CHAPTER 10

WASHINGTON AQUEDUCT

10-1. General. This chapter prescribes accounting policy for Baltimore District, Washington Aqueduct Division and their wholesale customers. The construction, maintenance and operation of facilities associated with the collection, purification, and transmission to the wholesale customers of the water supply are civil functions of the Corps of Engineers. The Washington Aqueduct provides potable water to wholesale customers, the District of Columbia, Arlington County and the City of Falls Church. Water distribution and sales in these areas are the responsibility of the wholesale customers. Washington Aqueduct funds are primarily derived from water sales, which are made in accordance with water sales agreements between each wholesale customer and the Secretary of the Army. The Washington Aqueduct works with a wholesale customer board as defined in a Memorandum of Understanding (MOU) between the customers and the Chief of Engineers.

10-2. Policy. The Washington Aqueduct is responsible for rate setting and revenue collection to cover all costs of operation, maintenance, debt service and capital improvement. Washington Aqueduct will set customer rates to ensure all costs incurred are recovered. All work authorized and funded by the capital outlay appropriation will ultimately be a part of the Washington Aqueduct and authorized appurtenances and as such will normally represent a capital item. Capital Outlays will include permanent project features, including land improvements and relocations, as well as Engineering, Design and Supervision and Administrative Costs. This account will include all costs incurred for Work in Progress financed by Capital Outlay, Water Fund. Operation and Maintenance account will include all costs incurred for additions, improvements and replacements, financed with operating expense funds. Washington Aqueduct operating and capital improvement budgets are submitted to the Wholesale Customer Board annually.

10-3. Procedures. Accounting procedures specific to Washington Aqueduct Division may be found at:
http://www.usace.army.mil/inet/functions/rm/finance/finance.htm