



20071259

- Back to last page
- About WSSC
- Public Information and Conservation
- Customer Services
- Major Projects and Outreach
- Job Opportunities
- Doing Business with WSSC
- Year 2000
- Search
- Site Map
- Links
- Contact Us

**Task Force on Privatization**  
**of the**  
**Washington Suburban Sanitary Commission**

**As Authorized by House Bill 832**

**TASK FORCE FINAL REPORT**  
**AND**  
**RECOMMENDATIONS**

**to**  
**The Prince George's County Executive,**  
**The Montgomery County Executive,**  
**and**  
**The Prince George's County Council,**  
**The Montgomery County Council,**  
**and**  
**The Senate and House Delegations of**  
**Prince George's County and**  
**Montgomery County**

**NOVEMBER 1999**

---

November 30,1999

Hon. Wayne K. Curry, Prince George's County Executive  
Hon. Douglas M. Duncan, Montgomery County Executive  
Hon. M.H. Jim Estep, Prince George's County Council Chair  
Hon. Isiah Leggett, Montgomery County Council President  
Hon. Ulysses Currie, Chairman, Prince George's County Senate  
Delegation  
Hon. Ida G. Ruben, Chair, Montgomery County Senate Delegation  
Hon. Rushern Baker III, Chairman, Prince George's County House  
Delegation  
Hon. Kumar Barve, Chairman, Montgomery County House Delegation

RE: Transmittal of Final Report from *the Task Force on Privatization  
of the Washington Suburban Sanitary Commission (WSSC)* -  
Reference House Bill 832

Dear Elected Official:

As Co-Chairs of the Task Force on WSSC Privatization, and on behalf of the Task Force members (see enclosed list), we are pleased to transmit to you a copy of the Task Force's 'Final Report and Recommendations.' With the submission of this report to the Prince George's and Montgomery County Executives, the County Councils, and the Counties' Senate and House Delegations, the Task Force concludes the work that they began last fall following the adoption of House Bill 832 (H.B. 832). That legislation charged the Task Force to "*study and report on the advantages and disadvantages of privatizing each of the functions of the WSSC, from the standpoints of the residential and commercial ratepayers, the County and municipal governments, the entities regulated by the WSSC, and the taxpayers in the Sanitary District.*" We believe this report fulfills that mandate, and that all of the specific issues laid out in H.B. 832 were addressed during the preparation of this report.

The Task Force worked diligently over the past year to explore and better understand many of the critical issues involved in considering privatization and restructuring options for the WSSC. Task Force activities during this period have included: holding monthly meetings of the Task Force; selecting an independent consultant to conduct the technical analysis; hosting a special workshop that provided detailed information on privatization options; and holding several public meetings. (A list of these major Task Force activities is enclosed for your information.) The Task Force has worked with its independent consultant, Malcolm Pirnie, to ensure that not only have the legislative requirements been satisfied, but also that the WSSC-specific financial, environmental, governance, and performance issues raised by the Task Force members and the public have been addressed.

In the course of developing its formal recommendations the Task Force has taken into consideration the information laid out in the consultant's report; internal discussions within and between elected officials from

Prince George's and Montgomery Counties; discussions of the Task Force itself; and comments from the public raised at the public meetings and submitted to the Task Force (see comments in report appendix). Based on this input, the Task Force has recommended the following:

1. The State Legislature should formally establish a Bi-County Committee that would be charged with further evaluating the following issues:

- a. WSSC governance structure;
- b. WSSC restructuring or other options for long-term implementation; and
- c. Transfer of WSSC ancillary services;

and, while the Bi-County Committee is pursuing its evaluations, that:

2. The WSSC should continue to provide increased efficiencies of service to its customers through:

- a. Implementation of its existing Competitive Action Program (CAP); and
- b. Establishment of goals and objectives beyond CAP (i.e., CAP Plus) that would promote even greater efficiencies.

The Task Force also recommended that the Bi-County Committee be composed of nine (9) members, including representatives from each County's Executive Office and County Council, House of Delegates and Senate, as well as an independent member selected by the Bi-County Committee.

As discussed in our formal briefings to you, it is envisioned that the Bi-County Committee would take the analysis and initial findings from the Task Force's work and conduct further detailed analysis to address governance issues, and to determine which restructuring or other options would be appropriate for the WSSC in the long-term. The Committee would be responsible for recommending how an Implementation Agency could be established to implement the restructuring and/or privatization alternatives, if any are ultimately selected. The Committee would also be tasked with working with a variety of stakeholders to evaluate various ancillary services to determine if any are appropriate to transfer from the WSSC to the Counties. A more detailed description of these Task Force recommendations, which further describes the proposed WSSC and Bi-County Committee actions, is enclosed.

In conclusion, we recommend that the Prince George's and Montgomery County Executives, the County Councils, and the

Counties' Senate and House Delegations accept this 'Final Report and Recommendations' from the Task Force and endorse the creation of the Bi-County Committee. In the meantime, should you have any questions regarding this report or the Task Force's recommendations, please contact either Co-Chair at the numbers noted below.

Sincerely,

*/ signed /*

Duane Oates

Prince George's County Task  
Force Co-Chair

(301) 516-0400

*/ signed /*

Kevin Maloney

Montgomery County Task Force  
Co-Chair

(301) 654-5633

Enclosures: List of Task Force members  
Detailed Task Force Recommendations List  
  
List of Major Task Force Milestone Events  
  
Final Report & Recommendations (w/ appendices)  
  
cc: Task Force members  
  
Prince George's County Senate and House Delegation members  
  
Montgomery County Senate and House Delegation members  
  
Prince George's County Council members  
  
Montgomery County Council members  
  
WSSC General Manager  
  
Select Prince George's & Montgomery County libraries & WSSC  
(five locations)

---

**TASK FORCE MEMBERS**

**MONTGOMERY COUNTY**

Mr. Kevin Maloney, WSSC Commissioner, **Co-Chair**

Hon. Leonard H. Teitelbaum, MD State Senate  
Hon. Henry B. Heller, MD House of Delegates  
Hon. Isiah Leggett, President Montgomery Co. Council  
Mr. Waymond D. Bray, At-Large Member  
Mr. James Caldwell, Montgomery County Govt.  
Mr. J.R. Schuble, Jr., Private Industry

### **PRINCE GEORGE'S COUNTY**

Mr. Duane Oates, WSSC Commissioner, Co-Chair  
Hon. Arthur Dorman, MD State Senate  
Hon. Rushern L. Baker III, MD House of Delegates  
Hon. James W. Hubbard, MD House of Delegates  
Hon. Dorothy Bailey, Prince George's Co. Council  
Ms. Sandra F. Peaches, Esq., Prince George's Co. Govt.  
Mr. Samuel E. Wynkoop, Jr., Prince George's Co. Govt.

### **WSSC**

Mr. Cortez White, General Manager (through July 1, 1999)  
Mr. Michael Crean, Chief Operating Officer (after July 1, 1999)

### **SUPPORT STAFF**

Mr. David Lake, Montgomery County Govt., Task Force Staff Liaison  
Ms. Sherry Conway Appel, Prince George's County Govt., Task Force Staff Liaison  
Ms. Tanya T. Spano, Metropolitan Washington Council of Governments, Project Manager

---

## **TASK FORCE ON WSSC PRIVATIZATION**

### **DETAILED RECOMMENDATIONS LIST**

**The Task Forces' recommendations to the Prince George's and Montgomery County Executives, the County Councils, and the Counties' Senate and House Delegations are that:**

**The State Legislature should formally establish a Bi-County Committee that would be charged with further evaluating the following issues:**

- a. WSSC governance structure;**
- b. WSSC restructuring or other options for long-term implementation; and**

**c. Transfer of WSSC ancillary services.**

A key step in moving forward with this evaluation process includes establishment of a Bi-County Committee to address WSSC governance issues. The State Legislature, in concert with the Counties, should also direct this Bi-County Committee to proceed with the next steps of determining which of the five Base Case Scenarios (or variations thereof) should be evaluated and recommended for the long term. Those Base Case Scenarios include: 1) full asset sale; 2) full contract operations; 3) County-owned and operated systems, bifurcated along County lines; 4) County-ownership and operation of retail aspects of the system, bifurcated along County lines; and 5) restructured WSSC with CAP Plus. The Committee would also be responsible for recommending how an Implementation Agency could be established to implement the restructuring or other options, if any are ultimately selected.

Regardless of any future restructuring or other options chosen for the WSSC, the issues raised by the Counties relative to the provision of several ancillary services presently handled by the WSSC need to be reviewed for possible reassignment to the Counties. The potential advantage of transferring these ancillary services would be to promote a more localized one-stop approach to providing permit and inspection services. Ancillary services to be evaluated for possible transfer include: plumbing/gasfitting permits/inspections; on-site water/sewer systems approvals/inspections; cross-connection/backflow prevention inspections; the fat, oil, and grease program inspections; and examination/licensure of Master Plumbers and Gasfitters; and certain facility planning responsibilities. It is anticipated that in evaluating the potential transfer of these services, the Bi-County Committee would include the participation of the Master Plumbers and Gasfitters Association and other interested and/or affected parties to address the specific issues, consider transition options and then, if and as appropriate, develop a transition plan. Before implementation of such transfers, modification of appropriate legislative and regulatory statutes would need to be approved at both the State and County level.

The Task Force recommended that the Bi-County Committee be composed of nine (9) members, including representatives from each County's Executive Office and County Council, House of Delegates and Senate, as well as an independent member selected by the Bi-County Committee.

**And, that while the Bi-County Committee is pursuing its evaluations, that:**

**The WSSC should continue to provide increased efficiencies of service to its customers through:**

**Implementation of its existing Competitive Action Program (CAP);  
and**

**Establishment of goals and objectives beyond CAP (i.e., CAP Plus) that would promote even greater efficiencies.**

Regardless of any future restructuring or other options chosen for the WSSC, the WSSC should continue to pursue the implementation of its CAP initiatives to further increase the efficiency of serving its customers, while providing healthy and safe water and wastewater service that supports the economic growth of Montgomery and Prince George's Counties. These efforts will provide rate payer benefits while continued efforts are made to determine the most appropriate future status of the WSSC. These efficiency improvements will also provide benefits regardless of any future restructuring or other options that are pursued. In addition, goals and objectives beyond CAP (i.e., CAP Plus) should be established to expand the WSSC's efforts to improve its efficiency, while maintaining its strong history of effectiveness.

---

**TASK FORCE ON WSSC PRIVATIZATION  
MILESTONES AND KEY ACTIVITIES**

**August 1998:** Task Force holds 1st meeting on August 31st; decides on basic elements to include in consultant scope of work, and agrees to have Metropolitan Washington Council of Governments (MWCOG) provide procurement services and project management support.

**September 1998:** Task Force holds 2nd meeting on September 28th; reviews a draft consultant scope of work, and receives an overview of the WSSC's charge and functions.

**October 1998:** Task Force holds 3rd meeting on October 19th; receives an update on the consultant selection process and the Task Force members to be on Selection Committee, and receives a briefing by WSSC on its Competitive Action Program activities.

A formal consultant Request for Proposals is issued by MWCOG on October 14th that addresses the legislative requirements of House Bill 832 and additional Task Force input.

**November 1998:** Eight proposals received by November 17th; Selection Committee meets on November 24th to review and rank proposals; top three ranked firms selected to make presentations.

**December 1998:** Selection Committee meets on December 3rd to review consultant presentations; committee ranks firms and recommends selection of Malcolm Pirnie, Inc. and subconsultant team.

Task Force holds 4th meeting on December 15th; accepts Selection Committee's recommendation, Malcolm Pirnie and team present project work plan and schedule.

Press Release issued on December 21st on behalf of the Task Force to announce the selection of Malcolm Pirnie and its team and issuance of contract by MWCOG.

- January 1999:** **Task Force holds 5th meeting on January 26th;** receives update on project status, reviews and comments on proposed evaluation criteria and potential alternatives to be analyzed, and supports recommended contract amendment to hold a detailed workshop on privatization issues and case studies. **A public comment period is provided.**
- February 1999:** **Task Force Co-Chairs and Malcolm Pirnie provide a briefing for the Joint Delegation in Annapolis on February 3rd** and brief Prince George's County Executive on February 17th and contract is amended to support workshop activities.
- Task Force holds an all-day Privatization Workshop on February 20th** to review and allow detailed discussions on various privatization case studies; workshop is open to the public and the public is invited to submit questions to be addressed by the consultants.
- Task Force holds 6th meeting on February 22nd;** receives updates on Task #2 work - Review of WSSC and Task #3 - Alternatives Analysis; continues to discuss issues raised at workshop; the public is requested to submit initial comments for Task Force consideration.
- March 1999:** Draft Task #2 report - Review of WSSC is transmitted to the Task Force; public comments are also received and transmitted to the Task Force members.
- Task Force holds 7th meeting on March 29th;** receives a briefing on the Task #2 report, and discusses proposed contract amendment to expand scope of analysis and expand public outreach efforts. **A public comment period is provided.**
- April 1999:** Montgomery County Executive is briefed on April 1st. MWCOG continues to work with Co-Chairs and Malcolm Pirnie to develop amendment to expand range of options to be analyzed, result in more detailed analysis of options, obtain additional information from privatization firms; and add public outreach activities.
- May 1999:** **Task Force holds 8th meeting on May 24th;** supports amendment to expand scope of consultant's work and extend deadline for submittal of Final Report; and reviews the evaluation criteria to be used in Task #3 work. A public comment period is provided.
- June 1999:** Malcolm Pirnie holds half-day meetings with both Prince George's and Montgomery County staff and Co-Chairs on June 14th; discussions focus on county-specific details of potential county bifurcation options and asset sale scenarios.
- Malcolm Pirnie holds two day-long meetings with five privatization firms that deal with privatization options from asset sale, to long-term lease, to contract operations; discussions focus on general privatization issues and viability of those options for the WSSC situation.
- July 1999:** Malcolm Pirnie's Draft Task #3 report - Alternatives Analysis, is issued to the Task Force Co-Chairs, posted on the WSSC Web site, and transmitted to four sites (WSSC's main office building and three public libraries) for public access and review.



Press release issued on July 22nd on behalf of the Task Force to announce the first formal public meeting.

**Task Force holds 9th meeting on July 28th;** receives a detailed presentation on the draft Task #3 report and provides comments.

**Task Force holds 1st formal public meeting on July 29th** at the Eleanor Roosevelt High School in Greenbelt, Prince George's County; Malcolm Pirnie provides an overview of the Task #3 report findings; and the public is invited to provide formal comments to the Task Force through August 17th. Task Force agrees to hold a second public meeting at a Montgomery County location.

**August 1999:**

Press release issued on August 11th on behalf of the Task Force to announce the second formal public meeting.

**Task Force holds 2nd formal public meeting on August 17th** at the Montgomery Community College in Germantown, Montgomery County; Malcolm Pirnie provides an overview of the Task #3 report findings; and the public is invited to provide formal comments to the Task Force; Task Force extends the period for submittal of formal public comments to August 24th.

**Task Force holds its 10th meeting on August 24th;** receives the Draft Final Report; receives a presentation on the consultant's findings and recommendations; and agrees to postpone making its final recommendations until a September meeting to allow sufficient time to consider the draft report and the public comments that were received.

**September 1999:**

Press release issued on September 3rd on behalf of the Task Force to announce date of final Task Force meeting, and to identify five locations (WSSC and four public libraries) and the WSSC Web site where the Draft Final Report would be accessible to the public.

**Task Force holds its 11th and final meeting on September 13th;** discusses the consultants findings and recommendations in the Draft Final Report, and the public comments received; and agrees to make several recommendations to the Maryland General Assembly.

**October &  
November, 1999:**

The report and recommendations package is finalized. **Formal briefings are held for the Prince George's and Montgomery County Executives, County Councils, and for the Counties' Senate and House Delegations from November 9th through November 16th.** The Task Force Final Report and Recommendations package are formally transmitted to the Prince George's and Montgomery County Executives, County Councils, and to the Counties' Senate and House Delegations. Copies are also made available to the public.

**[See the Executive Summary](#)**