: 1.3 miles of new mains installed
- Completed Forrest Heights watermain replacement: 1.2 miles of new mains installed
- Completed 7 urgent priority projects totaling 2,670 feet

OFFICE OF THE DIRECTOR, UTILITY SERVICES

The Utility Services Director is directly responsible for the operation, maintenance and repair of the water and sewer mains throughout the WSSD.

Core Activities

PCCP Program Management – This activity provides for the engineering, design, construction, inspection, investigation and analysis/assessment of PCCP.

UTILITY SERVICES NORTH, WEST, CENTRAL AND SOUTH DIVISIONS

These divisions maintain WSSC Water's distribution and collection systems, including all of the agency'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 to provide quality service for the agency's customers.

Core Activities

Maintenance – 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 costlier 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.

Inspection Maintenance – 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.

Capital Project Support – This activity involves the maintenance crews' support of capital construction projects, such as water main shut downs, locating and exposing facilities, and new house connections. Also included is contract administration for PCCP rehabilitation, including pipe replacement, pipe repairs, joint repair, mobilization and excavation. The timing and approach to rehabilitation is determined following PCCP inspection and assessment. Rehabilitation of these mains provides value to the customer by minimizing the risk of failure and ensuring a safe and reliable water supply.

Field Crew Scheduling – This activity involves scheduling water main shutdowns.

Goals, Objectives and Outcome Measures

Goal: Accurately account for water produced in the distribution system **Strategic Priority:** Optimize Infrastructure

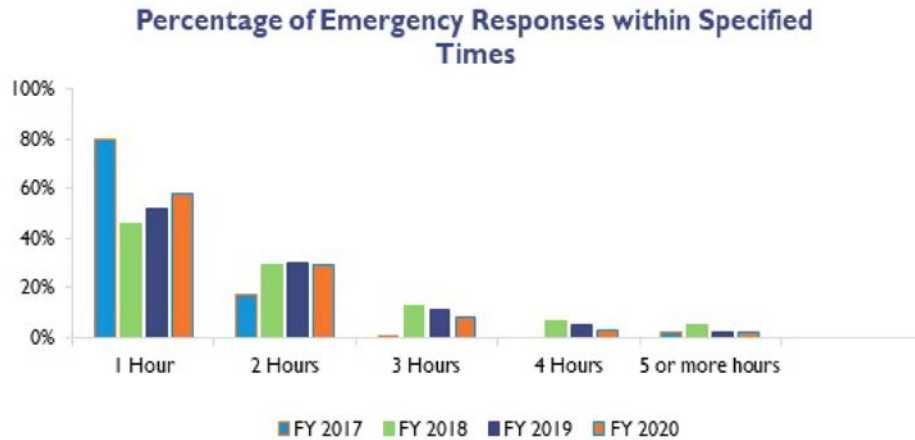
Objectives	Outcome Measure	FY 2019 Actual / Target*	FY 2020 Actual / Target*	FY 2021 Target*	FY 2022 Target
Reduce service interruptions due to water main breaks	Number of breaks per 100 miles of water main	29 / 33	27 / 34	34	34

(*) FY 2019 through FY 2020 targets assumed breaks only

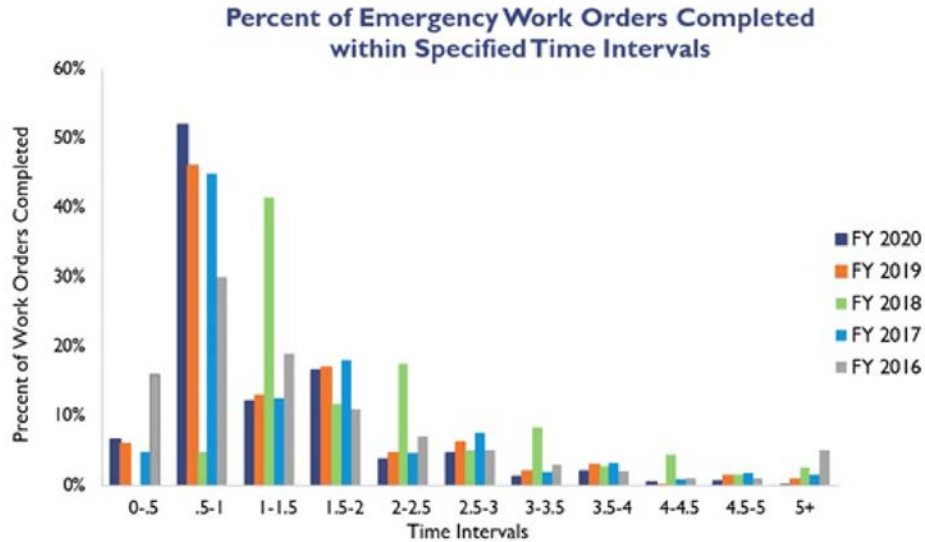
Emergency Response

During FY 2020, more than 25,500 emergency work orders were initiated in response to customer or system emergencies, a 25.0% decrease from FY 2019. WSSC Water's objective is to provide a first response to these emergencies in less than 2-hours, a reasonable and necessary response time based upon feedback from customers. As illustrated in the next graph, WSSC Water responded to approximately 58.5% of emergency calls in less than 1-hour and to 87.3% in less than 2-hours with an average response time of 1.1-hours. Most emergency work orders required less than 2-hours to complete. The percentage of calls responded to within the 2-hour goal increased primarily due to the reduction in the number of emergency work orders in FY 2020 over FY 2019. FY 2020 included a mild winter and the COVID-19 pandemic in the last quarter. Utility Services swiftly responded to the pandemic with schedule modifications and the implementation of telework to ensure staff safety, and timely response to emergencies.

UTILITY SERVICES NORTH, WEST, CENTRAL AND SOUTH DIVISIONS (Continued)



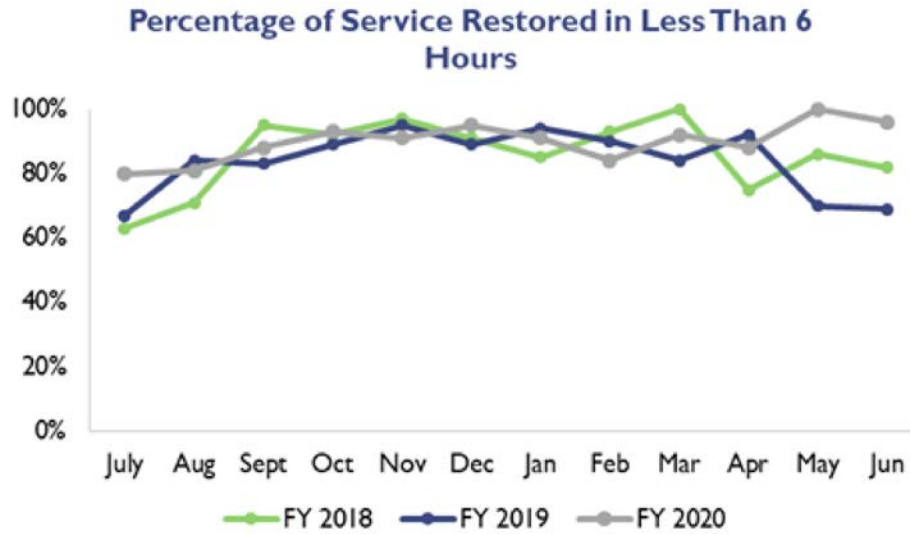
The graph below shows the distribution of emergency work order completion times in FY 2020. Most emergency work orders required less than 2-hours to complete.



Restoration of Water Service

The WSSC Water's objective is to restore normal service to our customers within 24-hours from the time the agency is notified of an emergency, and to limit the actual time a customer is without water service to less than 6-hours. During FY 2020, more than 13,000 customers, or approximately 2.8% of WSSC Water'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 that follows 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. For FY 2020, the average time customers were without water service was 4-hours, with 90% having water service restored within the targeted 6-hour goal.

UTILITY SERVICES NORTH, WEST, CENTRAL AND SOUTH DIVISIONS (Continued)



Sewer Line Blockage

The goal of the line blockage analysis program is to prevent a customer who experiences a sewer backup due to a problem in the WSSC Water’s sanitary sewer system from suffering a second backup. When a customer reports a sewer backup, a maintenance crew responds to confirm the backup and determine the cause. Once confirmed, a crew is dispatched to address the problem, generally within 2-hours. The customer is notified the following business day that a follow-up line blockage investigation has been initiated. The sewer main is immediately recleaned to avoid another backup during the investigation process, and a closed-circuit television inspection of the sewer line is performed within 5 days of the backup to evaluate the structural integrity. 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 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 95.0% of the cases processed. For FY 2020, the agency was successful in preventing a second backup in 76.0% of these cases. The Proactive Maintenance Program, along with preventive maintenance optimization and the use of new technologies such as the smart covers, has enabled WSSC Water to pursue its objective more diligently.

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 WSSC Water has confirmed there is a problem with the service. During FY 2020, more than 600 house connections met the criteria for sewer renewal.

EMERGENCY SERVICE CENTER

The Emergency Service Center is a 24/7 emergency call center to assist customers with water and sewer related emergencies. The center also dispatches work to field deployed maintenance staff to ensure the work is completed and accurately captured in WSSC Water’s maintenance management system. The Emergency Service Center supports several departments within the agency such as Customer Service, Production, E & C and Communications & Community Outreach.

EMERGENCY SERVICE CENTER (Continued)

Core Activities

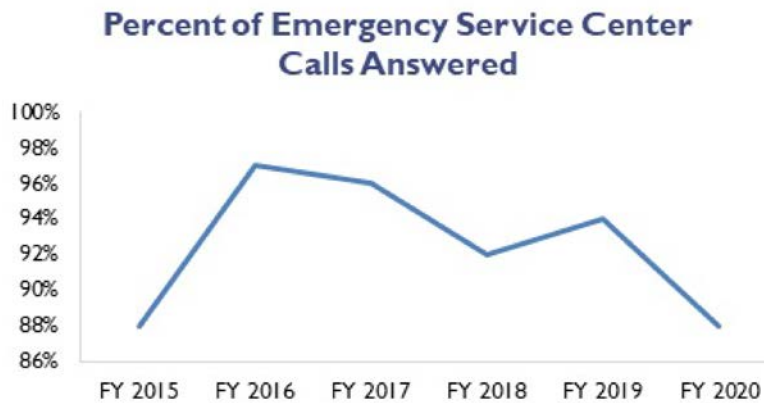
Radio Dispatching – This activity communicates with field inspectors and WSSC Water crews to investigate reports of emergencies and receive updates on field maintenance activities 24/7; updates maintenance records and arranges for resolution of problems; and operates base radio station equipment, dispatch emergency work orders to maintenance crews, cleaning companies, plumbers and other agency personnel as required.

Emergency Calls – This activity includes receiving and managing water and sewer related calls from customers within the WSSD.

Customer Calls to the Emergency Service Center

During FY 2020, WSSC Water answered 88% of customer calls for emergency maintenance assistance, as shown in the graph below. This is a decrease from 94% calls answered in FY 2019. Transition from desktops to laptops, desk phones to AvayaOneX and telework during the pandemic contributed to a decrease in calls answered. The agency's goal continues to be a 95% response rate.

A GIS application enables customers to report emergencies using their smart phones. The system complements the Maintenance Management Information System by placing needed information about leaks and other emergencies at the emergency dispatchers' fingertips, thereby allowing representatives to provide consistent and knowledgeable responses.



The Center uses the Customer Notification System for mass notifications to customers, internal and external representatives.

PIPELINE INFRASTRUCTURE STRATEGIC PLANNING DIVISION

This division collects quality data to assist managing and administering predictive and preventive maintenance activities impacting WSSC Water's pipeline infrastructure. The data is utilized to plan and schedule maintenance activities, develop water and wastewater asset management plans and improve business workflows within the Utility Services Department.

Core Activities

Planning – This activity is associated with the utilization of data to plan and schedule maintenance activities, the development of water and wastewater asset management plans and the improvement of business workflows.

Water Main Replacement – This activity is associated with in-house staff replacing water mains that are undersized or aged past their useful life. This function contributes to the reduction of discolored water complaints and service interruptions due to frequent main breaks and increased fire protection.

PIPELINE INFRASTRUCTURE STRATEGIC PLANNING DIVISION (Continued)

Goals, Objectives and Outcome Measures

Goal: Complete planned water main replacement miles

Strategic Priority: Optimize Infrastructure

Objectives	Outcome Measure	FY 2019 Actual / Target	FY 2020 Actual / Target	FY 2021 Target	FY 2022 Target
Replace the number of miles of water main by in-house staff as planned	Miles of water main replaced by inhouse crews vs. planned	3.3 / 2.0	2.5 / 2.0	2.0	2.0



UTILITY SERVICES LEARNING & DEVELOPMENT DIVISION

This division trains Utility Services employees and ensures the department’s current work practices are operationally effective. This division searches for best practices and/or technology that will provide greater efficiencies and increase productivity in the various divisions of the Utility Services Department.

Core Activities

Research and Development – This activity identifies 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.

Design, Deliver and Evaluate Courses – This activity involves identifying training requirements, developing training materials, coordinating and providing training courses and evaluating course effectiveness. Course development includes specific business processes, computer skills, non-technical skills such as customer relations (telephone) etiquette and technical skills such as pipe repair.

WATER/WASTEWATER SYSTEMS ASSESSMENT DIVISION

This division is responsible for water distribution and transmission condition assessment activities in line with WSSC Water’s effort to execute the Enterprise Asset Management Plan; 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; administration and reporting of SSO Consent Decree requirements; management of PCCP inspections; and oversight of Acoustic Fiber Optic (AFO) monitoring of major pipelines.

WATER/WASTEWATER SYSTEMS ASSESSMENT DIVISION (Continued)

Core Activities

Planning – This activity provides the necessary management and administration related to compliance with the requirements of the federal SSO Consent Decree, and execution of the Line Blockage Analysis 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.

Field Maintenance – 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 inspection of sewer main lines and service laterals after a customer has experienced a sewage backup into their home or business. The analysis of related videos to provide a recommendation for preventive or corrective maintenance is also included.

Condition Assessment – This activity provides condition assessment of the agency’s water distribution and transmission systems, as well as the wastewater collection and disposal systems. Condition assessment of the water systems (PCCP and non-PCCP mains) includes leak detection, acoustic testing and other related techniques to determine pipeline deficiencies and condition ratings. Condition assessment of the wastewater and collections systems involves the investigation of problem sewer basins and development of flow monitoring projects to evaluate the magnitude of the problem(s); physical surveys, smoke testing, dye testing and internal inspection to identify specific defects; SSES of selected basins for the purpose of identifying and eliminating extraneous flows; 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 WSSC Water’s comprehensive sewer model.

Large Valve Assessment, Repair and Replacement – This activity provides inspection of the water transmission systems' large valves. This activity systematically inspects, exercises, repairs and replaces (when necessary) large diameter valves located throughout the system. Based upon results of valve condition assessments, annual valve rehabilitations are projected to be approximately 85 repairs and 2 replacements.

Goals, Objectives and Outcome Measures

Goal: Identify deteriorating infrastructure through inspection, testing and monitoring

Strategic Priority: Optimize Infrastructure

Objectives	Outcome Measure	FY 2019 Actual / Target	FY 2020 Actual / Target	FY 2021 Target	FY 2022 Target
Inspect the number of PCCP miles as planned	Miles of PCCP inspection performed vs. planned	19.1 / 19.1	18.0 / 18.0	18.0	18.0
Install acoustical fiber optic line to monitor PCCP water transmission mains as planned	Miles of AFO line installed vs. planned	1.3 / 3.4	0.0 / 3.5	10.0	10.0

Activity Indicators

Workload Data	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2022 Approved
Miles of sewer mains cleaned for preventive maintenance	691	649 / 650	650	650
Miles of mainline sewer televised for preventative maintenance program (WSSC Crews)	48	51 / 60	60	60
Miles of mainline sewer televised for proactive maintenance program (by contract)	158	193 / 225	200	200
Manholes inspected (by contract)	4,790	946 / 6,000	5,500 *	5,500

(*) This figure does not include the additional work in FY 2021 related to the holistic rehabilitation efforts to address infiltration and inflow in the Piscataway Basin.

METER SERVICES DIVISION

This division is responsible for the water meter evaluation, testing and replacement/repair program for large and small meters; and for reading the agency's water meters to ensure accurate customer billing. Additional support services include fire hydrant meter leasing; warehousing, transporting and issuing of meters to customers; and research and development.

Core Activities

Temporary Fire Hydrant Meter Leasing and Maintenance – This activity involves administering WSSC Water'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.

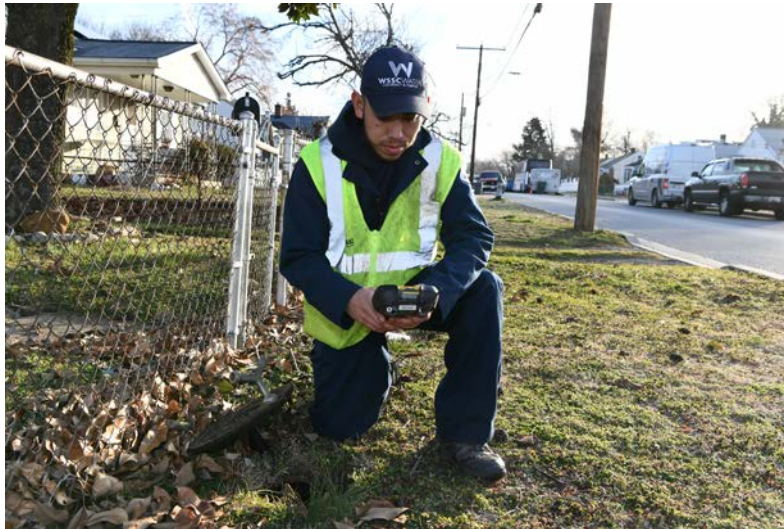
Flow Test – This activity involves routine inspection of the water distribution system and performing fire flow tests for outside agencies.

Small and Large Meter Testing, Repair and Flow Test – This activity involves routine inspection of the water distribution system and performing fire flow tests for outside agencies.

Small and Large Meter Testing, Repair and Replacement – This activity involves testing, repairing, and replacing small and large meters to ensure billing accuracy. Meters 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 become necessary to replace them to ensure accurate registration for WSSC Water's customers.

New Meters – This activity involves processing requests for both small and large meters from external customers and installing new meters. The primary function of this activity is to ensure that all activated meters are assigned an account number and properly billed.

Meter Reading – This activity is associated with providing timely and accurate meter readings in order to render customer bills based on actual usage.



ADMINISTRATION

Administration refers to the departments and offices providing centralized advisory and support services to WSSC Water. The Deputy General Manager for Administration is responsible for ensuring core activities align with and are in support of the General Manager’s strategic vision, goals and objectives. Administration is comprised of the departments and offices listed below.

Budget Summary

Administration	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Office of Supplier Diversity & Inclusion	8.5	\$ 903,320	9.0	\$ 1,519,383	9.0	\$ 1,292,695	-	\$ (226,688)
Procurement Office	24.2	2,631,687	27.0	2,691,204	27.0	2,717,721	-	26,517
General Services Department	88.9	34,123,740	96.0	42,457,998	96.0	41,149,538	-	(1,308,460)
Finance Department	63.1	7,832,219	64.0	8,167,790	64.0	8,271,660	-	103,870
Information Technology Department	91.8	66,093,393	103.0	56,460,627	103.0	61,389,484	-	4,928,857
Total	276.5	\$ 111,584,359	299.0	\$ 111,297,002	299.0	\$ 114,821,098	-	\$ 3,524,096

OFFICE OF SUPPLIER DIVERSITY & INCLUSION

The Office of Supplier Diversity & Inclusion (OSDI) assists with the development of WSSC Water’s Minority Business Enterprise (MBE) and Small, Local Business Enterprise (SLBE) policies. The office seeks products and services from diverse and small businesses to ensure that the agency has a vendor base that is reflective of the community it serves.

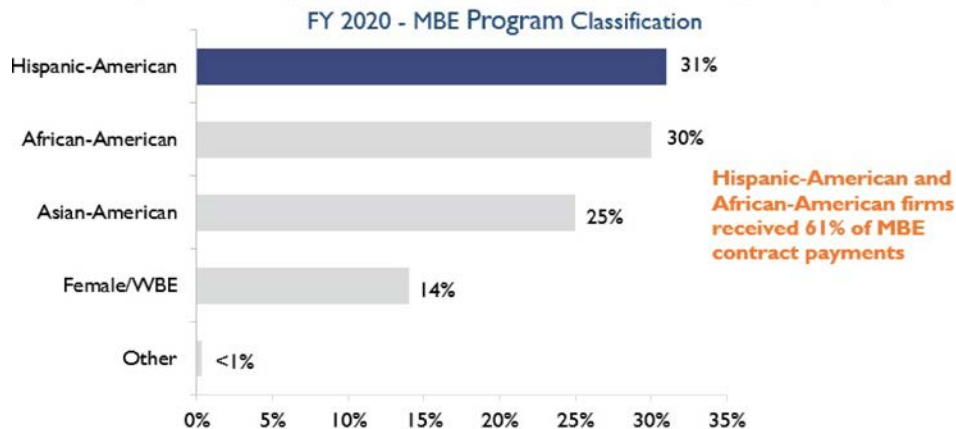
Mission Statement

To create an inclusive purchasing environment while building sustainable relationships, expanding opportunities and cultivating growth of Small, Local and Minority Business Enterprises.

Core Activities

Small, Local and Minority Business Enterprise – This activity plans, manages, coordinates and monitors WSSC Water’s MBE and SLBE programs, in accordance with state law.

In FY 2020, WSSC Water’s contract payments by business classification to MBE firms, including Women Business Enterprise (WBE), totaled \$136 million (28%) compared to \$152 million (29%) in FY 2019. The breakdown of the FY 2020 MBE program is shown below:



PROCUREMENT OFFICE

The Procurement Office, led by the Chief Procurement Officer, is responsible for acquiring all necessary commodities, supplies and services, including professional services, necessary to support WSSC Water's operations and functions, and to oversee the bid and award process for all construction contracts.



Mission Statement

To provide unified Supply Chain Management functions that ensure integrity and fairness, with centralized responsibility for oversight of solicitation, vendor selection, negotiation, award, contract administration and reporting.

Core Activities

Procurement Services – This activity involves purchasing all commodities, supplies, equipment and services necessary to support WSSC Water's operations, maintenance and staff functions at the lowest possible price through public competitive bidding. This is accomplished through competitive solicitation processes which result in the award of contracts which are effectuated by purchase orders 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 and maintenance of a complete contract file for all contracts regardless of contracting method.

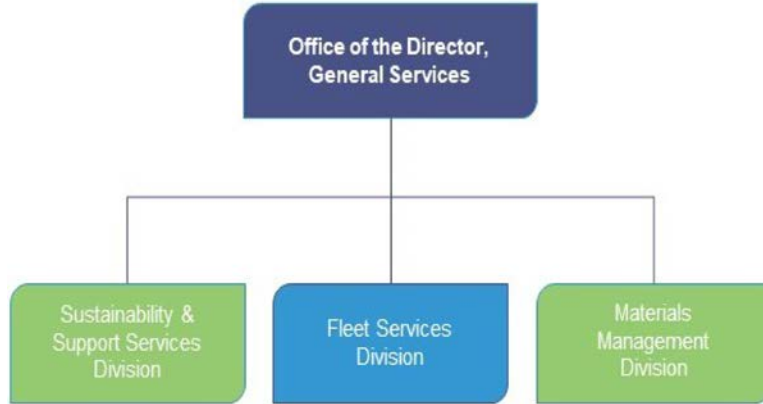
Operations and Administration – This activity involves implementing, maintaining and administering programs for the agency's supplier portal, procurement card program and verification of vendor bonding and insurance. This activity also involves risk management and operations analysis; monitoring and reporting of suppliers' sub-contracting participation on contracts; and through participation in outreach events with OSDI to provide information to prospective suppliers.

Contracting Officer Representatives (CORs) – This activity involves who are responsible for managing all pre-award and post-award contracting functions, including procurement forecasting, statement(s) of work and specification development support, change orders, task orders and cure notices. This activity is also responsible for ensuring suppliers meet the performance requirements, and the policies and procedures of a contract in terms of quality, quantity, schedule and price.

GENERAL SERVICES DEPARTMENT

The General Services Department is responsible for fleet and fuel services; acquisition, warehousing and distribution of materials and supplies; office services; records management; sustainability services including energy management; property development; and space planning and management. Led by the Office of the Director, the department is comprised of three divisions shown in the following chart.

Organizational Structure



Mission Statement

To plan, direct and coordinate the activities of a number of vital support services at WSSC Water including fleet management, warehousing and inventory management, mail and messenger services, printing and reprographic services, property development, space planning and records management.

Budget Summary

General Services Department	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Office of the Director, General Services	3.1	\$ 540,046	4.0	\$ 582,486	3.0	\$ 574,968	(1.0)	\$ (7,518)
Sustainability & Support Services Division	11.6	19,662,598	17.0	26,849,090	20.0	27,094,303	3.0	245,213
Fleet Services Division	44.8	10,052,878	47.0	11,369,267	46.0	10,448,748	(1.0)	(920,519)
Materials Management Division	29.4	3,868,218	28.0	3,657,155	27.0	3,031,519	(1.0)	(625,636)
Total	88.9	\$ 34,123,740	96.0	\$ 42,457,998	96.0	\$ 41,149,538	-	\$ (1,308,460)

Explanation of Major Variances

The FY 2022 Approved Budget reflects a decrease of approximately 3% over the FY 2021 Approved Budget. The decrease is primarily attributed to a projected decrease in the energy cost, decreased rental cost due to the cancellation of the rental lease and the reduced request for trucks and automobiles.

Highlights

- A remote facilities renovation plan is underway to identify available or under-utilized space and needs requirement
- Will be enhancing the warehouse online ordering application with modern e-commerce features that improve customer experience and product identification while also pushing orders to supervisors for approval
- Lead an agency wide effort to establish an Enterprise Document Management Program

GENERAL SERVICES DEPARTMENT (Continued)

Highlights (Continued)

- Implementing production and multifunctional devices technology to improve efficiency and reduce cost for agency wide printing

Accomplishments

- WSSC Water obtained approval from the Maryland Public Service Commission to sell biogas and purchase natural gas from Washington Gas on a wholesale basis
- Climate Change vulnerability assessments were completed on 18 critical facilities and upgrades on 8 of these facilities were recommended
- Implemented a warehouse document management system to track, manage and store documents and reduce paper
- Provided an agile response to the COVID-19 pandemic emergency situation by securing and issuing critical personal protective equipment supplies, including face masks, hand sanitizer, gloves and surface disinfectants

OFFICE OF THE DIRECTOR, GENERAL SERVICES

The General Services Director is responsible for the oversight and operation of the General Services Department.

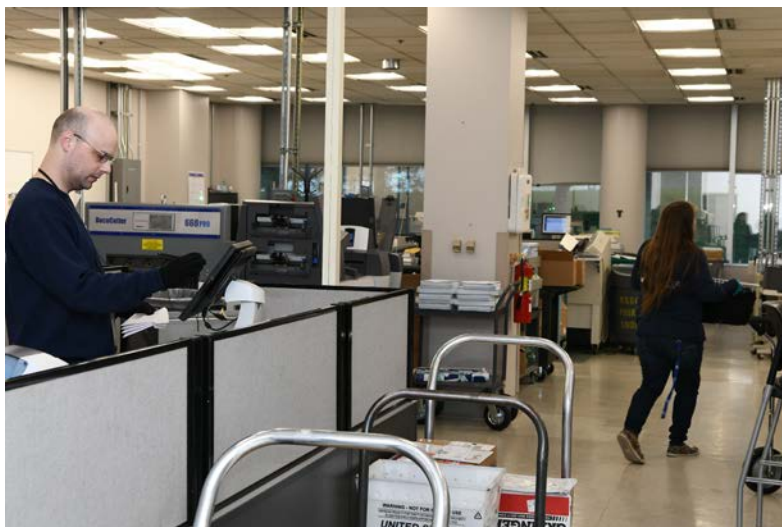
Core Activities

Management and Administration – This activity manages and supervises the three divisions in this department.

General and Administrative – This activity has a broad scope, ranging from supervising a fleet of vehicles and equipment (parts and supplies) to warehousing and inventorying, providing printing, mailing, vending and cafeteria services, as well as real estate, sustainability and space planning initiatives across the agency.

SUSTAINABILITY & SUPPORT SERVICES DIVISION

The Sustainability & Support Services Division manages real estate, sustainability services, energy management, space planning and records management for WSSC Water.



SUSTAINABILITY & SUPPORT SERVICES DIVISION (Continued)

Core Activities

Sustainable Planning Services – This activity provides sustainability services for WSSC Water, which includes space planning, design and greening of infrastructure. The agency is working towards Leadership in Energy and Environmental Design (LEED) certification for agency facilities and lowering the environmental impact of the work.

Office Services – This activity provides printing and reprographic services, mail services, food and vending services, asset management of furniture and office equipment and the disposal of surplus property.

Property Development – This activity involves the development, review and implementation of opportunities to generate non-rate related revenues through the sale or joint development of real estate properties, including surplus property.

Records Management – This activity provides records management for WSSC Water, including maintaining a current records inventory and moving towards electronic document management, as well as developing, sharing and maintaining records management policies and procedures across the agency.

Energy Management – This activity includes the management and procurement of wholesale electricity, natural gas and other fuels; the development of renewable energy sources such as wind, solar, hydro and biogas; the replacement of energy inefficient equipment and systems at WSSC Water facilities; and the development and maintenance of the Climate Change Program.

FLEET SERVICES DIVISION

Fleet Services provides vehicles and work site equipment that is safe and reliable and facilitates the achievement of the mission of WSSC Water.



Core Activities

Vehicle and Equipment Maintenance and Repair – This activity involves the distribution, inspection, maintenance, repair and quality control of a wide variety of vehicles, light and heavy equipment.

Fleet Contracting and Purchases – This activity involves developing specifications for the purchase of vehicles and equipment, major garage equipment and specialized field service units. This activity also includes purchasing and inventorying parts and supplies.

Fuel – This activity involves the purchase of fuel, the maintenance of underground fuel storage tanks and monitoring WSSC Water's carbon emissions.

FLEET SERVICES DIVISION (Continued)

Activity Indicators

Workload Data	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2022 Approved
Equipment fleet managed (pieces of equipment)	726	714	737	715
Vehicle fleet managed (number of vehicles)	935	942	950	925
Scheduled preventative maintenance completed on vehicles and equipment	3,384	3,360	3,374	3,350
Other (non-preventative maintenance) vehicle and equipment repairs	6,632	6,600	4,893	6,600

MATERIALS MANAGEMENT DIVISION

The Materials Management Division warehouses and provides the required materials to support the maintenance, repair and operations of the agency's infrastructure systems and facilities.

Core Activities

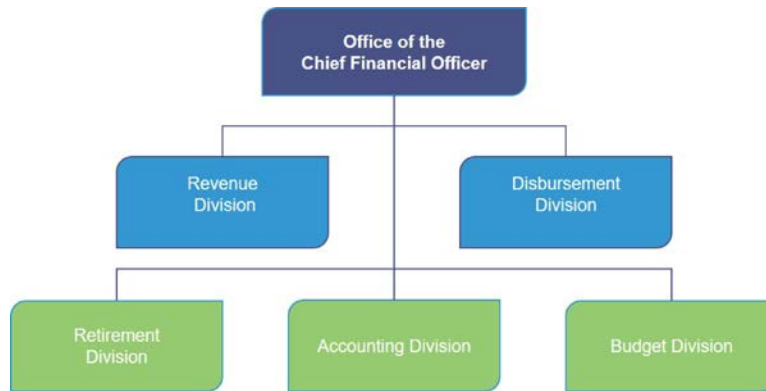
Warehousing – This activity involves administrative and physical functions associated with the storage and distribution of goods and materials required to support construction, maintenance and repair operations. These functions include receipt, identification, inspection, cycle counting, storage and issuance of material to customers, both internal employees and external construction contractors.

Materials Management – This activity involves the acquisition and management of materials stocked at WSSC Water's warehouses, and used by employees and contractors in the maintenance and repair of the distribution and collection systems. This includes receiving, storing and issuing materials; inspecting, testing and evaluating materials; developing new material specifications; and certifying the manufacturing processes, materials and plants.

FINANCE DEPARTMENT

The Finance Department maintains the fiscal integrity of WSSC Water and helps ensure available resources are efficiently allocated and productively used to provide value to agency customers at the lowest possible price. Led by the Chief Financial Officer, the department is comprised of the divisions listed below.

Organizational Structure



Mission Statement

To ensure the financial sustainability and fiscal integrity of WSSC Water by providing leadership and guidance on financial services and activities to a wide range of stakeholders in an ethical and responsible manner.

Budget Summary

Finance Department	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Office of the Chief Financial Officer	2.1	\$ 628,757	4.0	\$ 1,324,270	5.0	\$ 1,329,152	1.0	\$ 4,882
Retirement & Investments Division	5.6	907,019	6.0	926,642	6.0	935,178	-	8,536
Revenue Division	14.1	1,505,823	14.0	1,455,080	14.0	1,506,731	-	51,651
Accounting Division	18.7	2,113,132	17.0	1,709,688	16.0	1,681,937	(1.0)	(27,751)
Disbursements Division	13.6	1,406,839	14.0	1,327,576	14.0	1,362,267	-	34,691
Budget Division	9.0	1,270,649	9.0	1,424,534	9.0	1,456,395	-	31,861
Total	63.1	\$ 7,832,219	64.0	\$ 8,167,790	64.0	\$ 8,271,660	-	\$ 103,870

Accomplishments

- WSSC Water successfully retained its AAA bond rating from all major credit rating agencies in the fall of 2020
- Pension and OPEB funds weathered investment market volatility throughout the COVID-19 pandemic and remained well-funded
- Disbursements' implementation of a virtual credit card program decreased the supplier payment period
- Payroll created, tested and delivered COVID-19 payroll elements
- A \$100.0 million line of credit was established to ensure liquidity in the event of COVID-19 related revenue shortfalls
- A successful bond sale included \$47.5 million of Green bond proceeds
- WSSC Water was awarded the Government Financial Officers Association Distinguished Budget Presentation award for the 26th consecutive year

OFFICE OF THE CHIEF FINANCIAL OFFICER

The Office of the Chief Financial Officer is responsible for maintaining the fiscal integrity of WSSC Water through leadership, oversight and management of the Finance Department, keeping the agency on a solid financial footing.

Core Activities

Grants Administration and Capital Funding – This activity administers Maryland Water Quality loans and grant monies received from the EPA and the MDE. The office is also responsible for all efforts associated with bond and note operations, and Maryland Water Quality loan administration.

RETIREMENT & INVESTMENTS DIVISION

The Retirement & Investments Division is responsible for administering WSSC Water's Employees' Retirement Plan (Plan) for employees and retirees in accordance with the Plan and Internal Revenue Service regulations. The division also supports the Retirement and OPEB Plan's Board of Trustees in managing and investing Plan assets. The division is also responsible for investing WSSC Water's available funds in accordance with the agency's Investment Policy and applicable State laws.

Core Activities

Retirement Administration – This activity administers the WSSC Water'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.

Investment Operations – This activity invests WSSC Water's funds in accordance with Maryland law.

REVENUE DIVISION

The Revenue Division is responsible for receiving, processing, depositing and recording all funds received by WSSC Water, in an accurate and timely manner. The division also recovers the agency's construction and related financing costs for non-program size water and sewer lines by assessing Front Foot Benefit Charges (FFBC) as outlined by the Annotated Code of Maryland.



REVENUE DIVISION (Continued)

Core Activities

Revenue Operations – This activity includes processing, depositing and recording all revenue received by WSSC Water, including payments for water and sewer bills, billed work invoices, grants, permits, and other miscellaneous revenue.

Assessments Preparation and Services – 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 FFBC assessments. In addition, property usage reclassifications are identified, evaluated and recorded.

ACCOUNTING DIVISION

The Accounting Division is responsible for maintaining the financial books and records of WSSC Water and preparing financial statements that fairly present the fiscal position of the agency.

Core Activities

General Ledger – This activity maintains WSSC Water’s books and records in a standard that allows the reporting of its operations and financial conditions in accordance with Generally Accepted Accounting Principles.

Research, Special Handling and Special Studies – This activity performs special analyses and studies on both regular and as-needed bases to support management initiatives and rate calculations ensuring that agency decisions and policies are based on accurate data and reliable financial information. In addition, it tests, implements and enhances information technology initiatives.

Capital Assets – This activity maintains, monitors, tracks, analyzes and reports on water and sewer lines, water distribution, wastewater collection, multi-purpose facilities, capital equipment and WSSC Water’s vehicle fleet.

Invoicing and Delinquent Accounts – This activity compiles WSSC Water reimbursable costs, prepares invoices and monitors collections. Billings include damages to agency facilities, citations, special cost sharing arrangements, fire hydrant meter leases and final accounting for developer projects.

DISBURSEMENTS DIVISION

The Disbursements Division processes all disbursements, including payroll, maintains WSSC Water’s debt service records and schedules, manages employee benefit plans’ financial records and reconciles the agency’s bank accounts.

Core Activities

Accounts Payable – This activity processes supplier and procurement card invoices, customer refunds and claims, travel advances, and employee reimbursements; generates disbursement checks; makes electronic payments; and makes note, bond principal and interest expense payments. This activity includes verification of payment request and procurement card policy compliance, travel regulations and 1099-Miscellaneous reporting.

Maintenance of Debt Service Records – This activity prepares, maintains and reconciles WSSC Water’s notes program and debt service schedules and tables and prepares debt service information booklets.

Health, Dental and Other Benefits Accounting – This activity maintains and reconciles the financial records for the agency’s benefit plans, including health care, dental and life insurance.

Bank Account Reconciliations – This activity prepares timely reconciliations of all WSSC Water bank accounts, including checking, collection, general receiving, disbursing, investment, payroll and restoration bank accounts.

Payroll Processing – This activity is responsible for the accurate and timely preparation, control and distribution of the bi-weekly payroll; complying with all federal and state regulations and reporting; and preparation and distribution of employee W-2 statements.

BUDGET DIVISION

The Budget Division is responsible for formulating, preparing, justifying and administering WSSC Water’s operating and capital budgets, and the six-year CIP, in accordance with Maryland state law. The division forecasts the impacts of budget and CIP decisions, provides staff support to the County Spending Affordability Groups and prepares the agency’s budget performance Monthly Status Report.

Core Activities

CIP and Budget Preparation and Administration – This activity prepares and transmits a proposed CIP budget by October 1st, and an operating and CIP budget by March 1st of each year to both Counties. Preparation includes developing assumptions, workload projections, guidance policies, project costs, expenditure timelines, procedures and formats, performance measures and analyzing the results, while maintaining relationships with the Counties regarding budgetary and fiscal policies. The budgets are presented to the General Manager, Commissioners and County staffs.

Financial Planning and Studies – This activity prepares long-range financial policies, conducts special studies and analyses including those driven by government mandates, prepares the agency’s Monthly Status Report and provides support to the Spending Affordability Groups.

Goals, Objectives and Outcome Measures

Goal: Produce a sound, affordable capital spending program

Strategic Priority: Spend Customer Dollars Wisely

Objectives	Outcome Measure	FY 2019 Actual / Target	FY 2020 Actual / Target	FY 2021 Target	FY 2022 Target
Maintain the amount of rate supported water and sewer debt below 40% of total water and sewer operating expenditures	Ratio of water and sewer debt service to total water and sewer operating expenditures	36.3% / 36.3%	37.2% / 38.2%	37.3%	36.8%

Goal: Ensure the long-term fiscal stability and soundness of WSSC Water

Strategic Priority: Spend Customer Dollars Wisely

Objectives	Outcome Measure	FY 2019 Actual / Target	FY 2020 Actual / Target	FY 2021 Target	FY 2022 Target
Maintain a debt service coverage ratio greater than 110%	Ratio of debt service coverage	97% / 101%	104% / 100%	101%	104%

Goal: Minimize borrowing costs

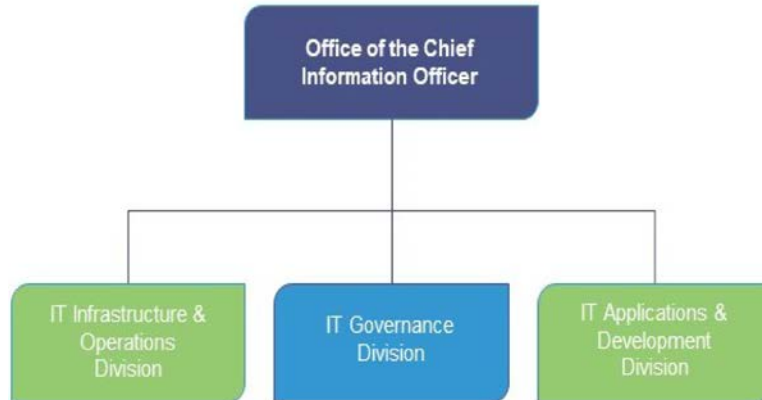
Strategic Priority: Spend Customer Dollars Wisely

Objectives	Outcome Measure	FY 2019 Actual / Target	FY 2020 Actual / Target	FY 2021 Target	FY 2022 Target
Maintain Fitch Ratings, Moody's Investor Service, and/or S&P Global Ratings bond ratings of AAA/Aaa/AAA	Bond ratings: (Fitch Ratings / Moody's Investor Service / S&P Global Ratings)	AAA/Aaa/AAA / AAA/Aaa/AAA	AAA/Aaa/AAA / AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA

INFORMATION TECHNOLOGY DEPARTMENT

The Information Technology (IT) Department provides information technology support services and resources (hardware, software and communications) to enhance customer service, to improve operational efficiencies and to reduce overall operating costs. The IT Department, led by the Chief Information Officer, is comprised of the divisions shown in the following chart.

Organizational Structure



Mission Statement

To lead technology efforts to support the strategic goals of the agency. The IT Department will provide leadership, expertise and resources in the ideation, development and deployment of innovative technologies and streamlined processes to improve efficiency, business interaction and customer access to the agency’s information and services.

Budget Summary

Information Technology Department	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Office of the Chief Information Officer	8.6	\$ 3,286,447	10.0	\$ 3,682,042	10.0	\$ 5,503,563	-	\$ 1,821,521
IT Infrastructure & Operations Division	32.3	16,197,729	35.0	18,302,944	35.0	18,499,463	-	196,519
IT Governance Division	16.2	25,598,832	18.0	12,367,679	18.0	10,479,651	-	(1,888,028)
IT Applications & Development Division	34.7	21,010,385	40.0	22,107,962	40.0	26,906,807	-	4,798,845
Total	91.8	\$ 66,093,393	103.0	\$ 56,460,627	103.0	\$ 61,389,484	-	\$ 4,928,857

Explanation of Major Variances

The FY 2022 Approved Budget reflects an increase of approximately 9% from the FY 2021 Approved Budget. The increase is primarily due to the enhancements to the cybersecurity network, installation of the IT paving tracking solutions for the E&C Department, replacement of the aging Maintenance Management Information System with a new asset/work management system for the Utility Services Department, upgrade of the E-Business Suite project, and provision of overall support to the Project Cornerstone post-production phase.

Highlights

- Mitigate cybersecurity risks to the agency via new end-user security awareness training, sensitive data redaction and logging, security event and incident management, artificial intelligence threat detection, privileged account management and risk reduction of identity theft through two-step authentication

INFORMATION TECHNOLOGY DEPARTMENT (Continued)

Highlights (Continued)

- Transition operational responsibility for the Project Cornerstone Release I suite to the IT Applications & Development Division
- Facilitate numerous business unit improvements and operational efficiencies through the E-Business Suite upgrade project
- Implement a single dashboard to manage all of WSSC Water's Oracle deployments and provides management and automation support for Oracle applications, databases, middleware, hardware and engineered systems
- Redesign the WSSC Water website to elevate the agency's brand, improve customer navigation and experience and increase end-user engagement
- Re-engineer the invoice management process to effectively and efficiently receive, monitor, approve and pay supplier invoices in a safer and timelier manner in order to take advantage of timely payment discounts
- Replace the 30-year old legacy radio dispatch console infrastructure, which supports daily operations of the entire WSSC Water radio-equipped fleet
- Transition the management of IT assets from a standalone system to the shared ServiceNow platform to improve IT hardware catalog, integration of asset request workflows with deployment workflows and improved visibility of IT assets by merging financial data with discovery data
- Upgrade the Avaya contact center phone system infrastructure to ensure reliability and continuity of mission critical services to Customer Service Agents

Accomplishments

- Replaced aging server platform with a hyper-converged infrastructure architecture to allow WSSC Water to run the IT industry's latest virtualization models, and provide network segmentation for better IT application security and provide reliable seamless disaster recovery
- Replaced outdated equipment at Brighton Dam and depots to upgrade the wi-fi, which improves the coverage footprint and increases productivity
- Established a statement of work working group to provide consistent high-quality documents for review by other offices
- Won an award in the Technology Innovations: Operations category from the AT&T Special Districts Awards Program recognizing the outstanding job done by WSSC Water's IT Department in adapting the agency to telework as a result of the COVID-19 pandemic

OFFICE OF THE CHIEF INFORMATION OFFICER

The Office of the Chief Information Officer develops, maintains and supports the IT Strategic Plan while assessing technology solutions and implementation priorities to meet WSSC Water's long-term business needs. The office is also responsible for IT security and risk management functions and for managing the IT budget and the procurement of IT products and services.

Core Activities

IT Security – This activity involves managing and developing the strategic direction for WSSC Water's enterprise information technology security framework and activities. It encompasses all IT projects or initiatives directly supporting the agency's cyber security programs.

IT Finance and Contract Administration – This activity provides accurate, timely and meaningful budget and financial information to support decision-making and effective and efficient management of resources for the successful operation of the IT applications and services provided to WSSC Water and its stakeholders and supports the procurement of goods and services in order to provide readily accessible IT services to the agency.

OFFICE OF THE CHIEF INFORMATION OFFICER (Continued)

Goals, Objectives and Outcome Measures

Goal: Manage the IT budget in the most cost-effective and fiduciary manner

Strategic Priority: Spend Customer Dollars Wisely

Objectives	Outcome Measure	FY 2019 Actual / Target	FY 2020 Actual / Target	FY 2021 Target	FY 2022 Target
IT invoices approved within IT to support net 30 payments	Percentage of IT invoices approved within 15 calendar days	N/A	80% / 85%	90%	95%

IT INFRASTRUCTURE & OPERATIONS DIVISION

The IT Infrastructure & Operations Division is responsible for the day-to-day leadership and direction for all operational work efforts. This includes data center operations; voice, data, video networks; operating system hardware and software; computer infrastructure; and customer service and help desk operations. In addition, this division is responsible for planning, managing and operating complex IT systems to ensure system function, availability and performance.

Core Activities

IT Customer Support Operations – This activity supports WSSC Water’s information technology users through the IT solution center and platform technologies. The IT solution center is responsible for monitoring, maintaining and supporting all agency desktop, laptop and mobile workforce initiatives and operations. Platform technologies are primarily responsible for the agency’s server and storage infrastructure. This includes assessing, implementing and maintaining server and storage technologies; and developing an IT strategic plan to ensure the stability and availability of these foundational elements.

Network Operations Center – This activity provides day-to-day oversight and management of WSSC Water’s data centers, mainframe operations, data network and telecommunications infrastructure. This includes management of a mission-critical data center and infrastructure operation; and oversight of related infrastructure activities throughout the entire product lifecycle, from requirements gathering through implementation, and to all subsequent ongoing production and oncall support.

Goals, Objectives and Outcome Measures

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

Strategic Priority: Optimize Infrastructure

Objectives	Outcome Measure	FY 2019 Actual / Target	FY 2020 Actual / Target	FY 2021 Target	FY 2022 Target
Ensure high availability of critical business systems	Percentage of time that the critical systems are available	99.9% / 97.0%	99.9% / 97.0%	97.0%	97.0%
Ensure high availability of the network	Percentage of time that the network is available across all WSSC Water sites	99.9% / 97.0%	99.9% / 97.0%	97.0%	97.0%

IT GOVERNANCE DIVISION

The IT Governance Division is responsible for developing and operationalizing processes, plans, policies and performance metrics that aid IT in delivering efficient, cost-effective and reliable services that support WSSC Water's strategic priorities. This responsibility includes project governance (IT project management and enterprise project management), business analysis, technical writing, quality assurance and organizational readiness.

Core Activities

Project Management – The Project Management Office promotes the adoption of project management best practices to support the successful and timely implementation of projects. Using standard methodology, tools and templates, the Project Management Office provides core services of managing and monitoring projects and mentoring functional project managers.

Portfolio Management – The Enterprise Program Management Office assists the senior leadership team in the prioritization of project proposals which strongly support the realization of WSSC Water's strategic priorities.

Business Analysis – This activity includes analyzing and documenting current business processes and workflows in as-is diagrams, outlining process improvements, making recommendations to streamline business processes and workflows and documents the proposed future state in to-be diagrams. The core activities of business analysis include elicitation, facilitation, requirements development, business process analysis and business process re-engineering.

Technical Writing – This activity includes gathering, developing and publishing clear, high-quality documentation for business partners across WSSC Water. The team creates templates, maintains and updates documentation, edits material, formats content and sets standards for conciseness, clarity and consistency.

IT Quality Assurance – This activity concentrates on the software testing and software quality assurance processes across the software development lifecycle. Working in conjunction with various development teams to set objectives, scope and strategies for IT quality assurance at the agency, critical success factors are identified and various processes and strategies are developed to mitigate those risks through developing, testing and benchmarking of a toolkit and methodology.

Organizational Readiness – The activity ensures readiness are to ensure that the new processes, procedures and policies introduced with the implementation of a project are accepted and adopted.

IT APPLICATIONS & DEVELOPMENT DIVISION

The IT Applications & Development Division is responsible for refining and implementing WSSC Water's strategic technical vision and leading significant aspects of the agency's IT development by fostering innovation, prioritizing technology initiatives and coordinating the evaluation, deployment and management of current and future technology systems across the agency.

Core Activities

Customer Care Information Systems – This activity maintains and supports Assessment Information System; Maintenance Management Information System; Fats, Oils and Grease Program and Primavera/Analytics.

Innovation and Advanced Analytics – This activity supports the implementation of the agency-wide IT Strategic Plan for reporting and advanced analytics. This activity is responsible for the research, facilitation and promotion of IT innovations and advanced analytics; business intelligence and enterprise reporting function; back-end data warehousing; and analytical support to business users to enable strategic use of information across WSSC Water.

Application and Database Services – This activity supports application and database services, including web application development, and internet and intranet site support. Developers design, update and maintain web solutions for WSSC Water use, by development of strategies for middle tier and portal architecture, eCommerce, legacy to web migration, system requirements analysis, system design, programming, testing, implementation and system maintenance.

IT APPLICATIONS & DEVELOPMENT DIVISION (Continued)

Core Activities (Continued)

Geographic Information Systems – This activity manages WSSC Water's map-based enterprise technology solutions. This activity leads projects and initiatives related to GIS application development, custom tools, geodatabase design and implementation, maintenance and update of map databases, coordination of data acquisitions and development and updates of standards. The GIS Support Section works with external teams and collaborates with local, state and federal resources to strategize WSSC Water's overall GIS approach; supports initiatives to consolidate and centralize data repositories; and researches, initiates and supports all GIS-related projects.

Procurement and Logistics – This activity maintains all the Oracle EBS procure-to-pay modules, retirement systems and several other applications used throughout WSSC Water. The Oracle EBS Procure-to-Pay application encompasses several modules including but not limited to purchasing, iProcurement, accounts payable and inventory along with several interfaces between these modules and other applications. In addition, this team holds responsibility for e-Permitting, Project Dox, P6, RIVA and Questica applications.

Human Resource Management System – This activity supports the general ledger, human resources, payroll, time and labor, advanced benefits and self-service systems. WSSC Water's business units access these systems through the intranet network to accomplish agency business functions.

Database Administration – This activity supports hundreds of applications in variety of databases ranging from mainframe, Oracle and SQL Server. The Database Administration team provides support for Oracle Enterprise Resource Planning, EBS, ePermitting, GIS, SCADA, as well as in-house custom developed applications in various platforms. The Database Administration team supports various departments throughout WSSC Water and outside vendors.

Goals, Objectives and Outcome Measures

Goal: Provide reliable computing services to all users in order to deliver information and data in the timeframes required to support decisions Strategic Priority: Optimize Infrastructure

Objectives	Outcome Measure	FY 2019 Actual / Target	FY 2020 Actual / Target	FY 2021 Target	FY 2022 Target
Ensure the availability of applications to support the agency	Percentage of time that the critical systems are available	99.9% / 97.0%	99.9% / 97.0%	97.0%	97.0%

OTHER

Other refers to expenditures essential to the operation of WSSC Water that are related to more than one department/office or those which do not fall within the functional assignment of any department/office. These expenses are related to items such as insurance premiums, Social Security, debt service, PAYGO and retirement benefits.

Budget Summary

Other	FY 2020 Actual		FY 2021 Approved		FY 2022 Approved		Increase / (Decrease)	
	Work Years	Amount	Work Years	Amount	Work Years	Amount	Work Years	Amount
Human Resources Non-Departmental	-	\$ 24,460,411	-	\$ 31,456,610	-	\$ 31,665,326	-	\$ 208,716
Finance Non-Departmental								
Debt Service	-	293,268,854	-	325,593,000	-	316,827,000	-	(8,766,000)
PAYGO	-	-	-	31,016,000	-	27,585,000	-	(3,431,000)
Other (Social Security, Retirement, etc.)	-	50,409,447	-	53,138,404	-	51,914,428	-	(1,223,976)
Retirement Trust Chargeback	-	(756,355)	-	(750,043)	-	(769,300)	-	(19,257)
Total	-	\$ 367,382,357	-	\$ 440,453,971	-	\$ 427,222,454	-	\$ (13,231,517)

Explanation of Major Variances

The FY 2022 Approved Budget decrease for Finance Non-Departmental is primarily the result of decreased debt service due to lower interest rates and decreased PAYGO due to financial challenges related to the COVID-19 savings plan.

HUMAN RESOURCES NON-DEPARTMENTAL

Human Resources Non-Departmental budgets for payments associated with group life insurance, accidental death & dismemberment insurance, accidents and sickness, health care programs and unemployment insurance.

FINANCE NON-DEPARTMENTAL

Finance Non-Departmental budgets for payments associated with insurance premiums, Social Security, the WSSC Water Employees' Retirement Plan and the health care trust for OPEB. Debt service, bond sales expenses and bond coupon payment redemption expenses, also are included under this organization.

RETIREMENT TRUST CHARGEBACK

Retirement Trust Chargeback accounts for Retirement & Investments Division expenses related to the operations of the retirement trust that will be paid by the trust.



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