



# WSSC Water

## MISSION STATEMENT

WSSC Water is a bi-county governmental agency established in 1918 by an Act of the Maryland General Assembly. It is charged with the responsibility of providing water and sanitary sewer service within the Washington Suburban Sanitary District, which includes most of Montgomery and Prince George's Counties. In Montgomery County, only the Town of Poolesville and portions of the City of Rockville are outside of the district.

## WSSC WATER'S PROPOSED BUDGET

WSSC Water's proposed budget is not detailed in this document. The Commission's full budget can be obtained from WSSC Water's Budget Group at the WSSC Water Headquarters Building, 14501 Sweitzer Lane, Laurel, Maryland, 20707, via telephone at 301-206-8000, or from its website at <https://wsscwater.com/budget>.

Prior to January 15 of each year, the Commission prepares a preliminary proposed capital and operating budget for the next fiscal year. On or before February 15, the Commission conducts public hearings in both counties. WSSC Water then prepares and submits the proposed capital and operating budgets to the County Executives of Montgomery and Prince George's Counties by March 1.

By March 15 of each year, the County Executives of Montgomery and Prince George's Counties are required by law to transmit proposed budgets, recommendations on the proposed budgets, and the record of the public hearings held by WSSC Water to their respective County Councils.

Each County Council may hold public hearings on WSSC Water's proposed operating and capital budgets, but no earlier than 21 days after receipt from the County Executive. Each County Council may add to, delete from, increase, or decrease any item in either budget. Additionally, each County Council is required by law to transmit by May 15 any proposed changes to the other County Council for review and concurrence. The failure of both County Councils to concur on changes constitutes approval of the items as originally proposed by WSSC Water. Should the Councils fail to approve the budgets on or before June 1 of any given year, WSSC Water's proposed budgets are adopted.

### **Accomplishments and Initiatives**

- Operating and maintaining a system of three reservoirs impounding 14 billion gallons of water, two water filtration plants, six water resource recovery facilities, 6,000 miles of water mains, and over 5,700 miles of sewer mains, 24 hours a day, seven days a week.
- Treating or delivering 167.9 million gallons per day (MGD) of water to over 483,000 customer accounts in a manner that meets or exceeds the Safe Drinking Water Act standards.
- Restoring normal service within 24 hours from when the agency is notified of an emergency, and limiting the time a customer is without water service to less than six hours.
- Expanding the Customer Assistance Program (CAP) to help those with financial hardship.

- Initiating cost containment measures to cut expenses by 5.0 percent, generating \$27 million in savings in FY27.

## Spending Control Limits

The spending control limits process requires that the two Counties set annual ceilings on WSSC Water's water and sewer rate increases and on debt (bonded indebtedness as well as debt service), and then adopt corresponding limits on the size of the capital and operating budgets. The two County Councils must not approve capital and operating budgets in excess of the approved spending control limits unless a majority of each County Council votes to approve them. If the two County Councils cannot agree on expenditures above the spending control limit, they must approve budgets within these limits.

The following table shows the FY27 spending control limits adopted by the Montgomery and Prince George's County Councils, compared to the spending control results projected under WSSC Water's proposed FY27 budget and under the County Executive's recommended budget for WSSC Water. The Commission's proposed rate increase (5.0 percent with a one-time 1.0 percent rate stabilization fund) falls between the spending control limits approved by Montgomery County (6.0 percent) and Prince George's County (5.0 percent). In addition, the Total Water and Sewer Operating Expenses fall within the Spending Affordability (SAG)-approved guidelines.

<b>FY27 Spending Control Limits Comparison (\$ in Millions)</b>				
<b>SPENDING CONTROL LIMITS</b>	<b>Approved Spending Control Limits</b>		<b>Projected Levels Under</b>	
	<b>Montgomery County</b>	<b>Prince George's County</b>	<b>WSSC's Proposed Budget</b>	<b>County Executive Recommended Budget</b>
Maximum Average Water/Sewer Rate Increase	6.0%	5.0%	5.0%*	5.0%*
New Debt	\$491.1	\$491.1	\$491.1	\$491.1
Water and Sewer Debt Service	\$388.4	\$388.4	\$388.4	\$388.4
Total Water and Sewer Operating Expenses	\$1,194.0	\$1,183.5	\$1,196.6	\$1,196.6

\* Includes one-time 1.0% rate stabilization fund

Sources: WSSC Water FY27 Proposed Budget,  
Prince George's County Resolution CR-135-2025,  
Montgomery County Resolution 20-966

## County Executive Recommendations

### Operating Budget

The County Executive recommends that WSSC Water's proposed FY27 budget be approved with an average water and sewer rate increase of 5.0 percent in FY27, consistent with Montgomery County's FY27 Spending Affordability Guidelines.

### Capital Budget

The County Executive recommended the WSSC Water FY27-32 Capital Improvements Program budget be approved as submitted by the Commission.

### Overall Budget

FY27 fiscal projections for all funds and budgets are shown below.

**Expenditures by Category - FY27 WSSC Water Proposed and Executive Recommended**

(\$ in Thousands)

Expenditure Categories	WSSC Water Total	WSSC Water Total	CE Capital	CE Operating	CE Total	% Change (CE Rec. vs. WSSC Water Proposed)
	Approved FY26	Proposed FY27	Recommended FY27	Recommended FY27	Recommended FY27	
Salaries and Wages	\$242,590,000	\$257,726,000	\$44,129,000	\$213,597,000	\$257,726,000	0.0%
Heat, Light, & Power	\$29,518,000	\$32,240,000	\$360,000	\$31,880,000	\$32,240,000	0.0%
Regional Sewage Disposal	\$83,661,000	\$89,667,000	\$0	\$89,667,000	\$89,667,000	0.0%
Contract Work	\$383,031,000	\$439,360,000	\$439,360,000	\$0	\$439,360,000	0.0%
Consulting Engineers	\$117,541,000	\$86,337,000	\$86,337,000	\$0	\$86,337,000	0.0%
All Other	\$506,771,000	\$544,449,000	\$171,426,000	\$373,023,000	\$544,449,000	0.0%
PAYGO	\$93,000,000	\$100,000,000	\$0	\$100,000,000	\$100,000,000	0.0%
Reserve Contribution	\$0	\$0	\$0	\$0	\$0	--
Debt Service	\$373,801,000	\$388,446,000	\$0	\$388,446,000	\$388,446,000	0.0%
<b>Total Budget</b>	<b>\$1,829,913,000</b>	<b>\$1,938,225,000</b>	<b>\$741,612,000</b>	<b>\$1,196,613,000</b>	<b>\$1,938,225,000</b>	<b>0.0%</b>

Note: Total expenditures include the water and sewer operating funds and the two capital funds.

Source: WSSC Water FY27 Proposed Operating Budget

## PROGRAM CONTACTS

Contact Letitia Carolina-Powell of the WSSC Water at 301-206-8379 or Seamus McNamara of the Office of Management and Budget at 240-777-2755 for more information regarding this agency's operating budget.

**WSSC WATER PROPOSED BUDGET: SIX-YEAR FORECAST FOR WATER & SEWER OPERATING FUNDS**

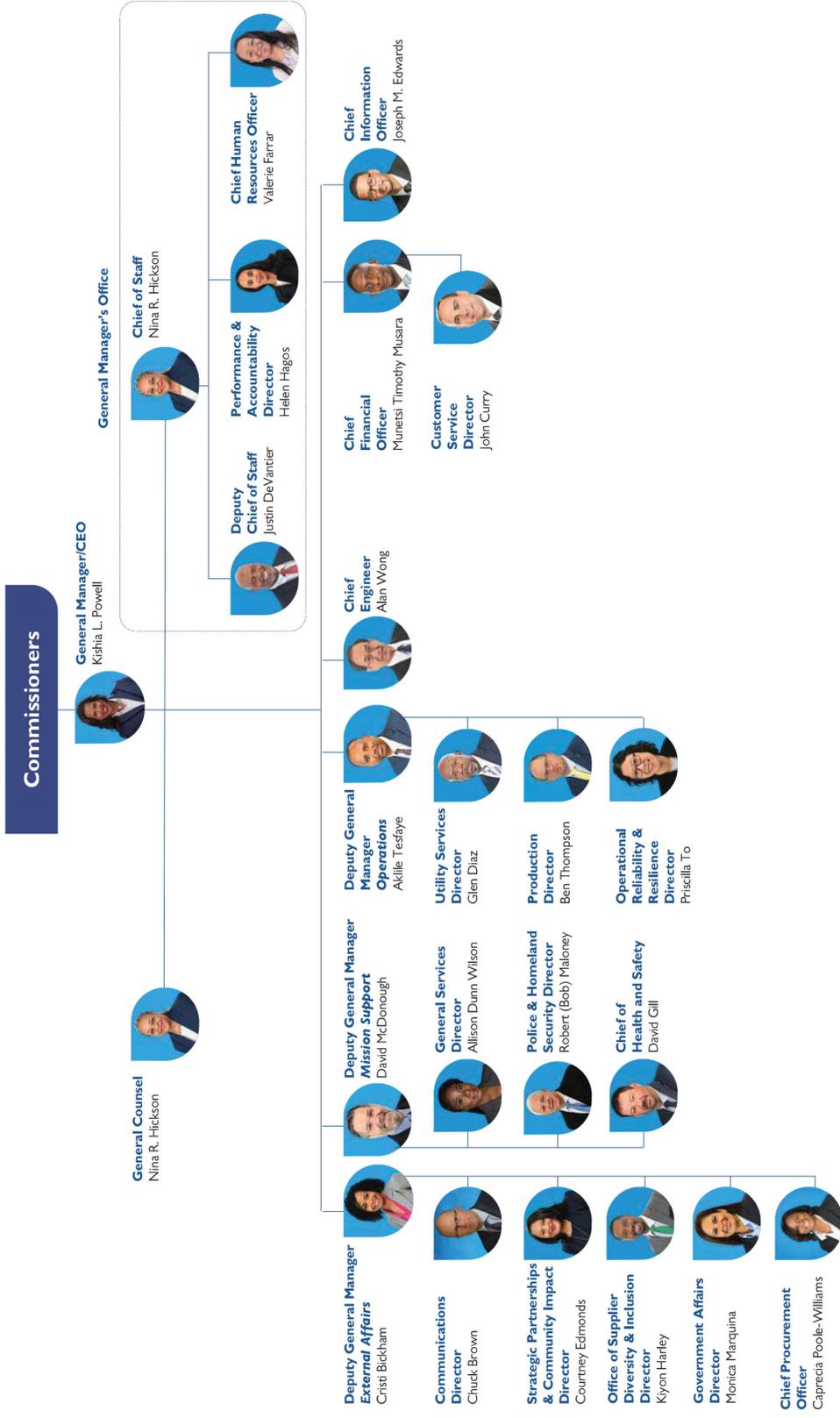
(\$ IN THOUSANDS)

FISCAL PROJECTIONS	FY26 APPROVED	FY27 CE RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
<b>SPENDING AFFORDABILITY RESULTS</b>							
New Water and Sewer Debt	\$494,441	\$491,102	\$610,388	\$647,047	\$604,514	\$556,242	\$527,538
Total Water and Sewer Operating Expenses	\$1,130,502	\$1,193,998	\$1,273,886	\$1,366,932	\$1,443,553	\$1,523,376	\$1,591,492
Debt Service	\$373,801	\$388,446	\$426,597	\$465,303	\$500,309	\$528,190	\$547,521
Average Water and Sewer Rate Increase	9.5%	5.0%	8.2%	7.5%	6.3%	5.8%	4.7%
<b>BEGINNING FUND BALANCE</b>	<b>\$395,379</b>	<b>\$397,941</b>	<b>\$392,441</b>	<b>\$392,441</b>	<b>\$392,441</b>	<b>\$392,441</b>	<b>\$392,441</b>
<b>REVENUES</b>							
Water and Sewer Rate Revenue	\$892,540	\$937,167	\$1,019,697	\$1,096,175	\$1,165,234	\$1,232,817	\$1,290,459
Interest Income	\$14,000	\$18,907	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Account Maintenance Fee	\$69,493	\$72,124	\$78,039	\$83,892	\$89,176	\$94,349	\$98,780
Infrastructure Investment Fee	\$85,782	\$88,904	\$96,194	\$103,408	\$109,923	\$116,298	\$121,735
Miscellaneous	\$60,227	\$60,666	\$61,253	\$62,657	\$63,365	\$64,060	\$64,840
Plumbing and Inspection Fees	\$22,610	\$23,289	\$23,989	\$24,708	\$25,450	\$26,213	\$27,000
Rockville Sewer Use	\$4,500	\$4,650	\$4,700	\$4,750	\$4,800	\$4,800	\$4,800
Grants Revenue	\$3,171	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Miscellaneous	\$27,800	\$29,730	\$30,047	\$30,366	\$30,687	\$31,014	\$31,345
Uncollectable	-\$4,981	-\$5,491	-\$5,970	-\$6,417	-\$6,822	-\$7,217	-\$7,555
Renewable/Natural Gas Sales	\$7,107	\$5,988	\$5,987	\$6,750	\$6,750	\$6,750	\$6,750
<b>Total Revenues</b>	<b>\$1,122,042</b>	<b>\$1,177,768</b>	<b>\$1,263,183</b>	<b>\$1,354,132</b>	<b>\$1,435,698</b>	<b>\$1,515,624</b>	<b>\$1,583,794</b>
Cost Sharing Reimbursement	\$688	\$2,982	\$2,980	\$5,090	\$145	\$145	\$0
SDC Debt Service Offset	\$5,772	\$5,748	\$5,723	\$5,710	\$5,710	\$5,707	\$5,698
Use of/Transfer to Fund Balance		\$5,500					
Underwriters Discount Transfer	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$1,130,502</b>	<b>\$1,193,998</b>	<b>\$1,273,886</b>	<b>\$1,366,932</b>	<b>\$1,443,553</b>	<b>\$1,523,376</b>	<b>\$1,591,492</b>
<b>EXPENDITURES</b>							
Salaries and Wages	\$199,283	\$212,477	\$222,038	\$232,030	\$242,472	\$253,383	\$264,785
Heat, Light, and Power	\$29,200	\$31,866	\$32,826	\$33,815	\$36,682	\$37,968	\$39,294
Regional Sewage Disposal	\$83,661	\$89,667	\$93,253	\$96,984	\$100,863	\$104,898	\$109,094
Debt Service	\$373,801	\$388,446	\$426,597	\$465,303	\$500,309	\$528,190	\$547,521
PAYGO	\$93,000	\$100,000	\$114,336	\$136,205	\$151,944	\$156,014	\$170,745
All Other	\$351,557	\$371,542	\$384,836	\$402,595	\$411,283	\$442,925	\$460,053
<b>TOTAL USE OF RESOURCES</b>	<b>\$1,130,502</b>	<b>\$1,193,998</b>	<b>\$1,273,886</b>	<b>\$1,366,932</b>	<b>\$1,443,553</b>	<b>\$1,523,376</b>	<b>\$1,591,492</b>
<b>REVENUE/EXPENDITURE SURPLUS/(GAP)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>YEAR END FUND BALANCE w/o additional reserve contribution</b>	<b>\$395,379</b>	<b>\$392,441</b>	<b>\$392,441</b>	<b>\$392,441</b>	<b>\$392,441</b>	<b>\$392,441</b>	<b>\$392,441</b>
<b>Additional Reserve Contribution</b>	<b>\$2,562</b>						
<b>TOTAL YEAR END FUND BALANCE</b>	<b>\$397,941</b>	<b>\$392,441</b>	<b>\$392,441</b>	<b>\$392,441</b>	<b>\$392,441</b>	<b>\$392,441</b>	<b>\$392,441</b>
Debt Service as a Percent of Water and Sewer Operating Budget	33.1%	32.5%	33.5%	34.0%	34.7%	34.7%	34.4%
Total End of Fiscal Year Operating Reserve	\$397,941	\$392,441	\$392,441	\$392,441	\$392,441	\$392,441	\$392,441
End of Fiscal Year Fund Balance as Percent of Operating Revenue	35.5%	33.3%	31.1%	29.0%	27.3%	25.9%	24.8%
Total Workyears (all funds)	2,040	2,040	2,040	2,040	2,040	2,040	2,040

**Assumptions:**

- The CE recommended operating budget is for FY27 only and incorporates the CE's revenue and expenditure assumptions for that budget.
- The FY28-32 projections reflect WSSC Water's multi-year forecast and assumptions. The projected expenditures, revenues, and fund balances for these years may be based on changes to rates, fees, usage, inflation, future labor agreements, and other factors not assumed in the CE's FY27 Recommended water and sewer operating budget for WSSC Water.
- The FY27 estimated spending affordability results are the values for the four spending affordability parameters implied by the FY27 budget approved by Montgomery and Prince George's Counties. While Montgomery approved a 6.0% average rate increase and Prince George's County approved a 5.0% increase, ultimately WSSC Water proposed a 5.0% increase, in the middle of Montgomery and Prince George's Counties. The FY26 proposed spending affordability results are the values of the spending affordability parameters associated with WSSC Water's proposed FY27 budget. The FY27 recommended spending affordability results are the spending affordability parameters associated with the County Executive's recommended WSSC Water budget for FY27. The FY28-32 spending affordability figures correspond to the values of the various spending affordability parameters based on the revenue and expenditure forecasts shown for the given year and are provided by WSSC Water.
- The total FY27 estimated workyears shown correspond to the actual workyears as of December 2025.
- Estimates of revenue in FY28-32 assume the rate increases projected by WSSC Water in the Average Water and Sewer Rate Increase line.
- Totals in this chart and WSSC Water's FY27 Proposed Long-Range Fiscal Plan for Water and Sewer Operating Funds may not match due to rounding.

Source: WSSC Water FY27 Proposed Budget Long-Range Financial Plan for Water and Sewer Operating Funds



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