




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

January 15, 2025

TO: Kate Stewart, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: WSSC Water
FY26-31 Capital Improvements Program and FY26 CIP Expenditures

I am pleased to transmit to you, in accordance with State law, my recommended FY26-31 Capital Improvements Program (CIP) and FY26 CIP expenditures for WSSC Water.

WSSC Water's proposed FY26-31 CIP totals \$4.9 billion, of which \$1.8 billion is for Montgomery County and bi-county projects. The latter figure represents a \$315.1 million, or 14.7 percent, decrease from the FY25-30 adopted six-year total of \$2.1 billion. The majority of this decrease is due to the reductions in Bi-County Water and Sewer projects in efforts to redirect funding to PFAS Management Strategy, Lead Reduction Program, Master Planning and Facilities Planning and Investments and Hi-Influent Infiltration Basin Rehabilitation – Information Only projects.

Spending Control Limits

For the FY26 WSSC Capital and Operating Budget Spending Affordability Limits, I recommended a 9.5 percent rate increase. The Montgomery County Council Transportation & Environment Committee expressed support for a 10.2 percent rate increase, which the Council adopted. This rate increase is 1.7 percentage points higher than the 8.5 percent average rate increase approved for FY25.

The Recommended CIP assumes the 10.2 percent rate increase allowed by the Council adopted Spending Control Limits. Accordingly, PAYGO will be reduced by about \$18.5 million compared to the Proposed FY26-31 CIP. This rate is intended to modulate rate increases across the six-year period while avoiding large reductions or deferrals in the Proposed FY26-31 CIP.

New Projects

I support the one new water project entering the Montgomery County program this year:

- Fraley Farm West Water Main, which is an extension to provide service for 42 single family dwelling units along Bowie Mill Road.

I understand that WSSC Water may continue to examine adjustments to the CIP program. I encourage WSSC Water to continue to prioritize critical infrastructure projects and to strike a balance between making investments to ensure the long-term stability of our utility infrastructure and the impact on ratepayers.

As always, Executive Branch staff are available to assist you in your deliberations. I look forward to discussing with you any policy matters or major resource allocation issues that arise this spring.

ME:jk

Enclosure: WSSC Water FY26-31 Executive Recommended CIP - Agency Request Compared to Executive Recommended Report

cc: Cecily Thorne, Chief of Staff to the Council President, Montgomery County Council
Craig Howard, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive
Ken Hartman Espada, Assistant Chief Administrative Officer, Office of the County Executive
Jennifer R. Bryant, Director, Office of Management and Budget
Jon Monger, Department of Environmental Protection
Kishia L. Powell, General Manager/CEO, WSSC Water
Munetsi Timothy Musara, Chief Financial Officer, WSSC Water

**FY 26-31 EXECUTIVE RECOMMENDED CIP
Agency Request Compared to Executive Recommended
WSSC**

Project Name (Project Number)	Agency Request	Executive Recommended
Sewerage Bi-County		
Anacostia #2 WWPS Upgrades (P382204)	31,069	31,069
Blue Plains WWTP: Biosolids Mgmt PT2 (P954812)	11,567	11,567
Blue Plains WWTP: Liquid Train PT 2 (P954811)	27,075	27,075
Blue Plains WWTP: Plant Wide Projects (P023805)	17,458	17,458
Blue Plains: Pipelines and Appurtenances (P113804)	16,862	16,862
Land & Rights-of-Way Acquisition - Bi-County (S) (P163800)	298	298
Piscataway WRRF Bio-Energy Project (P063808)	596	596
Trunk Sewer Reconstruction Program (P113805)	41,879	41,879
Sewerage Montgomery County		
Arcola WWPS & FM (P382301)	932	932
Ashford Woods WWPS & FM (P382304)	1,257	1,257
Damascus Town Center WWPS Replacement (P382002)	5,725	5,725
Erickson Bethesda Sewer Main (P382305)	1,171	1,171
Johns Hopkins Medical Research Park Sewer Main (P382401)	851	851
Reddy Branch WWPS & FM (P382302)	275	275
Rose Village Sewer Main (P382402)	943	943
Sam Rice Manor WWPS & FM (P382303)	308	308
Shady Grove Neighborhood Center (P382102)	681	681
Spring Gardens WWPS Replacement (P382003)	375	375
Viva White Oak Sewer Main (P382203)	696	696
Water Bi-County		
I-495/I-270 Traffic Relief Plan Pipeline Relocations (P382306)	21,326	21,326
Land & Rights-of-Way Acquisition - Bi-County Water (P983857)	1,000	1,000
Large Diameter Water Pipe & Large Valve Rehabilitation Program (P113803)	54,595	54,595
Potomac WFP Consent Decree Program (P173801)	38,717	38,717
Potomac WFP Main Zone Pipeline (P133800)	2,085	2,085
Potomac WFP Submerged Channel Intake (P033812)	420	420
Regional Water Supply Resiliency (P382101)	-	-
Water Montgomery County		
Fraley Farm West Water Main (P382601)	917	917
Viva White Oak Water Main (P382202)	822	822
White Oak Water Mains Augmentation (P382001)	3,744	3,744