



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

October 23, 2023

The Honorable Thomas E. Dernoga
Chair
Prince George's County Council
Wayne K. Curry Administration Building
1301 McCormick Drive
Largo, Maryland 20774

Dear Chair Dernoga:

The Washington Suburban Sanitary Commission has proposed an overall 11.6% revenue enhancement for FY 2025 from water and sewer volumetric charges and the fixed fee ready-to-serve charges (the Account Maintenance Fee and Infrastructure Investment Fee).¹ The Commission also proposed a subsequent revenue enhancement of 12.5% in FY 2026 from the volumetric charges and fixed fees. The proposal was reviewed by the Bi-County Spending Affordability Working Group on September 7, 2023 and September 21, 2023.

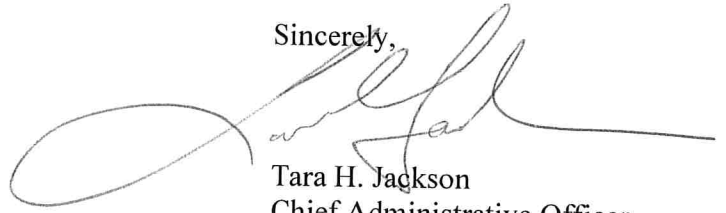
As part of its request for what would be historically high revenue enhancements, the Commission notes the continued trend of declining water consumption despite population increases, the negative outlook as part of its AAA bond rating from Fitch Ratings, recent inflationary pressures, deferred maintenance, the need to invest in retention and recruitment of its workforce, and the trend of approved rate increases that are below those requested. Moreover, the Commission emphasizes its mission to provide safe and reliable water and sewer services to its bi-county service area.

After a thorough review of the information provided by the Commission and several meetings with its senior leadership, we believe that a revenue enhancement of up to 8.0% in FY 2025 would be reasonable. This recommendation is consistent with the revenue enhancement shown for FY 2025 in the Commission's long-term financial plan from their FY 2024 budget document. We can certainly appreciate the difficult decisions that the Commission will be faced with in delivering its budget at an 8.0% revenue enhancement; however, we believe that affordability for our citizens – residents and businesses alike – is a key goal in this process and that fiscal prudence by the Commission is important to achieving this goal. Provided that some suggested adjustments to the long-term plan are implemented, such as smoothing the enhancements across the plan's time horizon, we are confident that the Commission can successfully manage the administration of safe, reliable, and affordable water and sewer services

¹ The Commission notes that they are using the term "revenue enhancement" rather than "rate increase" because it would be premature to recommend a specific volumetric rate and ready-to-serve charges for FY 2025 until their Cost of Service study is complete.

to the bi-county region, as it has done throughout its 105-year history, within the recommended 8.0% revenue enhancement.

Sincerely,



Tara H. Jackson
Chief Administrative Officer

cc: Members, Prince George's County Council
Regina Y. Speed-Bost, Chair, WSSC (Prince George's County)
T. Eloise Foster, Vice-Chair, WSSC (Montgomery County)
Fausto R. Bayonet, Commissioner, WSSC (Montgomery County)
Howard A. Denis, Commissioner, WSSC (Montgomery County)
Lynnette D. Espy-Williams, Commissioner, WSSC (Prince George's County)
Mark J. Smith, Commissioner, WSSC (Prince George's County)
Kishia L. Powell, General Manager/Chief Executive Officer, WSSC
Joy A. Russell, Chief of Staff, Office of the County Executive
Jennifer A. Jenkins, Council Administrator, Prince George's County Council
Jared M. McCarthy, Deputy Chief Administrative Officer for Government Operations
Stanley A. Earley, Director, Office of Management and Budget