



Washington Suburban Sanitary Commission

Mission Statement

The Washington Suburban Sanitary Commission (WSSC) is a bi-county governmental agency established in 1918 by an act of the Maryland General Assembly. It is charged with the responsibility of providing water and sanitary sewer service within the Washington Suburban Sanitary District, which includes most of Montgomery and Prince George's counties. In Montgomery County, the Town of Poolesville and portions of the City of Rockville are outside of the District.

WSSC'S PROPOSED BUDGET

WSSC's proposed budget is not detailed in this document. The Commission's budget can be obtained from WSSC's Budget Group at the WSSC Headquarters Building, 14501 Sweitzer Lane, Laurel, Maryland 20707 (phone: 301.206.8110) or from their website at <http://www.wsscwater.com>.

Prior to January 15 of each year, the Commission prepares preliminary proposed capital and operating budgets for the next fiscal year. On or before February 15, the Commission conducts public hearings in both counties. WSSC then prepares and submits the proposed capital and operating budgets to the County Executives of Montgomery and Prince George's counties by March 1.

By March 15 of each year, the County Executives of Montgomery and Prince George's counties are required by law to transmit the proposed budgets, recommendations on the proposed budgets, and the record of the public hearings held by WSSC to their respective County Councils.

Each County Council may hold public hearings on WSSC's proposed operating and capital budgets, but no earlier than 21 days after receipt from the County Executive. Each County Council may add to, delete from, increase, or decrease any item in either budget. Additionally, each Council is required by law to transmit by May 15 any proposed changes to the other County Council for review and concurrence. The failure of both Councils to concur on changes constitutes approval of the item as originally proposed by WSSC. Should the Councils fail to approve the budgets on or before June 1 of each year, WSSC's proposed budgets are adopted.

Accomplishments and Initiatives

- Operating and maintaining a system of three reservoirs impounding 14 billion gallons of water, two water filtration plants, six wastewater treatment plants, 5,600 miles of water main, and 5,550 miles of sewer main 24 hours a day, seven days a week.
- In FY17, WSSC will be continuing to enhance customer service by expanding investment in contract center operations.
- Continuing to maintain the customer service goal of arriving on a customer emergency maintenance situation within two hours and restoring service within 24 hours of the service interruption.
- Continuing to renew WSSC's underground infrastructure through the Water and Sewer Reconstruction Programs - in FY17, the Commission will reconstruct 57 miles of small water main.
- Continuing to inspect and repair large diameter pre-stressed concrete cylinder pipe (PCCP) water mains for 18 miles of pipe in FY17.
- To maintain the current ratings of WSSC-issued debt, the commission will continue to increase the operating reserve to maintain a reserve equal to 10 percent of water and sewer rate revenues.

Spending Control Limits

The spending control limits process requires that the two counties set annual ceilings on WSSC's water and sewer rate increase and on debt (bonded indebtedness as well as debt service) and then adopt corresponding limits on the size of the capital and operating budgets. The two councils must not approve capital and operating budgets in excess of the approved spending control limits unless a majority of each council votes to approve them. If the two councils cannot agree on expenditures above the spending control limits, they must approve budgets within these limits.

The following table shows the FY17 spending control limits adopted by the Montgomery and Prince George's County councils, compared to

the spending control results projected under WSSC's Proposed FY17 Budget and under the County Executive's Recommended Budget for WSSC. The Commission's Proposed Budget complies with all of the spending control limits approved by the two county councils.

FY17 Spending Control Limits Comparison				
SPENDING CONTROL LIMITS	Approved Spending Control Limits		Projected Levels Under	
	Montgomery County	Prince George's County	WSSC's Proposed Budget	County Executive Recommended Budget*
Maximum Average Water/Sewer Rate Increase	3.5%	3.5%	3.0%	3.0%
New Debt (\$millions)	\$476.8	\$476.8	\$479.4	\$479.4
Water and Sewer Debt Service (\$millions)	\$250.8	\$250.8	\$243.8	\$243.8
Total Water and Sewer Operating Expenses (\$millions)	\$729.2	\$729.2	\$716.2	\$716.2

County Executive Recommendations

Operating Budget

The County Executive recommends that WSSC's proposed FY17 budget be approved with the following conditions:

- The County Executive recommends a water and sewer rate increase of 3.0% in FY17 consistent with the Commission's resource needs outlined in their proposed budget.
- As part of a Countywide recalculation of property tax billing administration costs, include an additional adjustment to the payment made to the Montgomery County Department of Finance for property tax billing collections in the amount of \$7,940. The County Executive further recommends that this increase be provided for within existing resources.
- Do not include the following proposed additions to the Commission's personnel complement:
 1. Additional Permitting Inspector for Montgomery County Department of Permitting Services; and
 2. Dental Mercury inspectors for implementation of the Environmental Protection Agency's (EPA) Dental Mercury remediation rule. Delay the implementation of this function at least and until the rule becomes final in order to gauge the true needs in this additional program area.

Capital Budget

The County Executive recommended the WSSC FY17-22 Capital Improvements Program (CIP) budget be approved as submitted by the Commission.

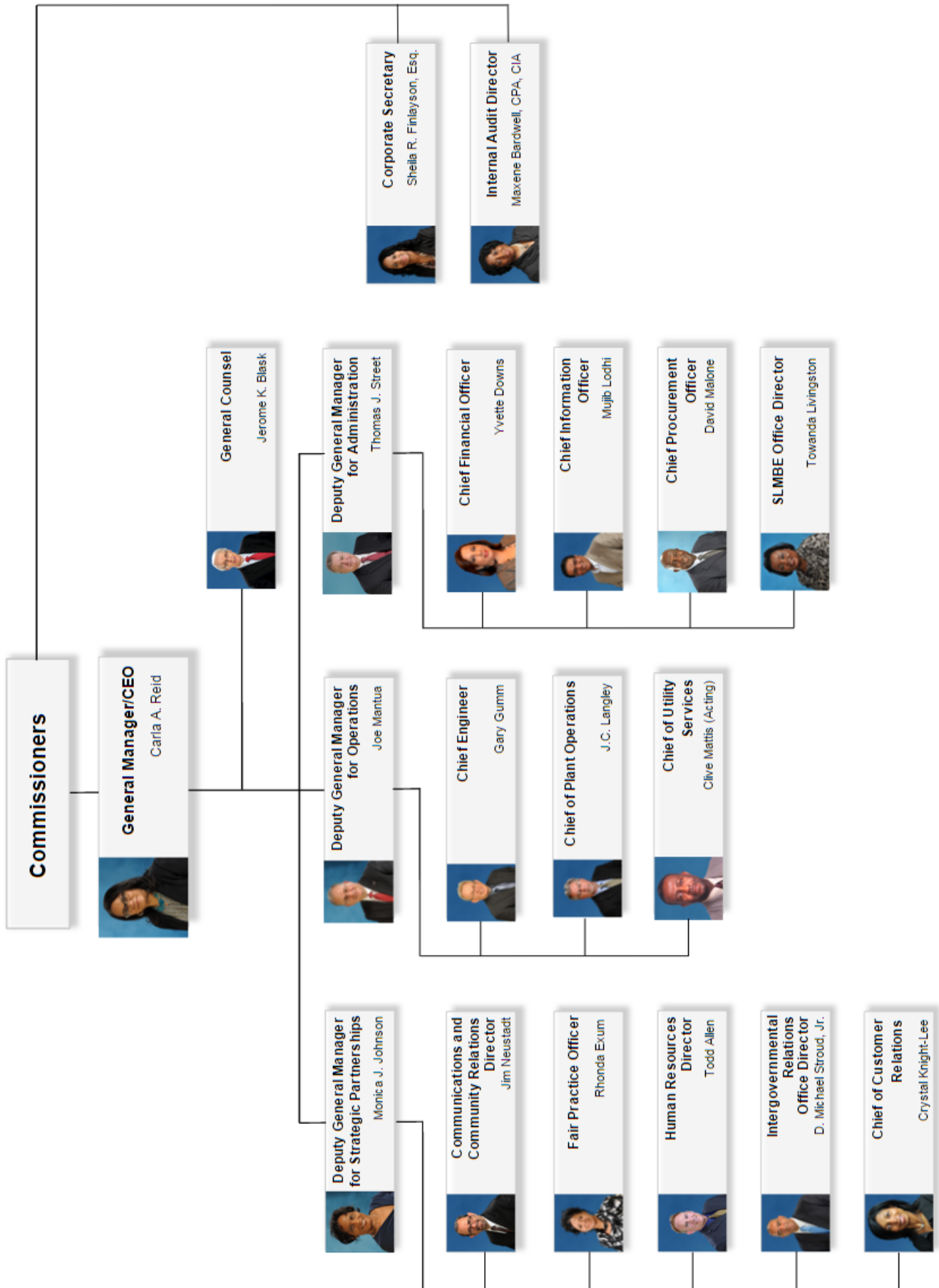
The County Executive further recommends the cost changes submitted by DC Water for the Blue Plains projects. FY17 fiscal projections for all funds and budgets are shown below.

Expenditures by Category - FY17 WSSC Proposed and Executive Recommended						
(\$000s)						
Expenditure Categories	WSSC Total	WSSC Total	CE Capital	CE Operating	CE Total	% Change (CE Rec. vs. WSSC Proposed)
	Approved FY16	Proposed FY17	Recommended FY17	Recommended FY17	Recommended FY17	
Salaries and Wages	138,467	146,113	29,191	116,922	146,113	0.0%
Heat, Light, & Power	23,353	23,581	--	23,581	23,581	0.0%
Regional Sewage Disposal	54,895	51,601	--	51,601	51,601	0.0%
Contract Work	421,992	442,324	442,324	--	442,324	0.0%
Consulting Engineers	57,912	52,851	52,851	--	52,851	0.0%
All Other	421,909	413,525	161,159	252,366	413,525	0.0%
PAYGO	19,667	23,095	--	23,095	23,095	0.0%
Reserve Contribution	6,300	6,524	--	6,524	6,524	0.0%
Debt Service	<u>255,310</u>	<u>261,437</u>	<u>0</u>	<u>261,437</u>	<u>261,437</u>	<u>0.0%</u>
Total Budget	1,399,805	1,421,051	685,525	735,526	1,421,051	0.0%

Note: Total expenditures include the water and sewer operating funds, the general bond debt service fund, and the three capital funds

Program Contacts

Contact Letitia Carolina-Powell of the Washington Suburban Sanitary Commission at 301.206.8379 or Matt Schaeffer of the Office of Management and Budget at 240.777.2766 for more information regarding this agency's operating budget.



THIS PAGE INTENTIONALLY LEFT BLANK