

Appendix 11 – Budget and spending

11. Please provide a chart showing your agency's approved budget and actual spending, by division, for FY 2012 and FY 2013, to date. In addition, please describe any variance between fiscal year appropriations and actual expenditures.

Response:

FY 2012

The FY 2012 approved budget of \$422.4 million was revised by the Board of Directors to \$415.4 million, representing a decrease of \$7 million. The actual spending for the Authority for FY 2012 was \$376.6 million.

FY 2012 Operating Expenditures by Department

(\$000's)

		FY 2012 APPROVED	FY 2012 REVISED	FY 2012 ACTUAL	Variance - FY 2012 Revised & Actual
O p e r a t i o n s	Wastewater Treatment - Operations	85,359	85,369	72,628	12,741
	Wastewater Treatment - Process Engineering	-	-	-	-
	Maintenance Services	20,590	20,742	18,192	2,550
	Water Services	58,846	57,631	50,260	7,371
	Sewer Services	20,484	20,394	19,227	1,167
	Customer Service	16,356	16,079	15,329	750
	Water & Sewer Pumping Services	4,837	4,731	4,944	(213)
	Engineering and Technical Services	19,363	17,101	17,121	(20)
	Clean Rivers	1,499	1,477	475	1,002
	Permit Operations	971	1,662	1,266	396
	Subtotal Operations	228,302	225,186	199,442	25,744
A d m i n i s t r a c t i o n					-
	General Manager	4,405	4,787	2,598	2,189
	Office of the Board Secretary	624	618	604	14
	Internal Audit	815	816	702	114
	General Counsel	6,041	6,184	4,813	1,371
	External Affairs	1,868	1,929	1,801	128
	Information Technology	9,827	9,670	7,400	2,270
	Finance and Budget	7,773	8,059	7,220	839
	Risk Management	6,208	5,975	5,258	717
	Assistant General Manager - Support Services	322	322	324	(2)
	Human Capital Management	4,994	4,734	4,285	449
	Facilities Management and Security	6,877	12,481	11,394	1,087
	Procurement	4,311	4,138	3,856	282
	Occupational Safety and Health	6,743	1,358	1,303	55
	Fleet Management	4,459	4,507	4,332	175
	Subtotal Administration	65,267	65,579	55,890	9,689
	Subtotal O & M Expenditures	293,569	290,765	255,331	35,433
	Debt Service	105,387	102,613	99,272	3,341
	Payment in Lieu of Taxes	18,301	16,882	16,882	-
	Right of Way	5,100	5,100	5,100	-
	Total Operating Expenditures	422,357	415,360	376,585	38,774
	Personnel Services charged to Capital Projects	(16,000)	(14,000)	(9,550)	(4,450)
	Total Net Operating Expenditures	\$ 406,357	\$401,360	\$367,035	34,325

FY 2012 Budget to Actual Variance Explanation:

- a) **General Manager:** Savings attributable to the delayed implementation of the LID (Low Impact Development) Program and lower than anticipated spending for various consulting services.

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- b) **General Counsel:** Budget savings mainly from personnel services, and decreased litigation contingencies adjustment for the NPS category.
- c) **Information Technology:** Savings mainly from personnel services, professional services support for lan/wan infrastructure, GIS support, Maximo support, etc. slightly offset by higher e-services support
- d) **Water Services:** Savings mainly from personnel services, water purchases, rental for the Soldiers' Home and energy costs
- e) **Sewer Services:** Savings primarily from permit fees, multiple contracts including Potomac Interceptor odor control services, and energy costs
- f) **Wastewater Treatment:** Savings mainly from lower costs of chemicals, energy and various contractual services including the biosolids management program

FY 2013

The FY 2013 approved budget of \$456.8 million was revised by the Board of Directors to \$440.3 million, representing a decrease of \$16.5 million. The table below provides DC Water's comparative expenditures by major object areas as detail data by department would be available during the second quarter of the fiscal year.

FY 2013 Comparative Statement of Expenditures

As of December 31, 2012

(\$000's)

	Board Approved Budget	Board Revised Budget	Actual (YTD) as of 12/31/2012	Percent of Budget
Personnel Services	117,796	116,609	29,116	25%
Contractual Services	82,350	82,350	12,526	15%
Water Purchases	32,523	31,513	6,347	20%
Chemicals and Supplies	31,360	31,360	7,342	23%
Utilities	38,047	34,185	5,812	17%
Small Equipment	993	993	122	12%
Subtotal O & M Expenditures	303,069	297,009	61,263	21%
Debt Service	129,392	121,330	25,765	21%
Payment in Lieu of Taxes	19,215	16,882	4,221	25%
Right of Way	5,100	5,100	1,275	25%
Total O & M Expenditures	456,775	440,321	92,525	21%
Personnel Services Charged to Capital Projects	(16,690)	(16,690)	(2,785)	25%
Total Net Operating Expenditures	440,085	423,631	89,739	21%

Note: Actuals include accruals

FY 2013 Operating Budget Expenditure Explanation

Total operating expenditures, at the end of December, are in line with expectations for the first quarter of fiscal year 2013. At the end of December 2012, operating expenditures (including debt service and the right of way and PILOT fees) totaled \$92.5 million, or 21 percent of the FY 2013 Board-revised budget of \$440.3 million. These numbers include estimated incurred but unpaid invoices.