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Water and Sewer Authority

www.dcwater.com

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Description	FY 2011 Approved	FY 2012 Proposed	% Change from FY 2011
Operating Budget	\$408,093,000	\$422,357,000	3.5

Note: Water and Sewer Authority (DC Water) does not use the District's financial system for its transactions. For FY 2010 actual expenditures, see the FY 2010 District of Columbia Comprehensive Annual Financial Report.

The mission of the District of Columbia Water and Sewer Authority (DC Water) is to serve all of its customers with outstanding service by providing reliable and cost-effective water and wastewater services in accordance with best practices.

The District of Columbia Water and Sewer Authority was created by District law in 1996, with the approval of the United States Congress, as an independent authority of the District government with a separate legal existence. In 1996, regional participants in DC WASA (the former acronym for the water authority), including the District of Columbia, Montgomery and Prince George's counties in Maryland, and Fairfax County in Virginia, as well as the United States Congress, agreed to create an independent, multi-jurisdictional water and wastewater authority. In April 1996, the District of Columbia enacted the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of

1996, a statute that provided the groundwork for the Authority to become operationally independent beginning October 1, 1996. In recognition of changing times, 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. DC Water is governed by an 11-member regional Board of Directors and provides essential water and wastewater services to more than 2 million residents and businesses throughout the metropolitan region.

The Authority's FY 2012 Board-approved budget is presented in the following tables:

FY 2012 Proposed Gross Funds Operating Budget, by Revenue Type

Table LA0-1 contains the proposed FY 2012 agency budget compared to the FY 2011 approved budget.

Table LA0-1
(dollars in thousands)

Appropriated Fund	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change*
General Fund				
Special Purpose Revenue Fund	408,093	422,357	14,264	3.5
Total for General Fund	408,093	422,357	14,264	3.5
Gross Funds	408,093	422,357	14,264	3.5

*Percent change is based on whole dollars.

Note: DC Water does not use the District's financial system for its transactions. For FY 2010 actual expenditures, see the FY 2010 District of Columbia Comprehensive Annual Financial Report.

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 2012 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2012 Proposed Operating Budget, by Comptroller Source Group

Table LA0-2 contains the proposed FY 2012 budget at the Comptroller Source Group (object class) level compared to the FY 2011 approved budget.

Table LA0-2
(dollars in thousands)

Comptroller Source Group	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change*
11 - Regular Pay - Cont Full Time	79,736	84,533	4,797	6.0
14 - Fringe Benefits - Curr Personnel	19,775	23,807	4,032	20.4
15 - Overtime Pay	4,911	5,015	104	2.1
Subtotal Personal Services (PS)	104,422	113,355	8,933	8.6
20 - Supplies and Materials	30,080	29,946	-134	-0.4
30 - Energy, Comm. and Bldg Rentals	36,168	37,447	1,279	3.5
40 - Other Services and Charges	33,929	33,000	-929	-2.7
41 - Contractual Services - Other	76,801	78,826	2,025	2.6
50 - Subsidies and Transfers	22,365	23,401	1,036	4.6
70 - Equipment and Equipment Rental	974	995	21	2.2
80 - Debt Service	103,354	105,387	2,033	2.0
Subtotal Nonpersonal Services (NPS)	303,671	309,002	5,331	1.8
Gross Funds	408,093	422,357	14,264	3.5

*Percent change is based on whole dollars.

Note: DC Water does not use the District's financial system for its transactions. For FY 2010 actual expenditures, see the FY 2010 District of Columbia Comprehensive Annual Financial Report.

Program Description

DC Water provides more than 600,000 residents of and 16.6 million annual visitors to the District of Columbia with water and wastewater (sewer) services. With a service area of approximately 725 square miles, DC Water also treats wastewater for approximately 1.6 million people in Montgomery and Prince George's Counties in Maryland and Fairfax and Loudoun Counties in Virginia. DC Water employs approximately 1,000 people to work at various facilities throughout the District of Columbia.

The District's financial system does not display the DC Water budget programmatically; however, the agency operates based on the following program structure:

Potable Water System - DC Water's priority is to provide clean and safe water to the residents, businesses, and visitors in its service area. The agency maintains a strong emphasis on water quality, which involves an annual flushing program, regulatory and voluntary water quality testing, ongoing system upgrades and lead service line replacements. DC Water has a strong relationship with the U.S. Army Corps of Engineers' Washington Aqueduct to ensure that the water treatment process is optimal for delivering high water quality throughout the year. As a concerted effort to ensure the quality of the water DC Water delivers, DC Water meets or exceeds federal health and safety standards. Both DC Water and the Washington Aqueduct closely and routinely monitor numerous water quality parameters outside of the regulated areas to optimize the quality of water delivered to customers. Hundreds of samples are collected and analyzed each month from various locations, including residences, commercial buildings, schools, and day care facilities.

An annual Water Quality Report is published each year to communicate freely with customers and explain where the water comes from, what is in the water, how the water is treated, and how it is distributed to various homes and businesses. The DC Water Distribution system entails 1,350 miles of water pipe, four pumping stations, five reservoirs, three water tanks, 36,000 valves, and more than 9,100 public fire hydrants. In Fiscal Year 2010, DC Water pumped an average of 106 million gallons of water per day and stored 61 million gallons of treated

water at its eight facilities. An additional 49 million gallons are stored by the Washington Aqueduct.

Sanitary Sewer and Stormwater System - Sewer service is another core DC Water program. This program provides for the operation and maintenance of the combined sewer system in the District, which collects and transports wastewater and stormwater flows to treatment and authorized discharge points as well as the separated sanitary sewers in the District. DC Water operates 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. Stormwater activities within the separated sanitary and storm sewer areas are managed under legislation and federal permit by the District of Columbia Department of the Environment. The sanitary sewer program has several major capital improvement projects, including the Combined Sewer Overflow Long Term Control Project.

Wastewater Treatment System - Wastewater treatment services are provided at Blue Plains Plant to over 1.7 million people in DC Water's service area. Wastewater treatment includes liquid process facilities that provide treatment for both sanitary wastewater flows and peak storm flows originating in the sanitary and combined sewer systems respectively, along with solids processing facilities that treat the residual solids removed by the liquid process facilities. Blue Plains is rated for an average flow of 370 million gallons per day (MGD), and it is required by its National Pollutant Discharge Elimination System (NPDES) permit to treat a peak flow rate of 740 MGD through the complete treatment process for up to four hours and continuous peak complete treatment flows of 511 MGD thereafter. The plant treats these flows to a level that meets one of the most stringent NPDES discharge permits in the United States. Additionally, up to 336 MGD of storm water flow must receive partial treatment, resulting in a total plant capacity of 1,076 MGD.

The District was the first regional signatory of the 1987 Chesapeake Bay Agreement (reducing nitrogen by 40 percent) to meet its voluntary commitment due

to significant improvements by DC Water at Blue Plains. Blue Plains has been lauded on several occasions for its efficient wastewater treatment plant operations by the National Association of Clean Water Agencies due to its excellent record of compliance with federal regulations. DC Water continues to implement its combined sewer overflow long-term control plan (also referred to as the Clean Rivers

Project), which, when fully implemented, will significantly reduce sewer overflows, resulting in improved water quality and significant reduction in debris in the national capital's waterways.

Program Structure Change

DC Water has no program structure changes in the FY 2012 Proposed Budget.

FY 2012 Proposed Operating Budget and FTEs, by Program and Activity

Table LA0-3 contains the proposed FY 2012 budget by program and activity compared to the FY 2011 approved budget.

Table LA0-3

(dollars in thousands)

Program/Activity	Dollars in Thousands			Full-Time Equivalents		
	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Approved FY 2011	Proposed FY 2012	Change from FY 2011
(1000) WASA						
(1100) WASA	408,093	422,357	14,264	0.0	0.0	0.0
Subtotal (1000) WASA	408,093	422,357	14,264	0.0	0.0	0.0
Total Proposed Operating Budget	408,093	422,357	14,264	0.0	0.0	0.0

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

Note: DC Water does not use the District's financial system for its transactions. For FY 2010 actual expenditures, see the FY 2010 District of Columbia Comprehensive Annual Financial Report.

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 2012 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2012 Proposed Budget Changes

On February 3, 2011, DC Water's Board of Directors voted to approve its FY 2012 budget, which is a net increase of \$14,264,000 over the FY 2011 approved budget. This increase is the result of projected increases to operating costs.

Cost Increase: Cost increases include \$8,933,000 in personal services costs for in-sourcing positions to capture intellectual skills and increased fringe benefits costs; \$21,000 in the cost of small equipment;

\$2,033,000 in debt service; and \$1,036,000 for the Payment-In-Lieu-of-Taxes (PILOT) to the District of Columbia and Right-of-Ways fees. The FY 2012 budget includes additional net increases of \$350,000 for utilities and water purchases and \$2,025,000 in various contractual services charges.

Cost Decrease: \$134,000 in supplies and chemical costs will be decreased in FY 2012.

FY 2011 Approved Budget to FY 2012 Proposed Budget, by Revenue Type

Table LA0-4 itemizes the changes by revenue type between the FY 2011 approved budget and the FY 2012 proposed budget.

Table LA0-4

(dollars in thousands)

	PROGRAM	BUDGET	FTE
SPECIAL PURPOSE REVENUE FUNDS: FY 2011 Approved Budget and FTE		408,093	0.0
Cost Increase: Increase in contractual services	WASA	2,025	0.0
Cost Increase: Increases in subsidies and transfers for PILOT and ROW	WASA	1,036	0.0
Cost Decrease: Decrease in supplies	WASA	-134	0.0
Cost Increase: Increase in Debt Service payment	WASA	2,033	0.0
Cost Increase: Increase in Small Equipment funding	WASA	21	0.0
Cost Increase: Net increase in Personal Services	WASA	8,933	0.0
Cost Increase: Net increase in utilities and water purchases	WASA	350	0.0
FY 2012 Initial Adjusted Budget		422,357	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2012 Proposed Budget and FTE		422,357	0.0
Gross for LA0 - Water and Sewer Authority		422,357	0.0

