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# District of Columbia Water and Sewer Authority

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Table LA0-1

| Description      | FY 2016<br>Actual | FY 2017<br>Approved | FY 2018<br>Proposed | % Change<br>from<br>FY 2017 |
|------------------|-------------------|---------------------|---------------------|-----------------------------|
| OPERATING BUDGET | \$0               | \$535,825,000       | \$561,947,000       | 4.9                         |

Note: Prior year actuals are not reported for the District of Columbia Water and Sewer Authority (WASA), also known as DC Water, 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 was no longer 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. The Board's District members establish policies, set rates, and charges for all District services. The entire Board votes and establishes policies for joint-use services. The General Manager/CEO reports to the Board and manages the operations and performance of the enterprise.

DC Water's FY 2018 Board-approved budget is presented in the following tables:

## FY 2018 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table LA0-2 contains the proposed FY 2018 budget by revenue type compared to the FY 2017 approved budget. It also provides FY 2016 actual data.

**Table LA0-2**

(dollars in thousands)

| Appropriated Fund                     | Dollars in Thousands |                |                |               |                    | Full-Time Equivalents |            |            |            |                   |
|---------------------------------------|----------------------|----------------|----------------|---------------|--------------------|-----------------------|------------|------------|------------|-------------------|
|                                       | Actual               | Approved       | Proposed       | Change        |                    | Actual                | Approved   | Proposed   | Change     |                   |
|                                       | FY 2016              | FY 2017        | FY 2018        | FY 2017       | Percentage Change* | FY 2016               | FY 2017    | FY 2018    | FY 2017    | Percentage Change |
| <b>ENTERPRISE AND OTHER</b>           |                      |                |                |               |                    |                       |            |            |            |                   |
| ENTERPRISE AND OTHER FUNDS            | 0                    | 535,825        | 561,947        | 26,122        | 4.9                | 0.0                   | 0.0        | 0.0        | 0.0        | N/A               |
| <b>TOTAL FOR ENTERPRISE AND OTHER</b> | <b>0</b>             | <b>535,825</b> | <b>561,947</b> | <b>26,122</b> | <b>4.9</b>         | <b>0.0</b>            | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>N/A</b>        |
| <b>GROSS FUNDS</b>                    | <b>0</b>             | <b>535,825</b> | <b>561,947</b> | <b>26,122</b> | <b>4.9</b>         | <b>0.0</b>            | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>N/A</b>        |

\*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 2018 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## FY 2018 Proposed Operating Budget, by Comptroller Source Group

Table LA0-3 contains the proposed FY 2018 budget at the Comptroller Source Group (object class) level compared to the FY 2017 approved budget. It also provides FY 2015 and FY 2016 actual expenditures.

**Table LA0-3**

(dollars in thousands)

| Comptroller Source Group                        | Actual FY 2015 | Actual FY 2016 | Approved FY 2017 | Proposed FY 2018 | Change from FY 2017 | Percentage Change* |
|---|----------------|----------------|------------------|------------------|---------------------|--------------------|
| 11 - REGULAR PAY - CONTINUING FULL TIME         | 0              | 0              | 103,910          | 107,618          | 3,708               | 3.6                |
| 14 - FRINGE BENEFITS - CURRENT PERSONNEL        | 0              | 0              | 34,096           | 35,397           | 1,301               | 3.8                |
| 15 - OVERTIME PAY                               | 0              | 0              | 6,755            | 6,178            | -577                | -8.5               |
| <b>SUBTOTAL PERSONAL SERVICES (PS)</b>          | <b>0</b>       | <b>0</b>       | <b>144,761</b>   | <b>149,193</b>   | <b>4,432</b>        | <b>3.1</b>         |
| 20 - SUPPLIES AND MATERIALS                     | 0              | 0              | 34,709           | 30,659           | -4,050              | -11.7              |
| 30 - ENERGY, COMMUNICATION AND BUILDING RENTALS | 0              | 0              | 28,670           | 29,399           | 729                 | 2.5                |
| 40 - OTHER SERVICES AND CHARGES                 | 0              | 0              | 29,278           | 30,156           | 878                 | 3.0                |
| 41 - CONTRACTUAL SERVICES - OTHER               | 0              | 0              | 82,760           | 79,353           | -3,407              | -4.1               |
| 50 - SUBSIDIES AND TRANSFERS                    | 0              | 0              | 21,057           | 21,376           | 319                 | 1.5                |
| 70 - EQUIPMENT AND EQUIPMENT RENTAL             | 0              | 0              | 1,230            | 1,071            | -159                | -12.9              |
| 80 - DEBT SERVICE                               | 0              | 0              | 193,360          | 220,740          | 27,380              | 14.2               |
| <b>SUBTOTAL NONPERSONAL SERVICES (NPS)</b>      | <b>0</b>       | <b>0</b>       | <b>391,064</b>   | <b>412,754</b>   | <b>21,690</b>       | <b>5.5</b>         |
| <b>GROSS FUNDS</b>                              | <b>0</b>       | <b>0</b>       | <b>535,825</b>   | <b>561,947</b>   | <b>26,122</b>       | <b>4.9</b>         |

\*Percent change is based on whole dollars.

## FY 2018 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table LA0-4 contains the proposed FY 2018 budget by division/program and activity compared to the FY 2017 approved budget. It also provides FY 2016 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

**Table LA0-4**

(dollars in thousands)

| Division/Program and Activity          | Dollars in Thousands |                     |                     |                           | Full-Time Equivalents |                     |                     |                           |
|--|----------------------|---------------------|---------------------|---------------------------|-----------------------|---------------------|---------------------|---------------------------|
|  | Actual<br>FY 2016    | Approved<br>FY 2017 | Proposed<br>FY 2018 | Change<br>from<br>FY 2017 | Actual<br>FY 2016     | Approved<br>FY 2017 | Proposed<br>FY 2018 | Change<br>from<br>FY 2017 |
| <b>(1000) WASA</b>                     |                      |                     |                     |                           |                       |                     |                     |                           |
| (1100) WASA                            | 0                    | 535,825             | 561,947             | 26,122                    | 0.0                   | 0.0                 | 0.0                 | 0.0                       |
| <b>SUBTOTAL (1000) WASA</b>            | <b>0</b>             | <b>535,825</b>      | <b>561,947</b>      | <b>26,122</b>             | <b>0.0</b>            | <b>0.0</b>          | <b>0.0</b>          | <b>0.0</b>                |
| <b>TOTAL PROPOSED OPERATING BUDGET</b> | <b>0</b>             | <b>535,825</b>      | <b>561,947</b>      | <b>26,122</b>             | <b>0.0</b>            | <b>0.0</b>          | <b>0.0</b>          | <b>0.0</b>                |

(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 2018 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

## Program Description

**Service Area:** Providing more than 672,000 residents and 21.3 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, and ongoing system upgrades. In partnership with the U.S. Army Corps of Engineers' Washington Aqueduct, DC Water ensures a high quality treatment process for delivering outstanding drinking water throughout the year.

**Pumped and Treated Water Storage:** During Fiscal Year 2016, DC Water pumped an average of more than 99 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 1,350 miles of interconnected pipes, four pumping stations, five reservoirs, three elevated water tanks, 48,979 valves, and 9,462 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:** 1,900 miles of sanitary and combined sewers, 22 flow-metering stations, nine off-site waste-water pumping stations, 16 storm water 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 2018 proposed budget.

## FY 2017 Approved Budget to FY 2018 Proposed Budget, by Revenue Type

Table LA0-5 itemizes the changes by revenue type between the FY 2017 approved budget and the FY 2018 proposed budget. For a more comprehensive explanation of changes, please see the FY 2018 Proposed Budget Changes section, which follows the table.

**Table LA0-5**

(dollars in thousands)

| DESCRIPTION   | DIVISION/PROGRAM | BUDGET         | FTE        |
|---|------------------|----------------|------------|
| <b>ENTERPRISE AND OTHER FUNDS: FY 2017 Approved Budget and FTE</b>            |                  | <b>535,825</b> | <b>0.0</b> |
| Increase: To align budget with projected debt service payments                | WASA             | 27,380         | 0.0        |
| Increase: To align personal services and Fringe Benefits with projected costs | WASA             | 4,432          | 0.0        |
| Increase: To align utility costs with proposed estimates                      | WASA             | 729            | 0.0        |
| Decrease: To align resources with operational spending goals                  | WASA             | -3,012         | 0.0        |
| Decrease: To adjust the Contractual Services budget                           | WASA             | -3,407         | 0.0        |
| <b>ENTERPRISE AND OTHER FUNDS: FY 2018 Agency Budget Submission</b>           |                  | <b>561,947</b> | <b>0.0</b> |
| No Change   |                  | 0              | 0.0        |
| <b>ENTERPRISE AND OTHER FUNDS: FY 2018 Mayor's Proposed Budget</b>            |                  | <b>561,947</b> | <b>0.0</b> |
| No Change   |                  | 0              | 0.0        |
| <b>ENTERPRISE AND OTHER FUNDS: FY 2018 District's Proposed Budget</b>         |                  | <b>561,947</b> | <b>0.0</b> |
| <b>GROSS FOR LA0 - WATER AND SEWER AUTHORITY</b>                              |                  | <b>561,947</b> | <b>0.0</b> |

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

## **FY 2018 Proposed Budget Changes**

The District of Columbia Water and Sewer Authority's (DC Water) FY 2018 gross budget is \$561,947,000, which represents a 4.9 percent increase over its FY 2017 approved budget of \$535,825,000. The budget is comprised entirely of Enterprise and Other funds.

### **Agency Budget Submission**

**Increase:** The proposed budget includes operational spending increases of \$27,380,000 for debt service costs associated with DC Water's capital improvement program. Additional increases include \$4,432,000 in personal services, to maintain a high performance workforce, and \$729,000 in nonpersonal services to align the budget with projected utility costs.

**Decrease:** The proposed budget includes decreases in operational spending of \$3,012,000 mainly for chemicals, and \$3,407,000 in Contractual Services, due to lower production and hauling of biosolids.

### **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.

### **District's Proposed Budget**

**No Change:** The Water and Sewer Authority's budget proposal reflects no change from the Mayor's proposed budget to the District's proposed budget.