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October 17, 2016

Dear Customer/Stakeholder,

WSSC has embarked on a comprehensive study of our basic water and sewer rate structure. The goal is to determine and implement the rate structure that best fits our community. To gather input from a variety of sectors, we are establishing a Stakeholder Representatives Group (SRG) and would like you or a member of your organization to participate.

For several years now WSSC has been examining our entire financial structure with an eye on meeting current and future needs. This was brought on by the pressures of aging infrastructure, a growing population and flat or declining water use that negatively affect revenue. The current conservation-based, tiered rate structure has been in effect for nearly 40 years. The only major change in this structure was reducing the number of steps from 100 to 16 in 1993.

In 2010 WSSC formed the Bi-County Infrastructure Funding Working Group, made up of representatives from Montgomery and Prince George's county government, WSSC staff and external subject matter experts and participants. Its recommendations in 2012 included adding and increasing fixed fees in order to provide revenue predictability and stability. Working with our county government partners, WSSC increased its Account Maintenance Fee and instituted an Infrastructure Renewal Fee in FY2016. The Working Group also recommended a comprehensive study of the basic rate structure.

The SRG will consist of 15-22 individuals who will volunteer their time, experience, and expertise. WSSC is inviting a broad cross-section of our community to join the conversation and rate study process. There will be at least three meetings. The first is scheduled for Tuesday, November 1, 2016. Each meeting will begin at 6:00 PM with a light dinner and conclude no later than 9:30. The goal is to implement a new rate structure by July 1, 2018.

Transparency is crucial to the process. Each meeting will be open to the public and any customer will have an opportunity to voice his/her opinion at the end of each meeting.

Ultimately the SRG will provide feedback on rate structures under evaluation by the Working Group, which will now be known as the Bi-County Rate Structure Working Group. WSSC has engaged a third party facilitator, Black & Veatch Management Consulting, LLC to work with the SRG and complete the comprehensive rate study.

Washington Suburban Sanitary Commission

Considering the tight schedule we are asking all participants to make this a priority. We know we are asking a lot, but there is much to be done and not a lot of time to do it. Your work will likely have an impact for years to come on the estimated 1.8 million people we serve and on this water and wastewater system that is so crucial to our health, safety, economic well-being and overall lifestyle. I certainly hope you will join us.

Please let us know by October 25, 2016 if you will participate. If you have any questions, please contact Letitia Carolina-Powell at 301.206.8379 or via email at Letitia.Carolina-Powell@wsscwater.com.

Additional information can be found in a separate document included in this letter.
We look forward to partnering and seeing you in November.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Carla Reid', with a long horizontal flourish extending to the right.

Carla Reid
General Manager/Chief Executive Officer
Washington Suburban Sanitary Commission