

## 1 WSSC WATER COMMISSIONER HEARING

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4 FISCAL YEAR 2026 PRELIMINARY PROPOSED BUDGET HEARING5  
6  
7 February 4, 2025, 7:06 p.m.8  
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11 Prince George's County Council Hearing Room, Largo, MD12  
13  
14 COUNCIL MEMBERS:

15 Mark Smith, Vice Chair

16 Regina Speed-Bost, Commissioner

17  
18 SPEAKERS: Munetsi Timothy Musara, Eyad Mizian, Gail

19 Harris-Berry, Kishia Powell, Fariha Babar

20  
21 REPORTED BY: Deidra Delisser

## TRANSCRIPT OF PROCEEDINGS

MARK SMITH: My name is Mark Smith, vice chair of WSSC's Water Board of Commissioners representing Prince George's County. On behalf of WSSC Water and its staff, I welcome you to this hearing on our preliminary budget for fiscal year 2026.

Before we begin, I would like to introduce my fellow Commissioners, leadership team, and key staff members here and online this evening. Always pleased to see Commissioner Speed-Bost. We have Deputy General -- I'm sorry. We have GMC -- CEO Kishia Powell, Deputy -- no, let me go through them all. Deputy General Manager of Mission support David McDonough, Chief Financial Officer Timothy Musara, Chief Engineer Eyad Mizian, Director of Customer Service John Curry.

As I look up, it's always great to see Mr. McCarthy. Great to see you, sir. Representing Prince George's County in all capacities, right? Let's see. Communications Director Chuck Brown,



1 Budget Division Manager Letitia Carolina-Powell,  
2 Operating Budget Section Manager Fariha Babar,  
3 Capital Budget Section Manager Sunil Pandya.

4 And as we move into our hearing -- tonight's  
5 hearing gives citizens an opportunity to comment  
6 on the Agency's proposed capital and operating  
7 budget and revenue requirements for fiscal year  
8 2026. These hearings continue WSSC Water's  
9 commitment to transparency and follow extensive  
10 public outreach efforts. Please note that this  
11 public hearing is only for the FY 2026 preliminary  
12 proposed budget. The highlights of the budget  
13 have been prepared in summary form and included in  
14 the preliminary proposed budget distributed for  
15 public review in January.

16 The FY 2026 estimated expenditures for all  
17 funds total \$1.8 billion. The FY '26 operating  
18 budget is \$116 million greater than the FY  
19 2020- -- the FY '25 approved operating budget, and  
20 the FY '26 capital budget is \$95 million less than  
21 FY '25. The revenue enhancement to support the FY

1       2026 budget is 9.8 percent.

2               I now ask the team to brief us on the  
3 preliminary proposed budget. Mr. Musara?

4               MUNETSI MUSARA: Thank you and good evening,  
5 Vice Chair Smith, Commissioner Speed-Bost, GM  
6 Powell, SLT members, Team H2O, and our viewing  
7 stakeholders. I am Munetsi Musara, chief  
8 financial officer, and along with Chief Engineer  
9 Mizian, we will be presenting WSSC Water's  
10 preliminary proposed budget for fiscal year 2026.

11              As far as governance goes, WSSC Water is  
12 governed by six Commissioners, three Commissioners  
13 appointed by each of our counties. Our current  
14 chair and vice chair were elected in the final  
15 meeting of FY 2024. The Commissioners provide  
16 oversight to the Commission and general manager  
17 and CEO. We have 1.9 million residents who we  
18 serve and are the eighth largest water and  
19 wastewater utility based on population. We have  
20 106 years of no drinking water quality violations,  
21 a service area of 1,000 square miles, provide 162

1 million gallons of water per day, have over 1,700  
2 full-time employees, an \$9 billion asset  
3 portfolio, and awarded contracts in the amount of  
4 \$114.9 million to firms located in Prince George's  
5 and Montgomery Counties. We have a \$9 billion  
6 asset portfolio and will provide details on the FY  
7 2026 operating and capital budgets in the next  
8 slides.

9 We support the economic output of our two  
10 counties, because 43 percent of our workforce live  
11 in the service area. And in FY 2024, our work  
12 contributed \$133 million to 177 businesses located  
13 in Montgomery and Prince George's Counties, of  
14 which \$88 million was to local and -- was to  
15 local, minority, and women-owned businesses.

16 Here is the FY 2026 budget calendar, and we  
17 are on step 4, which is holding the public  
18 hearings. The QR code included on this slide  
19 takes you to the FY '26 preliminary proposed  
20 budget.

21 We had a comprehensive advertising plan for

1 the public hearing dates across multiple  
2 platforms, in print, in the Customer Pipeline  
3 newsletter included in the customer water bills,  
4 as well as in the Washington Post and Prince  
5 George's Post. Notification was posted on the  
6 WSSC website and sent to customers and  
7 stakeholders via the Constant Contact email list.  
8 News releases were issued to local media and  
9 stakeholders, and paid adverts on social media, on  
10 radio, on WTOP, and streaming ads on the Disney  
11 network. Paid advertising was for the weeks of  
12 January 20th, January 27th, and February 3rd.

13 The next two slides provide definitions of  
14 some of the common budget terms that you'll be  
15 hearing frequently in tonight's presentation.

16 For FY 2026, we continue to utilize our  
17 outcome-based budgeting approach. The outcomes  
18 are protecting public health, increasing the use  
19 of PAYGO to fund capital projects, enhancing  
20 customer assistance programs, continuing our  
21 compliance with regulatory mandates, maintaining



1       our triple-A bond rating, and continuing to make  
2       the required investments in our \$9 billion asset  
3       portfolio. Are important contributing factors  
4       that allow us to address and achieve our budget  
5       priorities, which are maintaining compliance with  
6       the U.S. EPA regulatory mandates; leveraging  
7       external funds to supplement rate revenue;  
8       promoting environmental justice by ensuring  
9       equitable access to our service and programs;  
10      enhancing customer experience through education,  
11      affordability, reliability, and trust; upgrading  
12      and modernizing critical infrastructure; and  
13      continuing to invest in Team H2O.

14             In summary, we are requesting a \$1.833  
15      billion budget for FY 2026. The operating budget  
16      of 1.136 billion is 160 -- \$116 million greater  
17      than that of FY '25, while the capital budget is  
18      \$95 million less than that of FY '25.

19             So what is it that the FY '26 budget does?  
20      It provides \$8.9 million, or a 14 percent  
21      increase, to the customer assistance programs. It

1 provides funding for customer-side lead water  
2 service line replacement with outcome-based  
3 budgeting and focus on budget priorities. It  
4 achieves mission critical goals, drives  
5 efficiencies and operations, and improves service  
6 delivery. Key regulatory requirements are  
7 addressed: the Lead and Copper Rule, which  
8 requires the replacement of 100 percent of all  
9 lead service lines, irrespective of the lead  
10 levels; federal drinking water limits for PFAS are  
11 expected to go into effect in 2029, and we are  
12 developing a comprehensive PFAS mitigation and  
13 management strategy. The Safe Drinking Water Act  
14 requires that we adhere to the standards for  
15 contaminants in drinking water, and the Clean  
16 Water Act sets quality standards, regulates the  
17 discharge of pollutants from point sources, and  
18 regulates the discharge of dredged and filled  
19 materials into wetlands.

20 The budget carries forward compensation  
21 improvements for Team H2O to address stagnant





1 wages, establish a living minimum wage, and  
2 improve recruitment and retention of our  
3 workforce. It ensures continued adherence to the  
4 financial metrics associated with our triple-A  
5 credit rating and increases the PAYGO allocation.  
6 The long-term financial model provides rate and  
7 revenue stability and continues the focus on  
8 affordability. And the budget supports the  
9 operational and capital needs and builds  
10 resiliency into our system.

11 When it comes to how the funds are spent, it  
12 is important to first note that 55 percent of our  
13 costs are nondiscretionary. This category  
14 includes capital project funding; chemicals;  
15 biosolids hauling; regional sewage; and heat,  
16 light, and power. The allocation of each dollar  
17 that we spend is as follows: 41 cents goes to  
18 debt service and PAYGO; 34 cents to operations and  
19 maintenance, which includes facilities, pipe  
20 repair and replacement, road repair, customer  
21 assistance program funding, customer service,

1 corporate finance, and IT services; and the  
2 remaining 24 cents to Team H2O for salaries,  
3 wages, employee benefits, and training, and  
4 workforce development.

5 The three-year operating budget comparison  
6 shows that allocation between the three funds is  
7 to be within similar ranges, with water operating  
8 accounting for 46 percent of the budget; sewer  
9 operating, 53 percent; and general bond service --  
10 general bond debt service, 1 percent of the  
11 budget. Again, we applied a transparent, outcome-  
12 focused approach to our budgeting. We proposed a  
13 9.8 percent revenue enhancement and requested 77  
14 new workers to support operations and regulatory  
15 requirements.

16 In FY 2026, the operating budget invests in  
17 our workforce. It strives to improve the internal  
18 and external stakeholder experience; continues our  
19 water quality track record; builds resiliency into  
20 our system and operations; integrates diversity,  
21 equity, inclusion, and environmental justice into

1       our procurement, EEO, and investment planning  
2       processes; and increases financial assistance to  
3       our customers by \$1.1 million over FY '25 levels.

4       This table shows the changes in operating  
5       budget by expense category. The largest increase  
6       is the PAYGO allocation. It was made to reduce  
7       the reliance on bonds and reduce future debt  
8       service costs. This is followed by salaries with  
9       a full-year cost of partially funded positions  
10      from FY 2025 is absorbed along with 28 contract  
11      positions being converted to employee and the  
12      total rewards program. The vacancy rate came down  
13      to four percent from ten percent, and the  
14      resulting restoration of the budget for this  
15      change. Inflationary costs increased and services  
16      by others, chemicals, and health care programs,  
17      followed by increases in regional sewage operating  
18      costs received from DC Water, and an increase in  
19      debt service accounts for the majority of the  
20      changes.

21      Our workforce was reduced significantly in

1 the 1990s. However, the system has since greatly  
2 expanded, and with new programs and facilities  
3 coming online, and increased staffing is required  
4 to support these. 77 new workers were included in  
5 the 2026 budget. 29 positions support regulatory  
6 requirements, 29 -- 20 positions enhancing  
7 operations, and 28 positions are budget neutral,  
8 that is, converting contract positions to  
9 employees. 23 of these 77 new workers have been  
10 budgeted for six months to allow us to fill  
11 them -- to fit them within the requested revenue  
12 enhancement rate.

13 Regional sewage disposal costs continue to  
14 increase on an annual basis at a pace much higher  
15 than inflation. WSSC Water pays for approximately  
16 43 percent of the operating costs, and we do not  
17 directly control this amount. Our budget is  
18 prepared on a different timeline to DC Water, and  
19 in previous years we have received some  
20 adjustments to the costs after our budget has been  
21 submitted. However, we continue to make headway

1 in getting better cost projections earlier to  
2 avoid having to reallocate funds from other areas  
3 during the fiscal year.

4 We have been increasing PAYGO, or pay-as-you-  
5 go, allocation over the years in alignment with  
6 the 2012 Bi Infrastructure [sic] Funding Working  
7 Group consultant's report recommendations. So  
8 what is PAYGO? PAYGO are operating dollars that  
9 are used to fund capital projects, and it  
10 supplements the Commission's debt. Using PAYGO  
11 improves debt ratios, saves on debt service costs,  
12 slows the accumulation of long-term liabilities,  
13 helps some of our metrics needed to maintain our  
14 triple-A rating, and lowers future rate increases.

15 Regarding customer assistance and community  
16 benefits, the FY 2026 budget continues our  
17 commitment to affordability, with a \$1.1 million,  
18 or 14 percent, increase in the customer assistance  
19 programs. Promise Pay increased by \$330,000, the  
20 water fund by \$250,000, and there's \$525,000  
21 available for a new assistance program.

1           Other items under the affordability and  
2           financial viability priority are the customer  
3           assistance program subsidy enhancement that will  
4           provide additional usage discounts, update the  
5           bill adjustment policy to account for chronic  
6           leaks, and transition residential customers with  
7           high bills and affordability concerns to monthly  
8           billing.

9           The plumbing repair assistance program, which  
10          is administered by Habitat for Humanity, will help  
11          eligible customers repair water leaks that  
12          contribute to high bills. There is the  
13          continuation of CAP discounts that exempt eligible  
14          customers from ready-to-serve charges, provide  
15          waivers of the annual Bay Restoration Fee and late  
16          fees, allow the setting up of flexible pay plans  
17          of up to 48 months, provide annual leak inspection  
18          conducted by the Utility Services Division, and  
19          provide for a 50 percent payment on small meter  
20          turn-on fees.

21          As it relates to delivering for our

1 customers, as noted earlier we have more than 9 --  
2 \$8.9 million in financial assistance; \$228 million  
3 allocated to upgrading aging and failing water and  
4 sewer mains; 3 million to increase fire hydrant  
5 inspections to get us closer to the AWWA  
6 compliance; 5 million for the expansion of the  
7 laboratory to ensure that we are ready to conduct  
8 the PFAS monitoring; and our largest single  
9 contribution to our customers, nearly \$34 million  
10 to pay for the replacement of private-side or  
11 customer-owned lead water service lines.

12 Here we highlight four water bill assistance  
13 programs available to our customers. Promise Pay  
14 allows new customers to sign up for affordable and  
15 flexible interest-free payment plans. Our  
16 customer assistance program waives fixed fees and  
17 provides free annual plumbing inspections for  
18 water leaks and other benefits to approved  
19 residential customers. The water fund allows  
20 eligible customers to receive up to \$500 per year  
21 to apply to their bills. And the pipe emergency



1 repair program provides a loan of up to \$10,000 to  
2 finance the repair, replacement, or diagnosis of  
3 water or sewer property services lines.

4 I'll now turn the presentation over to Chief  
5 Engineer Mizian to discuss the capital improvement  
6 program.

7 EYAD MIZIAN: Thank you. Good evening, Vice  
8 Chair Smith, Commissioner Speed-Bost,  
9 Commissioners watching online, General Manager  
10 Powell, and our valued customers. My name is Eyad  
11 Mizian, and I'm the chief engineer. I will be  
12 talking about the capital improvement program.

13 The program is a six-year program going from  
14 fiscal year '26 to fiscal year '31. The six-year  
15 program cost totals \$4.88 billion, and it's funded  
16 3.3 billion from bonds, 1 billion from PAYGO, and  
17 external funding sources contributes \$.57 billion.  
18 The program have mandated projects equaling \$1.28  
19 billion, about 26 percent of the program. That  
20 includes Blue Plains, about \$687 million; a sewer  
21 reconstruction program, \$537 million; consent



1       decree programs, 30 -- roughly \$38 million; and  
2       other regulatory mandates and agreements, about  
3       \$31.6 million. The fiscal year '26 budget --  
4       capital budget is \$715.5 million. And out of  
5       that, there's about \$209.8 million in mandated  
6       projects.

7               The priorities for FY '26 include the lead  
8       and copper reduction regulatory compliance that we  
9       heard the CFO talk about; the master and  
10      facilities planning and infrastructure investments  
11      beginning in FY '26 and increasing funding in FY  
12      '27 through FY '31; the comprehensive PFAS  
13      management strategy, mitigation in drinking water,  
14      wastewater, wastewater effluent, and the  
15      biosolids, again beginning in FY '27 and going  
16      through to FY '31; upgrades to the water  
17      filtration and water resource recovery facilities  
18      to drive operational cost savings and maintain  
19      compliance; upgrading the aging pumping stations  
20      and force mains; modernizing the meter  
21      infrastructure; modernizing maintenance depots to

1 improve the health and safety of Team H2O members  
2 who work at those facilities; and of course being  
3 intentional in addressing equity and environmental  
4 justice in delivering all these priorities.

5 So the budget, the \$715.5 million budget, is  
6 implemented and managed by three different  
7 entities. WSSC implements and manages \$619  
8 million, about 86 percent of that budget; and then  
9 the interjurisdictional agreement, which is Blue  
10 Plains under DC Water and Mattawoman under Charles  
11 County constitutes \$77 million; and then the  
12 private developers, their portion of the budget is  
13 18 -- roughly \$18 million, about three percent of  
14 the budget.

15 So our budget, as we heard the CFO and the  
16 vice chair said, is very transparent and easy to  
17 find and follow on our -- on our website -- on  
18 WSSC website. There is a budget book that has  
19 multiple tabs that lists all different linear and  
20 vertical projects. Those tabs are divided into  
21 projects under Montgomery County, projects under

1 Prince George's County, projects that are bi-  
2 county, and then projects that are smaller than 15  
3 inches or -- in diameter for sewer mains, and  
4 smaller than 16 inches in water mains. And those  
5 are under tab 12, "information only".

6 The rationale behind that is the Public  
7 Utilities Code, Section 23-301, requires that we  
8 are (indiscernible) to develop a six-year budget,  
9 CIP budget, that includes major projects. And it  
10 defines major projects as sewer mains at least 15  
11 inches in diameter and water mains at least 16  
12 inches in diameter. And then sewer and water  
13 pumping stations, force mains, and storage or  
14 other major facilities.

15 Accordingly, the budget book was divided in  
16 accordance with that definition. However, that  
17 definition is really the minimum standards, so we  
18 do include in the project -- in the budget book  
19 all the projects that are CIP projects, including  
20 those that are for smaller water mains and smaller  
21 stores than mandated by the PUC Code. And those

1 are all under the tab called "information only".

2 So the capital improvement program, that's  
3 the projects that are managed by WSSC, are put  
4 under eight different buckets or eight different  
5 categories. As you can see from this slide, the  
6 categories include the water distribution  
7 category, the wastewater collection category, the  
8 water treatment and storage, water resource  
9 recovery facilities, mixed-use category,  
10 innovation and investment priorities, general  
11 facilities, and interjurisdictional agreements  
12 category. And I will be going over those  
13 different categories in details with the different  
14 projects and programs under each category.

15 So the first CIP category is the water  
16 distribution. This includes the three different  
17 programs, basically the water reconstruction  
18 program, the large-diameter water pipe and large-  
19 valve rehabilitation program, and the water main  
20 growth program. So the water reconstruction  
21 program, the purpose of this program is to renew

1 and extend the useful life of water distribution  
2 assets. It has multiple sub-programs under it,  
3 including small water mains; cathodic protection  
4 projects; large-water service replacements, it's  
5 called metered vaults; and emergency contracts at  
6 the various depots. The total goal for that  
7 program is to replace 27 miles in FY '26 for a  
8 budget of about \$18 million.

9 The large-diameter water pipe and large-valve  
10 rehabilitation program is exactly that. It aims  
11 at replacing large pipes and large valves -- valve  
12 wells. All those are -- the ones larger than 16-  
13 inch in diameter water mains, as did -- includes  
14 also the (indiscernible), concrete, cylindrical  
15 pipe, and PCCP (phonetic) inspection and  
16 monitoring program and replacement of those pipes.  
17 The goal for that is \$6 million for FY '26, for a  
18 budget of roughly \$4.5 million.

19 The third program under the water  
20 distribution category is the water main growth.  
21 There are four projects under that. They are

1 listed here: South Potomac supply improvement,  
2 phase 2; White Oak water mains augmentation;  
3 Branch Avenue water transmission improvements; and  
4 the Potomac water filtration plant main zone  
5 pipeline. These projects are funded by system  
6 development charges for a total budget of \$22  
7 million in FY '26.

8 So this map here shows this category -- the  
9 water distribution category, the impact and  
10 benefits to the community. As you can see from  
11 the various projects, the ones shown in blue are  
12 the projects in construction, and the dots that  
13 are shown in orange are the projects in design.  
14 Under the different -- three different programs  
15 under this category, as you can see, the heat map  
16 under it is showing the pipe breaks throughout our  
17 service area -- WSSC's service area, and these  
18 projects are -- many of them are addressed and  
19 respond to the areas that have high density of  
20 water breaks. That also -- it address growth  
21 programs that contribute to the development of and

1 economic growth within Prince George's and  
2 Montgomery Counties.

3 The second category is the wastewater  
4 collection category, and that has several programs  
5 under it. The sewer reconstruction program aims  
6 at replacing smaller-size diameter pipes. It  
7 includes main and lateral sewer replacement, sewer  
8 house connection renewal, enhanced routing, and  
9 emergency repairs. The goal is to replace 25  
10 miles in FY '26, for a budget of \$51.6 million.

11 The second program under this category is the  
12 trunk sewer reconstruction program, which aims at  
13 replacing larger sewers, trunk sewers, and lining  
14 some of these sewers, and replacing the manholes  
15 or rebuilding them, and performing structural  
16 alignment corrections. The goal for FY '26 is to  
17 replace and rehabilitate ten miles at a budget of  
18 approximately \$42 million.

19 The third program under this category is the  
20 sewer growth program. They are five projects and  
21 one program. Of course this program contributes

1 to the development and economic growth within the  
2 Prince George and Montgomery Counties, consists of  
3 five projects: Forest Heights Wastewater Pump  
4 Station and Force Main, Spring Gardens, Damascus  
5 Town Center, Force Bend, and Sunrise Manor  
6 (phonetic) Wastewater Pump Stations and Force  
7 Mains. And the one program under it is the  
8 upgrades at the Anacostia 2 Wastewater Pump  
9 Station. These programs are funded by a  
10 development charter. But over here, it's showing  
11 one or both examples of water pump station  
12 upgrades.

13 The benefits and impact to the community of  
14 the wastewater collection category is obviously  
15 reconstructing the small- and large-front sewers  
16 throughout Prince George's County and Montgomery  
17 County, which addresses basement backups. As you  
18 can see from this map, the areas that were dense  
19 with basement backups have multiple projects that  
20 are in design or construction to address those  
21 basement backups. The growth programs under this



1 category are reduced to development and economic  
2 growth within Prince George's County and  
3 Montgomery County.

4 The additional program under this category,  
5 the wastewater collection category, is the  
6 wastewater pump stations and force mains. It has  
7 nine projects slated for FY '26 with a total  
8 budget of \$45.6 million. We're showing here on  
9 this slide two examples of those projects, the  
10 upgrades at the Arcola Wastewater Pump Station and  
11 Force Main and the upgrades at Anacostia 2  
12 Wastewater Pump Station, for a total budget there  
13 of \$31 million. The benefits of the upgrades at  
14 the pump stations -- these projects obviously are  
15 important to maintain the sewer infrastructure and  
16 help reduce the basement backups and continue  
17 sanitary overflows throughout the system.

18 Category 3 is the water treatment and storage  
19 category, and it includes two programs under it.  
20 The first one is the water storage facility  
21 rehabilitation program, which rehabilitates aging

1 water storage tanks and standpipes. For FY '26,  
2 the facilities that are included either for design  
3 or construction include Andrews, Bradley Hills,  
4 Brink, Cedar Heights, Greenbelt, North Woodside,  
5 Wall Lane, and Pointer Ridge Water Storage  
6 Facilities. Totally budget for FY '26 for those  
7 projects is \$23 million.

8 Under this category is upgrades at the water  
9 treatment and storage, and for FY '26 the total  
10 upgrades are slated for the Potomac Water  
11 Filtration Plant to comply with the consent decree  
12 program. It includes redundant finished water  
13 discharge mains, water pumping stations upgrades  
14 at the treatment facility, and other process  
15 improvements including gravity thickener and  
16 filter backwash treatment. Two additional  
17 projects at Potomac include the submerged channel  
18 intake upgrades and the main zone pipeline  
19 upgrades. The total budget under that -- this  
20 program is \$41 million.

21 Obviously the benefits to upgrading the water

1 treatment and storage of -- is to invest in our  
2 infrastructure. Those are critical facilities,  
3 the water treatment plant, the Potomac Water  
4 Treatment Plant is a major treatment -- water  
5 treatment facility for our system, and so  
6 investing in it and upgrading it is critical to  
7 maintaining the water supply to our customers.  
8 The standpipes and the storage facilities help  
9 maintain and stabilize the pressure throughout our  
10 water distribution systems, and of course it also  
11 contribute to beautifying the look of the tanks  
12 that are in multiple neighborhoods within Prince  
13 George's County and Montgomery County. And the  
14 project at the water filtration plant, as I said,  
15 replaces old infrastructure and increase the  
16 efficiency and reduce operational costs,  
17 especially energy costs that are serious at the  
18 plant.

19 The fourth category is the water resource  
20 recovery facilities. This category includes four  
21 programs for FY '26. The upgrades of the Parkway

1 Water Resource Recovery Facilities. Essentially,  
2 those are electrical upgrades, upgrading the  
3 effluent channel and the plant water upgrades.  
4 The second program is the Piscataway Bioenergy  
5 program. This program is wrapping up. So  
6 essentially the budget for FY '26 is test --  
7 finalize the testing and the closing of the  
8 project.

9 The third program is the Piscataway Plant  
10 upgrades for -- including the well water pump  
11 station upgrades at Piscataway. And the fourth  
12 one is the Western Branch upgrades that include  
13 process train improvements, main substation  
14 replacement, potable water upgrades, raw influent  
15 building and cooling, and solids truck loading  
16 operations. The budget -- total budget for the  
17 water resource program facilities upgrades, those  
18 four programs, in FY '26 is approximately \$31  
19 million.

20 Obviously, the impacts to this is investing  
21 in crucial water resource recovery facilities,

1 replacing old infrastructure, improving new  
2 treatment processes, optimizing operations and  
3 efficiency, reducing costs for energy consumption  
4 and chemical consumption, ensuring compliance with  
5 discharge permits, to protect the environment, and  
6 continuing to invest in the infrastructure of all  
7 WSSC.

8 The sixth -- sorry. The fifth category is  
9 the mixed-use engineering support program. This  
10 program is -- essentially gives us the flexibility  
11 to address any issues that come up at the -- at  
12 our facilities during the fiscal year by  
13 allocating approximately \$41.8 million for various  
14 projects that may come up. And the money is  
15 available to design or construct those projects  
16 and be able to respond quickly to any needs that  
17 come up. And some of the programs under this  
18 category are listed on this, totaling, like I  
19 said, \$41.8 million.

20 The fifth category is the mixed-use -- sorry,  
21 this is the same excuse -- engineering for fourth

1 category. The map here shows the dispersement of  
2 the projects around the Prince George's and  
3 Montgomery service -- County service area. And it  
4 shows some of the examples of those programs.

5 The sixth category is innovation and  
6 investment priorities. The three major programs  
7 under it is the energy performance program, the  
8 lead reduction program, and the PFAS management  
9 program. Those are, of course, crucial,  
10 especially the energy performance program, to  
11 replacing and upgrading energy consuming equipment  
12 and systems, to reduce energy consumption, and  
13 reduce our operating costs. Some of the active  
14 projects under this program include Piscataway  
15 Water Resource Recovery Facility blowers and mixer  
16 replacements and upgrades for a budget of \$5.5  
17 million, and the lead service program, as we heard  
18 the CFO talk about it, a budget of \$33.6 million.  
19 The total budget for this category is -- 45.6 --  
20 \$39.1 million.

21 The seventh category is the general

1 facilities. Those are nonprofit facilities.  
2 Those are the offices and the buildings of where  
3 our staff work. The two projects, major projects,  
4 under this category for FY '26 are the Anacostia  
5 Depot reconfiguration and the support center  
6 building upgrades. The budget for the Anacostia  
7 Depot is \$23.8 million, and the support center  
8 budget is \$9.5 million.

9 So those are the eight -- the seven  
10 categories. The eighth category is obviously the  
11 interjurisdictional managed projects. Those  
12 include the DC Water -- the contributions by WSSC  
13 Water to the DC Water facility at Blue Plains.  
14 Blue Plains treats approximately 62 percent of  
15 WSSC wastewater, and a share of WSSC towards the  
16 upgrades and the infrastructure investments at the  
17 facility constitute 46 percent of the -- those  
18 investments. And the investments for FY '26  
19 include liquid treatment, biosolid management,  
20 plantwide projects, and additional upgrades at the  
21 facility for a total budget of approximately \$73

1 million. For the Mattawoman Wastewater Treatment  
2 Plant upgrades, the WSSC contributions is \$4.6  
3 million for the FY '26 budget.

4 The capital improvement -- okay. Next is  
5 back to CFO.

6 MUNETSI MUSARA: Discussing the -- we're now  
7 going to discuss our revenue enhancement  
8 recommendation. We presented a 12.2 percent base  
9 case revenue enhancement utilizing the same  
10 services' budget needs. For contextual purposes,  
11 the required enhancement of the same service's  
12 budget and all new funding requests would have  
13 come in at 16.2 percent. Montgomery County  
14 Council passed a resolution supporting a 10.2  
15 percent revenue enhancement, and Prince George's  
16 County supported a 9 percent revenue enhancement.

17 While formulating the preliminary proposed  
18 budget, we were able to identify increases in  
19 nonrate revenues that offset the enhancement  
20 request, allowing us to reduce the upper limit  
21 supported request by 0.4 percent. Specifically,



1       there was a true-up to interest income based on FY  
2       '24 and year-to-date '25 actuals, and the  
3       acceleration of the reduction of the uncollectible  
4       allowance to start in FY '26 as opposed to FY '27  
5       based on the revenue collection trends. As a  
6       result of this, the revenue enhancement was  
7       adjusted, and management formulated the  
8       preliminary proposed FY 2026 budget with a 9.8  
9       percent revenue enhancement.

10       This highlights some of the same service rise  
11       in costs that have been absorbed in the FY '26  
12       preliminary proposed budget. These are  
13       nondiscretionary spending items that we are  
14       required to fund. The big font number represent  
15       the increase from FY '25, and the small font  
16       number represent the five-year average increase.

17       The budget for chemicals had a year-over-year  
18       increase of 6 percent; heat, light and power, 7  
19       percent; Blue Plains, 9 percent; and health  
20       insurance, 18 percent. When looking how these  
21       increases compare to the five-year averages,

1 chemicals were 6.8 percent, and heat, light, and  
2 power, .4 percent less than the five-year  
3 averages, whereas increases to the Blue Plains and  
4 health insurance budgets were 1.4 percent and 12.5  
5 greater than the five-year average. So this shows  
6 we must be prepared for this cost volatility in  
7 the current and future budgets.

8 Here we have the source and uses of the FY  
9 2026 1.333 operating budget by major category,  
10 with the increases and decreases in the categories  
11 between FY '25 and FY '26 illustrated in the graph  
12 on the right-hand side. And this has the sources  
13 of the FY '26 capital budget by major category.  
14 The FY '26 preliminary proposed budget is \$94.4  
15 million less than the FY '25 approved budget,  
16 reflecting the beginning of the rebaselining  
17 process and removal of the completion packet.

18 The impact of the revenue enhancement on our  
19 customer bills is displayed beside it. The 9.8  
20 percent translates to an increase of \$8.80 per  
21 month, equivalent to buying three cups of coffee,

1       \$26.41 per quarter, and \$105.64 per year. The  
2       average quarterly water and sewer services bill  
3       for a three-person household using 145 gallons per  
4       day will be \$295.86. This amount of \$295.86 is  
5       significantly less than the average quarterly  
6       electricity bill from PECO, which comes in at  
7       \$472.74, and for that of cellular phone service,  
8       which comes in at \$433. Over the last 25 years,  
9       our cumulative bill impact has been below that of  
10      our regional peers, and the amount only reached  
11      the point of being higher than the CPI index in  
12      2025.

13             With this we conclude the FY 2026 preliminary  
14      proposed operating capital budget presentation.  
15      And we now turn it back to our Commission Vice  
16      Chair.

17             MARK SMITH: Thank you, Mr. Musara. Thank  
18      you, Chief Engineer Mizian. Whether you're here  
19      or online, you've heard a lot of detail around the  
20      budget, projects, and activities. But I just want  
21      to lift up a couple of pieces here that I think

1 are incredibly important.

2 First, this budget supports the outstanding  
3 water quality track record of WSSC, which is to  
4 say, whether you get the first gallon that comes  
5 out of our system or the gallon that's 162 million  
6 gallons later, those gallons have been safe and  
7 will be safe. And that's what this budget is  
8 investing in.

9 In addition to that, there's significant  
10 customer investment -- customer -- investment in  
11 customer systems programming to the tune of \$9  
12 million, which I believe helps keep WSSC and our  
13 customers affordable. And then the final piece  
14 that I just want lift up is the lead replacement  
15 program. \$34 million investment from WSSC to  
16 cover the -- our customers who have lead lines --  
17 potentially have lead lines.

18 So just those three things I just want to  
19 lift up. And now I'll ask -- before we begin  
20 receiving public testimony, do any of my fellow  
21 Commissioners -- Commissioner Speed-Bost, do you

1 have any comments?

2 (No audible response.)

3 MARK SMITH: Okay. Now I'll turn it over to  
4 your -- I'll just say this. Your feedback is very  
5 important to us. This hearing record will be kept  
6 open through the close of business on Wednesday,  
7 February 14th, and we will consider all public  
8 comments received by this date. The budget will  
9 be transmitted to the executive -- the executive  
10 and councils of both counties on March 1st.

11 Each speaker will be limited to three  
12 minutes. Speakers, please provide your name and  
13 indicate whether you are currently a WSSC water  
14 customer. If your comments are longer than three  
15 minutes, you may provide the remainder of your  
16 comments by email or regular mail.

17 Will those who have signed up to speak please  
18 come to the microphone to be heard?

19 GAIL HARRIS-BERRY: Good evening.

20 MARK SMITH: Good evening.

21 GAIL HARRIS-BERRY: My name is Gail Harris-



1 Berry. I am a County resident in District 5,  
2 WSSC. I have a -- an account with WSSC.

3 I've listened to all of that, and a lot of  
4 that was above my head, but I have the materials  
5 that I can take and -- take all of it. My main  
6 concern is the fees that we get charged in the  
7 County. Prince George's County's is higher a lot  
8 of the jurisdictions around us, and I want to know  
9 why is that the case for us. Because I live in a  
10 1,122-square-foot house, and I have one and a half  
11 baths. I'm the only person that lives there. And  
12 my bill has tripled.

13 I've done the leak project thing. They come  
14 out, but there's no leaks. So I'm just wondering  
15 why my bill is continuing to go up astronomically.

16 MARK SMITH: Thank you, Ms. Berry. I'll give  
17 an initial statement and then I'll turn it over to  
18 our experts here as well. Now I don't know if  
19 you're speaking directly to the fees or to the --  
20 sort of the total cost of water and water usage.  
21 So --

1           GAIL HARRIS-BERRY: Well, it's brought to my  
2           attention that our -- other jurisdictions'  
3           maintenance fee was, like, \$6 and ours is over  
4           \$30. So that's the first thing.

5           MARK SMITH: Okay. All right. Mr. Musara,  
6           if you want to speak to how we calculate and  
7           adjust the fees?

8           MUNETSI MUSARA: So Ms. Berry, the way that  
9           the fees and the cost rate are done, we have the  
10          cost of service study, which is common across the  
11          industry. And so we have two sets of fees. One  
12          is the infrastructure investment fee, and the  
13          other one is an accounts maintenance fee. The  
14          infrastructure investment fee really goes to help  
15          fund the debt service so that it pays for the  
16          bonds that we use to pay for the investment of our  
17          infrastructure. And the account maintenance fee  
18          is the fee which the industry does that supports  
19          maintenance of the accounts. We have not  
20          increased the fees since --

21          KISHIA POWELL: 2017.

1           MUNETSI MUSARA: Since 2017. And so when we  
2           did the study, we were lagging behind, because  
3           what those fees are, they are revenue that is  
4           pretty much in -- across revenue lines, there's a  
5           source of money in -- over there. So when we did  
6           the cost of study for increase, it was 65 percent.  
7           It was \$20.

8           And yes, it was a big increase, but they  
9           didn't want to go to the 100 percent increase  
10          which was recommended by the market. So we said,  
11          well, we'll step ahead. So if you notice, we  
12          increased it that year, and this year we're only  
13          increasing it by the same rate of the revenue  
14          enhancement. So yes, we understood that it was a  
15          big increase, but it was best the market  
16          required -- or was recommended. Sorry. We wanted  
17          to make sure that we didn't give our customers  
18          sticker shock by asking --

19          GAIL HARRIS-BERRY: Well, I still have  
20          sticker shock.

21          MUNETSI MUSARA: Which is understandable.



1 GAIL HARRIS-BERRY: And -- but you didn't  
2 answer my question. I hear what you're --

3 MUNETSI MUSARA: Regarding your -- regarding  
4 the --

5 GAIL HARRIS-BERRY: -- you're saying, but it  
6 doesn't answer to how other areas still can make  
7 those fees only \$6.

8 MUNETSI MUSARA: When we looked at the  
9 study -- and again, our fees are coming in lower  
10 than market, so DC Water, Baltimore County, and --

11 KISHIA POWELL: Fairfax.

12 MUNETSI MUSARA: -- and Fairfax County, we're  
13 significantly lower with their fees. So in  
14 providing the study. And then regarding your high  
15 bill, what I'll do is I'll relay your information  
16 to customer service department and have someone  
17 contact you to look at usage and see if there's  
18 something that we can do determine whether there's  
19 a leak or it's just high usage.

20 GAIL HARRIS-BERRY: Well -- and the other  
21 problem that I have is a lot of times, with the --

1 especially in the wintertime, the water main  
2 breaks and the leaks. I monitored a leak at the  
3 end of my street for over 30 days, water coming up  
4 out of the ground. And I know that that get --  
5 you say it doesn't get passed on to us, but I  
6 don't believe that. Because that's when we saw  
7 significant increase in the water bill. I watched  
8 it at Eli Place and Southland Drive.

9 MARK SMITH: All right. I'm going to ask --  
10 Ms. General Manager? General Manager Powell?

11 KISHIA POWELL: Thank you for your comments  
12 and your questions. I appreciate the frustration.  
13 I can assure you that you're not being charged  
14 when we had a leak in the street. In order for  
15 you to be charged for consumption, it has to pass  
16 through the meter, and you're being billed based  
17 on what is passing through the meter. So a leak  
18 in the street is not going to impact your bill.

19 And the reason with this rash of breaks and  
20 leaks that we had -- the reason why those leaks  
21 were out there longer is because our crews were

1       addressing the larger main breaks, and we did have  
2       the smaller leaks wait until we had available  
3       crews, and we had those larger mains under  
4       control. Now the teams are going back and  
5       addressing those smaller leaks.

6             I'll get your information and work with the  
7       customer service team to take a look at your  
8       account and see what may be causing -- if it's  
9       elevated consumption, we'll look at the comparison  
10      of your bills.

11            One thing I wanted to say about the charges  
12      that we implemented last year when we increased  
13      fixed fees, it is not necessarily an apples-to-  
14      apples comparison with other jurisdictions,  
15      because they -- all of us try to recover revenue  
16      to pay for our budgets. But the way we recover  
17      that revenue may be different. So some  
18      jurisdictions may charge more in fixed fees, and  
19      other jurisdictions may charge more in volumetric  
20      charges or whatever the other chargers are that  
21      they have in the bill.

1           What our Commissioners decided last year,  
2           because of the impacts of the pandemic and other  
3           things, was that we needed to stabilize our  
4           revenue, and a way to do that was to charge more  
5           in fixed fees and also charge the volumetric rate.  
6           So we did make a larger increase in the fixed fees  
7           this last year because there was a moratorium on  
8           increasing fixed fees for several years. And we  
9           did increase it, not as much as was suggested, but  
10          it was a sizeable increase to get us more stable  
11          revenues going forward. And this year, we're not  
12          having that significant decrease in the fixed  
13          fees.

14          But one thing we need to look as is, if your  
15          bill is three times higher than it was previously,  
16          there may be something going on that we haven't  
17          identified yet. So we can help assess that.

18          GAIL HARRIS-BERRY: Yeah. I mean, when I  
19          moved into my house 15 years ago, my bill, of  
20          course, was much less. But I just paid a bill  
21          January the 9th.

1 KISHIA POWELL: Uh-huh.

2 GAIL HARRIS-BERRY: And it said that my bill  
3 was \$278. And since I've been in here, I looked  
4 it up, you sent me a bill for \$310.

5 KISHIA POWELL: For this last quarter?

6 GAIL HARRIS-BERRY: Yeah.

7 KISHIA POWELL: Okay. And you haven't had  
8 any -- okay. So we can take a look at it. We'll  
9 check if there's a leak at the meter, which we're  
10 responsible for, and then we'll ask some questions  
11 about what may be happening inside the premise  
12 that we perhaps didn't think to check yet. So we  
13 can help guide with that.

14 GAIL HARRIS-BERRY: Okay. And the other  
15 thing, I saw there was a -- or I looked in the  
16 book where you had different programs to help  
17 people with their bills and things of that nature.  
18 Well, fortunately for me, I'm retired federal and  
19 I make a decent pension, so most of the times I  
20 don't qualify for those programs. And then if  
21 I -- if my bill is 278 and cents, let's say I paid

1 half of that. You sent me a threatening note, I'm  
2 cutting your water off.

3 KISHIA POWELL: Okay. So that's related to  
4 the (indiscernible) process that we have -- or the  
5 collections process, is a timed notice that goes  
6 out. And I understand that that causes some  
7 concern. So we'll take a look at that as well.

8 We do have other tools. If you don't qualify  
9 for the customer assistance program funding, we do  
10 have a tool in place now that is making it easier  
11 for our customers to pay on a monthly basis  
12 through the Promise Pay tool. So if you're not  
13 using that, then we can help you access that as  
14 well. But let's take a look at what's happening  
15 with the bill.

16 GAIL HARRIS-BERRY: Okay.

17 KISHIA POWELL: Okay.

18 GAIL HARRIS-BERRY: All right.

19 KISHIA POWELL: I'll get your information.

20 Is that okay?

21 GAIL HARRIS-BERRY: Thank you.



1 KISHIA POWELL: Thanks.

2 MARK SMITH: Thank you, Ms. Berry, for your  
3 comments. Appreciate it.

4 GAIL HARRIS-BERRY: Thank you.

5 MARK SMITH: Absolutely. I think Mr. Curry,  
6 who is the head of customer service, is also  
7 coming to see you, so --

8 GAIL HARRIS-BERRY: Okay.

9 MARK SMITH: -- full wrap-around services for  
10 you.

11 GAIL HARRIS-BERRY: Thank you.

12 MARK SMITH: Absolutely. Any additional  
13 comments, questions, concerns?

14 (No audible response.)

15 MARK SMITH: All right. For the record, I'll  
16 ask that Fariha Babar of the Budget Division to  
17 report on any written correspondence received on  
18 this issue.

19 FARIHA BABAR: Thank you, Vice Chair, and  
20 good evening. For the record, my name is Fariha  
21 Babar, and I'm the operating budget section

1 manager of WSSC Water.

2 As of today, we have not received any written  
3 correspondence regarding FY '26 preliminary  
4 proposed budget that we can include in this public  
5 hearing. If any correspondence is received, as  
6 you mentioned, through February 14, 2025, that  
7 will be included in the next Commission packet  
8 when -- it become part of the record of this  
9 hearing and will be transmitted to the counties.  
10 We will also be transmitting a transcript of this  
11 hearing to the counties.

12 If anyone either wants to submit their  
13 written comments, they can email it to  
14 budgetgroup@wsscwater.com, or they can also mail  
15 it to 14501 Sweitzer Lane, Laurel, Maryland 20707.  
16 Thank you.

17 MARK SMITH: Thank you, Ms. Babar. And I  
18 want to thank all for joining us tonight and  
19 participating in our budget process. This  
20 concludes the public hearing.

21 (Hearing concluded at 8:00 p.m.)





## STATE OF MARYLAND

I, Deidre Delisser, a Notary Public in and for the State of Maryland, do hereby certify that the within named, WSSC HEARING, personally appeared before me at the time and place herein according to law.

I further certify that the hearing was recorded stenographically by me and then transcribed from my stenographic notes to the within printed matter by means of computer-assisted transcription in a true and accurate manner.

I further certify that the stipulations contained herein were entered into by counsel in my presence.

I further certify that I am not of counsel to any of the parties, not an employee of counsel, nor related to any of the parties, nor related to any of the parties, nor in any way interested in the outcome of this action.

AS WITNESS my hand and Notarial Seal this 7th day of February, 2025, at Centerville, Maryland.



Deidre Delisser  
Notary Public

My commission expires February 4, 2027