

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, November 8, 2017
Laurel, Maryland**

Chair Thomasina V. Rogers called the meeting to order at 10:08 a.m. in the Auditorium of the Washington Suburban Sanitary Commission (hereinafter "WSSC") Richard G. Hocevar ("RGH") Building, 14501 Sweitzer Lane, Laurel, Maryland, 20707, with due notice having been given to all members of the Commission and the public. In addition to Chair Rogers, Commissioners Fausto R. Bayonet, Omar M. Boulware, Howard A. Denis, T. Eloise Foster and Chris Lawson, were present at the meeting, reflecting the presence of a quorum. Also in attendance were WSSC General Manager/CEO (GM/CEO) Carla A. Reid, General Counsel Amanda Stakem Conn, Corporate Secretary Sheila R. Finlayson, Esq., who recorded the minutes of the meeting, Chief Financial Officer (CFO) Joseph F. Beach, Rate Structure Setting Expert Chris Woodcock and Rate Study Consultant Pamela Lemoine of Black and Veatch.

OPEN SESSION

Pledge of Allegiance. Chair Rogers opened the meeting by welcoming everyone and asking Commissioner Denis to lead the pledge of allegiance.

Agenda Approval. Commissioner Lawson moved to adopt the Commission's Special Public Meeting Agenda of November 8, 2017, as drafted. Commissioner Foster seconded the motion. The motion carried unanimously with six affirmative votes.

Purpose of Special Meeting. Chair Rogers stated the purpose of the special meeting, as follows:

[Chair Rogers] The purpose of this meeting today is to continue in our process of looking at and discussing the issues related to our rate structure. As you know, we as a Commission began this process with special meetings beginning in June of this year to look at options and this meeting culminates in our actually being presented with options recommended by management. I'd like to take a moment though before we move to actual consideration of the recommended options from management to just thank everyone who has been involved in this process. I want to thank in particular management who has just been working tirelessly on this effort. It bears repeating over and over and over again... We've not had a new rate structure for 25 years and the task involved and the expertise that has to be brought to bear to make this happen... is legend in terms of Commission having to get to the point of then voting on options and actually putting a rate structure in place. I'd also like to thank my fellow Commissioners who have not wavered in their work effort to get this done thus far. But, I'd [again] really like to thank management... Management has brought a lot of internal expertise to the table from all aspects of management and has done a marvelous job. It's been a real test of how well we can all come together and make sure the right issues are on the table as we move toward deciding what rate structure we want to put in place.

Rate Structure Review Process Briefing. The Chair then recognized GM/CEO Carla Reid and CFO Joseph Beach to provide an introduction of today's session, and present management's rate structure recommendations. The GM/CEO pointed out, the recommendations follow a transparent and collaborative public process involving nationally-renowned rate structure experts, an authority on Maryland water conservation, extensive public outreach with WSSC hosting 20 public meetings/hearings since the spring of 2017 attended by more than 1200 customers and generating over 300 written comments, also acknowledging and thanking Commissioners for their excellent guidance and leadership in ensuring that the above open collaborative process was followed.

Management Recommendations. CFO Joseph Beach presented management’s three recommended rate structure alternatives, referring to information contained on pages 7 through 10 of GM Reid’s [Management’s] Interoffice Memorandum to Commissioners dated November 1, 2017 – “Recommended Rate Structure Alternatives.” The full briefing can be found in the written memorandum and corresponding segment of the archived meeting video and both are referred to for that purpose.

Rate Structure Alternatives (captured from page 8 of memorandum)

	Water & Sewer Tiers (gpd)					
Uniform	\$14.73 (\$/Kgal)			\$14.73 (\$/Kgal)		
3-Tier Inclining	Option A	0-80	\$ 10.66	Option B	0-165	\$ 10.41
		81-165	\$ 13.43		166-275	\$ 13.89
		>165	\$ 17.61		>275	\$ 19.96
4-Tier Inclining	Option A	0-80	\$ 10.66	Option B	0-80	\$ 10.66
		81-165	\$ 12.25		81-165	\$ 13.09
		166-275	\$ 14.86		166-9,000	\$ 16.16
		>275	\$ 18.74		>9,000	\$ 20.52

In summary, after careful consideration of the record and information to date, management recommended the following three rate structure alternatives for the Commission’s consideration:

- 3-tier inclining block rate structure alternatives 3A and 3B
- 4-tier inclining block rate structure alternative 4A

Such proposed/recommended rate structure alternatives: 1) reflect customer preferences and the Commission’s rate setting policy goals; 2) provide a more predictable revenue stream to pay for infrastructure improvements; 3) better align costs to produce and deliver clean water with rates; and, 4) satisfy the Maryland Public Service Commission’s Order to WSSC to develop a reasonable rate structure.

Following management’s presentation and Commissioner questions, Commissioners again thanked management and the experts for their excellent work.

The Commission to consider and vote on management’s recommendation at the November 15, 2017 regular Commission

meeting. The recommended action being sought by management is Commission approval to transmit the three recommended rate structure alternatives to the County Governments of Prince George's and Montgomery, for their review and feedback.

Following the Bi-County review which is expected to extend through early spring 2018, the Commission plans to select the new WSSC rate structure in June 2018.

Public Comments. No comments were received from the public.

ADJOURNMENT

There being no additional business, the Chair called for a motion to adjourn, to which Commissioner Denis moved to adjourn the meeting. Commissioner Lawson seconded the motion. The motion carried unanimously with six affirmative votes.

At 10:40 a.m., the meeting was declared adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary