



Adopted Capital Improvements Program Fiscal Years 2027-2032



Washington Suburban Sanitary Commission

2027 - 2032 Fiscal Years Adopted Six-Year Capital Improvements Program

October 1, 2026

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On our cover: Laboratory Expansion Project

The original lab was built in 2001 to consolidate smaller labs across WSSC Water's 1,000-square-mile service area. The newly expanded laboratory, a \$38 million investment, nearly doubles the facility's size, adding 19,720 square feet of workspace to the existing 27,193 square feet and features advanced instruments that enhance the utility's ability to monitor and protect water quality for 1.9 million residents in Montgomery and Prince George's counties. Features include a new PFAS lab section dedicated to testing these so-called "forever chemicals" on site, a new taste and odor testing system, a new algal toxin analyzer and enhanced emergency response capabilities for rapid testing following chemical spills or other watershed threats.

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- A. WSSC Resolution No. 2026-2451 and WSSC Code of Regulations Chapter 5.90, System Development Charge Levy and Collection
- B. WSSC Code of Regulations Chapter 5.95, SDC Credits and Reimbursements
- C. WSSC Code of Regulations Chapter 11.10, Procedure for Determining Percent Growth for CIP Projects
- D. SDC Eligible Projects

Legal Authority and Responsibility

Statutory Basis

Under Section 23-304 of the Public Utilities Article of the Annotated Code of Maryland, the Washington Suburban Sanitary Commission (WSSC Water) is responsible for annually preparing a Six-Year Capital Improvements Program (CIP) for major water and sanitary sewerage facilities and transmitting it to the County Councils and County Executives of Montgomery and Prince George's Counties by October 1 each year. When final action on the program is required by both County Councils, WSSC Water must revise the program and adopt the CIP prior to the commencement of the first fiscal year of the six-year program.

Section 23-301 defines major projects for inclusion into the CIP as water mains at least 16 inches in diameter, sewer mains at least 15 inches in diameter, water or sewage pumping stations, force mains, storage facilities, and other major facilities. Project information presented in this document complies with all legal requirements of the 10-year water and sewerage plans and is in direct support of the Counties' approved land use plans and policies for orderly growth and development.

WSSC Water's Role

Established as a bi-county agency in 1918 by an act of the Maryland General Assembly, WSSC Water is responsible for planning, designing, constructing, operating, and maintaining water and sewerage systems, and acquiring facility sites and rights-of-way to provide potable water and sanitary sewer services to residents, businesses, and federal, state, and local municipalities within the Washington Suburban Sanitary District (WSSD). The WSSD encompasses nearly all of Montgomery and Prince George's Counties and provides water and sewer service to approximately 1.9 million customers in an area of nearly 1,000 square miles. A board of six Commissioners directs WSSC Water, three appointed by the County Executive of Prince George's County and confirmed by the Prince George's County Council, and three appointed by the County Executive of Montgomery County and confirmed by the Montgomery County Council. Commissioners serve four-year staggered terms.

WSSC Water's Mission

We are entrusted by our community to provide safe and reliable water, life's most precious resource, and return clean water to our environment, all in an ethical, sustainable, and financially responsible manner.

WSSC Water's Responsibilities

WSSC Water provides safe, seamless and satisfying water services, making the essential possible every day for our neighbors in Montgomery and Prince George's counties. The result of our work is daily apparent to our customers. WSSC Water's responsibilities include:

- protecting the health and safety of the residents of both counties by providing an adequate supply of safe drinking water;
- meeting fire-fighting requirements;
- collecting and treating wastewater before it is returned to the waters of the State of Maryland;
- managing and safeguarding the watershed and the water supply by implementing sound forestation and land use practices;
- monitoring the collection and treatment of wastewater;
- discharging an effluent cleansed of nutrients, pollutants, and hazardous materials;
- managing treated wastewater biosolids responsibly and cost effectively;
- maintaining the existing water and wastewater infrastructures;
- planning for the orderly growth of the sanitary district and WSSC Water services to meet the needs of the communities we serve;
- monitoring adherence to all plumbing and gas-fitting standards and ensuring proper coordination with other public utilities; and
- managing operations to provide efficient service to its customers while keeping costs as low as possible.

The projects contained in this CIP represent WSSC Water's plan to successfully meet its responsibilities. We strive to maintain a balance between the use of valuable resources and the public's demand for clean water. Meeting these responsibilities helps ensure that we fulfill our core mission and strengthen our local economies.

Program Overview

Objective

The principal objective of the CIP is the six-year programming of planning, design, land acquisition, and construction activities for major water and sewerage infrastructure projects and programs. These projects and programs may be necessary for system improvements for service to existing customers, to comply with federal and/or state environmental mandates, or to support new development in accordance with the Counties' approved plans and policies for orderly growth and development.

Funding Sources

The projects included in this Combined Program are funded primarily by issuance of water supply and sewage disposal bonds (WSSC Bonds).

To a lesser degree, projects may also be funded by the following:

- **State Grants** – a share of the support provided on a local level. The State of Maryland provides funding under a separate grants program for enhanced nutrient removal at existing wastewater treatment plants (water resource recovery facilities) and for the rehabilitation of sewer mains as part of the Chesapeake Bay Program;
- **Federal Grants** – Department of Energy grants related to the Energy Performance Program and Piscataway Bioenergy projects to promote and develop green energy sources;
- **Local Government Contributions** – payments to WSSC Water for co-use of regional facilities, or funding provided by County governments for projects they are sponsoring;
- **PAYGO** – when budgeted, the practice of using current revenues to the extent practical to help fund the capital program, thereby reducing the need for debt financing;
- **SDC** – anticipated revenue from the System Development Charge; and
- **Contribution/Other** – projects funded by applicants for growth projects where the County Councils have directed that no WSSC Water debt be used to pay for the project.

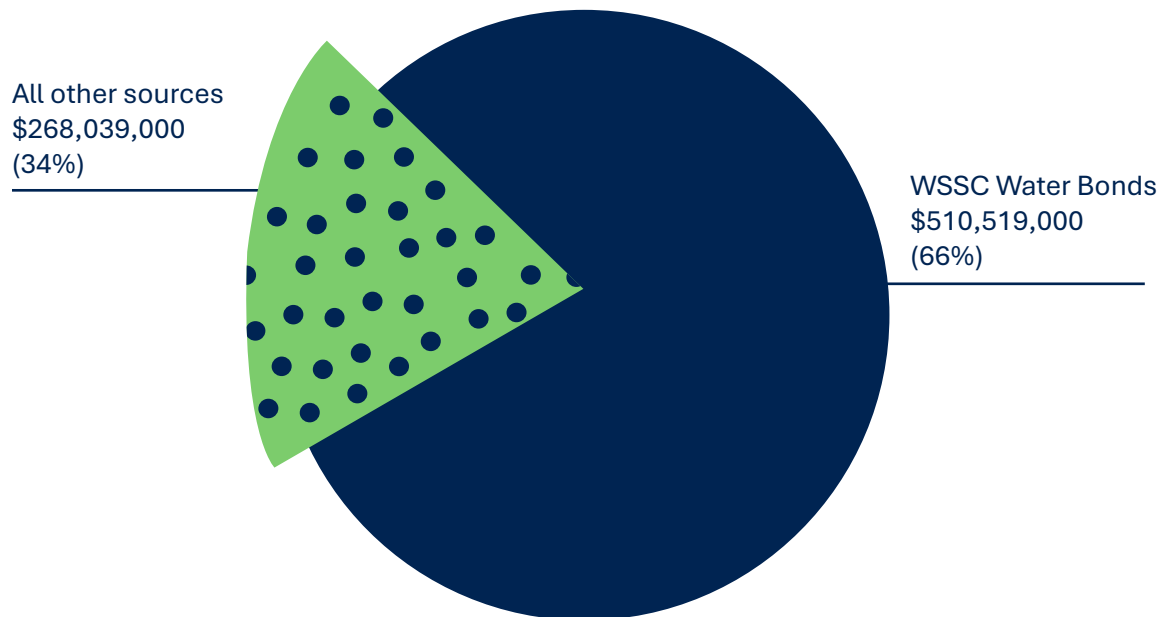
(Please refer to Figure 3, which displays the funding allocations for the major funding sources.)

Figure 3: WSSC Water Adopted FY 2027 Combined Program Funding by Source

66% of the FY 2027
Combined Program
is funded through
long-term debt

Funding Source	FY 2027 Amount
WSSC Water Bonds	\$510,519,000
PAYGO	100,000,000
SDC & Others	26,260,000
Federal & State Grants	133,074,000
Local Government Contribution	8,705,000
Total	\$778,558,000

2027 Budget Year Total
\$778,558,000



Program Overview

The water supply and sewage disposal bonds are repaid to bond holders over a 30-year period by annual principal and interest payments (debt service). In this manner, the initial costs of bond financing are spread over time and paid for by future customers who will benefit from the facilities, as well as by current customers. The annual debt service on outstanding bonds is paid from operating funds. The primary funding source for debt service repayment is revenue from water consumption and sewer usage charges. Ultimately, the rates set for these charges impact our customers' water and sewer bills. The rate setting for water and sewer charges is performed annually to cover both operational and debt service costs (associated with the water supply and sewage disposal bonds). Debt service costs are influenced by the amount of water and sewer bond issuance necessary to fund the CIP.

Several capital spending and funding practices are noteworthy. WSSC Water:

- continues an aggressive program to rehabilitate or replace the older portions of our 6,000 miles of water main and 5,700 miles of sewer main infrastructure;
- funds capital facilities needed to accommodate growth with the System Development Charge (SDC). This charge is reviewed annually by the County Councils. (Refer to Appendices A and B for details.) A comparison of SDC revenues and estimated growth spending for the six-year program period is displayed on the table titled "Growth Funding" in the Funding Growth section of this document.);
- uses PAYGO (Pay-As-You-Go): the practice of using current revenues, when budgeted, reduces the amount of bond issuance and thus lowers debt service costs by eliminating interest associated with bond financing;
- maximizes and manages the collection of funding from alternative sources including state and federal grants, and payments from other jurisdictions for projects which specifically benefit them. The amount of these collections varies from year to year. Our reliance on rate-supported debt to build the capital program is reduced to the extent that these sources are available to fund capital projects; and
- does not allow the use of rate-supported debt to fund CIP-sized water and sewer projects requested by applicants in support of new development. These projects, identified as System Extension Process (SEP) projects, may only proceed if built at the applicant's expense (an explanation of the SEP process is included in the System Extension Process section of this document). However, since these projects are eligible for SDC credits (to the extent that SDC funds are available), the applicants may eventually recoup their costs. Refer to Appendix B for definitions and details.

In May 1993, the Montgomery and Prince George's County Councils created the Bi-County Working Group on WSSC Spending Controls (Working Group) to review WSSC Water finances and recommend spending control limits. The Working Group's January 1994 report recommended "the creation of a spending affordability process that requires the Counties to set annual ceilings on WSSC Water's rates and debt (debt in this context means both bonded indebtedness and debt service), and then place corresponding limits on the size of the capital and operating budgets of the Commission." The objective of this process is to create a framework for controlling costs and clarifying water/sewer bill increases, as well as slowing the rate at which WSSC Water is incurring debt, thus reducing the portion of WSSC Water water/sewer bills dedicated to paying off debt. This valuable, annual process focuses debate on the need to balance affordability considerations against providing the resources necessary to serve existing customers, meet environmental mandates, and provide the facilities needed for growth.

WSSC Water has submitted a CIP and budget, that generally conform to the Spending Affordability Guidelines (SAG) established by both County governments every year since 1994. For FY 2027, CIP and Information Only combined spending was within guidelines as submitted. By Resolution No. 2026-2454 dated June 17, 2026, the Commissioners adopted the FYs 2027-2032 CIP.

Expenditures

The Adopted FYs 2027-2032 Combined Program includes 57 CIP and 15 Information Only projects for a grand total of \$6.4 billion. The grand total is \$82.5 million less than the Adopted FYs 2026-2031 Combined Program. The combined program provides for funding for Anacostia Depot Reconfiguration (A-100.01), Lead Reduction Program (A-109.02), PFAS Management Strategy (A-112.00), Master Planning and Facilities Planning and Investment (A-113.00), Hi-Influent Infiltration Basin Rehabilitation (S-1.02), and Metering Infrastructure upgrade (A-109.01).

Category	Amount (\$Millions)
Total Six-Year Capital Program (FY 2027-2032)	\$4,840
Greater than FY 2026	(.40)
FY 2027 Capital Budget Expenditures	778.5
Greater than FY 2026-2031	63.0
Water Program	98.5
Sewerage Program	258.8
Information Only Projects	421.2

Key Points:

- Total Six-Year Capital Program: \$4.8 billion
- FY 2027 Budget: \$778.5 million (more than \$63.0 million from FY 2026)

WSSC Water FYs 2027 - 2032 Combined Program

New Project Listing

(All figures in thousands)

County	Project Type	Agency Number	Project Name	Total Project Cost	6-year Project Cost	Budget Project Cost	Page Number
Prince George's	Water	W - 000031.06	Central Avenue Water Pumping Station Electrical Equipment and Switchyard Replacement	17,883	16,233	5,500	5-3
Montgomery	Sewer	S - 000084.70	Little Seneca WWPS Rehabilitation	21,722	20,314	2,816	2-7
Prince George's	Sewer	S - 000045.23	Broad Creek WWPS Outdoor Substations/Transformers and Screen Building Upgrade	18,944	18,407	591	6-5
Prince George's	Sewer	S - 000069.01	Hyattsville WWPS - Upgrade & Improvements	14,831	14,014	359	6-7
Prince George's	Sewer	S - 000077.22	Bedford WWPS Upgrades and Replacements	9,201	7,714	1,804	6-11
N/A	Information-Only	A - 000109.01	Metering Infrastructure Upgrade	282,636	282,636	12,890	7-8
-	-	-	Totals:	365,217	359,318	23,960	-

WSSC Water FYs 2027 - 2032 Combined Program: Bi-County Sewer Projects

Pending Close out

(All figures in thousands)

Agency Number	Project Name	Estimated Total Cost	Expenditures thru FY 2025	Estimated Expenditures FY 2026
S-000103.02	Piscatway Bioenergy	341,446	338,033	3,413
N/A	Totals:	341,446	338,033	3,413

A Table comparing the Adopted FYs 2026-2031 CIP to the Adopted FYs 2027-2032 CIP follows:

CIP Comparison

(All figures in thousands)

CIP	Combined Program	Total 6 Years	Capital Budget
Adopted FYs 2026-2031	\$6,516,650	\$4,878,330	\$715,529
Adopted FYs 2027-2032	\$6,434,119	\$4,840,698	\$778,558
Change	\$ (82,531)	\$ (37,632)	\$ 63,029

Expenditure Categories

Expenditures are divided into three main categories: projects needed for growth, the implementation of environmental regulations, and system improvements. The categories are defined as follows:



Growth – any project, or part of a project, that increases the demand for treatment and delivery of potable water and/or increases system requirements to collect and treat more sewage in response to new, first-time service hookups to the existing customer base.



Environmental Regulations – any project is required to meet changes in federal regulations, such as the Clean Water Act, or in response to more stringent state operating permit requirements, but does not increase system capacity. Any part of this type of a project that provides for additional capacity is for growth.

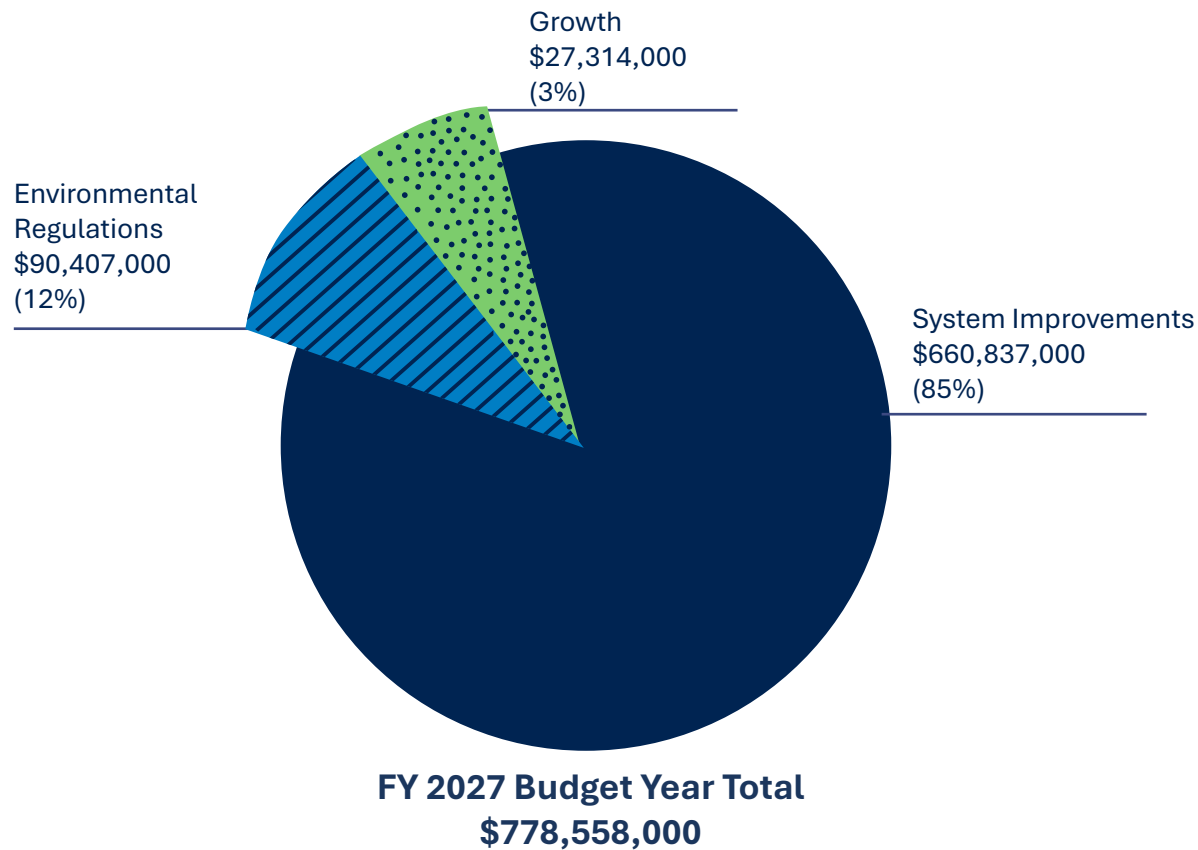


System Improvements – any project which improves or replaces components of existing water and sewerage systems or provides for mainline relocations required in response to County or state transportation department road or transit projects where the intended purpose is not to increase the capacity of any system components. This category also includes program-sized water main extensions whose primary function is to provide water supply redundancy for pressure zones or smaller areas within the WSSD, or to improve maintainability and reliability through system loops. Any part of this type of a project not dictated by maintenance or rehabilitation needs and that provides for additional capacity is for growth. (Please refer to Figure 4 which displays funding allocations for all three categories).

Figure 4: WSSC Water Adopted FY 2027 Combined Program by Major Category

85% of the FY 2027 Combined Program is for reinvestment in WSSC Water's system infrastructure

Major Category	FY 2027 Amount
System Improvements	\$660,837,000
Environmental Regulations	90,407,000
Growth	27,314,000
Total	\$778,558,000



Financial Summary - October 1, 2025 - (All figures in thousands) - Expenditure Projections – Montgomery County

Project	Project Summary	Est. Total Cost	Expend Thru 25	Est Expend 26	Total Six Years	Year 1 FY27	Year 2 FY28	Year 3 FY29	Year 4 FY30	Year 5 FY31	Year 6 FY32	Section Number
Water	Water Distribution (Water Mains and Pump Stations)	\$13,979	\$1,623	\$7,764	\$4,592	\$2,386	\$1,469	\$316	\$210	\$106	\$105	1-1
Water	Total Water Projects:	\$13,979	\$1,623	\$7,764	\$4,592	\$2,386	\$1,469	\$316	\$210	\$106	\$105	1-1
Sewer	Wastewater Collection (Sewer and Pump Stations)	\$93,450	\$4,374	\$11,291	\$77,785	\$20,028	\$8,914	\$13,385	\$17,090	\$16,952	\$1,416	2-1
Sewer	Total Sewer Projects:	\$93,450	\$4,374	\$11,291	\$77,785	\$20,028	\$8,914	\$13,385	\$17,090	\$16,952	\$1,416	2-1
-	Total Projects:	\$107,429	\$5,997	\$19,055	\$82,377	\$22,414	\$10,383	\$13,701	\$17,300	\$17,058	\$1,521	-

Financial Summary - October 1, 2025 - (All figures in thousands) - Expenditure Projections – Prince George’s County

Project	Project Summary	Est. Total Cost	Expend Thru 25	Est Expend 26	Total Six Years	Year 1 FY27	Year 2 FY28	Year 3 FY29	Year 4 FY30	Year 5 FY31	Year 6 FY32	Section Number
Water	Water Treatment and Storage (WFPs, Reservoirs, Water Tanks)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	5-1
Water	Water Distribution (Water Mains and Pump Stations)	\$225,451	\$70,086	\$30,763	\$124,602	\$20,819	\$30,617	\$25,815	\$19,159	\$17,554	\$10,638	5-1
Water	Total Water Projects:	\$225,451	\$70,086	\$30,763	\$124,602	\$20,819	\$30,617	\$25,815	\$19,159	\$17,554	\$10,638	5-1
Sewer	Water Resource Recovery (WRRFs)	\$482,279	\$227,770	\$27,117	\$227,392	\$52,178	\$57,988	\$67,208	\$46,082	\$3,282	\$654	6-1
Sewer	Wastewater Collection (Sewer and Pump Stations)	\$154,501	\$37,198	\$17,486	\$99,817	\$14,779	\$30,388	\$25,385	\$21,373	\$7,829	\$63	6-1
Sewer	Interjurisdictional Agreements (Blue Plains, Mattawoman)	\$41,673	\$0	\$4,660	\$37,013	\$4,592	\$5,384	\$7,174	\$8,764	\$6,610	\$4,489	6-1
Sewer	Total Sewer Projects:	\$678,453	\$264,968	\$49,263	\$364,222	\$71,549	\$93,760	\$99,767	\$76,219	\$17,721	\$5,206	6-1
-	Total Projects:	\$903,904	\$335,054	\$80,026	\$488,824	\$92,368	\$124,377	\$125,582	\$95,378	\$35,275	\$15,844	-

Financial Summary - October 1, 2025 - (All figures in thousands) - Expenditure Projections – Bi-County

Project	Project Summary	Est. Total Cost	Expend Thru 25	Est Expend 26	Total Six Years	Year 1 FY27	Year 2 FY28	Year 3 FY29	Year 4 FY30	Year 5 FY31	Year 6 FY32	Section Number
Water	Water Treatment and Storage (WFPs, Reservoirs, Water Tanks)	\$350,276	\$189,592	\$27,390	\$133,294	\$15,640	\$3,762	\$18,465	\$37,782	\$37,782	\$19,863	3-1
Water	Water Distribution (Water Mains and Pump Stations)	\$530,441	\$0	\$55,899	\$474,542	\$58,000	\$73,557	\$79,324	\$84,856	\$86,980	\$91,825	3-1
Water	Mixed-Use (ESP, Other Capital Programs, Land, Beltway)	\$9,125	\$0	\$1,955	\$7,170	\$1,695	\$1,095	\$1,095	\$1,095	\$1,095	\$1,095	3-1
Water	Total Water Projects:	\$889,842	\$189,592	\$85,244	\$615,006	\$75,335	\$78,414	\$98,884	\$123,733	\$125,857	\$112,783	3-1
Sewer	Wastewater Collection (Sewer and Pump Stations)	\$304,462	\$20,121	\$53,838	\$230,502	\$38,494	\$54,006	\$45,992	\$33,107	\$28,239	\$30,665	4-1
Sewer	Interjurisdictional Agreements (Blue Plains, Mattawoman)	\$935,109	\$0	\$72,962	\$862,147	\$128,428	\$149,447	\$129,806	\$153,252	\$137,620	\$163,594	4-1
	Innovation and Investment Priorities (Water Supply, Meters, Climate Action)	\$1,673	\$0	\$400	\$1,273	\$298	\$195	\$195	\$195	\$195	\$195	4-1
Sewer	Mixed-Use (ESP, Other Capital Programs, Land, Beltway)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	4-1
Sewer	Projects Pending Close-out	\$341,446	\$338,033	\$3,413	\$0	\$0	\$0	\$0	\$0	\$0	\$0	4-1
Sewer	Total Sewer Projects:	\$1,582,690	\$358,154	\$130,613	\$1,093,922	\$167,220	\$203,648	\$175,993	\$186,554	\$166,054	\$194,454	4-1
-	Total Projects:	\$2,472,532	\$547,746	\$215,857	\$1,708,928	\$242,555	\$282,062	\$274,877	\$310,287	\$291,911	\$307,237	-

Financial Summary - October 1, 2025 - (All figures in thousands) - Expenditure Projections – Information Only

Project Summary	Est. Total Cost	Expend Thru 25	Est Expend 26	Total Six Years	Year 1 FY27	Year 2 FY28	Year 3 FY29	Year 4 FY30	Year 5 FY31	Year 6 FY32	Section Number
Water Treatment and Storage (WFPs, Reservoirs, Water Tanks)	\$84,505	\$0	\$24,074	\$60,431	\$29,862	\$13,303	\$9,910	\$2,452	\$2,452	\$2,452	7-1
Water Distribution (Water Mains and Pump Stations)	\$684,925	\$926	\$83,689	\$600,310	\$77,019	\$108,335	\$106,263	\$100,123	\$103,210	\$105,360	7-1
Wastewater Collection (Sewer and Pump Stations)	\$610,667	\$0	\$97,250	\$513,418	\$114,046	\$75,979	\$77,880	\$79,823	\$81,823	\$83,867	7-1
General Facilities (RGH, Depots, Laboratory, Buildings)	\$193,716	\$43,133	\$12,855	\$137,728	\$52,428	\$33,654	\$29,725	\$8,024	\$13,897	\$0	7-1
Innovation and Investment Priorities (Water Supply, Meters, Climate Action)	\$862,697	\$0	\$39,907	\$822,790	\$69,499	\$124,378	\$130,961	\$158,467	\$160,787	\$178,699	7-1
Mixed-Use (ESP, Other Capital Programs, Land, Beltway)	\$513,744	\$0	\$87,852	\$425,892	\$78,367	\$51,894	\$57,157	\$62,292	\$79,192	\$96,990	7-1
Total Information Only Projects:	\$2,950,254	\$44,059	\$345,627	\$2,560,569	\$421,221	\$407,543	\$411,896	\$411,181	\$441,361	\$467,368	7-1

Project Summary by County, Type & Category	Est. Total Cost	Expend Thru 25	Est Expend 26	Total Six Years	Year 1 FY27	Year 2 FY28	Year 3 FY29	Year 4 FY30	Year 5 FY31	Year 6 FY32
Water Treatment and ater Treatment and Storage (WFPs, Reservoirs, Water Tanks)	\$84,505	\$0	\$24,074	\$60,431	\$29,862	\$13,303	\$9,910	\$2,452	\$2,452	\$2,452
Water Distribution (Water Mains and Pump Stations)	\$684,925	\$926	\$83,689	\$600,310	\$77,019	\$108,335	\$106,263	\$100,123	\$105,360	\$105,360
Wastewater Collection (Sewer and Pump Stations)	\$610,667	\$0	\$97,250	\$513,418	\$114,046	\$75,979	\$77,880	\$79,823	\$83,867	\$83,867
General Facilities (Support Center, Depots, Laboratory and Buildings)	\$193,716	\$43,133	\$12,855	\$137,728	\$52,428	\$33,654	\$29,725	\$8,024	\$0	\$0
Innovation & Investment Priorities (Water Supply, Meters and Climate Action)	\$862,697	\$0	\$39,907	\$822,790	\$69,499	\$124,378	\$130,961	\$158,467	\$178,699	\$178,699
Mixed-use (ESP, Other Capital Programs, Land and Beltway)	\$513,744	\$0	\$87,852	\$425,892	\$78,367	\$51,894	\$57,157	\$62,292	\$96,990	\$96,990
Total InformationOnly Projects	\$2,950,254	\$44,059	\$345,627	\$2,560,569	\$421,221	\$407,543	\$411,896	\$411,181	\$467,368	\$467,368
Combined Program:	\$6,434,119	\$932,856	\$660,565	\$4,840,698	\$778,558	\$824,365	\$826,056	\$834,146	\$791,970	\$791,970

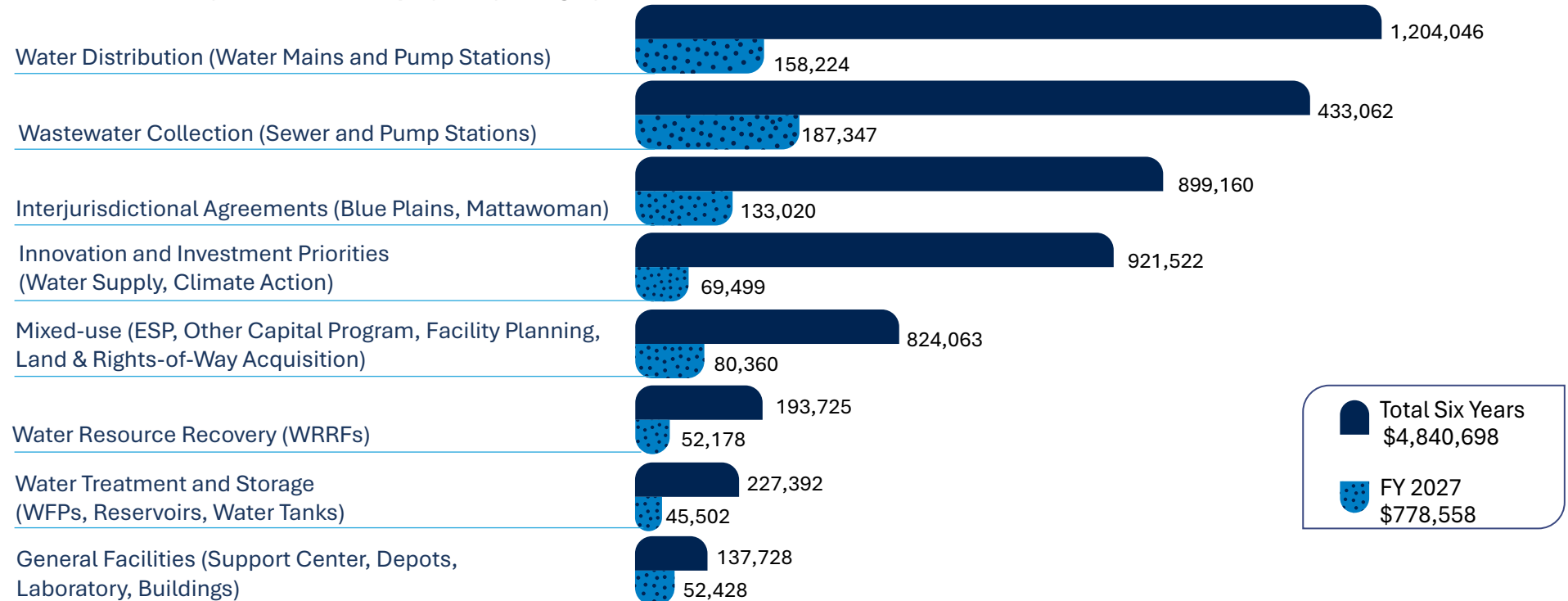
Source	Est. Total Funding	Expend Thru 25	Est Expend 26	Total Six Years	Year 1 FY27	Year 2 FY28	Year 3 FY29	Year 4 FY30	Year 5 FY31	Year 6 FY32
WSSC Bonds	\$4,767,497	\$854,817	\$460,504	\$3,452,177	\$510,519	\$588,545	\$618,796	\$604,810	\$562,845	\$566,661
PAYGO	\$879,846	\$0	\$50,600	\$829,246	\$100,000	\$114,336	\$136,205	\$151,945	\$156,015	\$170,745
State Grants	\$426,239	\$578	\$92,439	\$333,222	\$133,074	\$85,284	\$28,716	\$28,716	\$28,716	\$28,716
System Development Charges	\$254,251	\$68,394	\$40,933	\$144,924	\$17,954	\$19,001	\$26,785	\$35,581	\$29,651	\$15,952
Contributions/Other	\$35,716	\$7,261	\$7,643	\$20,812	\$8,306	\$5,873	\$5,105	\$1,401	\$64	\$63
Government Contributions	\$70,571	\$1,808	\$8,446	\$60,317	\$8,705	\$11,326	\$10,449	\$11,693	\$8,314	\$9,833
Federal Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Combined Program:	\$6,434,119	\$932,856	\$660,565	\$4,840,698	\$778,558	\$824,365	\$826,056	\$834,146	\$785,605	\$791,970

Financial Summary by Category

(All Figures in Thousands)

Expenditure Projections

FYs 2027-2032 Six-year and FY 2027 project by category



Fiscal Year 2027 Capital Improvement Program – Project Highlights

FY2027 Capital Improvement Program budget expenditures are budgeted at \$ 778.5 million, of which \$98.5 million is for the Water Program, \$258.8 million is for the Sewerage Program, and \$421.2 million is for the Information Only projects. There are six new projects in this cycle, listed in the New Projects Listing near the end of this section. Several facility investments are highlighted below, such as:

- Invest \$68.0 million to replace 35 miles of water pipe in the Water Reconstruction Program
- Invest \$58.0 million to replace 5 miles of large diameter water pipe in the Large Diameter Water Pipe & Large Valve Rehabilitation Program
- Invest \$114.1 million to replace 63.5 miles of sewer pipe in the Sewer Reconstruction Program
- Invest \$26.44 million to replace 7.4 miles of Trunk Sewer line in the Trunk Sewer Reconstruction Program
- Invest \$15.2 million in Master Planning and Facilities Planning and Investments
- Invest \$34.0 million in Lead and Copper Reduction regulatory compliance
- Invest \$12.89 million Smart Water Meter Infrastructure
- Invest \$16.3 million in Energy Performance Program
- Invest \$24.04 million in the Anacostia Depot Reconfiguration for mechanical upgrades at the warehouse and the heavy equipment shop and the replacement of the warehouse's roof
- Invest \$22.80 million to replace and upgrade assets at the Support Center that have reached the end of their useful lives, such as:
 - Replacement of the primary 13.2 kV switchgear and associated equipment that supply power to the building and replacement of the emergency generators and fuel tanks
 - Building envelope improvements
 - Eighth and 12th floor upgrades
 - Green Roof improvements and upgrades

We have six highlighted projects in the FY 2027 Adopted Capital Budget. All six are major ongoing projects. Each of these projects contributes to WSSC Water's mission to provide safe and reliable water, life's most precious resource, and return clean water to our environment, all in an ethical, sustainable, and financially responsible manner.

Water Reconstruction Program (W-1.00)

The purpose of this program is to renew and extend the useful life of water mains, house connections, and large water services. Portions of the water system are more than 80 years old. Bare cast iron mains, installed generally before 1965, permit the build-up of tuberculation which can reduce flow and cause discoloration at the customer's tap. Selected replacement is necessary to supply water in sufficient quantity, quality, and pressure for domestic use and firefighting. As the system ages, water main breaks are increasing. Selected mains are chronically breaking, and other mains are undersized for the current flow standards. Replacement and the addition of cathodic protection to these mains provides added value to the customer. Galvanized, copper, and cast-iron water mains, as well as all other water main appurtenances including meter and PRV vaults are replaced on an as needed basis when they have exceeded their useful life.

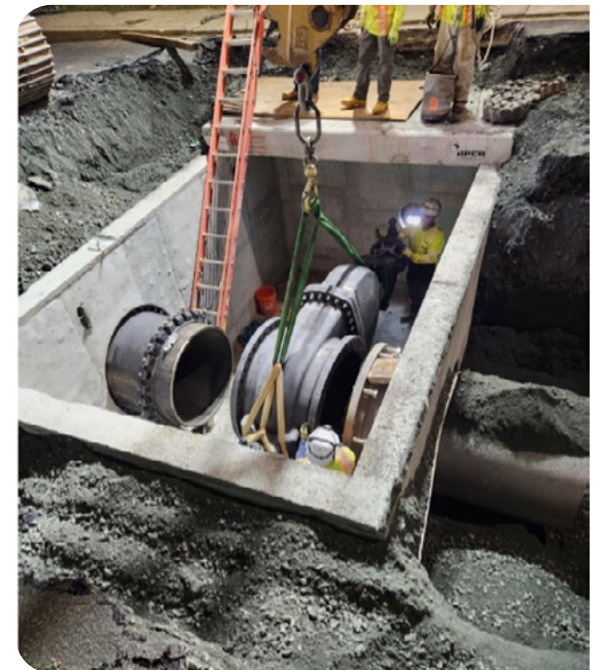
The total six-year cost of the program is \$567.3 million. During Fiscal Year 2027, the program is investing \$68 million to work on 35 miles of water mains, house connections, and large water services.

Large Diameter Water Pipe and Large Valve Rehabilitation Program (W-161.01)

The purpose of this program is to plan, inspect, design, and rehabilitate, or replace large diameter water transmission mains and large system valves that have reached the end of their useful life. WSSC Water has approximately 1,031 miles of large diameter water main ranging from 16 inches to 96 inches in diameter. This includes 335 miles of cast iron, 326 miles of ductile iron, 35 miles of steel, and 335 miles of Prestressed Concrete Cylinder Pipe (PCCP). A condition assessment and/ or corrosion monitoring is performed on metallic pipelines, including ductile iron, cast iron and steel, to identify lengths of pipe requiring replacement or rehabilitation and cathodic protection. The assessment is conducted on PCCP pipelines 36-inch diameter and larger. Of the 335 miles of PCCP, 140 miles are 36-inch diameter and larger.

The PCCP Inspection and Condition Assessment and Monitoring Program identifies individual pipe segments that require repair or replacement to assure the continued safe and reliable operation of the pipeline. The program also identifies extended lengths of pipe that require the replacement of an increased number of pipe segments in varying stages of deterioration that are most cost effectively accomplished by the replacement or rehabilitation of long segments of the pipeline or the entire pipeline. The program includes installation of Acoustic Fiber Optic Monitoring equipment to accomplish these goals in PCCP mains. In order to minimize the risk associated with in operable large valves and possible water outages, the large valve inspection and repair program was initiated.

The total six-year cost of the program is \$474.5 million. During Fiscal Year 2027, the program is investing \$58 million to work on 5 miles of >16" water mains.



Sewer Reconstruction Program (S-1.01)

The Sewer Reconstruction Program provides for comprehensive sewer system rehabilitation in residential areas of sewer mains less than 15 inches in diameter and sewer house connections, addressing infiltration and inflow control, and exposed pipe problems.

The reconstruction work performed under this program will be utilizing trenchless technology such as, grouting and the installation of structural liners. In December 2005, WSSC Water entered a consent decree with the U.S Environmental Protection Agency (EPA), the State of Maryland, the Anacostia Watershed Society, Natural Resources Defense Council, the Audubon Naturalist Society, and Friends of Sligo Creek on a multiyear action plan to minimize and eliminate sewerage outflows.

The total six-year cost of the program is \$513.4 million of which \$276.7 million is funded through WSSC Bonds and \$236.7 million is funded by the Maryland Department of Environment (MDE) Water Infrastructure Financing Administration's Water Quality Revolving Loan Fund Program and MDE's Bay Restoration Fund grants.

During Fiscal Year 2027, the program is investing \$114.1 million to replace 63.5 miles of sewer mains less than 15 inches in diameter.



Trunk Sewer Reconstruction Program (S-170.09)

The Trunk Sewer Reconstruction Program provides for the inspection, evaluation, planning, design, and construction required for the rehabilitation of sewer mains and their associated manholes in environmentally sensitive areas (ESAs). This includes both trunk sewers 15 inches in diameter and greater, along with associated smaller diameter pipe less than 15 inches in diameter. The smaller diameter pipe is included due to its location within the ESA. The program also includes planning, design, and construction for the prioritized replacement of force mains and aerial sewers.

The total six-year cost of the program is \$187.9 million, of which \$143.8 million is funded through WSSC Bonds and \$44.1 million is funded by the Maryland Department of Environment (MDE) Water Infrastructure Financing Administration's Water Quality Revolving Loan Fund Program and MDE's Bay Restoration Fund grants.

During Fiscal Year 2027, the program is investing \$26.4 million to work on 7.43 miles of rehabilitation of sewer mains and their associated manholes in ESAs.



Anacostia Depot Reconfiguration (A-100.01)

The Anacostia Depot Reconfiguration project provides for the planning, design, and reconfiguration of the Anacostia Depot. The reconfiguration includes improving efficiency of operations, updates to current building codes, regulations, and Americans with Disabilities Act (ADA) requirements. It also includes improving energy efficiency of facilities and the replacement of assets that are at or beyond their useful life. Constructed in the 1970s, the Anacostia Depot is the largest of WSSC Water's four depots. The depot houses several critical functions including the workshop and administrative space for the Industrial Assets Maintenance Division and Facility Services, the water meter testing and hydrant shop, the heavy equipment shop, and the Fleet Services Division building.

The depot is constrained by CSX railroad tracks that traverse the site, leading to operational inefficiencies when vehicles and staff must wait for trains to pass. The site also has floodplain vulnerabilities due to the effects of climate change. In June 2019, a facility-wide condition assessment was undertaken to identify deficiencies in existing facilities and provide a recommended course of action to remedy issues.

The study identified a significant number of deficiencies including electrical, mechanical, accessibility and safety shortfalls. A facility master plan was subsequently commissioned to provide a more detailed analysis of potential renovation and new build scenarios which was finalized in June 2021.

The projected total cost for this project is \$67.7 million. During Fiscal Year 2027, this project is investing \$24 million in the Anacostia Depot Reconfiguration.



Water Storage Facility Rehabilitation Program (W-105.00)

The Water Storage Facility Rehabilitation Program provides for the comprehensive rehabilitation of WSSC Water's more than 60 water storage facilities located throughout the WSSC Water service area, holding over 200 million gallons of finished drinking water. The program provides for structural metal and concrete foundation repairs, equipment upgrades to meet current Occupational Safety and Health Administration (OSHA) standards, lead paint removal, security upgrades, advanced mixing systems to improve water quality, and altitude valve vault and supply pipe replacements. Currently, there are more than 20 steel tanks that were last painted ten or more years ago. Many older tanks have accumulated significant layers of paint which have lost their bonding strength to the steel. Old coatings will be completely removed, and costly lead abatement techniques will be required in many cases. Tanks are prioritized based on the condition of the existing coating and structural integrity issues. Modern coating systems should extend the length of service between coatings from the current 10 years to between 15 and 20 years.

The total six-year cost of the program is \$50.3 million. During Fiscal Year 2027, the program is investing \$29.3 million in the rehabilitation of water storage facilities.

Funding Growth

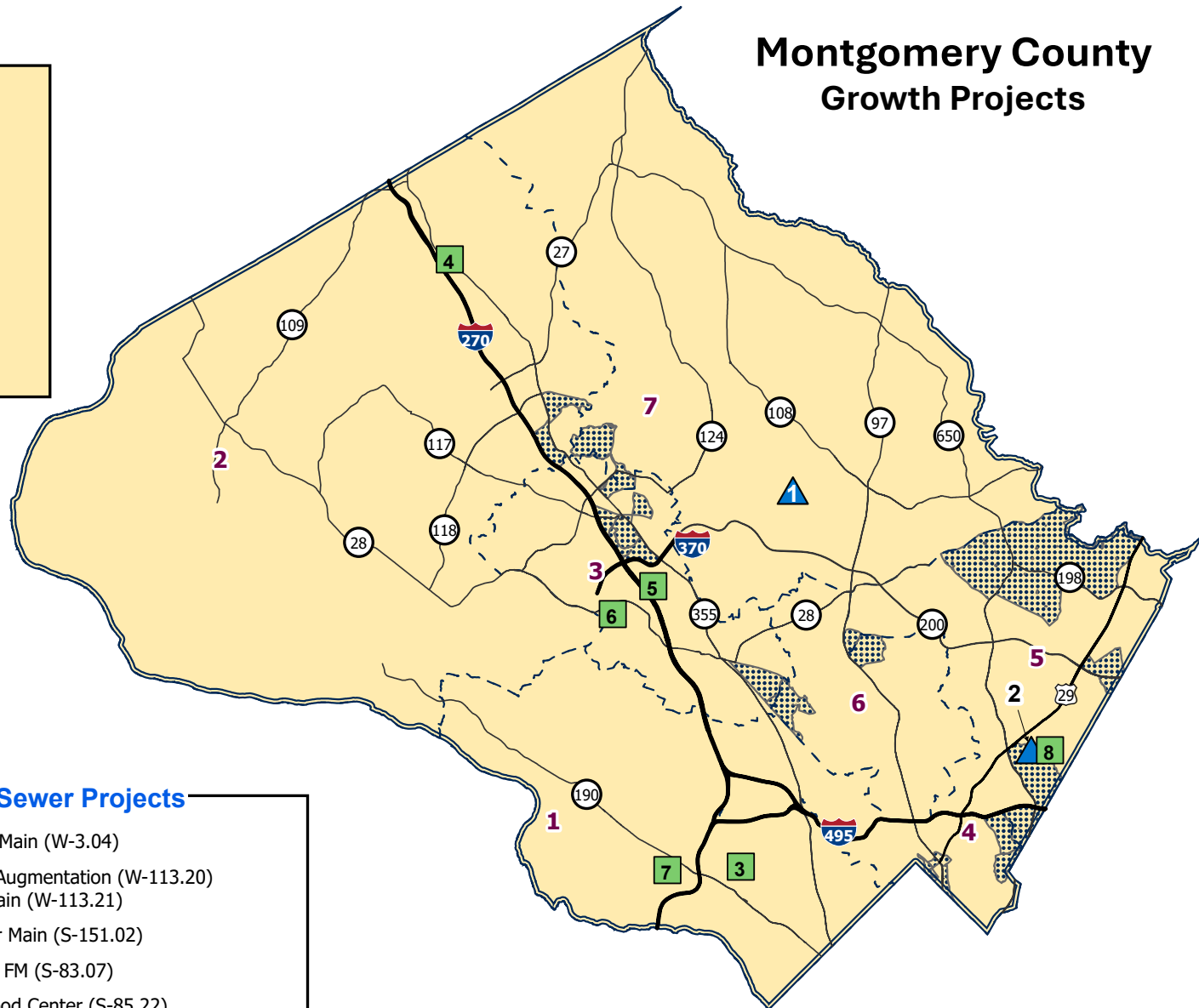
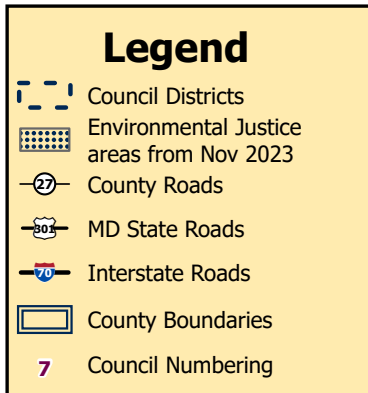
The portion of the six-year Combined Program needed to accommodate growth is approximately \$166.7 million, which equals almost 4% of the six-year total expenditures, and \$27.3 million or 4% of the FY 2027 budget. The funding sources for this part of the program are SDC revenues and payments by applicants. In the event that growth costs are greater than the income generated by growth funding sources, either SDC supported or water and sewage bonds may be used to close any gap.

The Maryland General Assembly, in 1993, first approved legislation authorizing the Montgomery and Prince George's County Councils to establish, and WSSC Water to impose, a System Development Charge. This is a charge on new development to pay for that part of the CIP needed to accommodate growth in WSSC Water's customer base. In accordance with the enabling legislation, the Councils approved this charge beginning in FY 1994. The SDC was approved at the maximum rate of \$160 per fixture unit by Commission Resolution No. 95-1457, adopted May 24, 1995, and became effective July 1, 1995. In the 1998 legislative session, the General Assembly modified the charge by passage of House Bill 832 setting the fee at \$200 per fixture unit with a provision for annual inflation adjustments. Subsequent resolutions have established a process for approving partial and full exemptions for elderly housing and biotechnology properties, as well as exemptions for properties in designated economic revitalization areas and properties used primarily for recreational and educational programs and services to youth.

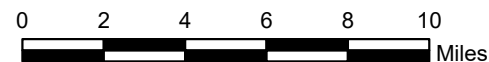
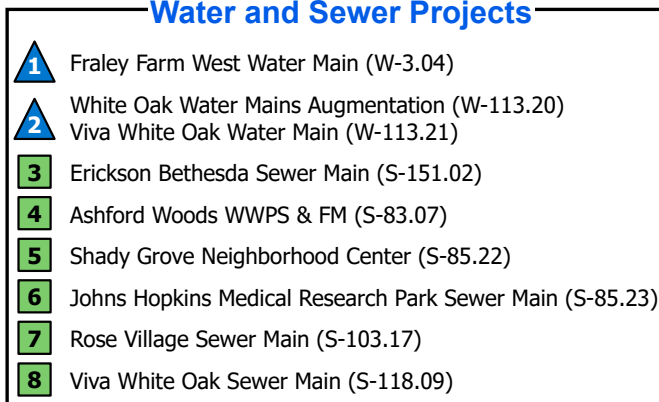
WSSC Water estimates that there will be a negative fund balance of \$7.6 million at the end of the six-year program period. The surplus or shortfall between growth funding sources (SDC, developer contributions, and System Extension Permit applicant payments) and the estimated growth-related expenditures vary over the six-year period. If growth-related expenditures were to exceed the available SDC account balance in any given fiscal year, it is anticipated that new SDC-supported debt would be issued to cover this temporary gap. The debt will be repaid through future SDC collections, as allowed by state law. Further, it is currently anticipated that no significant additional growth projects will evolve in the later years of the six-year period. (A listing of SDC-eligible projects is included in Appendix D.)

An estimate of the surplus or shortfall for each fiscal year is presented in the table on the following page. To estimate the surplus or shortfall for an individual fiscal year, it is assumed that approximately 100% of the eligible expenditures will be expensed in a fiscal year. The projected surplus or shortfall is the difference between the eligible expenditures adjusted for completion and the sum of the various funding sources.

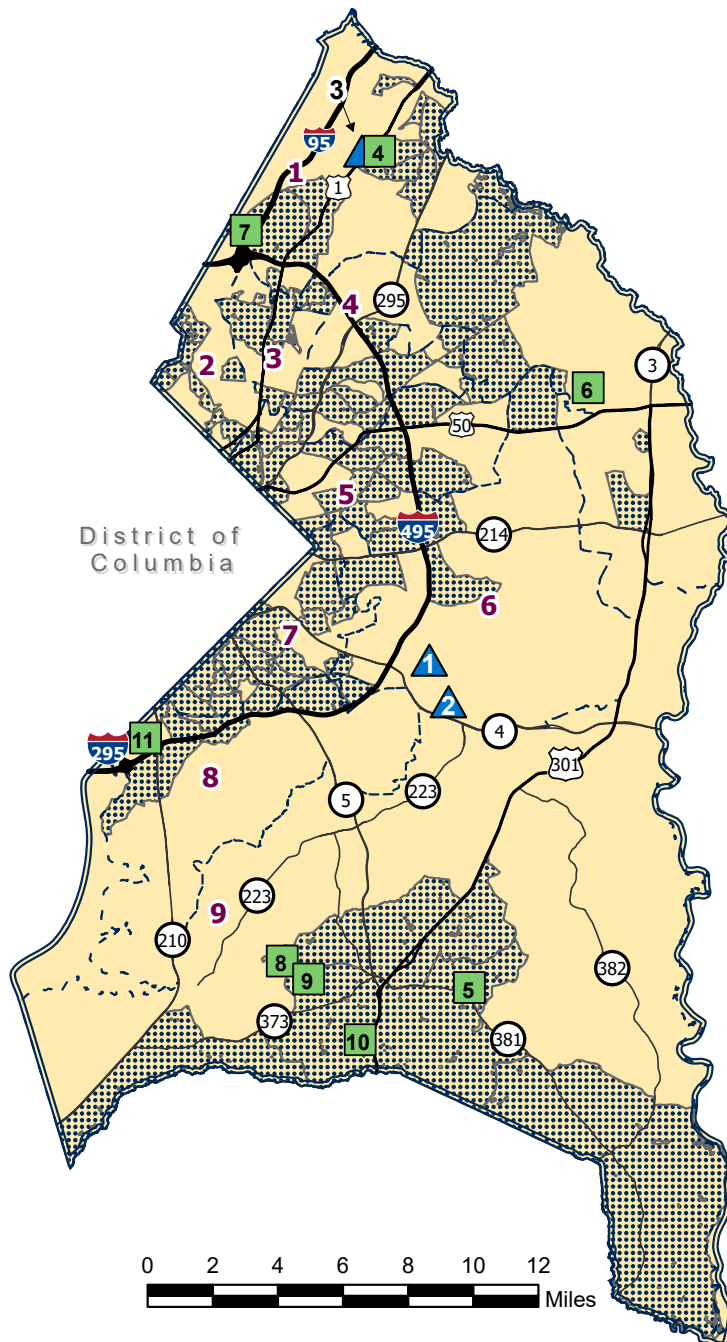
Montgomery County Growth Projects



Water and Sewer Projects



Prince George's County Growth Projects



Legend

- Council Districts
- Environmental Justice areas from Nov 2023
- County Roads
- MD State Roads
- Interstate Roads
- County Boundaries
- Council Numbering

Water and Sewer Projects

- Smith Home Farms Water Main (W-84.03)
- Westphalia Town Center Water Main (W-84.04)
- Konterra Town Center East Water Main (W-93.01)
- Konterra Town Center East Sewer (S-28.18)
- Brandywine Woods WWPS & FM (S-75.23)
- Freeway Airport WWPS & FM (S-87.20)
- Viva White Oak Sewer Augmentation (S-118.10)
- Pleasant Valley Sewer Main Part 2 (S-131.05)
- Pleasant Valley Sewer Main, Part 1 (S-131.07)
- Calm Retreat Sewer Main (S-131.11)
- National View Sewer Main (S-131.14)

WSSC Water
Adopted FYs 2027 - 2032 CIP
Growth Funding (In Millions)

Systems Development Fund (SDC) -Six-Year Projections	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	6-Year Total
CIP Growth Expenditures	\$27.2	\$24.9	\$31.9	\$36.9	\$29.7	\$16.1	\$166.6
Funding Sources							
Privately Funded Projects	\$6.2	\$4.4	\$3.8	\$1.0	\$1.1	\$0.5	\$17.0
Estimated SDC Revenue less Debt Service	8.4	8.0	13.3	18.9	13.3	4.6	66.5
Less SDC Developer Credits	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(6.0)
Less SDC Exemptions ¹	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(6.0)	(6.0)
Total Funding Sources	\$ 12.6	\$10.4	\$15.1	\$17.9	\$12.4	\$3.1	\$71.5
Funding Surplus (Shortfall) Adjusted for Completion	\$ (7.8)	\$(7.5)	\$(7.3)	\$(7.2)	\$ (7.3)	\$(7.5)	\$(44.6)
—	—	—	—	—	—	—	—
Fund Balance	29.2	21.7	14.4	7.2	(0.1)	(7.6)	N/A

Assume a fund balance carry forward from FY2026 \$37.0 million.

CIP Growth Expenditures adjusted for completion based on a historical 5-year average of actual completions.

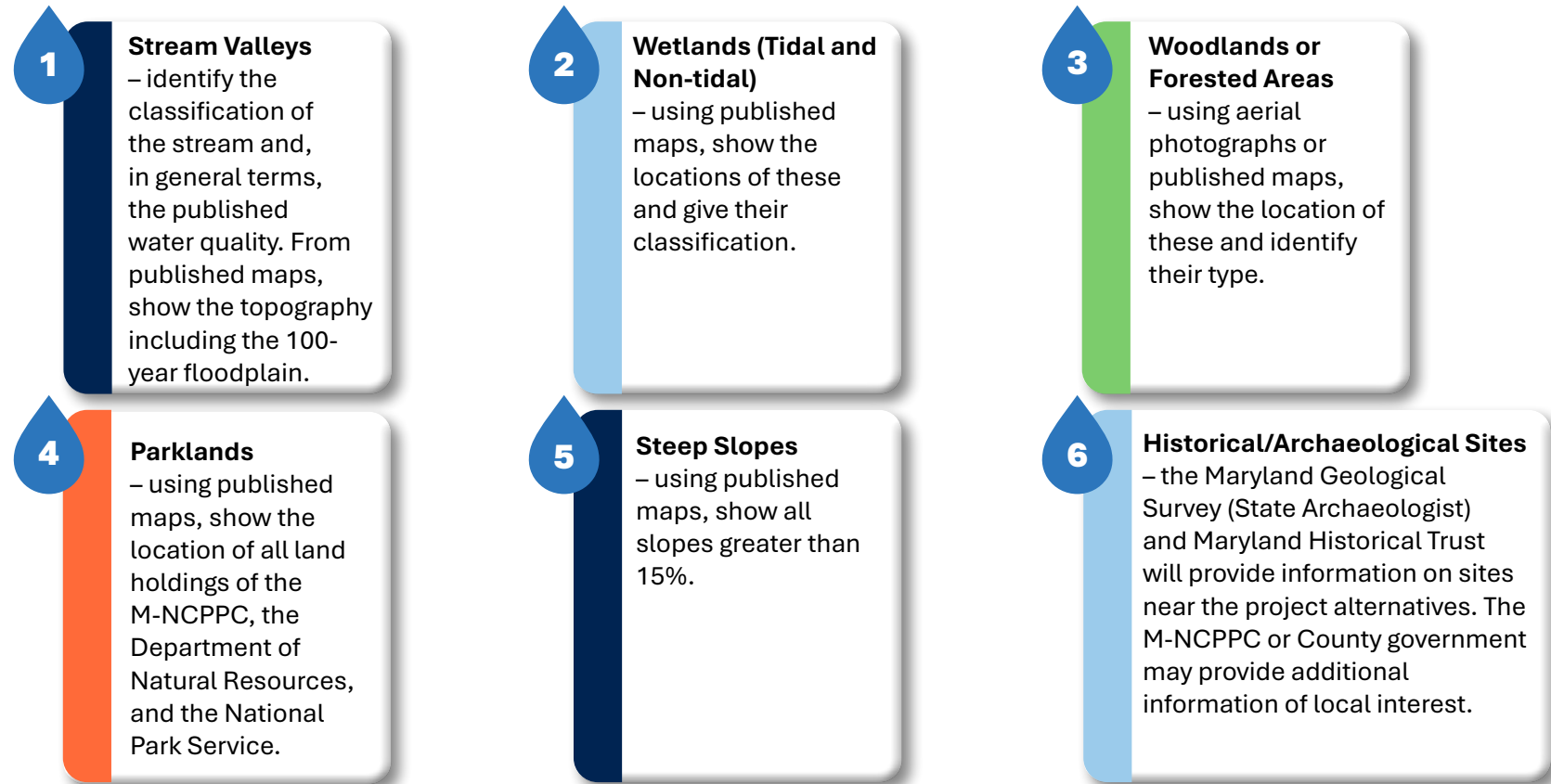
SDC Revenue adjusted for completion based on a historical 5-year average and adjusted each year for a 2.5 Consumer Price Index (CPI) increase.

SDC Developer Credits based on level of activity programmed for FY 2027-2032

¹ Each County may grant SDC exemptions, as identified in Appendix A, totaling up to \$500,000 per fiscal year as provided for in Maryland state law (Public Utilities Article, Section 25-403(b)). Unused exemption amounts are available for use in future fiscal years. Cumulative unused SDC exemptions totaled approximately \$9.1 million for Montgomery County and \$3.3 million for Prince George's County through June 30, 2026.

Environmental Funding

WSSC Water is committed to protecting the natural environment of Prince George's and Montgomery Counties as it carries out its mandate to provide sanitary sewer and drinking water services. This commitment focuses on those unique natural and manmade features (waterways, woodlands, and wetlands, as well as parklands, historical sites, and residential areas) that have been indicated by federal, state, and local environmental protection laws and regulations. Specific impact information is included in the evaluation of alternatives by the Asset Management Program (AMP), if the environment features will be affected by the adopted construction of a project. Six primary areas are addressed as appropriate:



A further extension of these protections has been funded by the approximately \$878.9 million included in the six-year program, which is attributable to meeting environmental regulations. These projects, currently budgeted at 14% of the six-year program costs, are mandated by the EPA under the Clean Water Act through the State of Maryland Department of the Environment in response to pollution controls in the form of more stringent state discharge permit requirements. The environmental component is allocated among the projects listed in the following table, and project details can be found on the individual PDFs included elsewhere in this document.

Environmental Spending

Project		Total 6 Years (In Millions)
W-000073.33	Potomac WFP Consent Decree Program	\$12.9
S - 000022.11	Blue Plains: Pipelines & Appurtenances	223.7
A - 000112.00	PFAS Management Strategy	294.7
A - 000109.02	Lead Reduction Program	164.5
Combined Program Expenditures Allocated to Environmental Regulations		\$695.8

Green Bond Project Funding

The International Capital Market Association (ICMA) describes the Green Bond market as an opportunity to enable and develop the key role that debt markets can play in funding projects that contribute to environmental sustainability. WSSC Water is committed to protecting the natural environment of Prince George's and Montgomery Counties as it carries out its mandate to provide sanitary sewer services and safe, clean drinking water. This commitment is reflected in the organization's core values of accountability, innovation, and environmental stewardship, which serve to guide and incorporate behavior and decision-making into the organization's investments into green buildings, pollution prevention and control, renewable energy, water quality, and climate change adaptation.

WSSC Water developed the Green Bond Framework as a guide for managing our Green Bond Program. The Framework contains four key components: use of proceeds, evaluation and selection process, management of proceeds, and reporting.

Projects selected for Green Bond financing are eligible to be funded in whole or in part by an allocation of the Green Bond proceeds. Based upon WSSC Water's review of its capital project portfolio and in concert with the Green Bond Framework, the following projects will be financed with the proceeds from Green Bonds: Potomac Water Filtration Plant (WFP) Consent Decree Program and Large Diameter Water Pipe & Large Valve Rehabilitation Program.

Green Bond proceeds will be specifically directed to pay the costs of design, construction, property acquisition, and other related costs necessary for selected projects. Further, WSSC Water will produce an annual report detailing how the Green Bond proceeds were used to finance the selected projects, a description of the selected projects, and details of the environmental benefits resulting from the projects. More information on WSSC Water's Green Bond Program, Green Bond Framework, and reporting can be found on our website at: www.wsscwater.com/greenbond.

CIP Planning Process

CIP Development Schedule

The CIP production cycle spans 14 months, beginning in April. The organizational units responsible for project initiation submit project description forms (commonly referred to as PDFs) to the Finance Department (Budget Division). The expenditures and schedules displayed on each PDF represent the best estimate of the cost and the time it will take to plan, design, and construct a project. These submittals are comprehensively reviewed with the General Manager/CEO and senior staff in June to assess the addition of new projects, changes in cost or scope, criticality, priority, environmental sensitivity, adherence to County growth and public outreach policies, construction schedule changes, and spending affordability considerations.

Following this comprehensive review, worksessions are conducted by the Budget Division and the Engineering and Construction Department with the Prince George's and Montgomery County governments, Maryland-National Capital Park and Planning Commission (M-NCPPC), and local municipality representatives to solicit their input, and a draft document is presented to the Commissioners for their consideration. Draft CIP Public Hearing documents are published and distributed each August, and the Commissioners host public hearings in each County in September. The hearings are advertised in a major newspaper circulated in Prince George's and Montgomery Counties, through our webpage and social media, and special notices are sent to the Prince George's and Montgomery Counties' State Senators and Delegates, County Executives, County Council members, and County government staff. In addition, a notice is included with each water bill mailed to customers throughout the months of June, July, and August inviting them to participate in the public hearings. After considering all relevant comments, the Commissioners approve the Adopted CIP document and authorize transmittal to both County governments before October 1, in accordance with state law. As part of WSSC Water's ongoing effort to improve communication, transparency, and awareness regarding the CIP, WSSC Water will also be conducting additional public information sessions where possible.

After January of the following year, the Prince George's and Montgomery County Executives transmit their recommendations to their respective County Councils. Each County Council conducts separate public hearings and worksessions to consider additional modifications to the Adopted CIP. On or before May 15th, the County Councils meet jointly to agree on required changes, and on or before June 1st each year, enact formal resolutions identifying project modifications and approving the addition of new projects. WSSC Water then adopts these changes and additions before the beginning of the new fiscal year on July 1st. If the Councils do not jointly agree on changes by June 1st, under law, the CIP is approved as Adopted.

The Planning Process

The planning process incorporates engineering data, regulatory and environmental requirements, economic factors, and public interaction to establish a sound basis for making decisions, for efficiently conducting and documenting specific work tasks, and for successfully implementing needed solutions. The planning process is a programmatic approach from the asset management and master and facility planning frameworks intended to utilize systemwide master plans, facility plans, asset management plans, business case and other planning studies, as needed, to identify needs, develop and evaluate options, and determine a preferred solution. An important goal of the process is to produce a result that achieves optimum solutions that are economical, environmentally sound and are acceptable to the community, elected officials, regulatory agencies, and WSSC Water.

A number of outside influences affect the project planning process. Water and sewer projects are essentially an infrastructure response to land use decisions made by the two County governments and demographic information (population forecasts) provided by the Metropolitan Washington Council of Governments (MWCOG) and the M-NCPPC. These elements are used to calculate projected water and sewerage demands. WSSC Water must also consider environmental consequences and compliance with federal and state regulations such as the Clean Water Act and Safe Drinking Water Act. The needs analysis process also incorporates both County governments' guidance on service policies as contained in the Comprehensive 10-Year Water and Sewerage Plans. Generally stated, the goals, purposes, and concepts provided by the Prince George's and Montgomery County governments require that the water and sewerage systems be consistent with officially approved local and general plans and provide adequate capacity to accommodate the foreseeable development of the area served based upon population and employment projections. This requirement corresponds with what has always been WSSC Water's policy: to provide utility service to the type and location of development that each County governing body has approved, if economically and otherwise feasible. Figure 1, on the following page, displays the overall CIP project development and approval process.

Public Outreach

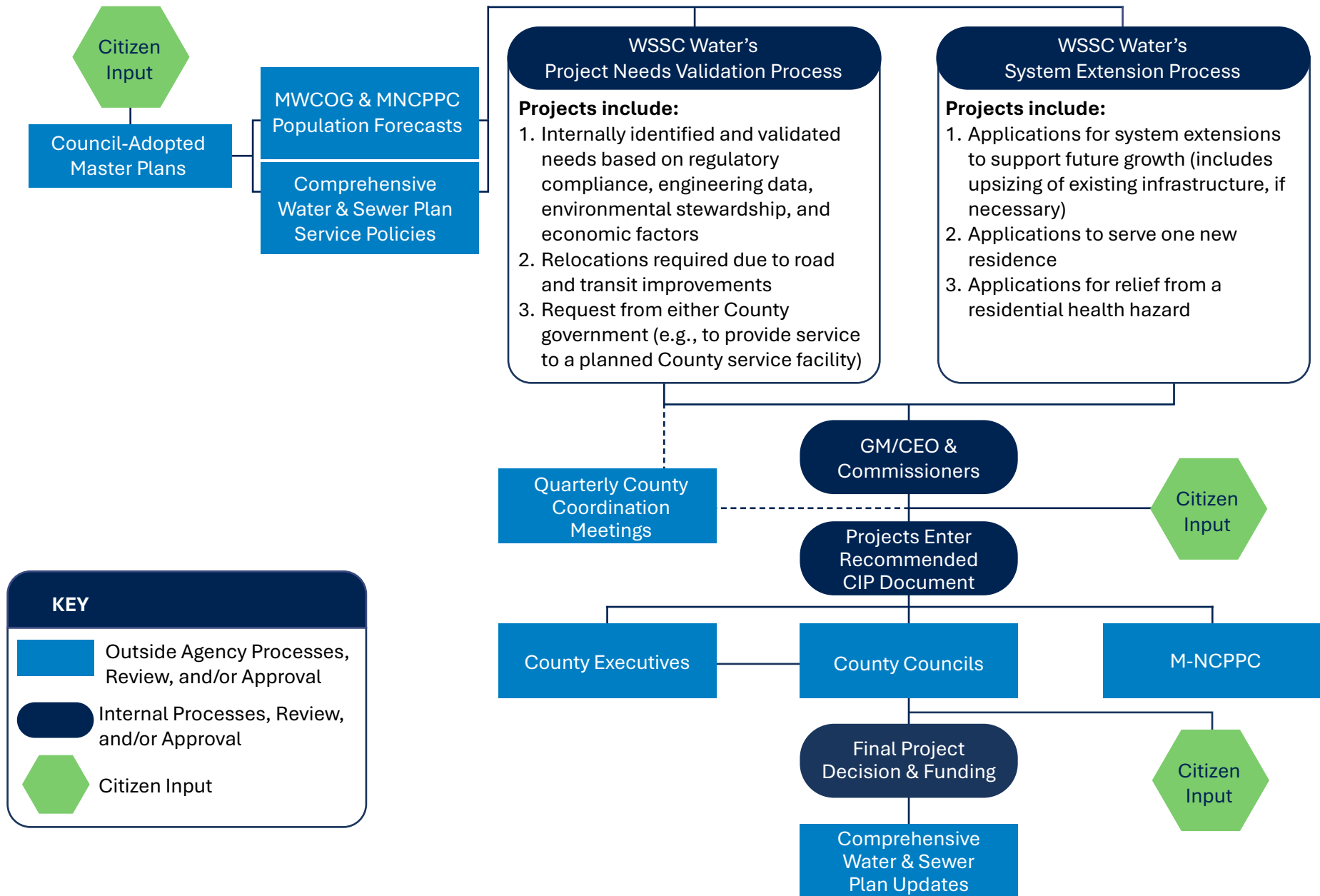
WSSC Water's proactive Project Outreach program is an integral part of our process to include early public involvement in projects. Seven public outreach events across the two Counties were conducted in preparation of the FY2026-2031 budget. The objective is to inform affected communities about WSSC Water's plans, actively seek their input, and respond to their concerns. WSSC Water's planning approach is an open process, receptive to public comment and involvement. Residents of Prince George's and Montgomery Counties are given the opportunity to review clear, accessible documents that describe the rationale behind program planning and project decisions.

The overall outreach goals are to:

- identify community and public policy issues early in the planning stage
- address the known community concerns and environmental issues that are within the reasonable context of the planning effort
- promote community understanding of system needs and demands, and the planning process used by WSSC Water to maintain public health standards and water quality protection
- provide constructive forums for community involvement and information throughout the planning process.
- provide a clear understanding of the decision-making process
- address potential health and environmental risks
- establish and maintain open lines of communication

The Project Outreach program advocates achieving planning goals through a collaborative effort among staff, technical experts, citizens and/or organizations, and public officials. Fostering community involvement allows WSSC Water to be responsive and sensitive.

CIP Project Development and Approval Process
Figure 1



WSSC Water's Asset Management Program

A task is underway to develop and utilize Master & Facility Planning information (existing and future capacity, regulations, resiliency, and innovations) to identify and prioritize water and wastewater systems and facilities strategic performance requirements for the next 20 years. Individual 10-Year Facility Plans for each element of the water and wastewater systems will be developed to identify recommended programs and projects for placement within the capital improvement program within a 10-year window. These plans will provide a 10-year roadmap to meet existing and future facility needs. The Master & Facility Planning Program will utilize inputs from Asset Management, incorporate existing and ongoing studies, fill gaps, evaluate alternatives and make long-term holistic infrastructure recommendations for inclusion in the CIP.

As a first step, capital projects in the CIP will be tagged to the following program categories: General Facilities, Water Treatment and Storage, Water Resources Recovery, Wastewater Collection, Water Distribution, Innovation and Investment Priorities, and Interjurisdictional Agreements.

Recent changes in the AM/MFP planning needs validation process include:

- enhancement of the equity lens in the CIP prioritization process and include it throughout an asset's lifecycle;
- modify the collection of WSSC Water's performance measure data to WSSC's level of service can be measured and compared to our goals at the community level; and
- initiate a facility planning process that will utilize the AMP's future needs projections to identify the scope and schedule of facility plans.

As our review progresses, additional information on the development of the enhanced process will be presented and detailed.

How Projects Enter the CIP

The Asset Management Program, together with an evolving Master & Facility planning process, systematically identifies and validates water, wastewater, and support services needs through its Project Needs Validation Process and is the primary source of new projects. Figure 2 depicts some of the key elements of the needs validation process.

Figure 2
Overview of WSSC Water's Project Needs Validation Process



While WSSC Water's needs assessments and facility plans may identify potential projects, a project may be added in response to relocation requirements due to road or transit improvements or the need to construct a segment of pipe in advance of paving. Projects may also be included at the request of either County government, usually to provide service to a planned County service facility, or in response to a request for service from a permit applicant for new development through the System Extension Process. Projects may also enter the CIP when they are split from previously approved projects. Projects may be split either at the request of the applicant or for administrative reasons such as to afford better project management or to provide greater clarity to the reader.

CIP Prioritization

Furthermore, capital investment needs will be prioritized with an aggregate priority score and drivers identified from the following categories listed in decreasing order of priority – Regulatory and Mandates; Health, Safety, and Risk; Operational Efficiencies/Level of Service; Reliability and Resilience/ Maintaining State of Good Repair; Initiatives/Plans and Policies; and Community Impacts.

CIP prioritization is achieved through data-driven metrics, including Asset Management Decision Support System Data and GIS spatial analyses. The scoring criteria framework is shown in Figure 3. In addition to the criteria shown in Figure 3, the impact to an underserved or less resilient community can serve as a final tie-breaker to distinguish between equally ranked projects.

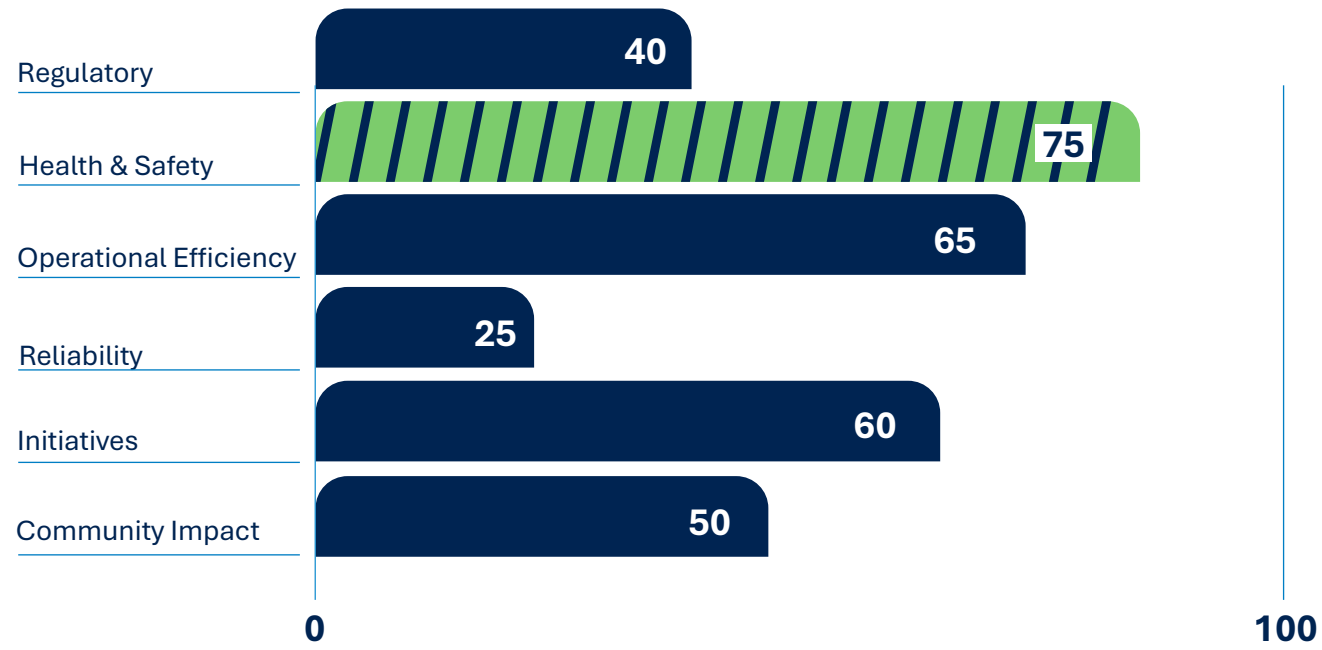
Figure 3
CIP Prioritization Criteria

Regulatory Mandates	Consent decree request	Regulatory request	Total							
35%*	70%*	30%*	100%*							
Health & Safety/Risk	Highest asset BRE zone	Addresses enterprise risk	Project identified because of security, health and safety	Total						
30%*	25%*	25%*	50%*	100%*						
LOS/Operational Efficiency	Impact on performance measures	Customers affected	Will delay result in restriction of an essential service for customers	Address operational efficiencies?	Current status	Funding source	Annutized cost savings for preferred alternative compared to status quo	What is the risk reduction/ cost ratio or benefit/cost ratio?	Total	
15%*	15%*	10%*	10%*	20%*	15%*	15%*	5%*	5%*	100%*	
Reliability & Resilience Maintain Good Repair State	Addresses reliability & resiliency	Maintaining State of Good Repair	Will this project reduce the number or length of service outages?	Does project extend service lives?	Provide employees with needed support services and utilities?	Total				
10%*	40%*	20%*	20%*	10%*	10%*	100%*				
Initiatives Plans Policies	Does the project align with county or regional policies or plans	Other organizational priority	Impact on staffing request	Provide employees with suitable space	Total					
5%*	30%*	30%*	20%*	20%*	100%*					

*Weights

CIP Prioritization

Example of CIP scoring that allows us to clearly identify project/program drivers.



Project Development Criteria

It has been WSSC Water's policy to have facilities in service when needed so that new development demands on the system do not result in a reduction in the level of service provided to existing customers. This policy provides for unrestricted water supply and no sewage overflows, and avoids a moratorium on water or sewer connections. This general service policy guides the planning and sizing of the systems and requires that both the water and wastewater systems are sized to handle the peak or maximum demands, adjusted for weather-related usage. The task is to balance cost and affordability with environmental consequences, risk, and system reliability.

Water and wastewater systems are composed of functionally different sub-systems: treatment, transmission, distribution, collection, and storage. Ideally, the capacity of each component should match the capacity of the other parts of the system. An example of a real situation from the past is the comparison between the Blue Plains Advanced Wastewater Treatment Plant and the Muddy Branch and Seneca Creek wastewater transmission systems. The plant had sufficient capacity, but peak flows in the sewers exceeded pipeline capacity. These were part of the same network, yet one of the sub-systems had excess capacity, while other parts, although connected, were deficient. Transmission projects to correct this imbalance were completed in these basins, ensuring capacity to handle future flows in the conveyance systems.

For most facilities, WSSC Water plans enough capacity to last 20 years or more. Longer-range planning is done when it seems clear that adding capacity incrementally will not be economical or feasible, nor significantly disruptive. A pipeline is sized for full development, or "build out" of its service area, to avoid repeated environmental and community disruption caused by construction. In most cases, this results in a service life that extends beyond 20 years. Since the weather-related usage and future population projections are broad-based estimates of future conditions used in the calculation of future flow demands, the rate at which predicted flows increase or decrease in a pipeline system is somewhat variable, but still useful in providing a long-range target for timing the project construction. WSSC Water conservatively estimates the lead time required to plan, design, and construct a facility, and projects are entered into the CIP on that basis. It is not unusual for 10 or more years to elapse before a major facility project, such as a treatment plant, is finished following its initial appearance in this document.

Twenty-year estimates of increases in customer demand are based on the most recent M-NCPPC demographic forecasts of population, dwelling units, and employment. Estimates of full development demands are based on the most current land use and zoning information available from the M-NCPPC. This data is organized by Traffic Analysis Zones in Montgomery County and by Policy Analysis Zones in Prince George's County.

The information is then disaggregated by sub-basins for use in the planning and sizing of projects.

Project Estimates

Pipeline cost estimates are developed using a detailed checklist of cost elements. The comprehensiveness and uniformity of planning-level cost estimates are significantly improved by including more site-specific details that were previously considered only at advanced stages of design. Through this process, the number of projects with cost increases, which typically occur when a project transitions from the preliminary planning phase to the design phase, is greatly reduced.

Actual design plans and profiles, if available, are analyzed together with United States Geological Survey soil maps. Additional factors such as site access, excessive traffic, known jurisdictional constraints, presence of rock or running sand, work through existing neighborhoods or open fields, and proximity to other existing utility lines are taken into consideration. The base prices upon which the estimates are predicated are derived from both historical cost data and the most recent bid information. The specific final unit prices are increased or decreased, dependent upon factors such as those listed above. In addition, all environmental mitigation costs for efforts such as reforestation are already included in the individual project costs. Regardless of the extensive checklist, some additional costs may be required by permitting agencies to account for unpredictable requirements, such as changes in alignment, more complex traffic management plans, or for changes in permit requirements for more stringent erosion protection measures at construction sites. The need for these features is project-specific and is identified on individual PDFs when appropriate.

Order of magnitude cost estimates for major facility projects (e.g., treatment plants and pumping stations) are first derived from business case studies in the planning stage and further refined in the design phase based on estimates developed by consulting engineers. WSSC Water requires that projects be re-evaluated by consulting engineers at the 30% and 70% stages of design. Estimated construction costs, reflecting any modifications, are identified on the individual PDFs, if applicable. Because the costs displayed in the CIP are estimates and not actual costs, construction contingencies may be added.

The “Other” cost element, displayed in Block B of the Expenditure Schedule in each PDF, is a broad estimate of the direct and indirect expenses associated with implementing each project and is not covered by the other major cost categories. These costs include direct support costs for a project, such as salaries, wages, and related personnel costs (Social Security, retirement, etc.), and services, rentals, supplies, mileage, and other expenses. This element is estimated for the majority of the projects in this document by multiplying the sum of the project’s Planning, Design and Supervision and Construction cost elements in each column on the PDF by a constant 15.0%. There are exceptions: a value, based upon 1.0%, is applied to Blue Plains project costs; a constant of 10.0% is used to more realistically estimate these expenses for projects with a total estimated cost of \$10.0 to \$49.9 million; and, a constant of 5.0% is used for projects with a total estimated cost of \$50.0 million or more.

A project’s previous expenditures, which include all direct, indirect, and overhead costs, are shown on the PDF in the Block B Expenditure Schedule in the “Thru” column. These expenditures are accessed from the financial information system through the period ending March 31 of each year. End of the fiscal year expenditures were not available in time for the development of project expenditure schedules and are estimates.

Program Description

Project information displayed in these PDFs, and as prescribed under Section 23-303 of the Public Utilities Article of the Annotated Code of Maryland, includes, as applicable: estimated diameter, length, and location of pipelines; design capacity; population and area to be served; project justification; project expenditure schedule showing the estimated cost and funding sources; and, where applicable, a map. PDFs are organized within the following major sections: Montgomery County Water, Montgomery County Sewer, Bi-County Water, Bi-County Sewer, Prince George's County Water, Prince George's County Sewer, and Information Only. A financial summary of expenditures by major section is included in Figure 4 at the end of this narrative. Project number prefixes indicate a water (W-), sewerage (S-), or administrative (A-) project. Administrative projects are included in the Information Only section and refer to projects that may be attributable to both water and sewerage. Each major section includes a financial summary for the projects in that section, a list of new projects, a PDF for each project, and a list of projects being closed out in that section.

Projected acquisition costs for land, rights-of-way, and any watershed buffer property are consolidated onto composite PDFs (W-202.00 and S-203.00). This format provides flexibility in expending funds in a specific fiscal year and permits WSSC Water to respond to the uncertainty of implementation schedules, unpredictable delays, unanticipated rights-of-way requirements, and the need to assure an equitable negotiation position by avoiding project-specific cost displays prior to contacting property owners. Once a land purchase is concluded, this cost is transferred back to the individual project.

A projects pending close-out list is included at the end of each major section when required. Each list contains projects that were approved and included in the previously adopted CIP but do not appear in this program for reasons such as expected construction completion or project cancellation.

This document also contains an Information Only projects section. Projects in this section are not required to be in the program under Section 23-303 of the Public Utilities Article of the Annotated Code of Maryland but may be included for any number of reasons such as: fiscal planning purposes; the reader's improved understanding of the full scope of a specific set of projects; and responding to requests from County governments. Expenditures for Information Only projects, shown separately in the financial summary, are not included in the CIP six-year program costs. The Combined Program is the sum of the CIP and Information Only projects and represents the entire WSSC Water capital request.

Expenditure projections for the first year of the six-year program, as shown on each PDF in Block B, column Year 1, are included in the capital budget, and the operating budget includes the requisite debt service. In addition to adopting a six-year CIP, the Montgomery and Prince George's County governments also annually review and approve WSSC Water's capital and operating budget.

The following symbols are used on the individual project maps to represent different types of water and sewerage system components:

Water Main/Gravity Sewer		Water/Sewage Storage Facility	
Water/Wastewater Pumping Station		Water Filtration Plant	
Sewage Force Main		Water Resource Recovery Facility	

Water Treatment/Distribution Systems

The provision of potable water involves three major areas: supply, treatment, and distribution. The Potomac and Patuxent Rivers are the two water sources for the WSSD, with the majority of water coming from the Potomac. Raw water is taken directly from the natural flow of the Potomac River into the Potomac Water Filtration Plant in Montgomery County. Water from the Patuxent River is impounded by two reservoirs in series. The upstream reservoir is named the Triadelphia Reservoir and releases its flows into a segment of the Patuxent River before it flows into the T. Howard Duckett Reservoir, both of which are the sources of supply to the Patuxent Water Filtration Plant in northern Prince George’s County. These reservoirs have a combined storage capacity of approximately 10.4 billion gallons of usable water. The two filtration plants have produced an average of 162.0 million gallons of potable water per day over the last five fiscal years.

The natural flow in the Potomac River can be augmented during low flow conditions by two other reservoirs if the river flow is predicted to be inadequate to meet the demands of the regional water utilities. The Jennings Randolph Reservoir, which impounds 13.0 billion gallons of emergency raw water supply, is located on the North Fork of the Potomac River in West Virginia, and is owned and operated by the U.S. Army Corps of Engineers. Little Seneca Lake in Montgomery County provides an additional 3.8 billion gallons of usable raw water storage, and is owned and operated by WSSC Water. Both reservoirs are shared by users in the Washington Metropolitan area, including the U.S. Army Corps of Engineers and the Fairfax County Water Authority. Withdrawal during low flow conditions is governed by the terms of the Potomac Low Flow Allocation Agreement of 1981, as amended, and is administered by the Interstate Commission on the Potomac River Basin.

As raw water enters a plant, it goes through several stages of filtration and purification. Much of the finished water produced at the plants has to be pumped into the distribution system. Water pumping stations are strategically located throughout the WSSD to move water to higher topographic elevations to maintain adequate system pressure. The WSSD is divided into 87 major pressure zones that represent hydraulically separated segments of the water system. The pipelines within each zone must be designed to serve not only customers within that zone but also those in adjacent interconnected zones. Water to zones at higher elevations must be pumped; water to lower elevations must be closely controlled with pressure-regulating valves. A system under pressure enables the pipes to be laid uphill or downhill, with the flow direction independent of the ground slope. The design and operation of a water system is a complex task which requires detailed knowledge of the interrelationships between the source of supply, the location of pumping stations, pump characteristics, pressure-reducing valves, storage facilities, pipe diameters and capacity characteristics, consumption patterns

throughout the day, operating techniques and costs, and the location of our 1.9 million customers spread out over a service area of nearly 1,000 square miles.

The 51 elevated tanks, standpipes, and ground-level storage structures in the distribution system are filled with finished, filtered water to meet daily peak customer demand and to provide reserves for fire protection and emergencies. A network of 6,000 miles of underground water pipeline delivers water to homes, apartments, schools, hospitals, businesses, and all other types of buildings where water meters measure the amount of water used. All customer accounts are metered and billed based upon individual usage. For over 100 years, these facilities have been operated and maintained by WSSC Water 24 hours a day, 7 days a week, including holidays, to provide safe and reliable service to our customers.

Water Resource Recovery Facilities/Wastewater Collection Systems

WSSC Water's water resource recovery facilities have been nationally recognized as a Utility of the Future Today by the National Association of Clean Water Agencies (NACWA), the Water Environment Federation (WEF), the Water Research Foundation (WRF), and the WaterReuse Association, with input from the U.S. Environmental Protection Agency (EPA), for transformational work in community engagement, watershed stewardship, and recovery of resources such as water, energy, and nutrients. The Utility of the Future Today designation recognizes water utilities that have transformed from the traditional wastewater treatment system to a resource recovery center and leader in the overall sustainability and resilience of the communities they serve, recovering resources from wastewater, engaging in their community, forming unique partnerships, and building an internal culture of innovation. As one of the country's most effective pollution control networks, WSSC Water facilities go beyond conventional, second-stage treatment to provide "tertiary treatment," which is an advanced treatment process. All of WSSC Water's facilities employ state-of-the-art,, integrated, enhanced nutrient removal processes that significantly reduce the amount of nitrogen and phosphorus reaching the Chesapeake Bay. These features ensure that the quality of the effluent (treated wastewater discharged from the facilities) is better than the natural waters into which it is returned.

Wastewater operations are divided into two functions: treatment and conveyance of sewage. Sewage treatment is accomplished through a network of facilities, the base of which is the regional water resource recovery facility. WSSC Water owns and operates six water resource recovery facilities, which receive and process waste from residences, businesses (where waste is a by-product of the manufacturing process), restaurants, hospitals, and other commercial and industrial users. During the water resource recovery process, solid material is removed, harmful organisms are destroyed, and excess disinfection products are neutralized before the remaining liquid, the effluent, is returned to the waters of Maryland.

WSSC Water's six facilities have a combined capacity of 95 million gallons per day (MGD). The six facilities are Piscataway, Western Branch, Parkway, Seneca, Damascus, and Hyattstown. Unlike the water system, operation of the sewerage system is highly dependent upon other area jurisdictions and, for this reason, WSSC Water has purchased 169.6 MGD of treatment capacity at the Blue Plains Advanced Wastewater Treatment Plant located in the District of Columbia, 3.0 MGD of treatment capacity at the Mattawoman Wastewater Treatment plant located in northern Charles County, and 20,000 gallons per day of treatment capacity in the Town of

Poolesville's wastewater treatment plant. The capital costs of the Blue Plains and Mattawoman plants are shared among the users based upon treatment capacity allocations. WSSC Water also pays to the District of Columbia and Charles County a share of the operating, maintenance, and overhead costs at each plant, in proportion to actual flows. These cost-sharing arrangements were agreed to in the Intermunicipal Agreement of 2012 and the Mattawoman Agreement of 1980, respectively. Sewer capacity purchased in the Poolesville plant is in accordance with the May 1984 agreement between the Town of Poolesville and the Montgomery County government.

The other function of the sewerage system is to convey waste flows from the point of origin (for example, from a customer's home) to a point of treatment. The sewerage network contains 5,700 miles of pipeline, with pipe sizes ranging from 6 to 102 inches in diameter and is predominantly a gravity system. This means the flow travels downhill without additional assistance and, therefore, sewers generally flow along streambeds towards the lowest elevation in a basin. The sewers in one drainage basin are independent of those in other basins. There are 13 major drainage basins in the WSSD.

The largest diameter pipelines (interceptor sewers) extend out from the treatment plant to the major lines (trunk lines) within individual drainage basins. Smaller diameter pipelines (outfalls) run up sub-basins from the major lines. Even smaller lines (laterals), usually built in or along subdivision streets to serve abutting properties, lead to hundreds of thousands of individual service connections (hookups from the pipe in the street to a private home or building) that are served by the remainder of the conveyance system. Ideally, the entire system would provide for the gravitational flow of waste from the individual houses, businesses, and other sources through the laterals in the various subdivisions to the outfalls and through the larger diameter interceptors to the water resource recovery facility. Because gravity cannot always be used to accomplish this ideal pattern of flow, WSSC Water operates more than 50 wastewater pumping stations and has others in standby status throughout the WSSD. These pumping stations range in capacity from 0.06 to 306 MGD. Pumping stations lift wastewater through a pressure line called a force main, over ridges or from stream valleys that have no continuous trunk sewer, into the gravity-flow system of an adjacent drainage basin that contains existing pipelines and water resource recovery facilities. All WSSC Water wastewater flows through enclosed trunk line systems and is completely separate and independent from the storm drain system. These facilities are maintained by WSSC Water.

In addition, small pressure systems exist throughout the WSSD. A typical system comprises a grinder pump (one for each dwelling unit in a small residential development) contained in a sump, pumping through a plastic force main and then connecting to a nearby gravity sewer line. This type of system is limited in size and is necessary to overcome minor changes in topography to avoid the construction of a conventional gravity line in another direction where the distance to an existing sewer would be considerably greater and less cost effective.

Approximately 63% of all wastewater originating in Montgomery County and central Prince George's County flows through the Anacostia, Rock Creek, and Potomac River Valleys, to the Blue Plains Advanced Wastewater Treatment Plant. WSSC Water's proportionate share of capital costs at Blue Plains, to meet suburban Maryland's treatment requirements, have represented some of the most significant planned expenditures in this document. Capital investment into the Blue Plains' plant supports necessary expansion, replacement, or rehabilitation of the existing water and sewerage systems, as well as continuing a high level of service and reliability, protecting the health of current and new customers, and mitigating impacts on the environment.