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March 6, 2025

The Honorable Marc Korman and  
Members of the Environment &  
Transportation Committee  
251 Taylor House Office Building  
Annapolis, MD 21401

Subject: House Bill 1195 – Washington Suburban Sanitary Commission-Membership, Transparency, Billing and Planning (WSSC Transparency and Reform Act of 2025)

Good afternoon, Chair Korman, Vice Chair Boyce, esteemed members of the Environment and Transportation Committee, staff and the listening and participating audience. I am Kishia L. Powell, General Manager and CEO of the Washington Suburban Sanitary Commission (“WSSC” or “WSSC Water”). Thank you for the opportunity to offer comments on House Bill 1195 currently entitled Washington Suburban Sanitary Commission - Membership, Transparency, Billing, and Planning (WSSC Transparency and Reform Act of 2025). Joining me today are members of the Washington Suburban Sanitary Commission Board of Commissioners, Chair T. Eloise Foster and Commissioner Regina Y. Speed-Bost. In addition, Chief Financial Officer Munetsi Musara, Customer Service Department Deputy Director Mpande Musonda-Langley and the WSSC Water independent Inspector General, Jon T. Rymer, are here to assist with answering any questions from Committee members. On behalf of WSSC Water, I would like to commence our formal comments by stating that we deeply value our relationship with members of the Maryland General Assembly, the County Executives and County Councils of Montgomery County and Prince George’s County and the trust that has been placed in us. WSSC Water understands that we have the important responsibility of ensuring that the interests of our valued customers are always foremost as we carry out our mission and as policies, programs and initiatives are being considered that will have both direct and indirect impacts on them and the communities that we take immense pride in serving.

WSSC Water executed significant due diligence in reviewing the legislation, due to its breadth and scope. Our review of the legislation was guided by several key principles which include: (1) analyzing the impact to our customers and the organization; (2) impact on customer service, experience and care; (3) analyzing potential impacts to ratings; (4) ensuring that our review considers our mandated fiduciary responsibilities; and (5) that we illuminate actions that WSSC Water has/is undertaking that aligns with relevant sections of the bill being advanced. During our review process, we strived to address provisions that are already in existence and are adopted practices of WSSC Water; analyzed the various sections of the bill to ensure that the proposed amendments would not have unintended

consequential impacts to our customers, the communities we serve and the utility; and identified sections of the bill that will enhance our delivery of services to our valued customers.

Based on this review and analyses, staff made recommendations to the Commission on the various sections of the introduced version of the bill formally at a Special Commission Meeting, convened on Tuesday, January 28, 2025. The Commission, through formal vote, unanimously, directed WSSC staff to move forward with working on amendments to the legislation and expressed a Sense of the Commission on each section of the legislation, with select amendments being incorporated into the bill that is before you, today, for consideration. We would like to thank Chair Korman, lead sponsor of the legislation, for working assiduously and collaboratively with WSSC Water on the amendments to this comprehensive legislation. We would also like to recognize the co-sponsors, Delegate Wilkins and Delegate Barnes for their engagement on this comprehensive measure.

WSSC Water works, daily, to deliver the highest quality of service to our customers and the communities we serve. As the General Manager and CEO, with the support of the Board of Commissioners, I have been focused on premier service delivery, operational efficiency, reliability and resilience, customer affordability, strong financial planning and standing, and administrative efficiencies, while benchmarking against leading water utilities, nationally. With a AAA bond rating status from all three leading rating agencies, nationally, this positions WSSC Water and our customers to leverage lower costs for required capital investments. Notwithstanding this, I have a laser focus on affordability for our customers through the identification of efficiencies and implementing thoughtful and innovative customer programs to drive down this cost as much as possible, while also working to ensure safe, reliable and secure water utility infrastructure.

At this time, I would like to briefly address key areas of the legislation and highlight our perspectives. Please know that we are not addressing areas of the bill that the Commission expressed a neutral position on.

### Financial Planning

WSSC Water is committed to and practices long-range financial planning. Prior to the legislation being introduced, WSSC Water had as part of our annual workplan an effort to engage an independent third-party financial advisor to assess and provide recommendations for an updated comprehensive financial plan and long-term management strategy. This engagement is underway.

WSSC Water currently executes long-range planning scenarios for its operating and capital budgets and debt service, as a matter of practice. In addition, WSSC Water's financial statement is audited annually by an external auditing firm, certified by the state of Maryland, and contracted by the Commissioners' Office.

### Independent Review of WSSC Water

WSSC Water welcomes the review of its operations and practices, as prescribed by the legislation in consultation with the Department of Legislative Services, and will support the review and its effectuation. The independent review of some of the areas such as asset management and capital improvement planning have been underway. The Commission has also taken steps to prepare for the solicitation of the required independent consultant to address the requirements of the bill. In addition, the independent Office of the Inspector General will have a role in this review, to perform an independent review as specified in the proposed bill. This information will be shared with the Maryland General Assembly's Department of Legislative Services for review purposes and shared with the designated entities in the legislation as well as published online.

### Customer Support

WSSC Water is supportive of ensuring that customers who experience high bills are engaged, appropriately. WSSC Water has conducted a preliminary review of our customer engagement process regarding high bills and found that we need to make adjustments to the process as well as establish key performance indicators to continuously assess high bills. Additionally, we have determined that addressing high bills will be aided by updating our metering infrastructure to allow customers to identify elevated consumption more immediately. We currently have a detailed process review underway to help identify short and long-term recommendations for improvements in the process and to eliminate the perception of unexplained high bills. In accordance with the legislation, we look forward to providing a report on our findings and modifications to existing processes in support of our valued customers.

WSSC Water has advanced separate legislation to address residential customers who receive fixed cost charges based on meter sizes that are consistent with commercial meters. This will bring important relief to this customer segment.

We also remain committed to timely billing for our customers, which allows appropriate budgeting and planning. WSSC Water has been reviewing our metering infrastructure and will be working with important stakeholders in reviewing opportunities for enhancement.

WSSC Water has, historically, utilized its website to ensure that our customers, community members and other interested stakeholders have access to a wide range of information. This legislation furthers the content, and we have commenced the process of adding additional information to our website.

During our review, WSSC Water identified two areas of concern, specifically, the Avenel Coordinating Committee provision and the proposal to include ad valorem tax scenarios in WSSC Water's long-term financial planning.

### Avenel Coordinating Committee

Should this section of the legislation be approved, the effect would be procedurally positioning WSSC Water for litigation through the Coordinating Committee that WSSC Water would be required to be a part of. This body was to be convened primarily for the purpose of resolving disputes related to the Advanced Wastewater Treatment Plant Project under consideration for the site, at that time, initiating arbitration and then litigation. The proposed legislative amendment would accelerate arbitration and litigation, inadvertently and prematurely, contravening the legal review that is currently in process by WSSC Water. WSSC Water remains committed to collaborating with the parties and the community in reaching a balanced solution that aligns with the interests of community members as well as ratepayers in both counties, relative to re-activating an equestrian facility in Potomac, Maryland. We will continue our meetings and engagements with the parties to the agreement, the community and others (see Attachment C). WSSC Water has provided information specific to the Delegate's request in lieu of this section being included in the legislation.

### Ad Valorem Tax

Section 4 of the legislation advances a one-time report on the ad valorem tax assessment as a mechanism for addressing Commission debt service. WSSC Water expressed the importance of ensuring that the amendment adequately reflects that the Commission has never utilized the ad valorem tax and has no intention of doing so. This is paramount to the Commission, as it can be interpreted, inaccurately, by our valued customers, rating agencies and the public, in general, when an assessment report is developed and submitted. WSSC Water has shared that developing a plan or scenario(s) utilizing the ad valorem tax is not appropriate or in accordance with best practices. However, this tax authority can be qualified as a contingency that is only available if the Commission is unable to fund the debt service for bonds, which is not the circumstance.

During the WSSC Water Commission's regularly scheduled meeting on Wednesday, February 19, 2025, the concern with ensuring that our valued customers, the public, rating agencies and others understand that the Commission is not contemplating advancing the ad valorem tax as a mechanism to address Commission debt service, or other areas, was addressed. Therefore, we believe that it is important to clarify that while the ad valorem tax scenario can be developed, the legislative language must be very clear to ensure that the legislative record and the legislation reflect that the Commission has no intention of taking action to advance the ad valorem tax as a mechanism to address debt service and/or other areas. We are currently working with Chair Korman on additional clarifying language.

Further, WSSC Water is privileged to have a AAA bond rating from all three leading rating agencies. Therefore, clarifying the purpose of this section of the bill will be important for rating reviewers as well. WSSC Water has requested an additional amendment to the ad valorem tax section of the legislation.

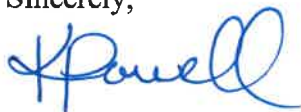
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*Closing*

WSSC Water believes that this legislation, directionally, aligns with our commitment to ongoing enhancements to our operations and support of our valued customers and the communities we serve. To achieve this, we must remain focused on providing safe, reliable, sustainable and affordable water and sewer services, with a consistent focus on efficiencies and innovation, while maintaining affordability. Working collaboratively on the outlined areas is a win-win for all, and we look forward to working with you on its implementation, and most importantly, the outcomes sought.

Thank you again Chair Korman for your leadership and engagement on this comprehensive legislation and we are available for any questions that you may have.

Sincerely,



Kishia L. Powell  
General Manager and CEO