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District of Columbia Water and Sewer Authority

www.dcwater.com
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Description	FY 2013 Approved	FY 2014 Proposed	% Change from FY 2013
Operating Budget	\$456,775,000	\$479,543,000	5.0

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 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 2014 Board-approved budget is presented in the following tables:

FY 2014 Proposed Gross Funds Operating Budget, by Revenue Type

Table LA0-1 contains the proposed FY 2014 agency budget compared to the FY 2013 approved budget.

Table LA0-1
(dollars in thousands)

Appropriated Fund	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change*
General Fund				
Special Purpose Revenue Funds	456,775	479,543	22,768	5.0
Total for General Fund	456,775	479,543	22,768	5.0
Gross Funds	456,775	479,543	22,768	5.0

*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 2014 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2014 Proposed Operating Budget, by Comptroller Source Group

Table LA0-2 contains the proposed FY 2014 budget at the Comptroller Source Group (object class) level compared to the FY 2013 approved budget.

Table LA0-2
(dollars in thousands)

Comptroller Source Group	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change*
11 - Regular Pay - Continuing Full Time	88,077	88,926	849	1.0
14 - Fringe Benefits - Current Personnel	24,509	26,169	1,660	6.8
15 - Overtime Pay	5,210	5,359	149	2.9
Subtotal Personal Services (PS)	117,796	120,454	2,658	2.3
20 - Supplies and Materials	31,360	32,909	1,549	4.9
30 - Energy, Comm. and Building Rentals	36,921	34,011	-2,910	-7.9
40 - Other Services and Charges	33,649	31,513	-2,136	-6.3
41 - Contractual Services - Other	82,350	84,093	1,743	2.1
50 - Subsidies and Transfers	24,315	25,181	866	3.6
70 - Equipment and Equipment Rental	993	993	0	0.0
80 - Debt Service	129,391	150,389	20,998	16.2
Subtotal Nonpersonal Services (NPS)	338,979	359,089	20,110	5.9
Gross Funds	456,775	479,543	22,768	5.0

*Percent change is based on whole dollars.

Program Description

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 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 1,300 miles of water pipe, four pumping stations, five reservoirs, three water tanks, 36,000 valves, and more than 9,000 public fire hydrants. In FY 2012, DC Water pumped an average of 101 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 2014 proposed budget.

FY 2014 Proposed Operating Budget and FTEs, by Program and Activity

Table LA0-3 contains the proposed FY 2014 budget by program and activity compared to the FY 2013 approved budget.

Table LA0-3

(dollars in thousands)

Program/Activity	Dollars in Thousands			Full-Time Equivalents		
	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Approved FY 2013	Proposed FY 2014	Change from FY 2013
(1000) WASA						
(1100) WASA	456,775	479,543	22,768	0.0	0.0	0.0
Subtotal (1000) WASA	456,775	479,543	22,768	0.0	0.0	0.0
Total Proposed Operating Budget	456,775	479,543	22,768	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 2014 Operating Appendices** located on the Office of the Chief Financial Officer's website, and the DC Water website at www.dewater.com.

FY 2014 Proposed Budget Changes

The Water and Sewer Authority's (DC Water) FY 2014 gross budget is \$479,543,000, which represents a 5.0 percent increase over the FY 2013 approved budget of \$456,775,000. The budget is comprised entirely of Special Purpose Revenue funds.

Agency Budget Submission

On January 3, 2013, DC Water's Board of Directors voted to approve its FY 2014 budget, which includes a net increase of \$22,768,000 over the FY 2013 approved budget. This is the result of projected increases in operating costs.

Increase: The following adjustments were made to the agency's budget: \$20,998,000 for the projected debt service payment; a net increase of \$2,658,000 for personal services; \$1,743,000 for Contractual Services; \$1,549,000 for Chemical Supplies and Materials; and \$866,000 for the Payment-in-Lieu-of-Taxes (PILOT) to the District of Columbia Rights-of-Way fees.

Decrease: In order to properly align the budget with programmatic needs, DC Water reduced \$4,036,000 from its utilities and \$1,010,000 from the water purchase budget.

Mayor's Proposed Budget

DC Water has no changes from the FY 2014 agency budget submission to the FY 2014 Mayor's proposed budget.

District's Proposed Budget

DC Water has no changes from the FY 2014 Mayor's proposed budget to the FY 2014 District's proposed budget.

FY 2013 Approved Budget to FY 2014 Proposed Budget, by Revenue Type

Table LA0-4 itemizes the changes by revenue type between the FY 2013 approved budget and the FY 2014 proposed budget.

Table LA0-4
(dollars in thousands)

	PROGRAM	BUDGET	FTE
SPECIAL PURPOSE REVENUE FUNDS: FY 2013 Approved Budget and FTE		456,775	0.0
Increase: Cover projected additional costs for debt service payments	WASA	20,998	0.0
Increase: Funding to cover projected personal services costs	WASA	2,658	0.0
Increase: Ensure that the proposed budget covers additional contractual services costs	WASA	1,743	0.0
Increase: Funding for chemical supplies and materials	WASA	1,549	0.0
Increase: Funding in Subsidies and Transfers for Payment-in-Lieu-of-Taxes (PILOT)	WASA	866	0.0
Decrease: Align the budget with projections for utilities costs	WASA	-4,036	0.0
Decrease: Align the budget with projections for water purchases	WASA	-1,010	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Agency Budget Submission		479,543	0.0
No Changes		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Mayor's Proposed Budget		479,543	0.0
No Changes		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2014 District's Proposed Budget		479,543	0.0
Gross for LA0 - Water and Sewer Authority		479,543	0.0

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

