

**WSSC Written Testimony**  
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WSSC's request for another rate increase is unwarranted. First, WSSC has amassed a \$300 million stockpile of cash and investments. Rather than extract more money from ratepayers in a recession, it should draw down on its own sizeable reserves. Second, WSSC has done little either (i) to reform operations, or (i) to reduce operating costs that continue to rise faster than the sum of inflation plus customer additions. Another rate increase simply enables WSSC to avoid needed changes, which its management avoids in order to maintain the status quo. "Kicking the can down the road" is good politics, but it represents lousy management and poor public health policy.

A number of proposed changes appear in a report by the Maryland Tax Education released in December, 2008. [www.marylandtaxeducation.org](http://www.marylandtaxeducation.org)

WSSC takes advantage of the Montgomery County Council by asking for a rate increase. The Council has no technical in house expertise to judge WSSC's operational efficiency, does not contract for outside experts to review the soundness of the rate increase, has developed no databases to compare WSSC to other water utilities, and essentially takes all of WSSC's financial reports, technical statistics and management statements at face value.

WSSC management has a similar information advantage over its Commissioners, none of whom has operational, technical or financial expertise related to the function of a large water utility.

Until WSSC's managers institute reforms and its overseers provide better supervision, there should be no rate increase.

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