



## **FY 2023 CIP Commissioners' Worksession**

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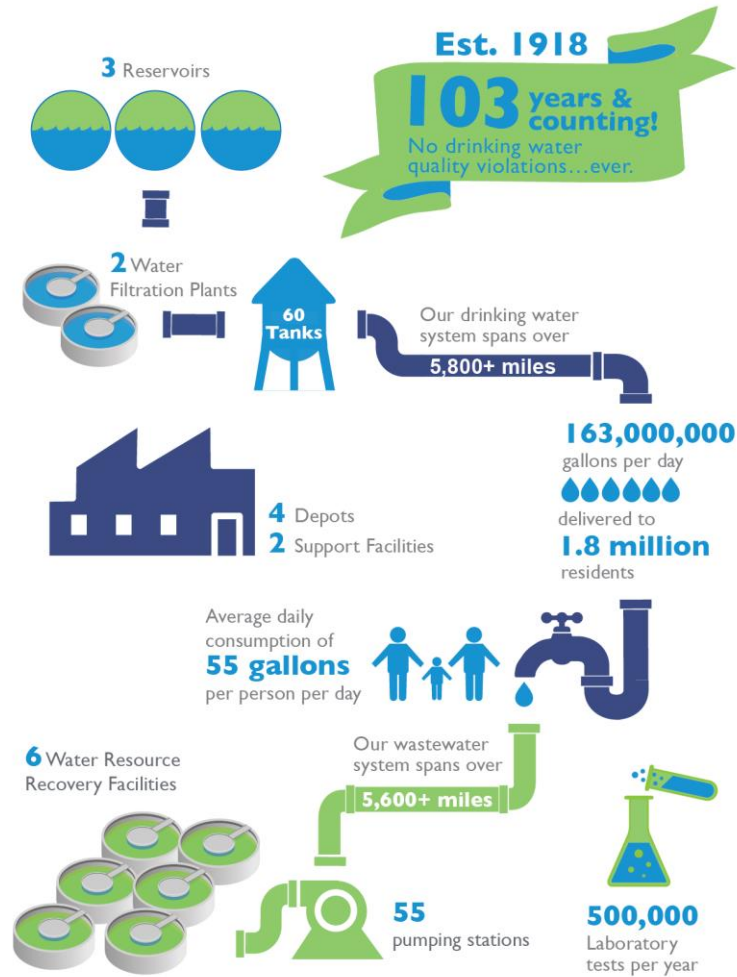
July 21, 2021

# Agenda

- WSSC Water system overview
- Capital Improvements Program (CIP) review process
- CIP benefits
- Capital budget policy guidelines
- Capital budget affordability
- FY 2023 CIP overview and highlights
- Impacts of CIP reductions

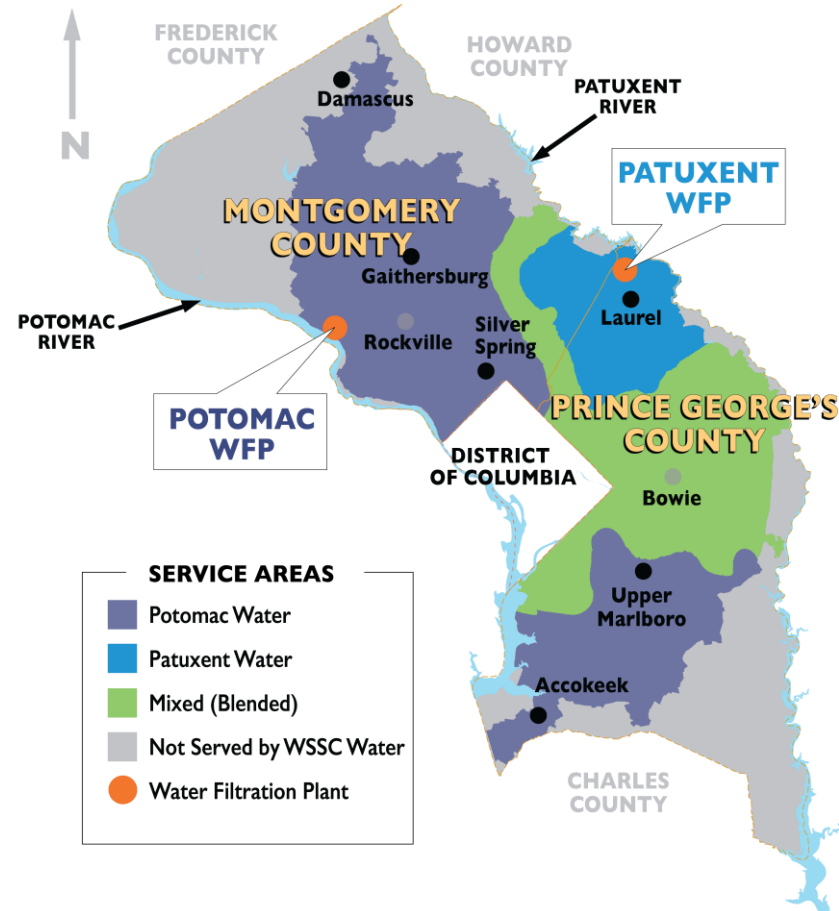


# WSSC Water System Overview

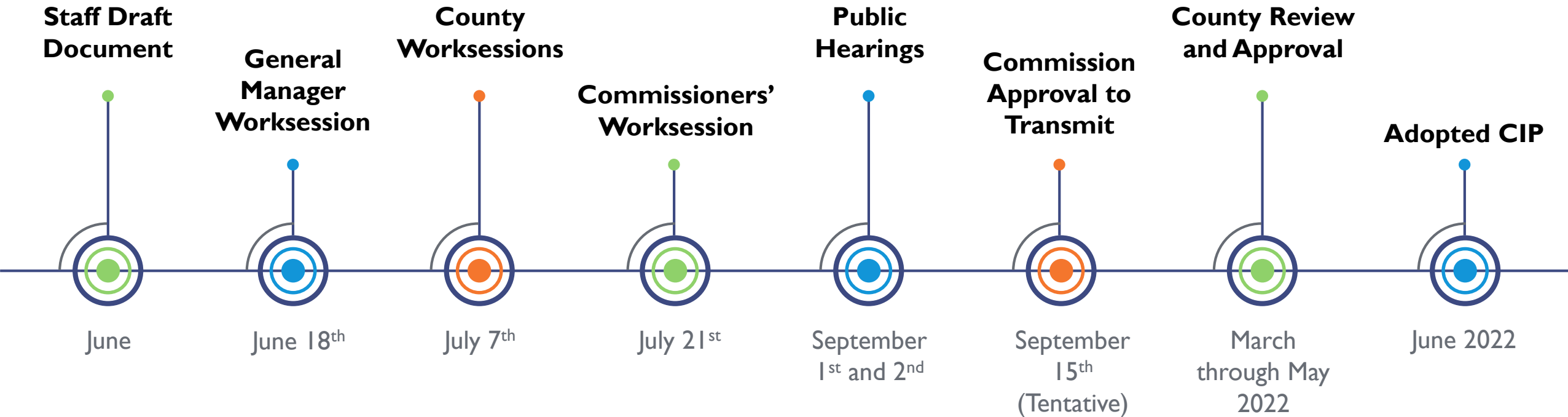


System	Total 6-Year Program Cost	Share
Reservoirs/Source Water Protection	17,784	0.4%
Water Filtration Plants	292,697	6.9%
Water Tanks	36,000	0.8%
Water Pipes	1,969,559	46.4%
Sewer Pipes	933,385	22.0%
Wastewater Pumping Stations/Force Mains	173,256	4.1%
Water Resource Recovery Facilities	672,541	15.8%
Support Facilities	133,480	3.1%
Lab	19,630	0.5%
<b>Total</b>	<b>4,248,332</b>	<b>100.0%</b>

# WSSC Water System Overview



# CIP Review Process



# CIP Benefits

The CIP supports the following WSSC Water strategic priorities:



## **Optimize Infrastructure**

- Achieve industry-leading reliability and asset integrity
- Expand resilience and balance risk



## **Spend Customer Dollars Wisely**

- Improve operational efficiency
- Improve fixed asset utilization
- Improve financial process efficiency and fiscal sustainability



## **Enhance Customer Experience**

- Deliver safe, reliable and consistent service
- Provide timely response to customer queries
- Be a good citizen within our communities



## **Protect Our Resources**

- Resolve and learn from past incidents
- Maintain best-in-class operating environment safety for employees
- Plan proactively with community stakeholders
- Secure the Commission's critical infrastructure

# CIP Benefits



## Optimize Infrastructure

- Reduces risk at the Potomac WFP through redundancy upgrades
- Increases system resiliency by rehabilitating water tanks
- Improves reliability by correcting water deficiencies in the Clinton Zone
- Reduces risk and improves resiliency by ensuring that the Systems Control Center and Data Center have adequate back-up power



## Spend Customer Dollars Wisely

- Avoids fines by meeting Consent Decree deadlines
- Saves time and money by improving the efficiency of operations at the Anacostia Depot
- Makes energy efficiency improvements that lower costs and reduce greenhouse gas emissions



## Enhance Customer Experience

- Reduces the frequency of breaks and leaks
- Improves response times to breaks and leaks
- Reduces service interruptions to residents and businesses
- Invests in the Consolidated Laboratory to meet growing water quality testing demands
- Reduces SSOs that impact access to recreation areas



## Protect Our Resources

- Reduces the frequency of SSOs
- Invests in security and safety improvements at various WSSC Water facilities



# Capital Budget Policy Guidelines

Attain goal of a sustainable and affordable CIP through:

- Key financial metrics to assess debt service levels while balancing rate and operating growth
  - New debt issuance and related debt service expense must stay within the following Chief Financial Officer (CFO) guidelines:
    - Debt service coverage: 1.10 – 1.25
    - Debt service as a percentage of total expenditures: < 40%
- Leveraging multi-year financial planning to establish capital planning expectations for resource capacity and affordability
  - Set bond issuance limits over the capital planning period to smooth out demands
    - Eliminate front loading of projects in CIP years
    - Greater attention on project prioritization
    - Scale down project bond funding to align with affordability



# Capital Budget Policy Guidelines

- Maintain adequate liquidity and fund balance reserves
  - Total operating expenditure growth cannot outpace total revenue growth
  - This includes the impact of debt service expenses and Pay-As-You-GO (PAYGO) financing
    - Days operating reserves-on-hand: 75 – 105 days
    - Ending fund balance as a percentage of operating revenue: 15.0% minimum

Metric	CFO Guideline
<b>Debt Service Coverage:</b>	
Debt Service Coverage	1.10 - 1.25
Debt Service as a Percentage of Total Expenditures	< 40.0%
<b>Liquidity and Reserves:</b>	
Days Operating Reserves-on-Hand	75 - 105
Ending Fund Balance as a Percentage of Operating Revenue	15.0%

# Capital Budget Affordability

- Momentum of capital budget
  - FY 10 capital budget of \$371.1 million has grown to \$703.7 million in FY 22
  - FY 23 CIP of \$736.0 million; Estimated FY 23 capital budget of \$716.4 million after adjustment for developer contributions
- Outstanding debt growth of +151%, from \$1.36 billion in FY 10 to \$3.42 billion in FY 20
  - Higher borrowing costs due to growth in capital budget and interest rates
- Without constraints, debt service as a percentage of total expenditures could exceed 40% threshold
  - Restricts operating budget flexibility and program enhancements
  - Monitor opportunities for refunding outstanding debt

# Capital Budget Affordability

- Customer affordability pressure with a preliminary anticipated rate increase of 8.0% in FY 23 and increases between 6.0% and 8.0% for FY 24 – FY 28
  - Analyze the impact of increases to the ready-to-serve charges (fixed fees) on the long-term financial plan
    - Increase the ready-to-serve charges at the same rate as the volumetric charges
    - Customers enrolled in the Customer Assistance Program (CAP) would not be impacted by the increase since they receive a bill credit to cover the ready-to-serve charges
    - Ready-to-serve charges should be revised in the future based on a Cost of Service Study
  - Use of fund balance has been phased-out and Reconstruction Debt Service Offset (REDO) continues to be phased-down
  - Increased use of PAYGO and reduction to operating expenses

# Capital Budget Affordability

## A fiscally responsible CIP results in:

- Maintaining our AAA credit rating
  - Adhering to financial metrics and guidelines
- An affordable CIP
  - Fits within rate increases as proposed
  - Aligns anticipated bond issuance limits over the six-year program
  - Keeps project funding in line with what is affordable
- Increased importance on prioritization of projects for inclusion, elimination, scale-down, or deferral
- Increased use of PAYGO to lower debt service expense and improve metric results - especially with rate risk

# Capital Budget Affordability

- Historically, actual capital expenditures are lower than the budgeted amount
- Therefore, completion factors are used in the long-term financial model to right-size bond issuance and debt service assumptions, which keeps rate increases to more affordable levels
- The 5-year weighted average (FY 2016 – FY 2020) completion factor is 67.5%
- Based on historical completion factors, with adjustments for key projects such as the Piscataway Bioenergy and Potomac Consent Decree projects, the long-term financial model utilizes an overall completion factor of 72.8% in FY 23

# Capital Budget Affordability

A Financial Plan			FY 2022 Estimate	FY 2023 Preliminary	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
I Affordability:									
Rate Increase			5.9%	8.0%	8.0%	7.0%	6.5%	6.0%	6.0%
II Capital Demands:									
New Debt Issues			\$ 350,000	\$ 430,093	\$ 397,210	\$ 374,496	\$ 371,511	\$ 358,063	\$ 330,000
PAYGO			27,585	31,016	44,000	65,000	80,000	80,000	100,000
Total Funding for Bonded Projects			377,585	461,110	441,210	439,496	451,511	438,063	430,000
III Debt Service Coverage:									
Net Operating Revenue			\$ 316,858	\$ 351,216	\$ 406,590	\$ 459,616	\$ 511,962	\$ 546,335	\$ 598,873
Debt Service			307,493	324,693	348,176	375,922	398,703	419,705	439,474
Net Revenue Strength			9,365	26,524	58,414	83,693	113,258	126,630	159,399
IV Liquidity and Reserves:									
Ending Fund Balance			\$ 157,844	\$ 165,124	\$ 189,309	\$ 215,775	\$ 256,805	\$ 311,183	\$ 378,330
Net Increase/(Shortfall)			(4,448)	7,279	24,186	26,465	41,030	54,378	67,147
V Unspecified:									
Tentative (Savings Plan)/A&R			\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000	\$ 20,000
B Metrics		CFO Guideline	FY 2022 Estimate	FY 2023 Preliminary	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
I Debt Service Coverage:									
a	Debt Service Coverage	1.10 - 1.25	1.03	1.08	1.17	1.22	1.28	1.30	1.36
b	Debt Service (P+I) as a Percentage Total Expenditures	< 40.0%	36.6%	36.9%	37.4%	37.9%	38.2%	38.3%	38.2%
II Liquidity and Reserves:									
a	Days Operating Reserves-on-Hand	75 - 105	68.5	68.5	74.2	79.3	89.8	103.7	119.9
b	Ending Fund Balance as a Percentage of Operating Revenue	15.0%	19.2%	18.9%	20.0%	21.3%	23.8%	27.2%	31.2%
III Workforce									
Workyears		N/A	1,786	1,786	1,786	1,789	1,789	1,789	1,789

# FY 2023 CIP Overview and Highlights

- There are 13 new projects in the FY 23 CIP with a total cost of \$310.0 million

## Bi-County

### Prince George's County

- S - 68.02 Carsondale WWPS & FM
- S - 75.23 Brandywine Woods WWPS & FM\*
- S - 87.20 Freeway Airport WWPS & FM\*
- S - 89.26 Colmar Manor WWPS & FM
- S - 113.13 Forest Heights WWPS & FM

- W - 161.02 I-495/I-270 Traffic Relief Plan Pipeline Relocations\*

## Information Only

- A - 100.01 Anacostia Depot Reconfiguration
- A - 101.06 RGH Building Upgrades

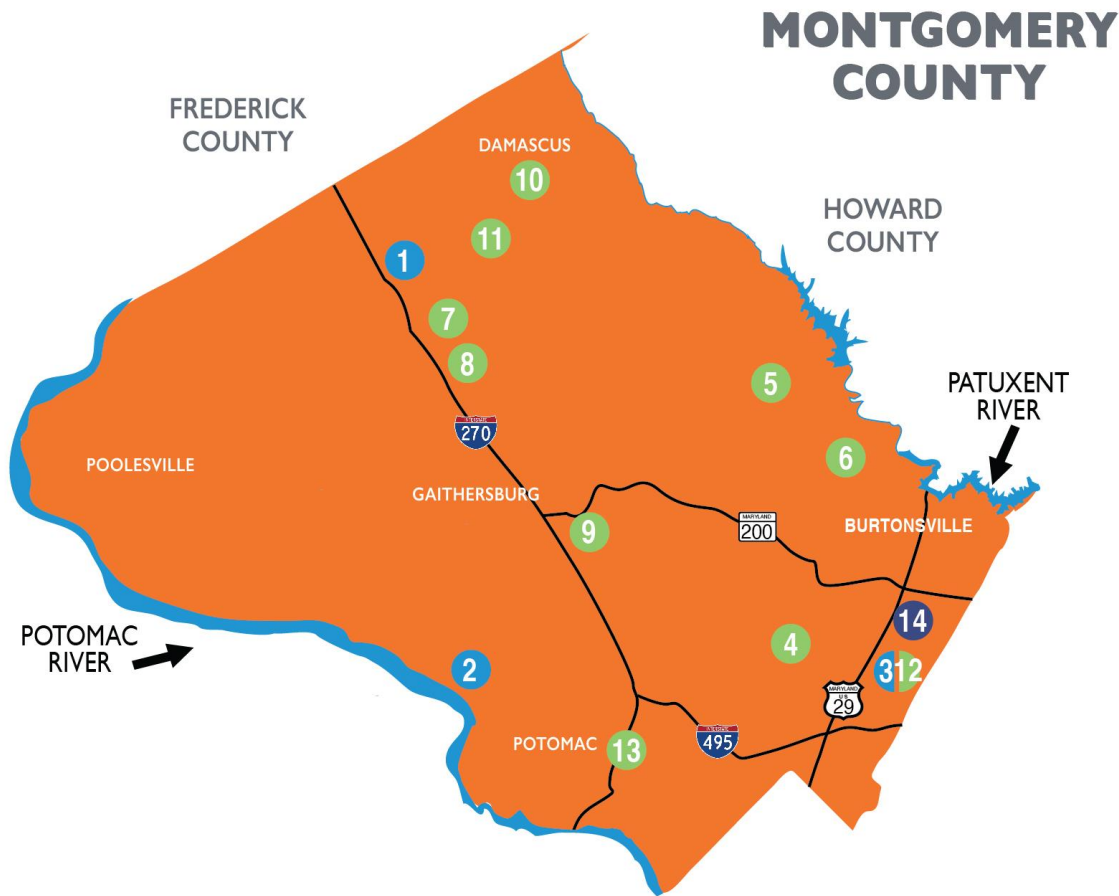
### Montgomery County

- S - 36.01 Arcola WWPS & FM
- S - 61.02 Reddy Branch WWPS & FM
- S - 63.08 Sam Rice Manor WWPS & FM
- S - 83.07 Ashford Woods WWPS & FM\*
- S - 151.02 Erickson Bethesda Sewer Main\*

\*Developer-built



# FY 2023 CIP Overview and Highlights



## WATER

- 1 Pleasant's Property Water Main Extension (W-46.26)
- 2 Potomac WFP Submerged Channel Intake (W-73.30)  
Potomac WFP Main Zone Pipeline (W-73.32)  
Potomac WFP Consent Decree Program (W-73.33)  
Regional Water Supply Resiliency (W-175.05)
- 3 White Oak Water Mains Augmentation (W-113.20)  
Viva White Oak Water Main (W-113.21)

## SEWER

- 4 Arcola WWPS & FM (S-36.01)
- 5 Reddy Branch WWPS & FM (S-61.02)
- 6 Sam Rice Manor WWPS & FM (S-63.08)
- 7 Ashford Woods WWPS & FM (S-83.07)
- 8 Milestone Center Sewer Main (S-84.67)
- 9 Shady Grove Station Sewer Augmentation (S-85.21)  
Shady Grove Neighborhood Center (S-85.22)
- 10 Damascus Town Center WWPS Replacement (S-94.13)
- 11 Spring Gardens WWPS Replacement (S-94.14)
- 12 Viva White Oak Sewer Main (S-118.09)
- 13 Erickson Bethesda Sewer Main (S-151.02)

## OTHER

Shown on Map

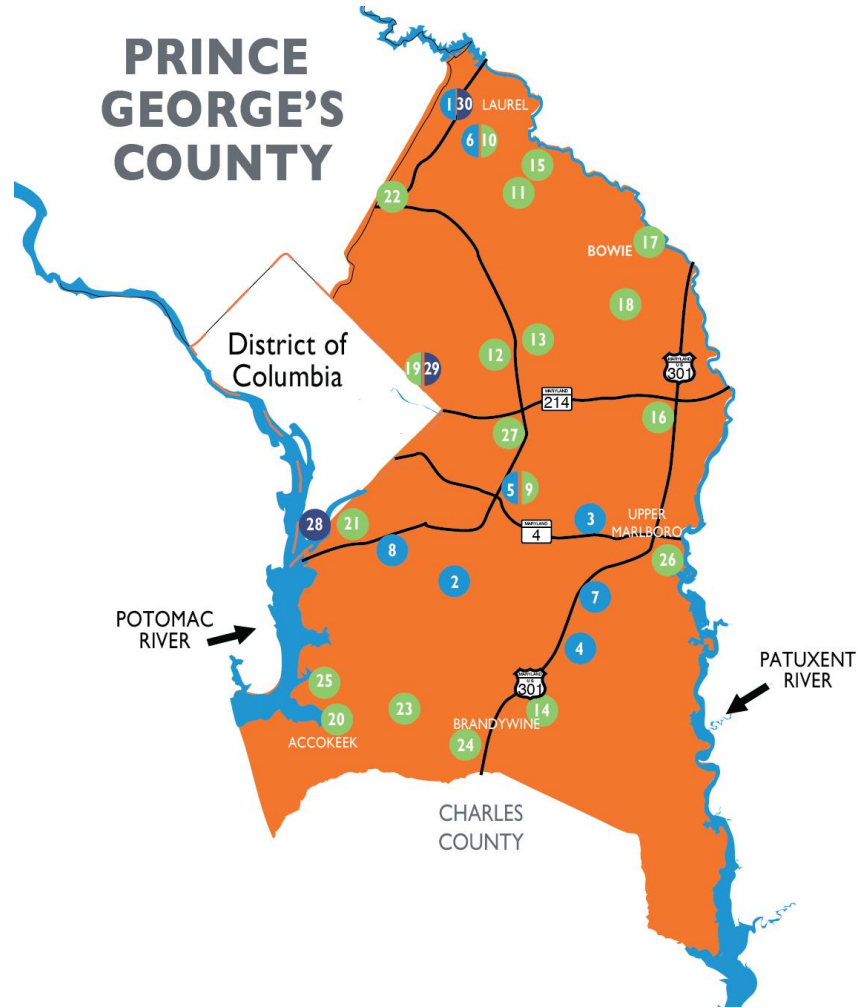
- 14 Laboratory Division Building Expansion (A-101.04)

## OTHER

Not Shown on Map

- 15 Water Reconstruction Program (W-1.00)
- 16 Water Storage Facility Rehabilitation Program (W-105.00)
- 17 Specialty Valve Vault Rehabilitation Program (W-107.00)
- 18 Large Diameter Water Pipe & Large Valve Rehabilitation Program (W-161.01)
- 19 I-495/I-270 Traffic Relief Plan Pipeline Relocations (W-161.02)
- 20 Land & Rights-of-Way Acquisition – Bi-County Water (W-202.00)
- 21 Sewer Reconstruction Program (S-1.01)
- 22 Septage Discharge Facility Planning & Implementation (S-170.08)
- 23 Trunk Sewer Reconstruction Program (S-170.09)
- 24 Land & Rights-of-Way Acquisition – Bi-County Sewer (S-203.00)
- 25 Engineering Support Program (A-102.00)
- 26 Energy Performance Program (A-103.00)
- 27 Other Capital Programs (A-110.00)

# FY 2023 CIP Overview and Highlights



## WATER

- 1 Prince George's County HG415 Zone Water Main (W-12.02)  
Patuxent Raw Water Pipeline (W-172.07)
- 2 Old Branch Avenue Water Main (W-34.02)  
Branch Avenue Water Transmission Improvements (W- 34.04)
- 3 Marlboro Zone Reinforcement Main (W-34.05)
- 4 Rosaryville Water Storage Facility (W-62.06)
- 5 Smith Home Farms Water Main (W-84.03)  
Westphalia Town Center Water Main (W-84.04)  
Prince George's County 450A Zone Water Main (W-84.05)
- 6 Konterra Town Center East Water Main (W-93.01)
- 7 Marlton Section 18 Water Main, Lake Marlton Avenue (W-105.01)
- 8 South Potomac Supply Improvement, Phase 2 (W-137.03)

## SEWER

- 9 Westphalia Town Center Sewer Main (S-27.08)
- 10 Konterra Town Center East Sewer (S-28.18)
- 11 Pumpkin Hill WWPS & FM (S-28.20)
- 12 Landover Mall Redevelopment (S-68.01)
- 13 Carsonsdales WWPS & FM (S-68.02)
- 14 Brandywine Woods WWPS & FM (S-75.23)
- 15 Parkway WRRF Facility & Electrical Upgrades (S-77.21)
- 16 Southlake Subdivision Sewer (S-86.19)
- 17 Horsepen WWPS & FM (S-87.19)
- 18 Freeway Airport WWPS & FM (S-87.20)
- 19 Anacostia #2 WWPS Upgrades (S-89.24)  
Colmar Manor WWPS & FM (S-89.26)
- 20 Piscataway WRRF Facility Upgrades (S-96.14)  
Piscataway Bioenergy (S-103.02)
- 21 Forest Heights WWPS & FM (S-113.13)
- 22 Viva White Oak Sewer Augmentation (S-118.10)
- 23 Pleasant Valley Sewer Main, Part 2 (S-131.05)  
Pleasant Valley Sewer Main, Part 1 (S-131.07)
- 24 Calm Retreat Sewer Main (S-131.11)

## SEWER

- 25 Swan Creek WWPS & FM (S-131.12)
- 26 Western Branch WRRF Process Train Improvements (S-157.02)
- 27 D'Arcy Park North Relief Sewer (S-300.01)

## OTHER

### Shown on Map

- 28 Blue Plains WWTP: Liquid Train Projects, Part 2 (S-22.06)  
Blue Plains WWTP: Biosolids Management, Part 2 (S-22.07)  
Blue Plains WWTP: Plant-Wide Projects (S-22.09)  
Blue Plains: Pipelines & Appurtenances (S-22.11)
- 29 Anacostia Depot Reconfiguration (A-100.01)
- 30 RGH Building Upgrades (A-101.06)

## OTHER

### Not Shown on Map

- 31 Water Reconstruction Program (W-1.00)
- 32 Water Storage Facility Rehabilitation Program (W-105.00)
- 33 Specialty Valve Vault Rehabilitation Program (W-107.00)
- 34 Large Diameter Water Pipe & Large Valve Rehabilitation Program (W-161.01)
- 35 I-495/I-270 Traffic Relief Plan Pipeline Relocations (W-161.02)
- 36 Land & Rights-of-Way Acquisition – Bi-County Water (W-202.00)
- 37 Sewer Reconstruction Program (S-1.01)
- 38 Mattawoman WWTP Upgrades (S-75.21)
- 39 Septage Discharge Facility Planning & Implementation (S-170.08)
- 40 Trunk Sewer Reconstruction Program (S-170.09)
- 41 Land & Rights-of-Way Acquisition – Bi-County Sewer (S-203.00)
- 42 Engineering Support Program (A-102.00)
- 43 Energy Performance Program (A-103.00)
- 44 Other Capital Programs (A-110.00)

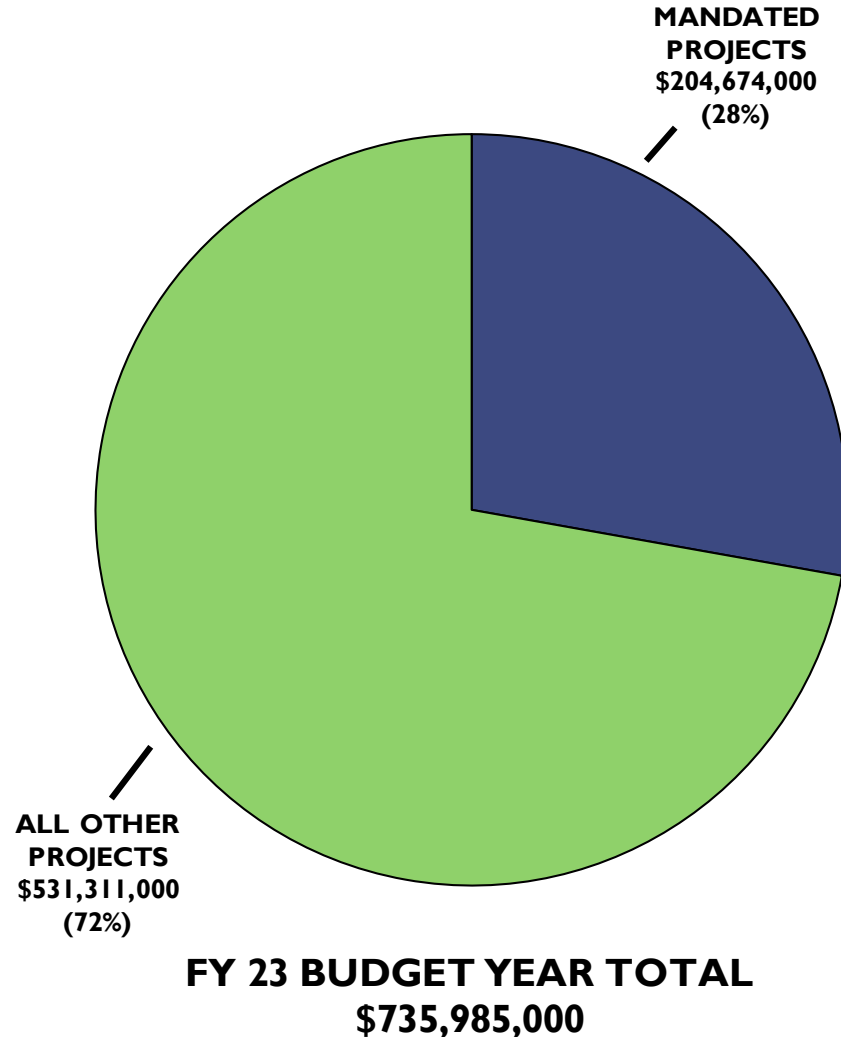
# FY 2023 CIP Overview and Highlights

## FY 2023 – FY 2028 CIP

- Six-year program cost of \$4.25 billion
  - Increase of \$442.3 million from FY 22 CIP six-year program cost
  - Bond funded \$3.28 billion (plus PAYGO of \$400.0 million)
  - Mandated projects \$1.29 billion (30.4%)
    - Blue Plains \$542.6 million
    - Consent Decree \$736.0 million
    - Other Regulatory & Agreement \$14.9 million
- FY 23 budget year cost of \$736.0 million
  - Increase of \$24.1 million from FY 22 budget year
  - Bond funded \$603.3 million (plus PAYGO of \$31.0 million)
  - Mandated projects \$204.7 million (27.8%)



# FY 2023 CIP Overview and Highlights

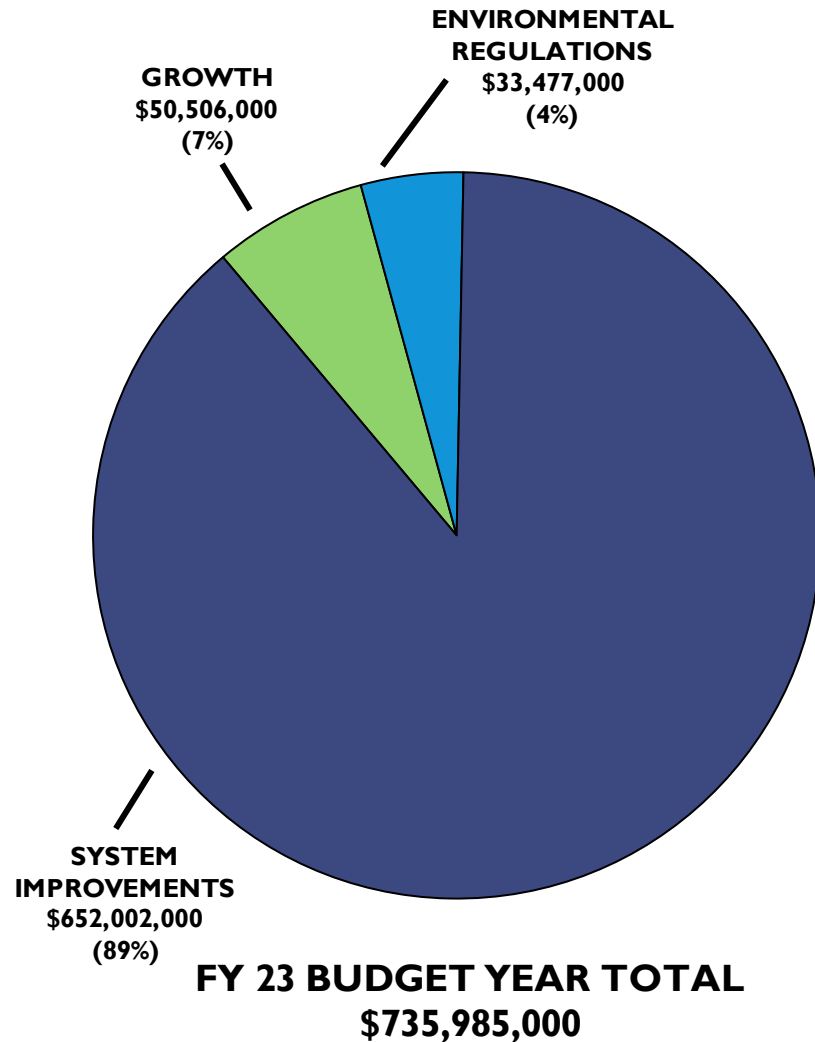


**28%**

of the planned spending in the FY 23 combined program is mandated by existing multi-jurisdictional agreements or by consent decrees

Mandated Projects	FY 23 Amount
Consent Decrees	132,631,000
Blue Plains	68,490,000
Other Agreements	3,553,000
Total	204,674,000

# FY 2023 CIP Overview and Highlights

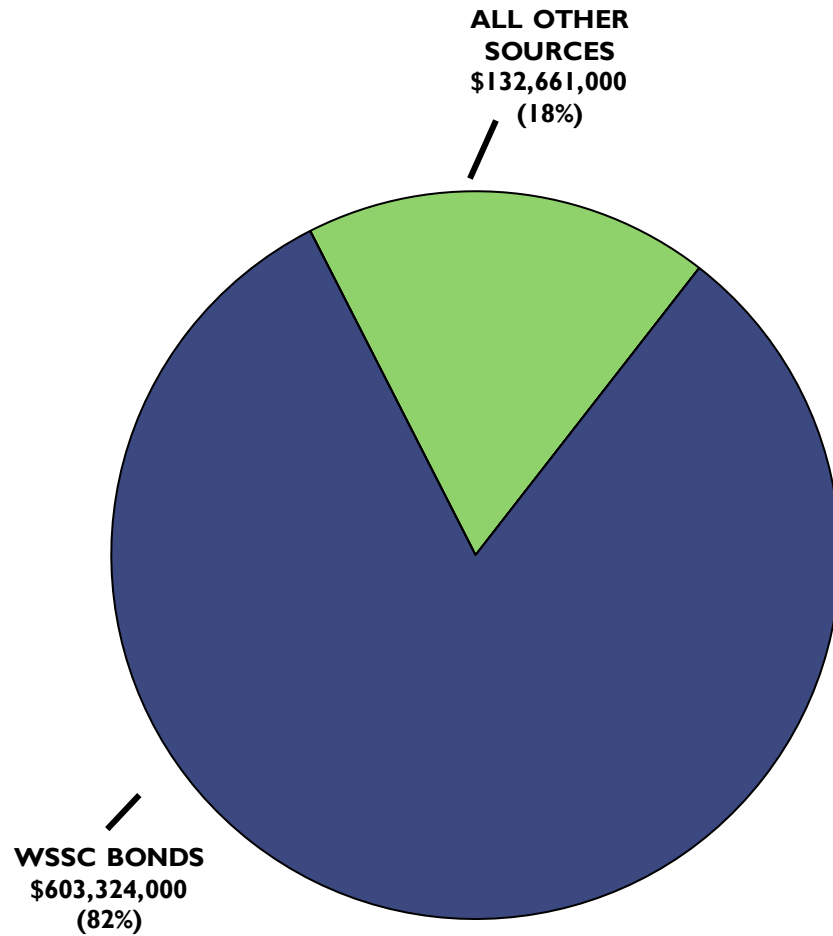


**89%**

of the FY 23 combined program is for reinvestment in our system infrastructure

Major Category	FY 23 Amount
Growth	50,506,000
System Improvements	652,002,000
Environmental Regulations	33,477,000
Total	735,985,000

# FY 2023 CIP Overview and Highlights



**FY 23 BUDGET YEAR TOTAL**  
**\$735,985,000**

**82%**

of the FY 23 combined program is funded through long-term debt

Funding Source	FY 23 Amount
WSSC Bonds	603,324,000
PAYGO	31,016,000
SDC & Others	52,360,000
Federal & State	43,799,000
Local Government Contributions	5,486,000
Total	735,985,000



# FY 2023 CIP Overview and Highlights

## Water Reconstruction Program

(WV-1.00; p. 7-3)

- Program scope: over 4,500 miles of water mains and associated water house connections
- Rehabilitated on average more than 50 miles per year over the past 10 years
- Continuing investments in new technologies and tools to develop a more efficient and effective program
- FY 23 program: 37 miles
- FY 23 budget: \$99.3 million





# FY 2023 CIP Overview and Highlights

## Large Diameter Water Pipe & Large Valve Rehabilitation Program

(W-161.01; p. 3-8)

- Program scope: over 1,000 miles of water pipe and nearly 1,500 large water valves
- Over 100 miles of Pre-stressed Concrete Cylinder Pipe (PCCP) inspected and monitored 24/7; avoided 44 imminent pipe failures
- Over 8,100 pipe joints repaired
- Over 600 pipe segments repaired/replaced
- Over 1,300 valves inspected and repaired
- FY 23 budget: \$64.3 million

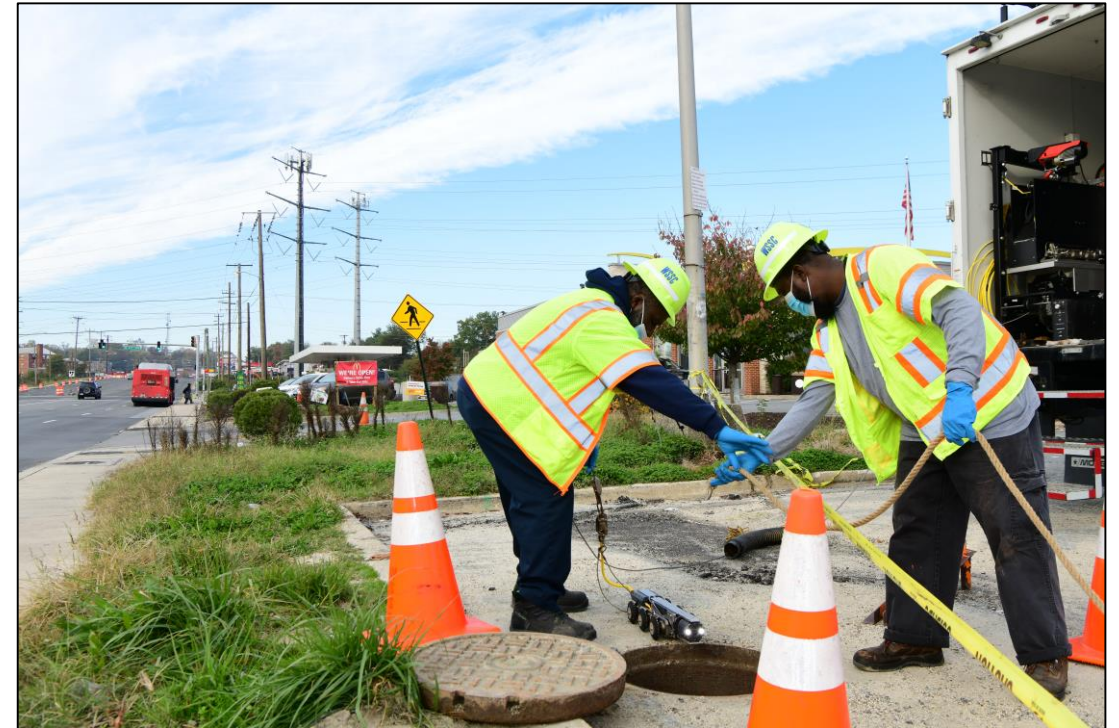


# FY 2023 CIP Overview and Highlights

## Sewer Reconstruction Program

(S-1.01; p. 7-5)

- Program scope: nearly 5,000 miles of sewer main and associated sewer house connections
- Rehabilitate 20 miles per year
- Consent Decree: all 131.4 miles awarded for construction; 131.3 miles completed as of October 2020
- Funding via Maryland Department of the Environment (MDE) low-interest loans and Bay grants
- FY 23 program: 20 miles sewer mains; 6 miles lateral lines and house connections
- FY 23 budget: \$50.5 million





# FY 2023 CIP Overview and Highlights

## Trunk Sewer Reconstruction Program

(S-170.09; p. 4-11)

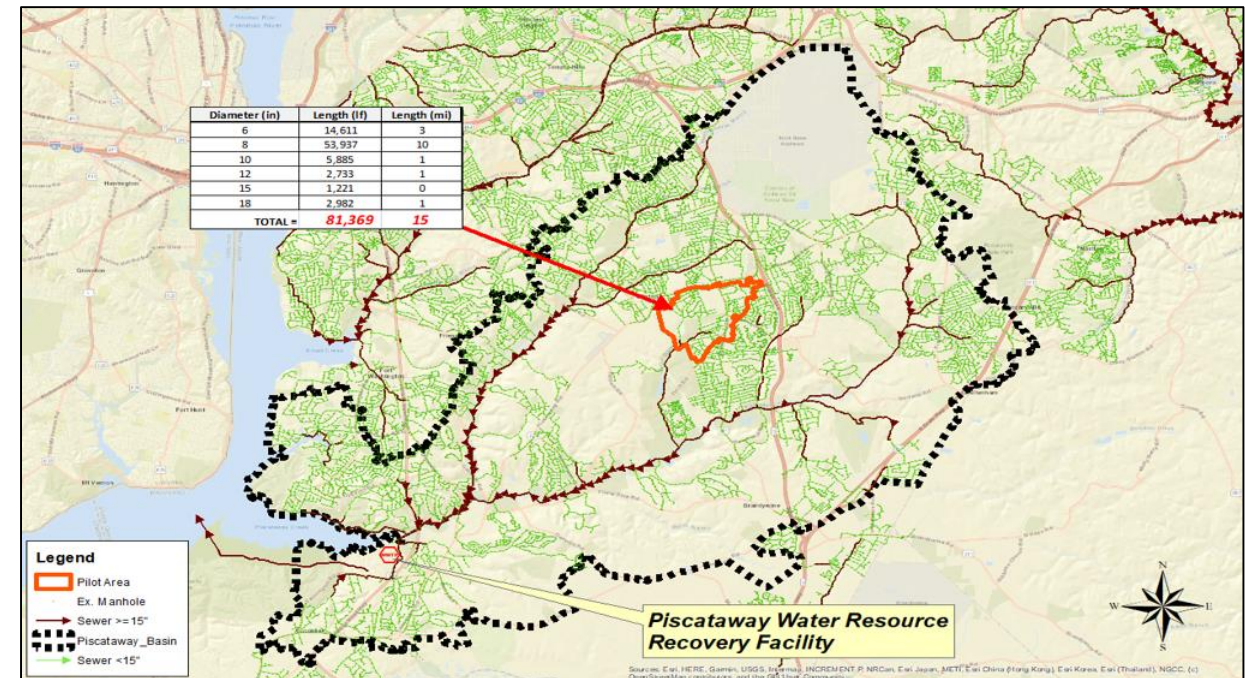
- Inspection and evaluation of all 24 sewer basins complete (over 1,300 miles inspected)
- Comprehensive rehabilitation of sewer pipes in Environmentally Sensitive Areas (ESAs) currently underway to reduce infiltration and inflow
- Replacement of pipe, relining of pipe, pipeline protection, and rehabilitation of manholes and force mains
- Consent Decree: 158.4 of 158.5 miles awarded for construction; 131.2 miles completed as of October 2020
- Sanitary Sewer Overflow (SSO) Consent Decree deadline extended to 2022
- FY 23 budget: \$56.9 million



# FY 2023 CIP Overview and Highlights

## Piscataway Rehabilitation Program

- Rehabilitation work for the Piscataway Basin is included in the Sewer and Trunk Sewer reconstruction programs
- The work includes capital activities (pipe replacement and pipe lining) and operating activities (pipe grouting and manhole repairs)
- FY 23 budget:
  - \$28.9 million in capital
  - \$6.2 million in operating
- Six-year budget estimate:
  - \$57.8 million in capital
  - \$9.3 million in operating





# FY 2023 CIP Overview and Highlights

## Potomac WFP

- The Potomac WFP produced an average of 102.7 million gallons of water per day (MGD) in FY 21

## Potomac WFP Consent Decree Program

(W-73.33, p. 3-7)

- The design based on the Long-term Upgrade Plan approved by MDE is complete
- Total cost estimate: \$182.3 million
- FY 23 budget: \$25.2 million

## Potomac WFP Main Zone Pipeline

(W-73.32, p. 3-5)

- Work includes a new 84" discharge main, High Zone Pump Station upgrades, and replacement of the existing 78" and 48" PCCP discharge mains
- Total cost estimate: \$111.2 million
- FY 23 budget: \$1.2 million



# FY 2023 CIP Overview and Highlights

## Patuxent WFP

- The Patuxent WFP produced an average of 60.1 MGD in FY 21

## Patuxent Raw Water Pipeline

(W-172.07, p. 3-11)

- New raw water pipeline to plant to increase capacity up to 110 MGD
- Project is in construction
- FY 23 budget: \$8.1 million



# FY 2023 CIP Overview and Highlights

## Blue Plains Wastewater Treatment Plant (WWTP)

(S-22.series, p. 4-3 to 4-6)

- The Blue Plains WWTP is owned and operated by DC Water
- WSSC Water's share of the capital costs of the plant is approximately 46%
- Blue Plains treats approximately 63% of WSSC Water's wastewater
- The largest projects include the long-term control plan tunnels
- At \$542.6 million, Blue Plains projects represent 22% of the six-year CIP program
- The FY 23 budget, at \$68.5 million, represents 14% of the CIP budget year





# FY 2023 CIP Overview and Highlights

## Piscataway Bioenergy

(S-103.02; p. 4-8)

- Innovative project that will transform sewage into renewable energy
- Recover 2-3 megawatts of renewable energy
- Treat biosolids from 5 Water Resource Recovery Facilities (WRRFs)
- Reduce greenhouse gas emissions
- Protect the Chesapeake Bay
- Projected economic benefit of \$3.7 million per year
- Phase 1 completed in December 2020
- Phase 2 started in June 2020
- FY 23 budget is \$74.7 million



# FY 2023 CIP Overview and Highlights

## Wastewater Pumping Station and Force Main Projects

- There are 16 projects in the FY 23 CIP for WWPS and/or FMs
  - 3 developer-built projects for new WWPS & FMs
    - All 3 projects are new in the FY 23 CIP
    - 1 in Montgomery County; 2 in Prince George's County
  - 13 WSSC Water-built projects to upgrade/replace existing WWPS and/or FMs
    - 6 new projects in the FY 23 CIP (3 in each County)
  - 1 WWPS & FM project on close-out list for FY 23
- Total estimated cost is \$196.5 million
  - \$119.9 million in bond funding (61%)
  - \$63.1 million in SDC funding (32%)
  - \$13.6 million from developers/DC Water (7%)
- FY 23 estimated cost of \$32.5 million



# FY 2023 CIP Overview and Highlights

- There are 5 projects pending close-out in the FY 23 CIP with a total cost of \$468.8 million

## Prince George's County

- S - 77.20 Parkway North Substation Replacement
- S - 89.25 Little Anacostia WWPS & FM
- W - 120.14 Timothy Branch Water Main

## Bi-County

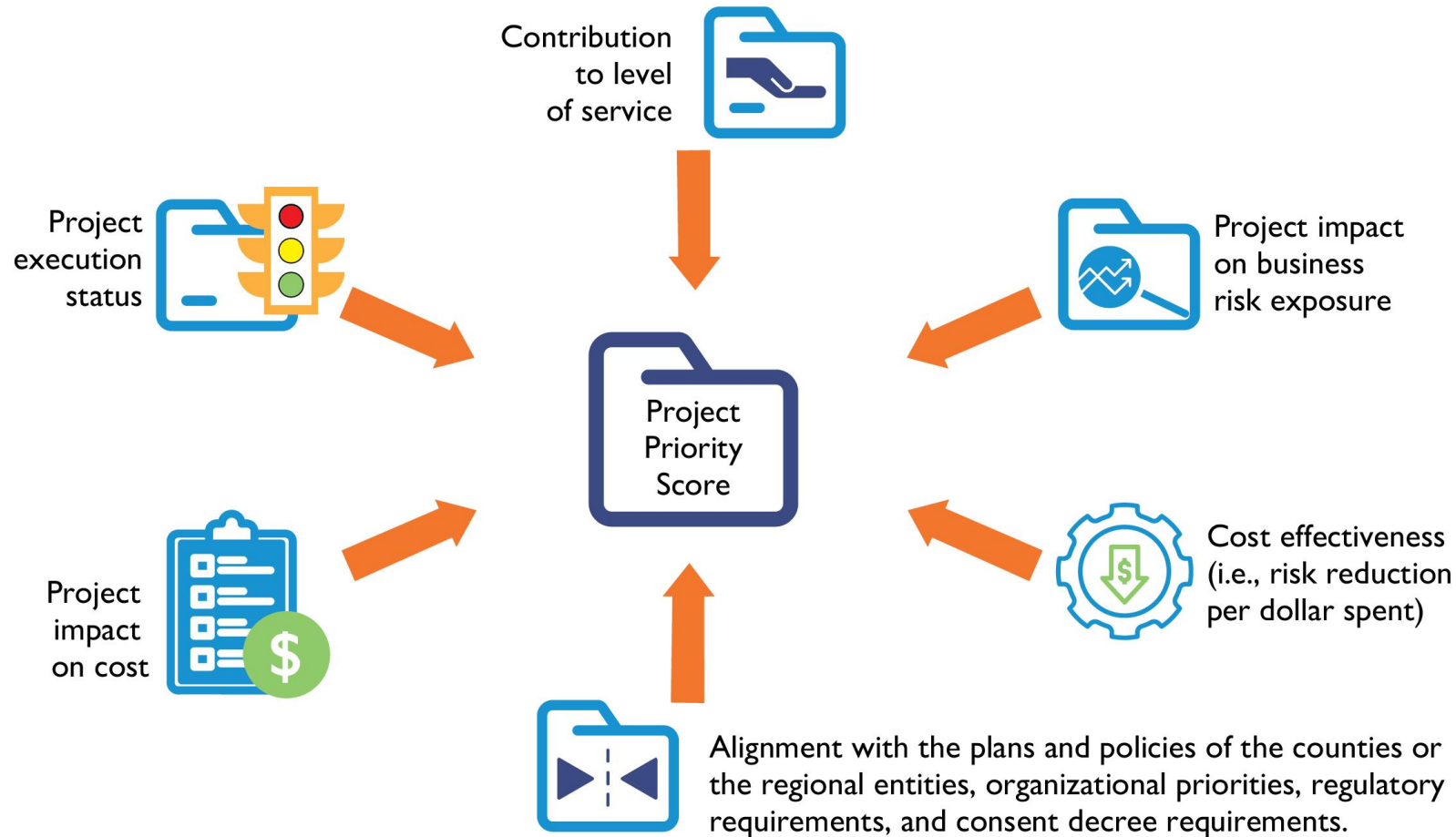
- S - 22.10 Blue Plains WWTP: Enhanced Nutrient Removal
- W - 73.22 Potomac WFP Pre-Filter Chlorination & Air Scour Improvements

# Impacts of CIP Reductions

- The preliminary FY 23 long-term financial plan does not anticipate deferrals or reductions to the CIP
- If deferrals/reductions were to become necessary to meet spending affordability guidelines, those would come from the bond funded projects/programs
  - Mandated projects are not eligible for deferral or reduction as they are governed by multi-jurisdictional agreements and/or consent decrees
  - Projects in construction are not considered to be eligible for deferral or reduction due to the significant impacts (level of service, cost, contractual, etc.) of stopping a project already in construction
- To achieve a 1.0% reduction to the projected rate increase, approximately \$177.3 million in capital spending deferrals/reductions would be required

Project/Program	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
<b>Combined Program Bond Fundable Only</b>	634,340	628,384	614,004	622,237	611,602	569,903
Less Mandated Projects	(180,413)	(179,297)	(202,879)	(218,811)	(192,090)	(167,275)
Less Projects in Construction	(167,735)	(108,128)	(84,662)	(73,666)	(79,933)	(87,548)
Remaining Projects Eligible for Deferral/Reduction	286,192	340,959	326,463	329,760	339,579	315,080
<b>Target Reduction Amounts ----&gt;</b>	-	-	-	-	-	-
<b>Required Reduction = 1.0% Rate Decrease:</b>	<b>177,318</b>					

# Impacts of CIP Reductions



# Impacts of CIP Reductions

- In Montgomery County, **5 of 14 projects (36%)** would be eligible for deferral
- These projects represent approximately **75%** of the total spending for Montgomery County projects

Project/Program	Phase	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	SDC %
<b>Combined Program Bond Fundable Only</b>		634,340	628,384	614,004	622,237	611,602	569,903	
Less Mandated Projects		(180,413)	(179,297)	(202,879)	(218,811)	(192,090)	(167,275)	
Less Projects in Construction		(167,735)	(108,128)	(84,662)	(73,666)	(79,933)	(87,548)	
Remaining Projects Eligible for Deferral/Reduction		286,192	340,959	326,463	329,760	339,579	315,080	
<b>Target Reduction Amounts ---&gt;</b>		-	-	-	-	-	-	
<b>Montgomery County Projects Eligible for Deferral/Reduction</b>								
S - 000036.01 - Arcola WWPS & FM	P-100	690	2,300	2,847	-	-	-	0%
S - 000061.02 - Reddy Branch WWPS & FM	P-0	275	110	693	693	11,276	11,276	0%
S - 000063.08 - Sam Rice Manor WWPS & FM	P-0	29	20	30	98	196	509	83%
S - 000094.13 - Damascus Town Center WWPS Replacement	P-90	462	2,210	3,688	169	-	-	30%
S - 000094.14 - Spring Gardens WWPS Replacement	P-5	42	229	229	1,390	1,390	-	67%
Subtotal		1,498	4,869	7,487	2,350	12,862	11,785	



# Impacts of CIP Reductions

- In Prince George's County, **12 of 31 projects (39%)** would be eligible for deferral
- These projects represent approximately **69%** of the total spending for Prince George's County projects

Project/Program	Phase	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	SDC %
<b>Combined Program Bond Fundable Only</b>		634,340	628,384	614,004	622,237	611,602	569,903	
Less Mandated Projects		(180,413)	(179,297)	(202,879)	(218,811)	(192,090)	(167,275)	
Less Projects in Construction		(167,735)	(108,128)	(84,662)	(73,666)	(79,933)	(87,548)	
Remaining Projects Eligible for Deferral/Reduction		286,192	340,959	326,463	329,760	339,579	315,080	
<b>Target Reduction Amounts ----&gt;</b>		-	-	-	-	-	-	
<b>Prince George's County Projects Eligible for Deferral/Reduction</b>								
W - 000012.02 - Prince George's County HG415 Zone Water Main	D-100	2,358	9	-	-	-	-	0%
W - 000034.05 - Marlboro Zone Reinforcement Main	D-99	2,022	1,225	-	-	-	-	0%
W - 000084.05 - Prince George's County 450A Zone Water Main	D-90	14,410	13,838	9,224	4,648	638	66	0%
W - 000137.03 - South Potomac Supply Improvement, Phase 2	D-70	14,884	14,884	14,884	-	-	-	34%
S - 000028.20 - Pumpkin Hill WWPS & FM	D-0	1,221	1,748	814	-	-	-	0%
S - 000068.02 - Carsondale WWPS & FM	P-100	345	3,680	1,265	-	-	-	0%
S - 000077.21 - Parkway WRRF Facility & Electrical Upgrades	P-0	5,152	6,401	4,751	2,551	721	275	0%
S - 000087.19 - Horsepen WWPS & FM	D-30	592	1,320	795	561	-	-	90%
S - 000089.26 - Colmar Manor WWPS & FM	P-0	173	115	230	575	2,588	2,588	0%
S - 000113.13 - Forest Heights WWPS & FM	P-10	31	10	41	104	674	674	82%
S - 000131.12 - Swan Creek WWPS & FM	D-30	1,540	3,080	110	-	-	-	0%
S - 000157.02 - Western Branch WRRF Process Train Improvements	D-5	10,446	19,077	18,732	10,142	4,627	948	0%
Subtotal		53,174	65,387	50,846	18,581	9,248	4,551	

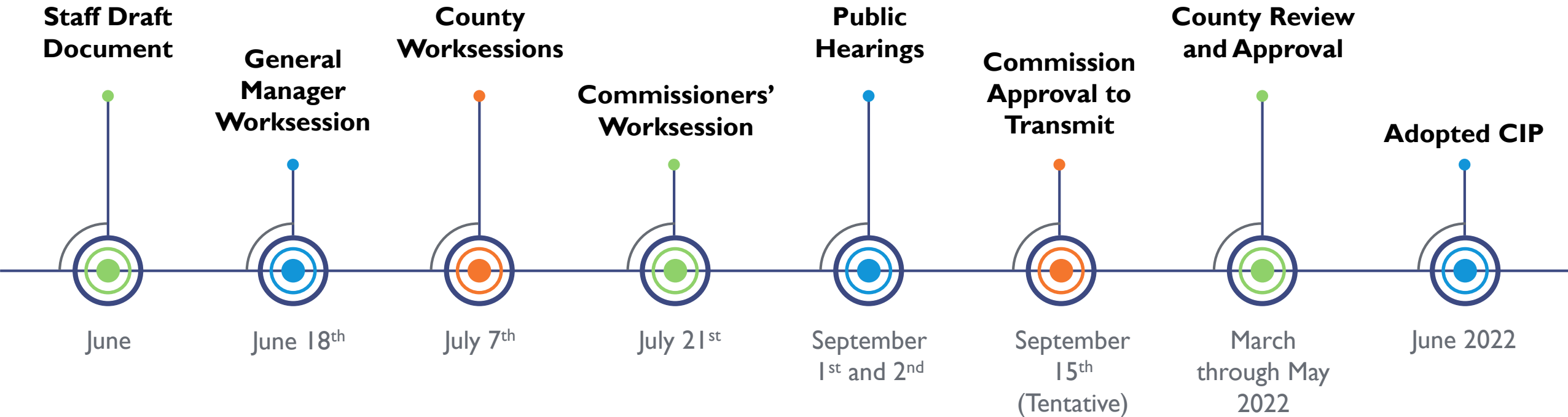


# Impacts of CIP Reductions

- For Bi-County and Information Only projects, **13 of 28 projects (46%)** would be eligible for deferral
- These projects represent approximately **47%** of the total spending for Bi-County and Information Only projects

Project/Program	Phase	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	SDC %
<b>Combined Program Bond Fundable Only</b>		634,340	628,384	614,004	622,237	611,602	569,903	
Less Mandated Projects		(180,413)	(179,297)	(202,879)	(218,811)	(192,090)	(167,275)	
Less Projects in Construction		(167,735)	(108,128)	(84,662)	(73,666)	(79,933)	(87,548)	
Remaining Projects Eligible for Deferral/Reduction		286,192	340,959	326,463	329,760	339,579	315,080	
<b>Target Reduction Amounts ---&gt;</b>		-	-	-	-	-	-	
<b>Bi-County &amp; Information Only Projects/Programs Eligible for Deferral/Reduction</b>								
W - 000001.00 - Water Reconstruction Program	On-going	99,336	111,186	131,975	145,058	152,624	158,737	0%
W - 000073.30 - Potomac WFP Submerged Channel Intake	P-100	-	-	-	-	-	-	0%
W - 000073.32 - Potomac WFP Main Zone Pipeline	P-95	474	1,894	1,894	17,048	17,048	5,941	59%
W - 000105.00 - Water Storage Facility Rehabilitation Program	On-going	4,000	5,000	6,000	7,000	7,000	7,000	0%
W - 000107.00 - Specialty Valve Vault Rehabilitation Program	On-going	1,691	1,462	745	339	405	74	0%
W - 000161.01 - Large Diameter Water Pipe & Large Valve Rehabilitation Program	On-going	64,316	75,015	78,395	103,302	113,854	105,617	0%
S - 000089.24 - Anacostia #2 WWPS Upgrades	D-5	10,901	13,004	4,567	-	-	-	20%
S - 000170.08 - Septage Discharge Facility Planning & Implementation	D-100	12,959	12,959	2,880	3,788	3,788	-	0%
A - 000100.01 - Anacostia Depot Reconfiguration	P-5	1,314	14,494	14,928	9,544	-	-	0%
A - 000101.04 - Laboratory Division Building Expansion	D-70	12,320	4,744	2,566	-	-	-	0%
A - 000101.06 - RGH Building Upgrades	P-50	1,100	8,470	3,630	-	-	-	0%
A - 000102.00 - Engineering Support Program	On-going	18,000	20,000	20,000	20,000	20,000	20,000	0%
A - 000103.00 - Energy Performance Program	On-going	5,109	2,475	550	2,750	2,750	1,375	0%
Subtotal		231,520	270,703	268,130	308,829	317,469	298,744	

# CIP Review Process



# Questions?

