


MEMORANDUM

January 17, 2023

TO: Evan Glass, President, Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Washington Suburban Sanitary Commission (WSSC)
FY24-29 Capital Improvements Program (CIP) and FY24 CIP Expenditures

I am pleased to transmit to you, in accordance with State law, my recommended FY24-29 CIP and FY24 CIP expenditures for the Washington Suburban Sanitary Commission (WSSC Water).

WSSC Water's Proposed FY24-29 CIP totals \$3.8 billion, of which \$2.2 billion is for Montgomery County and Bi-county projects. The latter is an increase of \$170 Million or 8.3 percent, above the FY23-28 Adopted six-year program of \$2.1 billion. The impact of significant cost increases observed in recent project bids, has been offset, in part, by implementation delays resulting from supply chain challenges.

Spending Control Limits

I concurred with the recommendation of the Montgomery County Council Transportation & Environment Committee, which the Council adopted, on FY24 Spending Control Limits that included a Maximum Average Rate Increase of 7.0 percent for the FY24 operating and capital budgets. This rate increase would represent a 5.6 percent increase in operating expenses from the FY23 approved budget.

Under the 7.0 percent rate increase allowed by the Council adopted Spending Control Limits, WSSC Water will have \$8.1 million less in revenue compared to the Base Case rate limit of 8.0 percent. According to WSSC Water staff, this adjustment is unlikely to impact capital spending.

New Projects

I support the two new Montgomery County Sewer projects entering the CIP program this year totaling \$8.4M. These projects are John's Hopkins Medical Research Park Sewer Main (\$6.5M) and Rose Village Sewer Main (\$1.9M). These projects will be funded by developer contributions and provide improved sewer access to serve these communities.

I understand WSSC Water may continue to examine adjustments to the CIP program. I encourage the Commission to continue to prioritize critical infrastructure projects and to strike a balance between making the 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.

January 17, 2023

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Evan Glass, President

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Enclosures: Agency Request Compared to Executive Recommended

cc: Richard Madaleno, Chief Administrative Officer
Kishia L. Powell, General Manager/CEO, Washington Suburban Sanitary Commission
Letitia Carolina-Powell, Chief Financial Officer, Washington Suburban Sanitary Commission
Marlene Michaelson, Executive Director, Montgomery County Council
County Council Members
Adriana Hochberg, Department of Environmental Protection
Jennifer Bryant, Director, Office of Management and Budget
Mary Cichello Beck, Capital Budget Manager, Office of Management and Budget
Stan Edwards, Department of Environmental Protection

**FY 24-29 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)	24,555	24,555
Blue Plains WWTP: Biosolids Mgmt PT2 (P954812)	15,521	15,521
Blue Plains WWTP: Liquid Train PT 2 (P954811)	23,800	23,800
Blue Plains WWTP: Plant Wide Projects (P023805)	15,214	15,214
Blue Plains: Pipelines and Appurtenances (P113804)	16,452	16,452
Land & Rights-of-Way Acquisition - Bi-County (S) (P163800)	195	195
Piscataway WRRF Bio-Energy Project (P063808)	29,253	29,253
Trunk Sewer Reconstruction Program (P113805)	55,176	55,176
Sewerage Montgomery County		
Arcola WWPS & FM (P382301)	806	806
Ashford Woods WWPS & FM (P382304)	1,287	1,287
Damascus Town Center WWPS Replacement (P382002)	3,002	3,002
Erickson Bethesda Sewer Main (P382305)	945	945
Johns Hopkins Medical Research Park Sewer Main (P382401)	828	828
Reddy Branch WWPS & FM (P382302)	292	292
Rose Village Sewer Main (P382402)	897	897
Sam Rice Manor WWPS & FM (P382303)	305	305
Shady Grove Neighborhood Center (P382102)	698	698
Spring Gardens WWPS Replacement (P382003)	385	385
Viva White Oak Sewer Main (P382203)	661	661
Water Bi-County		
I-495/I-270 Traffic Relief Plan Pipeline Relocations (P382306)	-	-
Land & Rights-of-Way Acquisition - Bi-County (P983857)	1,095	1,095
Large Diameter Water Pipe Rehabilitation Program (P113803)	79,326	79,326
Patuxent Raw Water Pipeline (P063804)	561	561
Potomac WFP Consent Decree Program (P173801)	32,550	32,550
Potomac WFP Main Zone Pipeline (P133800)	4,725	4,725
Potomac WFP Submerged Channel Intake (P033812)	-	-
Regional Water Supply Resiliency (P382101)	4,542	4,542
Water Montgomery County		
Pleasant's Property Water Main Extension (P382201)	1,949	1,949
Viva White Oak Water Main (P382202)	784	784
White Oak Water Mains Augmentation (P382001)	400	400

Recommended Closeout Projects WSSC

Project Number	Project Name
P083800	Blue Plains WWTP: Enhanced Nutrient Removal
P103802	Septage Discharge Facility Planning & Implement.
P173804	Milestone Center Sewer Main
P143803	Potomac WFP Pre-Filter Chlorination & Air Scour Improvements

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