District of Columbia Water and Sewer Authority

www.dcwater.com
Telephone: 202-787-2000

Description	FY 2014 Approved	FY 2015 Proposed	% Change from FY 2014
Operating Budget	$479,543,000	$515,959,000	7.6

Note: Prior year actuals are not reported for the District of Columbia Water and Sewer Authority, because the agency does not use the District's financial system for its actual transactions.

The vision of the District of Columbia Water and Sewer Authority (DC Water) is to be a world-class water utility, with the mission to exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner.

History: In 1996, the District of Columbia Water and Sewer Authority was created by District law, with the approval of the United States Congress, as an independent authority of the District Government with a separate legal existence. In June 2010, the agency adopted a new logo and brand name, DC Water, while its official name remained District of Columbia Water and Sewer Authority. Beginning in FY 2013, for accounting purposes, DC Water will no longer be reported as a component unit of the District Government.

Governance: DC Water's Board of Directors establishes policies and guides the strategic planning process. The Board is composed of eleven members and eleven alternates, representing the District, Montgomery and Prince George's Counties in Maryland and Fairfax County in Virginia. District members establish policies, set rates and charges for District services. The entire Board votes and establishes policies for joint-use services. The General Manager reports to the Board and manages the operations and performance of the enterprise.

The Authority's FY 2015 Board-approved budget is presented in the following tables:

FY 2015 Proposed Gross Funds Operating Budget, by Revenue Type

Table LA0-1 contains the proposed FY 2015 agency budget compared to the FY 2014 approved budget.

Table LA0-1
(dollars in thousands)

Appropriated Fund	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change*
General Fund				
Special Purpose Revenue Funds	479,543	0	-479,543	-100.0
Total for General Fund	**479,543**	**0**	**-479,543**	**-100.0**
Enterprise and Other				
Enterprise and Other Funds	0	515,959	515,959	N/A
Total for Enterprise and Other	**0**	**515,959**	**515,959**	**N/A**
Gross Funds	**479,543**	**515,959**	**36,416**	**7.6**

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2015 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2015 Proposed Operating Budget, by Comptroller Source Group

Table LA0-2 contains the proposed FY 2015 budget at the Comptroller Source Group (object class) level compared to the FY 2014 approved budget.

Table LA0-2
(dollars in thousands)

Comptroller Source Group	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change*
11 - Regular Pay - Continuing Full Time	88,926	100,970	12,044	13.5
14 - Fringe Benefits - Current Personnel	26,169	28,778	2,609	10.0
15 - Overtime Pay	5,359	5,796	437	8.2
Subtotal Personal Services (PS)	**120,454**	**135,544**	**15,090**	**12.5**
20 - Supplies and Materials	32,909	36,187	3,278	10.0
30 - Energy, Communication and Building Rentals	34,011	30,416	-3,595	-10.6
40 - Other Services and Charges	31,513	28,831	-2,682	-8.5
41 - Contractual Services - Other	84,093	76,944	-7,149	-8.5
50 - Subsidies and Transfers	25,181	26,687	1,506	6.0
70 - Equipment and Equipment Rental	993	1,028	35	3.5
80 - Debt Service	150,389	180,322	29,933	19.9
Subtotal Nonpersonal Services (NPS)	**359,089**	**380,415**	**21,326**	**5.9**
Gross Funds	**479,543**	**515,959**	**36,416**	**7.6**

*Percent change is based on whole dollars.

Program Description

Service Area: Providing more than 600,000 residents and 17.8 million annual visitors in the District of Columbia with retail water and wastewater (sewer) service, DC Water has a total service area of approximately 725 square miles. In addition, DC Water treats wastewater for approximately 1.6 million people in neighboring jurisdictions, including Montgomery and Prince George's Counties in Maryland and Fairfax and Loudoun Counties in Virginia.

Drinking Water Quality: With a strong emphasis on water quality, DC Water maintains an annual flushing program, regulatory and voluntary water quality testing, ongoing system upgrades and lead service replacements. In partnership with the U.S. Army Corps of Engineers Washington Aqueduct, DC Water ensures a high quality treatment process for delivering optimal drinking water all year round.

Pumped and Treated Water Storage: During Fiscal Year 2013, DC Water pumped an average of 102 million gallons of water per day. In addition, DC Water stores 61 million gallons of treated water at its eight facilities. The Washington Aqueduct stores an additional 49 million gallons.

Water Distribution System: DC Water delivers water through 1,300 miles of interconnected pipes, four pumping stations, five reservoirs, three water tanks, 36,000 valves, and 9,089 fire hydrants.

Blue Plains Advanced Wastewater Treatment Plant: Blue Plains, located at the southernmost tip of the District, is the largest advanced wastewater treatment facility in the world, covering 153 acres along the Potomac River. Blue Plains treats an annual average of 300 million gallons per day (MGD) and has a design capacity of 370 MGD, with a peak design capacity to treat more than one billion gallons per day.

Sewer System: 1,800 miles of sanitary and combined sewers, 22 flow-metering stations, nine off-site wastewater pumping stations, 16 stormwater pumping stations, 12 inflatable dams and a swirl facility comprise the DC Water sewer system.

Program Structure Change

DC Water has no program structure changes in the FY 2015 proposed budget.

FY 2015 Proposed Operating Budget, by Comptroller Source Group

Table LA0-3 contains the proposed FY 2015 budget by program and activity compared to the FY 2014 approved budget.

Table LA0-3

(dollars in thousands)

	Dollars in Thousands			Full-Time Equivalents		
Program/Activity	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Approved FY 2014	Proposed FY 2015	Change from FY 2014
(1000) WASA						
(1100) WASA	479,543	515,959	36,416	0.0	0.0	0.0
Subtotal (1000) WASA	**479,543**	**515,959**	**36,416**	**0.0**	**0.0**	**0.0**
Total Proposed Operating Budget	**479,543**	**515,959**	**36,416**	**0.0**	**0.0**	**0.0**

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2015 Operating Appendices** located on the Office of the Chief Financial Officer's website, and the DC Water website at www.dcwater.com.

FY 2015 Proposed Budget Changes

The District of Columbia Water and Sewer Authority's (DC Water) FY 2015 gross budget is $515,959,000, which represents a 7.6 percent increase over the FY 2014 approved budget of $479,543,000. The budget is comprised entirely of Enterprise and Other funds.

Note: For FY 2015, a new appropriated fund, Enterprise and Other Funds, was created to replace the appropriated fund associated with the General Fund. In tables that categorized changes by fund, the budget associated with the original appropriated fund, Special Purpose Revenue, is reflected as a decrease. As the budget shifts from the General Fund to the new Enterprise and Other appropriated fund, the budget is shown as a corresponding increase.

Agency Budget Submission

On December 5, 2013, DC Water's Board of Directors voted to approve its FY 2015 budget, which proposes a net increase of $36,416,000 over the FY 2014 approved budget. This proposed adjustment is based on projected increases in operating costs related to a strategic and integrated forecasting approach that link the operating and capital budgets with a ten-year financial plan. This approach includes regulatory requirements, infrastructure needs, Board priorities, and funding and rate concerns. The main objective of DC Water is to serve its more than two million customers throughout the region and over 17 million visitors while investing in commitment to environmental stewardship. In consideration of this objective, the agency proposes to:

Shift: The budget shows a shift from Special Purpose Revenue funds to Enterprise and Other Funds, a decrease of $479,543,000 offset by an increase of $515,959,000. Included in the shift, the budget reflects an increase of $36,416,000 in Enterprise and Other funds. Of that amount, an increase of $9,875,000 for the projected debt service payments and $20,058,000 for cash financed capital improvements. Other proposals in the budget includes increases of $15,090,000 for personal services adjustments; $3,313,000 for procurement of chemical supplies, materials, and equipment necessary for operational needs; and $1,506,000 for the Payment-in-Lieu-of-Taxes (PILOT) pertaining to the District of Columbia. In order to streamline its operational efficiency, DC Water's budget proposal aligns the budget with programmatic needs by identifying savings in key operational areas. The proposed savings amount to a total of $13,426,000, which includes reductions of $2,682,000 for water purchase, $3,595,000 for utilities, and $7,149,000 for contractual services.

Mayor's Proposed Budget

No Change: DC Water's budget proposal reflects no change from the agency budget submission to the Mayor's proposed budget.

FY 2014 Approved Budget to FY 2015 Proposed Budget, by Revenue Type

Table LA0-4 itemizes the changes by revenue type between the FY 2014 approved budget and the FY 2015 proposed budget.

Table LA0-4
(dollars in thousands)

DESCRIPTION	PROGRAM	BUDGET	FTE
SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Approved Budget and FTE		**479,543**	**0.0**
Shift: To reallocate funding within agency (across fund types)	WASA	-479,543	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2015 Agency Budget Submission		**0**	**0.0**
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2015 Mayor's Proposed Budget		**0**	**0.0**
ENTERPRISE AND OTHER FUNDS: FY 2014 Approved Budget and FTE		**0**	**0.0**
Shift: To reallocate funding within agency (across fund types)	Multiple Programs	515,959	0.0
ENTERPRISE AND OTHER FUNDS: FY 2015 Agency Budget Submission		**515,959**	**0.0**
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2015 Mayor's Proposed Budget		**515,959**	**0.0**
Gross for LA0 - Water and Sewer Authority		**515,959**	**0.0**

(Change is calculated by whole numbers and numbers may not add up due to rounding)