**WASHINGTON SUBURBAN SANITARY COMMISSION**

**COMMISSION SUMMARY**

**AGENDA CATEGORY:** Finance Department

**ITEM NUMBER:**

**DATE:** September 20, 2017

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>Proposed FYs 2019-2024 Capital Improvements Program - Transmit to County Governments.</th>
</tr>
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<tbody>
<tr>
<td>SUMMARY</td>
<td>This action transmits the WSSC's Proposed FYs 2019-2024 Capital Improvements Program to the Prince George's County and Montgomery County Governments.</td>
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<tr>
<td>SPECIAL COMMENTS</td>
<td>Section 23-304 of the Public Utilities Article requires WSSC to prepare, and submit to the two County Governments, a Proposed Capital Improvements Program by October 1 of each year.</td>
</tr>
<tr>
<td>CONTRACT NO./REFERENCE NO.</td>
<td>Not applicable.</td>
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<tr>
<td>COSTS</td>
<td>CIP Six-Year Program $2,010,675,000.</td>
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<tr>
<td>AMENDMENT/CHANGE ORDER NO./AMOUNT</td>
<td>Not applicable.</td>
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<tr>
<td>MBE PARTICIPATION</td>
<td>Not applicable.</td>
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</table>
| PRIOR STAFF/COMMITTEE REVIEW | Carla A. Reid, General Manager/CEO
Joseph F. Beach, Chief Financial Officer
Letitia Carolina-Powell, Budget Division Manager |
| PRIOR STAFF/COMMITTEE APPROVALS | |
| RECOMMENDATION TO COMMISSION | Approve. |
| COMMISSION ACTION | |
Section 23-304 of the Public Utilities Article requires the WSSC to prepare and submit to Montgomery and Prince George’s counties, a Proposed Capital Improvements Program before October 1 of each year. The purpose of this memo is to update you on the status of the FY’s 2019-2024 Proposed CIP.

There were no substantive changes to the document since our CIP worksession at the July 19th Commission Meeting.

Our CIP Public Hearings were held on September 5th in Largo and September 6th in Rockville. All testimony and comments received are included in the complete transcripts of each hearing, attached.

We request that you approve the document as proposed for transmittal to the counties.

Attachment
## Financial Summary

*(All figures in thousands)*

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<th>Project Name</th>
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<th>Expends Thru 17</th>
<th>Est. Expends 18</th>
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WASHINGTON SUBURBAN SANITARY COMMISSION
PRINCE GEORGE'S COUNTY, MARYLAND

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PUBLIC HEARING
DRAFT PROPOSED CAPITAL
IMPROVEMENTS PROGRAM
Fiscal years 2019 - 2024

- - - - - - - - - - - - - - - - - X

A public hearing was held on September 5, 2017,
commencing at 7:45 p.m. at Prince George's Community
College, Largo Student Center, 301 Largo Road, Community
Room A, Largo, Maryland.

Thomasina Rogers, Chair

Omar Boulware

Deposition Services, Inc.
12321 Middlebrook Road, Suite 210
Germantown, MD 20874
Tel: (301) 881-3344 Fax: (301) 881-3338
info@DepositionServices.com www.DepositionServices.com
<table>
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<tr>
<td>Chuck Brown</td>
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<td>Dr. Briu Bhargava</td>
<td>6</td>
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<td>David Dorsch</td>
<td>10</td>
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<td>Sushana Will</td>
<td>13</td>
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<tr>
<td>Joe Mantua</td>
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<td>William Baxter</td>
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<td>Joe Beach</td>
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<tr>
<td>Mark Brackett</td>
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PROCEEDINGS

MS. ROGERS: Good afternoon, good evening, goodnight, to cover all the bases. Thank you so much for coming out this evening. It's not the most hospitable of weather conditions but, good evening. On behalf of the Commissioners and its Staff, I welcome you to this public hearing on our Draft Proposed Capital Improvements Program also known as CIP for the fiscal years 2019 through 2024.

My name is Thomasina Rogers and I am current Chair of the Washington Suburban Sanitary Commission, and Commissioner representing Prince George's County. Joining me this evening is Commissioner Boulware, and my fellow Commissioner. I would also like to extend the greetings from Commissioner Chris Lawson, who could not be here this evening.

Also, and before I get to who else is here, I'd like to just take a point of personal privilege and say to you how important it is that you are here participating in this process. The budget is not an easy thing to digest, but as an important part of what we do, we like to hear from you to the extent that you want to make comments or feel compelled to make comments about this process.

It is a process that is beginning the CIP process. I've already had the opportunity to talk to some folks ahead of time, and I just encourage you to know one, that this is
a serious process that we're engaging in this evening in
hearing the comments from you, that we will take them back
and give full consideration.

Also this evening with us is our CEO and General
Manager, Carla Reid, and WSSC's Senior Staff Members. Would
you all stand so they can see who you are. Before going
further, I will ask Chuck Brown from our Communications and
Community Relations Office to brief us on the outreach
efforts for this hearing.

MR. BROWN: Thank you, Madam Chair. Chuck Brown, Director of WSSC's Communications and Community Relations
Office. I'm pleased to highlight our extensive outreach
efforts to encourage public participation tonight and
promote transparency for tonight's hearing. From
traditional media, web, social media, and direct mail, we
used a variety of methods to alert and inform our customers
about tonight's hearing. An advertisement was published in
the Montgomery and Prince George's County Sentinel's
newspaper on August 10, 2017 along with the August 10th

We placed notices about tonight's hearing in
customers' bills starting June 1st of this year, and
continuing through the end of August. We also produced two
videos in English and in Spanish, promoting both CIP public
hearings and pushed them out via social media. And we sent
these video to the Prince George's Cable TV and My Montgomery County Media for use on air. We've been promoting this meeting, both meetings, actually, heavily on Facebook and Twitter. And we also issued a New Release on September 1st announcing both hearings, and followed up with two more media announcements this week. All releases are posted on our homepage, WSSC's website, which is wsscwater.com. And these releases did generate some media coverage from WMAL radio and Prince George's Cable TV. All releases, just so everyone knows, are issued to local media, but they're also issued to key stakeholders and elected officials.

And, speaking of elected officials, the General Manager, Carla Reid, sent a letter to all local elected officials announcing both hearings back in mid-August. Additionally, we posted information about tonight's hearing on our website, as well as the financial information section with a link to the draft CIP. And finally, we are live streaming tonight's meeting on Facebook for those who are unable to attend tonight, they can watch it at a later date.

Thank you.

MS. ROGERS: Thank you, Chuck. The CIP is to be transmitted to the two county governments by October 1st each year in accordance with the state law. We will consider all public comments before transmitting the CIP to
the two counties. Transcripts of these proceedings will be included in the transmittal. I will now open the meeting to public comments. For the record, please state your name and address prior to making your comments. Please limit your comments to three minutes. If your testimony is longer than the time allows, you may provide a complete written copy of your testimony to us now or prior to the close of the hearing record period.

This public hearing is concerning, as I indicated, WSSC's Capital Improvements Program. I would like, if possible, to limit the comments to that, but if there are pressing comments that you want to make I will give priority to those who are commenting on the CIP Program. So, with that, a number of people, a few people have signed up and I will call you forward and ask you to make your comments. Dr. Bhargava, would you please step to the microphone, please.

MR. BHARGAVA: I don't know if I need to use this mic.

MS. ROGERS: Well, it's for the record, so it makes for easier transmission.

MR. BHARGAVA: Actually, I did not know that the meeting was started with public comments, and input from people like me. Because I thought first there would be some orientation that what exactly WSSC is doing to get us here.
But anyway, that's okay with me. My name is Briu Bhargava, I live in Fort Washington, and I've been living there since 1988, and I came here basically -- basically, I came here to discuss about the billing. But now it is, I find that we are going to discuss about budget. Anyway, whatever money WSSC generates from people like us has to go towards the budget.

But, so let me start telling what I thought when I came here. Because every month, every three months that I get the bill, I look at it, I look at the different parts of the bill. The first part is my usage of water, and the usage of water I have, I live in a house so I use inside and it has an outside. And I was told that WSSC has been trying to modify the billing process from yea long, I mean, so many items to maybe 16 items or something. But as a gardener, when I moved in '88 I try to have a different meter for my garden. I didn't do it, but now I find that it's impossible to do it. So, I have to pay for usage of water outside as on inside.

So the first part of the bill is the water usage and charges for water and sewer. Then the second part is, I think is the, Chesapeake Bay, which State of Maryland somehow they passed a bill, and they are trying to name us to pay for it, people who have accounts maybe then you have more, they create jobs for themselves and whatnot, but since
Maryland mandated it, so we have to pay, and I do not know why WSSC accepted that, the could have passed the buck so somebody else has to do it.

Number three is account maintenance. I have, I don't know how many accounts I use there, and I still have all over the world, but I do not know how many accounts, how much account maintenance do I pay except for utilities like when water supply, they do charge for meter, if I have meter 30 years old, I still pay the same price. And, so I do not know how -- I'm saying this with reference to the budget.

Then the last part is, the infrastructure maintenance. And we were just talking about it. So the budget, whatever, I'm told that there are about 1.8 million customers WSSC has, and I do not know how much of the total budget WSSC has to, you know, by charging the customers $16 per person, per month, how much they collect per month, or per year, I don't know, because I am not privy to those figures. Somebody has to read that though. What I'm trying to say is that since it's not a private company, it's a commission, so the budget thing has to be a little different than a private company which is run by the people, I mean for the people, to make profits. And this is sort of government oriented commission created by the county or the state, or whatever it is. That there are a lot of commissions, maybe several commissions, every state has
their own, and counties have their own. But what I'm trying
to say is that the people and the commissions, the CEO and
the commissioners, although they come from a different
background, but they have to account for the customers.
What I'm trying to say is that if I consume less, the annual
maintenance it still has to go up, so it does not matter
that I use less water or more water, because I still have to
pay for it.

And then, there are two more things that come up
within my mind. Just like when you have something new or
even old, you buy insurance. You make a budget for the
maintenance. If I have a house, I have to maintain the
budget that I have to repair or I have to buy this, I have
to make improvement here, so all those things maybe were
missed by WSSC at the inception. But now, since they are
catching up with this, I think it has to be done reasonably,
because I have known utility companies which are
extravagant, and they give contracts to the people they
know, and WSSC, I think, I hope will avoid going to the
people they know, or they don't know.

MS. ROGERS: So, Doctor, can you --

MR. BHARGAVA: I'm aware of the time. But I think
I'll take two more points. And then, the other part is that
in this bill I got, that WSSC came up with the idea of round
up. It just crazy because I work with lot of chemicals and
round up, oh, that was a little bit promoted by the word round up. But the point is, that if, that WSSC management feels that the few pennies 1.8 million customers give, that may help poor people. I do not know what poor people, I mean, in what way WSSC defines poor people. I think if the same, they are by the same definition of the average customer, I think they should come up with a better budget, and if when I review the budget, maybe I can give more input to it, and thank you very much.

MS. ROGERS: Doctor, could you pronounce your last name for me so that I can --

MR. BHARGAVA: Pardon me?

MS. ROGERS: Can you pronounce your last name for me?


MS. ROGERS: Bhargava. Thank you, Dr. Bhargava.

The next person is David Dorsch. A familiar name.

MR. DORSCH: Good evening.

MS. ROGERS: Good evening, Mr. Dorsch.

MR. DORSCH: I didn't have a chance to go through this book yet, and look at all the stuff in detail.

MS. ROGERS: You haven't?

MR. DORSCH: Quite a bit of stuff in there. But, I understand what you're trying to do. Okay, we're trying
to improve the system, replace necessary water and sewer
mains that, you know, need maintenance, which every system
does. The reason I'm here tonight to speak about is, what I
see in the field, that WSSC people do and the contractors do
that they've been hiring lately. I'm telling you, they need
training or you folks need to look at different contractors.
You really need to find contractors that know how to do the
work, and that abide by the specifications that you give
them.

I see them backfilling five feet deep and not
compacting the filling, guess what happens? It all falls
in. That roadway falls in. I'm in College Park. They're
out there, before long we'll be replacing sections of the
roadway again because the contractors that did the work
didn't do it correctly. And I will say this, I do not see
WSSC people out there supervising these contractors. And
I've even seen some not so good work done by the WSSC folks
themselves. And what this means is, when you're going into
the kind of dollars that you're talking about on these state
projects here, if you don't do this work correctly, it
doesn't last as long as it's supposed to. And that just
means that the price of the work just keeps going up, up,
up, up. And we don't get the benefit, the real benefit of
the dollars we're spending for this, if the people don't do
the stuff correctly.
So, an organization has two choices. They can train the people themselves in-house to do the work, or they can subcontract it out to contractors. But when they do that, they usually give them specifications, say this is how we want this work done. But if you don't follow it up, and you don't make sure that those people do the work that way, and they start doing it the way they want to, over time, the bad work that they do becomes the standard, and that's what I'm beginning to see. That the standard is now the lower class work, the shoddy work. And that's passing for what we're paying for it. I mean, WSSC pays the bill. But then you have to go back and redo it again, which means we're paying the bill again.

So, what I'm asking for tonight is, that we start looking very carefully at the kind of contractors we're hiring and the kind of work they're doing, to make sure that it's the best work that can be done. Thanks.

MS. ROGERS: Thank you, Mr. Dorsch. I want to point out something with respect to the two -- you can be seated -- the two comments we've received thus far. While this is a hearing on the Capital Improvement Program and our expectation is to get comments from you on that, we're happy to receive other comments. But just understand that the primary focus tonight is the capital improvement program. There are people here, though, I want to point out, who can
speak with you tonight, and answer questions that you have
and concerns that you have. You expressed some things that
we really should know about. And I think they're being
addressed as we speak. But if you would like to speak to
somebody tonight, I think we have our customer service
person here. We have Mr. Mantua, who is operations. So I
would encourage you to do that. The next person who is on
the agenda to speak is, Mr. Will, or is it Miss Will?

MS. WILL: Ms. Will.

MS. ROGERS: Ms. Will, please come forward and
state your name and address.

MS. WILL: Sushana Will. My question is, is in
regards to the quality of the water itself, and not
necessarily in the budget, so I'd like to make a statement
beforehand. Because my water has chlorine in it, and I can
taste it. It's a pretty strong smell. I had the quality of
the water tested a couple of weeks ago, so I'm waiting for
the results of that. So my concern is because we've been
told that the water quality is good, but when I look at a
situation like in Flint, when they told the people, the
residents of Flint that the water was good, and then later
on it came out there was all those different toxins and
metals in the water. I'm also concerned about the water
quality here because things can be said now, and later on
you find out that it's not so.
So, I wanted to know if WSSC partners with colleges, universities, or other organization that do research on other forms of products that could clean the water instead of having things that are not safe for us to intake in any shape or form, because, you know, I was told by someone from WSSC that the chlorine level it's supposed to be good for drinking, I've never heard anywhere in chemistry that chlorine is something that you should intake. So, those are my questions that do they partner with other universities, or other organizations that actually do research in this area to figure out other organic products that can be used to clean the water effectively, and at the same time minimizing any health issues that we can have?

MS. ROGERS: I'm going to give you the short answer which is, yes. I don't mean to be flip, but there's a lot of science that goes into answering your question. And I would ask one of the folks here from the WSSC if you could address that.

MR. BAXTER: Can't we ask them now, so that we can all hear the answer?

MS. ROGERS: I'm asking now.

MR. MANTUA: I can certainly speak to the question of --

MS. ROGERS: The quality of our water.

MR. MANTUA: Joe Mantua, Deputy General Manager
for Operations for WSSC. So a couple of things to answer your question, we have a full service laboratory that takes samples and tests our water daily. So, we, you know, we'd be happy to speak with you after the meeting if you wanted to have us run tests for you, or if you wanted to see our results. Additionally, we have a, we do have a research and innovation department that's part of our organization that looks at, we're constantly looking at treatment processes that are at our facilities. So the water treatment process we have, we have engineers, we have PhD's that are focused on our, on optimizing our treatment processes at the facility. So, we're constantly looking at what are the best treatments, and through our research, looking at new technology.

So, again, the short answer would be that, you know, chlorine is part of the disinfection process. It's one of the advancements that was done, you know, many years ago, to eliminate water borne diseases that were occurring throughout the United States water systems. So chlorine is part of the process. You know, we are looking, we constantly look at other treatment technologies. Again, our water has been tested on a regular basis. You know, so that's the answer that I can provide to you. If you want to get into some more detail about specific tests and test results, or to speak with our laboratory professionals, I
would be happy to do that as well.

MS. WILL: Right. I mean, the option is, is there other options out there outside of the chlorine to be used? Are they looking at other research, or other products outside of chlorine?

MR. MANTUA: Well, sure. Like I said, we are constantly looking at all of the -- how to treat the water all the time in an effort to optimize our treatment processes. So, yes we are, you know, we are looking at that.

MS. ROGERS: Okay. Let's just kind of stay on tract with respect to the CIP. Are there any additional speakers who would like to make comments for the public record at this time on the Capital Improvements Program? Yes? Would you please come forward and state your name. Wait until you get to the microphone so we can capture your comments.

MR. BAXTER: Because I hear things being discussed, and I'm not quite clear on exactly what those answers are, because I heard you say a moment ago let's stick to the subject. If you're doing the CIP, I don't have any questions that impact on that is a part of the budget.

MS. ROGERS: But, --

MR. BAXTER: Because it's difficult to know how the money is going to be spent as it is to talk about
whether or not we can gather the money in the first place.

MS. ROGERS: But, if you take that approach, then anything comes into this forum, and what we're trying to do is, we're going through the budget process is to focus on the Capital Improvements Program. And there are a lot of issues. There are a lot of issues related to that. And this is the forum in which we want to hear from you on the planning process.

MR. BAXTER: And whether or not work is properly monitored? We need to conserve the money that's being spent, or to spend it wisely, to me that's a proper issue of the --

MS. ROGERS: It's been raised and duly noted, and it's part of the record.

MR. BAXTER: Well, then we have to figure out why it isn't happening before we decide we need to get money together to spend on it. We really need to know that. In terms of the chemistry, I have some chemical concerns about WSSC. And one thing I noted is there was nothing in there that dealt with mold. Now we know that mold likes to eat, and one of the big things that it eats is water. If you've got mold in your water pipe, you're going to be getting some impure water, but the test they came and did, I did not note that there was anything that dealt with determining whether or not mold was in those pipe lines.
Capital improvement, across the street from my house, I had a neighbor and the neighbor had this huge pipe that broke right in his yard, and the yard collapsed. And everybody claimed, WSSC, stormwater management, the Department of Public Works, everybody claimed it wasn't their pipe. But the pipe was there and the hole was there, and we know the homeowner didn't put a pipe of that size in there. Improper monitoring. We escape that science because of improper monitoring.

One of my favorite issues is one of identification of personnel when they step on your property. And I've noted that one of our other sections here, that there was no ID. That's certainly not uncommon, but there was no ID at all with the most personnel we had. The Commissioner raised a question about have a WSSC supervisor on site. I've been on a number of sites where contractors were digging up the ground, tearing up pipe, there was no WSSC supervisor on the site, and what ultimately had to be done is they had to call for a project manager or a site person. So all that figures into how we spend our money. When we start raising money, we ought to have a real clear idea that we're going to get good use out of that money that we raise.

So these questions, to me, to you, they may not be appropriate. They may not fit into the construct that you had in mind, but when I turn on my water faucet, it fits
into my construct. And I would like to say something
positive, I actually met two contractors who both had ID's.
After several years of asking. You know, when people come
trouping through my yard, I like to know who they are and
why they're there? We work for WSSC. I had the experience,
I noted before, of my yard being staked out.

MS. ROGERS: Let me interrupt you. I think all
the questions and comments are -- no comment or question is
inappropriate. It's just the question of in what venue you
raise it. And, if we're going to do our jobs with respect
to capital improvement, which is projecting costs over a
period of time, we need to hear from you on those
infrastructure kind of things, and those things that are in
this booklet. And, so I would suggest two things. One is
talk to the people who are here. And I think I -- could you
state your name again for the record?

MR. BAXTER: Walter Baxter.

MS. ROGERS: Okay, Mr. Baxter. I think I've seen
you and heard your comments at other meetings that we've
had. And we are, and I think it was on the rate structure
that we may have heard from you. And we are, we take those
comments very seriously. And we are considering the things
that have been raised by the people here. But out of this
meeting should come, hopefully, some input related to the
capital improvement program. Depending on how you look at
it, and I understand your point of view, everything relates

to capital --

MR. BAXTER: Are we defining capital improvement

other than raising money and spending it to do physical

construction? Are we defining it other than that?

MS. ROGERS: I'm sorry?

MR. BAXTER: That's my question. I said are we
defining capital improvement other than raising money and
spending it on construction?

MS. ROGERS: Well, I ask Joe Beach, our financial

person.

MR. BAXTER: Okay.

MS. ROGERS: The question is, what is the capital

improvement program?

MR. BEACH: So, the capital improvement program

would be either creating new assets, or buried assets, parts

of water main, sewer mains, or also treatment plants or

water filtration plants. In state law, there's a specific

definition, Mark it's?, for water mains if those are 15

inch -- water mains 16 inch and larger, and sewer mains 15

inch and larger. And major projects at treatment plants or

facilities or define what needs to be in this program.

MR. BAXTER: Basically what we're talking about is

raising money to pay for construction?

MR. BEACH: Yes, that's correct.
MR. BAXTER: That's what I thought it was. That's why the monitoring is extremely important. That's why the planning becomes extremely important. You can't separate them out. At least as far as I know.

MS. ROGERS: Thank you so much. Are there other comments for the record? At this time then I will ask Mark Brackett from our Budget Division to report on any updates or written comments we have received from the public record.

MR. BRACKETT: Thank you Madam Chair. We have not received any additional comments at this time. Thank you.

MS. ROGERS: Thank you. So, additional comments, as you think about what you've heard tonight or not heard, additional comments for consideration may be submitted in writing to the WSSC Budget Division at 14501 Sweitzer Lane, Laurel Maryland, 20707, or e-mail to budgetgroup@wssc.com. The hearing record will be open until noon on September 18, 2017. And if you need this information repeated -- yes, Mr. Dorsch?

MR. DORSCH: I just have a question about what the purpose of tonight's meeting was as you explained it about the CIP? My question was, what the CIP, what kind of comments from us were you looking for on this? In other words, should we be addressing the size of the line you intend to put in on certain roads, or that kind of thing?

MS. ROGERS: Absolutely.
MR. DORSCH: Okay. Because most of us have no
cue as to whether that should be an 18 inch line or 25 inch
line, whether it should go down the left side of the road,
or the right side of the road. We depend on WSSC for those
things. And unfortunately, at least I don't have a big
picture of all the different parts that, you know, what's in
your book, and I'm just trying to read through that right
now, and it's pretty extensive. So, I was just wondering
how you expect us to comment?

MS. ROGERS: Well, let me just tell you one thing
about this process. This question was raised, or statement
was raised in a conversation earlier. It is very
complicated. But the work of WSSC is very complicated, and
we could choose, or not, to be very transparent about what
we're doing. And what you have in this book that is
complicated by definition and of necessity, is a lot of
complicated numbers. There are summaries though in front of
each project that I think clearly, and I don't hold myself
out to be a scientist, or financial genius, but that
summarizes the project and says what it is, and what we hope
to achieve by it. And, I think that is in the best
practices in terms of what the WSSC does. Now, it may not
be, like I said, totally comprehensible to everybody in the
room or even the majority of people in the room, but it's
our best effort to reduce to paper and make clear, as best
we can, what it is we see as the priorities for the next six years.

MR. DORSCH: Okay. I just thought --

MS. ROGERS: No, no, no, I appreciate the question, because I do think that there is a need to explain why we're doing this.

MR. DORSCH: Right. Which is why I asked that.

MS. ROGERS: Right. And then you're taking the time to come out and participate in the process.

MR. DORSCH: Thank you.

MR. BHARGAVA: I think I was the first one to arrive. When I came here I was not oriented as to what I should be talking about. I thought I was going to talk about my own problems, grievance. I did not know budget. You keep on saying the budget is very complicated. Anything could be very complicated if you start looking. The more you look, the more complicated it gets. The point is, if people like me could know what exactly are the different parts in your WSSC, where the main budget money is going. Maybe if this is brought up to me, I'm not here to say 15 inch pipe, 17, how much psi, how many gallons per minute, it can be calculated in no time. But those are technical things. She's asking about testing, whether chlorine, chlorine in the 1940's, the point of using chlorine, but the point with chlorine you have to know the bacterial content.
You have some parts, I mean, so many millions bacteria, thousands, which one, which will take care of chlorine. You're testing, that's your exit, all your testing at her exit, where she is collecting the water. So there are a lot of things. But, as far as the budget is concerned, it's complicated. But if it is categorized that this much money was allotted for this reason, if you have 12 different categories, if you allot the money, here, there, there, and then people like me could at least see and try to understand what's going on.

MS. ROGERS: Have you not seen that in the --

MR. BHARGAVA: I'm sorry, I said that.

MS. ROGERS: No, no. You know, this is the time to express your feelings in how you are served by this process, and we appreciate it. It might sound kind of, you know, rough, but I think that we are better served to have these comments. But, if you don't mind, let my fellow commissioner --

MR. BHARGAVA: The process is, last year I think the whole process has to be changed rather than the budget, budget is not going to bring any changes. The process and the way things are done have to be changed. That's what, maybe our president is trying to do, maybe the CEO should try to do.

MS. ROGERS: Well thank you for that.
MR. BOULWARE: Thank you, Madam Chair, I would just offer that we do have separate hearings for our total budget, and those are -- have we -- yeah, they are February budget hearings. So, the concerns that you raise, the appropriate venue to raise those types of concerns would be our February budget hearing. And I'm sure that our communications staff will get that information out to you tonight, if possible, and certainly will follow up with you as we head into February where we are, we as commissioners have to consider what's going to be in our budget submission to both of our respective counties. So, the appropriate venue for you to raise some of those concerns that you expressed tonight and many that I heard tonight, would be our capital, excuse me, our budget hearings that we hold in the early part of the year. So, thank you.

MS. ROGERS: And periodically, you receive notices of hearings on various things, and what we have tried to do is make sure that those notices are disseminated in a way that you receive them and have adequate notice. And so you should be responsive. But at this point, this meeting is adjourned. I thank you for coming out to participate.

Thank you.

(Whereupon, at 8:22 p.m., the hearing was concluded.)
Digitally signed by Keena Lukacinsky

ELECTRONIC CERTIFICATE

DEPOSITION SERVICES, INC., hereby certifies that the attached pages represent an accurate transcript of the electronic sound recording of the proceedings before the Washington Suburban Sanitary Commission in the matter of:

Public Hearing FY's 2019 - 2024 CIP

By:

Keena Lukacinsky, Transcriber
WASHINGTON SUBURBAN SANITARY COMMISSION
MONTGOMERY COUNTY, MARYLAND

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PUBLIC HEARING
DRAFT PROPOSED CAPITAL IMPROVEMENTS PROGRAM
Fiscal Years 2019 - 2024

--- X --- --- --- --- --- --- --- --- --- --- --- X ---

A public hearing was held on September 6, 2017,
commencing at 7:32 p.m. at 100 Maryland Avenue, Third Floor
Council Hearing Room, Rockville, Maryland.

T. Eloise Foster, Vice Chair
Howard A. Denis
Fausto Bayonet
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PROCEEDINGS

MS. FOSTER: Good evening, everyone. Thank you for coming out tonight and braving the weather. On behalf of the Commission and its Staff, I want to welcome you to tonight's public hearing on the Draft Proposed Capital Improvements Program for Fiscal year 2019 through 2024. My name is Eloise Foster and I'm the Vice Chair of the Commission. I represent Montgomery County, and my two colleagues who also represent Montgomery County are joining me. To my left is Howard Denis, and to his left is Fausto Bayonet. Also here this evening is our CEO, sitting on the front row, Carla Reid. And many of our other staff members. If you want to kind of just wave out to the audience. There are only a few people who are not waving.

Before going any further, I'm going to ask Chuck Brown, who is our Director of Communications and Community Relations Office, to give us just a brief overview of the outreach efforts that were undertaken for tonight's public hearing.

MR. BROWN: Thank you, Madam Vice Chair. Chuck Brown, Director of WSSC's Office of Communications, Community Relations. Pleased to highlight our extensive outreach efforts to encourage public participation and promote transparency. For tonight's public hearing, following traditional media, web, social media and direct
mail. WSSC used a variety of methods to alert and inform
our customers about tonight's hearing. We placed
advertisements in the Montgomery and Prince George's County
Sentinel newspapers, as well as the Washington Post on
August 10, 2017.

We also placed information up on our website, and
issued numerous press releases and announcements of	onight's meeting. We placed advertisements in our customer
bill, the Pipeline, excuse me, just our customer bill insert
on June 1st and continuing through August. We also produced
two videos, one in English, one in Spanish, promoting both
the CIP public hearings, and pushed them out on social
media. We sent these videos to My Montgomery County TV and
Prince George's Cable TV for use on air. We have been
promoting these meetings heavily on Facebook and Twitter as
well.

Our news releases generated several interests from
local media including WMAL, and Prince George's Cable TV.
We issued these news releases to all local media,
stakeholders, and elected officials. And speaking of
elected officials, letters were also sent to the elected
officials back in mid-August from our General Manager, Carla
Reid, announcing both public meetings, as well as
information posted throughout the website, including the
financial page on the website with a link to tonight's CIP,
which Mark is going to detail. Finally, we livestreamed
yesterday's meeting on Facebook. We're having some
technical difficulties with Facebook Live right now. So
we'll record this and post tonight's meeting up on our
website. Thank you.

MS. FOSTER: Thank you, Chuck. Any questions from
the Commissioners? Okay. With that, I'm going to ask Mark,
who's from our Budget Division to just give a quick overview
of items in the CIP. Maybe you can just kind of give what
the budget is for the six year plan, as well as what the
highlights are for fiscal year '19?

MR. BRACKETT: Yes, ma'am. Mark Brackett,
Division Manager for Capital Budgeting, WSSC. The principal
objective of the Capital Improvements Program, the CIP, is
the six year programming of the planning, design, land
acquisition, and construction activities on a yearly basis
for major water and sewage infrastructure projects and
programs. These projects and programs may be necessary for
system improvements, for services to existing customers, to
comply with federal and/or state environmental mandates, or
to support new development in accordance with the county's
approved plans and policies for orderly growth and
development.

The six year CIP budget is $2 billion. The FY '19
budget amount is $424.4 million. Thank you.
MS. FOSTER: Thank you. Any questions?

Commissioner Denis?

MR. DENIS: Not a question but, could you, under the category of it's all connected, describe briefly the connection between the CIP and the operating budget and the rates that we, our rates?

MR. BRACKETT: Yes. Projects in the CIP are primarily financed with the proceeds from the sale of long term debt. And these water supply and sewage disposal bonds are repaid by the bond holders over a 30 year period. So, in this manner the initial high cost of these capital projects is spread out over time, and paid for by all the customers who will benefit, current customers and new customers coming online.

The annual debt service on the outstanding bonds is paid from the Commission's operating funds. So, the primary funding source for the repayment of debt is the revenue generated from the water consumption and sewer use charges. So the water and sewer charges are set on an annual basis in the budget to cover both the operational costs and the debt service costs of the Commission. So, it is through this capital project financing process that the size of the CIP impacts the size of the water and sewer bond issues, and the associated debt service, and ultimately our customers water and sewer bills.
MR. DENIS: So the debt service is obviously a part of the operating budget, and clearly items in the CIP have a direct impact on the operating budget?

MR. BRACKETT: Yes.

MR. DENIS: So it seems to me that's a point that could be made over and over again whenever we're talking about the CIP and items in it.

MS. FOSTER: If there are no further questions of Mark, I guess this is really the point where we solicit public comment. Just in terms of information, the CIP is transmitted to two county governments, and we try to do this by October 1st each year. So if there's anyone who's here in the audience who'd like to come forward and present comments on the capital improvement plan for fiscal year 2019, I'd ask that you come forward now. Please state your name. Please state your address, and limit your comments to three minutes. Okay, well if there are none, I would just ask, since this document has been made public, are there any other inputs that we've received that you need to give us an update on?

MR. BRACKETT: There is no update. We have not received any written comments or changes to the document since the one you reviewed back in July and in this document.

MS. FOSTER: Okay. We have no comments from the
audience. I think we've concluded the meeting. Thank you very much.

    (Whereupon, at 7:39 p.m., the hearing was concluded.)
% Digitally signed by Keena Lukacinsky

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