



WSSC WATER

DELIVERING THE ESSENTIAL

FY2026
MONTHLY STATUS REPORT

AUGUST 2025



Interoffice Memorandum

TO: KISHIA L. POWELL
GENERAL MANAGER/CEO

FROM: MUNETSI TIMOTHY MUSARA, CPA
CHIEF FINANCIAL OFFICER

DATE: October 20, 2025

SUBJECT: MONTHLY STATUS REPORT – August 2025

Signed by:

Munetsi Timothy Musara

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Attached is the August Monthly Status Report on the budgetary and fiscal performance of WSSC Water. The report provides summary information delineating WSSC Water's financial status as of August 31, 2025, for Fiscal Year 2026 (FY'26). Total operating fund revenues are at \$203.8 million, and net operating fund expenses are at \$161.0 million. The net revenues of \$42.8 million compares favorably with the fiscal year 2026 approved budget providing for net revenues of \$0.4 million. The additional net revenues are the result of lower expenditure realization.

Highlights as of the August 2025 report as follows:

Revenues

- Water and Sewer revenues – which make up 80.1 percent of total revenues are at 18.4 percent YTD versus a prorated target of 16.7 percent based on the first two months of the fiscal year.
- Other revenues which make up 19.9 percent of total revenues are at 17.0 percent YTD versus a prorated target of 16.7 percent. (Page 3)
- Interest Income on cash balances was ahead of budget, reflecting the increase in interest rates and its positive impact on interest earned. (Page 4)

Prior Year Comparison:

- Water and Sewer revenues were at 19.6 percent of actual revenues for FY'25 at the end of two months of the fiscal year.
- Other revenues were at 18.7 percent at the end of the two months of the fiscal year.

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Expenditures:

- Operating expenditures are at 13.3 percent budget year to date (YTD) versus a prorated target of 16.7 percent based on the first two months of the fiscal year.
- PAYGO and Debt Service Expenses was on target.

Prior Year Comparison:

- Operating expenditures were at 11.6 percent of actual expenditures for FY'25 at the end of two months of the fiscal year.

Factors Impacting Revenues: Water and Sewer Consumption trends.

- Water consumption is lower for FY'26, (142.9 MGD in FY'26 versus 147.6 MGD in FY'25) Sewer usage was marginally lower (121.5 MGD versus 122.6 MGD) for FY'25 giving net overall revenues a slower realization compared to the budget. (Pages 9 and 11)

Work years:

- The workforce saw an increase of 91 to 1,817 through FY'26, compared to FY'25. The current filled complement is less than the approved work years of 2,040. The recruitment process continues to reflect the competitive labor environment. (Page 15)

System Development Charge:

- The available account balance at the end of August FY'26 is \$40.6 million.

I recommend transmittal of the attached report to Prince George's and Montgomery Counties.

OPERATING FUNDS
CONSOLIDATED STATEMENT OF REVENUES AND EXPENDITURES
 (In Thousands)

	FY'25	FY'26	FY'25	FY'26	FY'26	FY'26	PROJECTED
	ACTUAL	REVISED BUDGET*	ACTUAL THRU 8/31/24	YEAR ENDING 8/31/25	VARIANCE TO YTD BUDGET	% VARIANCE TO YTD BUDGET	THRU 6/30/26
REVENUES							
Water Consumption and Sewer Use Charges	\$833,490	\$887,579	\$157,235	\$163,299	(\$3,189)	-1.9%	\$887,579
All Other Revenues	228,624	238,123	38,991	40,469	(971)	-2.3%	238,123
TOTAL REVENUES	1,062,114	1,125,702	196,226	203,768	(4,160)	-2.0%	1,125,702
EXPENSES							
Operating Expenses	612,263	666,297	70,081	88,323	1,068	0.6%	666,297
PAYGO	50,602	93,000	4,525	15,462	38	0.2%	93,000
Debt Service Expense	367,024	373,801	57,366	58,477	3,823	6.1%	373,801
GROSS EXPENSES	1,029,889	1,133,098	131,972	162,262	4,929	2.9%	1,133,098
Less: Reconstruction Debt Service & Misc Offset	0	0	0	0	0	0.0%	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(962)	(962)	0	0.0%	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(330)	(333)	(0)	0.1%	(2,000)
NET EXPENSES	1,022,117	1,125,326	130,680	160,967	4,929	3.0%	1,125,326
NET REVENUE (LOSS) FOR YEAR	\$39,997	\$376	\$65,546	\$42,801	\$768	1.9% (F)	\$376

*Reflects transfers between major expense categories from the approved budget

(F) = Favorable Variance

CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES AND EXPENDITURES

(In Thousands)

	FY'25	FY'26	FY'25	FY'26	FY'26	FY'26	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU 8/31/24	YEAR ENDING 8/31/25	VARIANCE TO YTD BUDGET	% VARIANCE TO YTD BUDGET	THRU 6/30/26
REVENUES							
Water Consumption Charges	\$371,913	\$399,545	\$72,583	\$74,229	(\$2,218)	-2.9%	\$399,545
Sewer Use Charges	461,577	488,034	84,652	89,070	(971)	-1.1%	488,034
Account Maintenance Fees	62,730	69,493	10,846	11,640	(77)	-0.7%	69,493
Infrastructure Investment Fee	77,325	85,782	13,330	14,313	(314)	-2.1%	85,782
Front Foot Benefit & House Connection Assessments	4,850	2,772	878	738	230	45.2%	2,772
Plumbing & Inspection Fees	20,736	22,610	3,604	4,320	694	19.1%	22,610
Interest Income	25,800	14,000	4,180	3,634	1,301	55.7%	14,000
Rockville Sewer Use	4,643	4,500	744	796	68	9.3%	4,500
Miscellaneous	32,540	38,966	5,409	5,028	(2,873)	-36.4%	38,966
TOTAL REVENUES	1,062,114	1,125,702	196,226	203,768	(4,160)	-2.0%	1,125,702
EXPENSES							
Salaries & Wages	164,687	200,396	25,935	31,694	1,201	3.6%	200,396
Heat, Light & Power	26,273	29,200	4,103	5,079	132	2.5%	29,200
Regional Sewage Disposal	80,409	83,661	13,061	13,560	(69)	-0.5%	83,661
All Other	340,894	353,040	26,982	37,990	(197)	-0.5%	353,040
PAYGO	50,602	93,000	4,525	15,462	38	0.2%	93,000
Debt Service	367,024	373,801	57,366	58,477	3,823	6.1%	373,801
GROSS EXPENSES	1,029,889	1,133,098	131,972	162,262	4,929	2.9%	1,133,098
Less: Reconstruction Debt Service & Misc Offset	0	0	0	0	0	0.0%	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(962)	(962)	0	0.0%	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(330)	(333)	(0)	0.1%	(2,000)
NET EXPENSES	1,022,117	1,125,326	130,680	160,967	4,929	3.0%	1,125,326
NET REVENUE (LOSS) FOR YEAR	\$39,997	\$376	\$65,546	\$42,801	\$768	1.9% (F)	\$376
ACCUMULATED NET REVENUE - JULY 1	376,823						411,994
Use of Fund Balance	0						0
ACCUMULATED NET REVENUE - JUNE 30	\$416,820						\$412,370

*Reflects transfers between major expense categories from the approved budget
(F) = Favorable Variance

Note: Details of the Water and Sewer Operating Funds and General Bond Debt Service Fund are on pages 6, 7 & 8, respectively.

COMBINED WATER AND SEWER OPERATING FUNDS

(In Thousands)

	FY'25 ACTUAL	FY'26 REVISED BUDGET*	FY'25 ACTUAL THRU 8/31/24	FY'26 YEAR ENDING 8/31/25	FY'26 YTD BUDGET	FY'26 TO YTD BUDGET	PROJECTED THRU 6/30/26
REVENUES							
Water Consumption & Sewer Use Charges	\$833,490	\$887,579	\$157,235	\$163,299	(\$3,189)	-1.9%	\$887,579
All Other Revenues	222,449	235,151	37,885	39,509	(1,390)	-3.4%	235,151
TOTAL REVENUES	1,055,939	1,122,730	195,120	202,808	(4,579)	-2.2%	1,122,730
EXPENSES							
Operating Expenses	610,239	663,701	69,822	87,986	1,073	1.2%	663,701
PAYGO	50,602	93,000	4,525	15,462	38	0.2%	93,000
Debt Service Expense	363,562	373,801	56,711	58,744	3,556	5.7%	373,801
GROSS EXPENSES	1,024,403	1,130,502	131,058	162,192	4,667	2.8%	1,130,502
Less: Reconstruction Debt Service & Misc Offset	0	0	0	0	0	0.0%	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(962)	(962)	0	0.0%	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(330)	(333)	(0)	0.1%	(2,000)
NET EXPENSES	1,016,631	1,122,730	129,766	160,897	4,667	2.8%	1,122,730
NET REVENUE (LOSS) FOR YEAR	\$39,308	\$0	\$65,354	\$41,911	\$88	0.2% (F)	\$0
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	356,071						390,553
NET REVENUE (LOSS) FOR YEAR	39,308						0
USE OF ACCUMULATED NET REVENUE	0						0
ACCUMULATED NET REVENUE - END OF YEAR	\$395,379						\$390,553
WATER CONSUMPTION (MGD)	129.4	127.0	147.6	142.9	15.9	12.6%	127.0

*Reflects transfers between major expense categories from the approved budget

NOTE: Refer to Pages 6 and 7 for details of Water and Sewer Operating Funds.

(F) = Favorable Variance

WATER OPERATING

(In Thousands)

	FY'25	FY'26	FY'25	FY'26	FY'26	FY'26	PROJECTED
	ACTUAL	REVISED BUDGET*	ACTUAL THRU 8/31/24	ACTUAL THRU 8/31/25	VARIANCE TO YTD BUDGET	% VARIANCE TO YTD BUDGET	THRU 6/30/26
REVENUES							
Water Consumption Charges	\$371,913	\$399,545	72,583	\$74,229	(\$2,218)	-2.9%	\$399,545
Account Maintenance Fee	32,447	\$38,303	5,594	6,015	(451)	-7.0%	\$38,303
Infrastructure Investment Fee	39,729	\$46,794	6,834	7,347	(639)	-8.0%	\$46,794
Plumbing & Inspection Fees	12,206	\$13,600	2,100	2,497	304	13.8%	\$13,600
Interest Income	10,187	\$5,135	1,783	1,222	366	42.8%	\$5,135
Miscellaneous	15,001	\$15,968	2,315	2,003	(1,048)	-34.3%	\$15,968
TOTAL REVENUES	481,483	519,345	91,209	93,313	(3,685)	-3.8%	519,345
EXPENSES							
Salaries & Wages	92,150	107,960	14,334	17,917	(206)	-1.2%	107,960
Heat, Light & Power	15,231	18,118	2,499	2,958	396	11.8%	18,118
All Other	200,458	189,218	15,782	23,322	(3,052)	-15.1%	189,218
PAYGO	21,961	32,550	(205)	5,380	45	0.8%	32,550
Debt Service	169,114	175,167	25,243	26,472	2,723	9.3%	175,167
GROSS EXPENSES	498,914	523,013	57,653	76,049	(95)	-0.1%	523,013
Less: Reconstruction Debt Service & Misc Offset	0	\$0	0	0	0	0.0%	\$0
Less: SDC Debt Service Offset	(2,731)	(\$2,731)	(455)	(454)	(1)	0.3%	(\$2,731)
Less: Premium & Underwriter's Discount Transfers	(907)	(937)	(148)	(151)	(5)	3.3%	(\$937)
NET EXPENSES	495,276	519,345	57,050	75,444	(101)	-0.1%	519,345
NET REVENUE (LOSS)	(13,793)	-	\$34,159	17,869	(3,786)	-17.5% (N/M)	\$0
ACCUMULATED NET REVENUE - JULY 1	139,155						120,586
Use of Fund Balance	0						0
Fund Balance Transfer	0						0
ACCUMULATED NET REVENUE - JUNE 30	\$125,362						\$120,586

*Reflects transfers between major expense categories from the approved budget

**Reflects a decrease in net revenues of \$4,775,518 resulting from prior year adjustments.

(N/M)=Not Meaningful. Revenue loss of \$14 million was generated against nil budgeted net.

SEWER OPERATING

(In Thousands)

	FY'26		FY'25		FY'26		FY'26		FY'26		PROJECTED
	FY'25		REVISED		ACTUAL THRU		YEAR ENDING		VARIANCE TO		% VARIANCE TO
	ACTUAL	BUDGET*			8/31/24	8/31/25			YTD BUDGET	YTD BUDGET	THRU
REVENUES											
Sewer Use Charges	\$461,577	\$488,034			84,652		\$89,070		(\$971)		-1.1%
Account Maintenance Fee	30,283	\$31,190			5,252		5,625		\$374		7.1%
Infrastructure Investment Fee	37,596	\$38,988			6,496		6,966		\$325		4.9%
Rockville Sewer Use	4,643	\$4,500			744		796		\$68		9.3%
Interest Income	14,385	\$8,865			2,193		2,260		\$783		107.5%
Plumbing & Inspection Fees	8,530	\$9,010			1,504		1,823		\$391		27.3%
Miscellaneous	17,442	\$22,798			3,070		2,955		(\$1,862)		-38.7%
TOTAL REVENUES	574,456	603,385			103,911		109,495		(894)		-0.8%
EXPENSES											
Salaries & Wages	71,441	91,323			11,424		13,563		1,464		9.7%
Heat, Light & Power	11,042	11,082			1,604		2,121		(263)		-14.2%
Regional Sewage Disposal	80,409	83,661			13,061		13,560		(69)		-0.5%
All Other	139,508	162,339			11,118		14,545		2,803		16.2%
PAYGO	28,640	60,450			4,730		10,082		(7)		-0.1%
Debt Service	194,448	198,634			31,468		32,272		834		2.5%
GROSS EXPENSES	525,488	607,489			73,405		86,143		4,762		5.2%
Less: Reconstruction Debt Service Offset	0	\$0			0		0		0		0.0%
Less: SDC Debt Service Offset	(3,041)	(\$3,041)			(507)		(508)		1		-0.2%
Less: Premium & Underwriter's Discount Transfers	(1,093)	(1,063)			(182)		(182)		5		-2.7%
NET EXPENSES	521,354	603,385			72,716		85,453		4,768		5.3%
NET REVENUE (LOSS)	\$53,102	\$0			\$31,195		\$24,042		\$3,875		19.2% (N/M)
ACCUMULATED NET REVENUE - JULY 1	216,915										269,967**
Use of Fund Balance	0										0
Fund Balance Transfer	0										0
ACCUMULATED NET REVENUE - JUNE 30	\$270,017										\$269,967

*Reflects transfers between major expense categories from the approved budget

**Reflects a decrease in net revenues of \$50,107 resulting from prior year adjustments.

(N/M)=Not Meaningful. Revenue of \$53.1 million was generated against nil budgeted net.

GENERAL BOND DEBT SERVICE FUND

(In Thousands)

	FY'25	FY'26	FY'25	FY'26	FY'26	FY'26	PROJECTED
	ACTUAL	REVISED BUDGET*	ACTUAL THRU 8/31/24	YEAR ENDING 8/31/25	VARIANCE TO YTD BUDGET	% VARIANCE TO YTD BUDGET	THRU 6/30/26
REVENUES							
Front Foot Benefit & House Connection							
Assessments	\$4,850	\$2,772	\$878	\$738	\$230	45.2%	\$2,772
Interest Income	1,228	\$0	204	152	\$152	0.0%	\$0
Miscellaneous	97	\$200	24	70	\$37	110.0%	\$200
Reconstruction Debt Service Offset	0	\$0	0	0	\$0	0	\$0
TOTAL REVENUES	6,175	2,972	1,106	960	418	77.3%	2,972
EXPENSES							
Salaries & Wages	1,096	1,113	177	214	(58)	-36.9%	1,113
All Other	928	1,483	82	123	52	29.9%	1,483
Debt Service	3,462	0	655	(267)	267	0.0%	-
GROSS EXPENSES	5,486	2,596	914	70	262	78.9%	2,596
NET EXPENSES	5,486	2,596	914	70	262	78.9%	2,596
NET REVENUE (LOSS)	\$689	\$376	\$192	\$890	\$680	324.2% (F)	\$376
ACCUMULATED NET REVENUE - JULY 1	20,752						21,441
Use of Fund Balance	0						0
ACCUMULATED NET REVENUE - JUNE 30	\$21,441						\$21,817

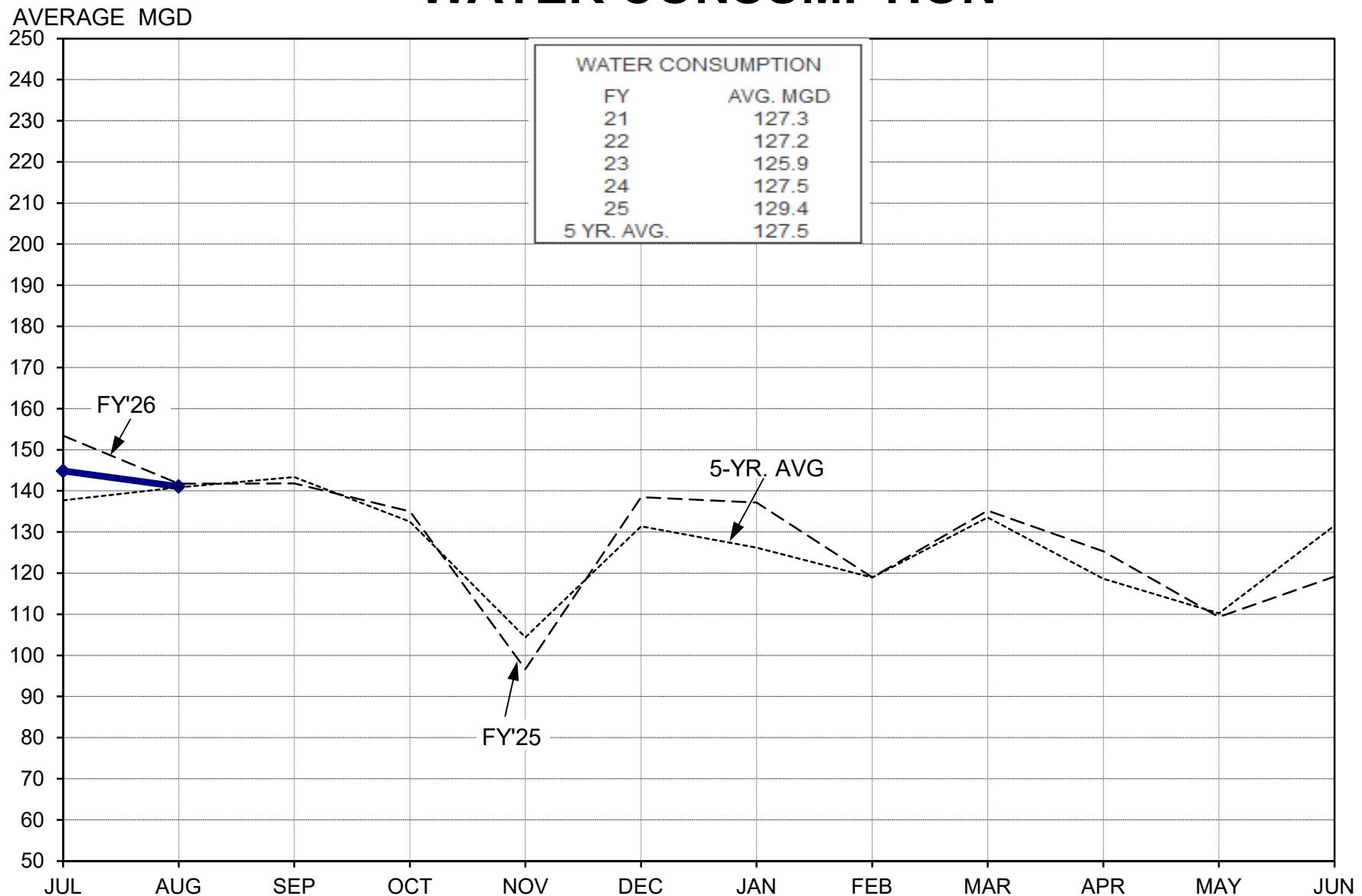
*Reflects transfers between major expense categories from the approved budget

(F) = Favorable Variance

FY'26
WATER CONSUMPTION

<u>MONTH</u>	MONTHLY AVERAGE (MGD)	FY'26 CUMULATIVE AVERAGE (MGD)	FY'25 CUMULATIVE AVERAGE (MGD)
July	144.831	144.831	153.427
August	141.051	142.941	147.588
September			145.713
October			143.017
November			133.920
December			134.689
January			135.049
February			133.201
March			133.425
April			132.621
May			130.469
June			129.540

WATER CONSUMPTION



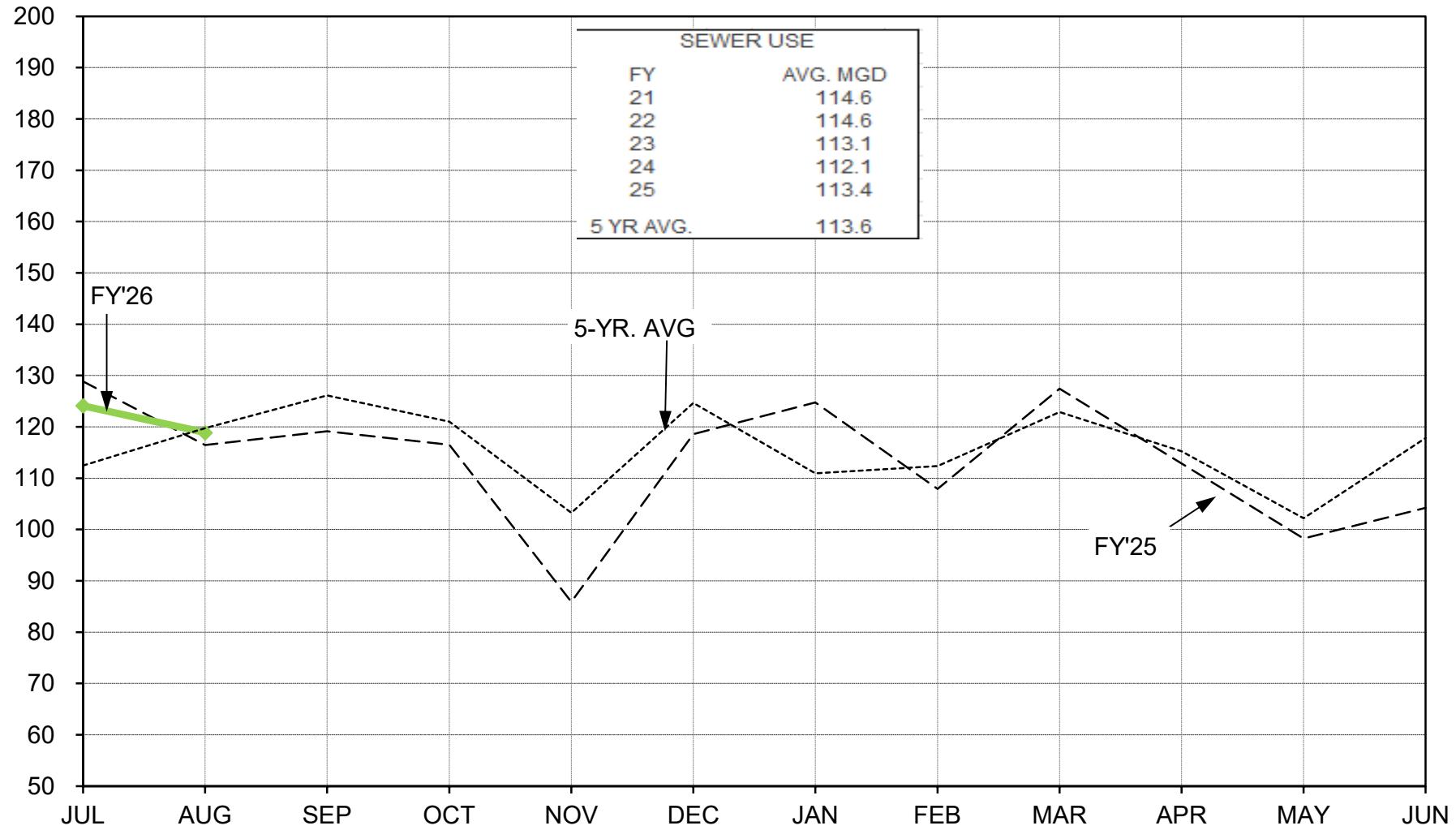
FY'26
SEWER USE

<u>MONTH</u>	FY'26 MONTHLY AVERAGE (MGD)	FY'26 CUMULATIVE AVERAGE (MGD)	FY'25 CUMULATIVE AVERAGE (MGD)
July	124.13	124.13	128.84
August	118.87	121.50	122.65
September			121.51
October			120.25
November			113.52
December			114.37
January			115.86
February			114.95
March			116.36
April			116.01
May			114.37
June			113.54

SEWER USE

(INCLUDES BLUE PLAINS)

AVERAGE MGD



STATEMENT OF CAPITAL FUNDS INCOME AND EXPENDITURES
CAPITAL FUNDS TOTAL
 (In Thousands)

	FY'25 ACTUAL	REVISED BUDGET*	FY'25 ACTUAL THRU 8/31/24	FY'26 YEAR ENDING 8/31/25	FY'26 VARIANCE TO YTD BUDGET	FY'26 % COMPLETION TO YTD BUDGET	PROJECTED THRU 6/30/26
<u>GROSS FUNDS AVAILABLE</u>							
Funds Available-July 1	\$100,376						
Bonds Issued and Cash on Hand	\$366,476	\$618,771					
Anticipated Contributions:							
Federal & State Grants	11,076	43,326					
System Development Charge	29,787	25,097					
Other	37,320	9,621					
Available for Current Construction	<u>545,035</u>	<u>696,815</u>					
<u>CAPITAL COSTS</u>							
Salaries & Wages	\$38,624	42,194	5,977	\$7,347	(465)	17.4%	42,194
Contract Work	284,164	383,031	41,220	41,343	16,997	10.8%	383,031
Consulting Engineers	40,495	117,541	1,696	1,345	5,056	1.1%	117,541
All Other **	98,261	154,049	15,337	19,330	(2,660)	12.5%	154,049
TOTAL COSTS	<u>\$461,544</u>	<u>696,815</u>	<u>64,230</u>	<u>69,365</u>	<u>18,928</u>	<u>10.0%</u>	<u>\$696,815</u>

Change in Funds Available for Construction

Funds Balance - July 1

Funds Balance - June 30

*Reflects transfers between major expense categories from the approved budget

**Reflects prior year adjustments. No Bond Premium transfer in FY24-FY25

SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2025	\$47,899
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ACCOUNT ADDITIONS:

SDC Revenues, Net	5,080
Interest Income	397

FUNDS AVAILABLE	53,376
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Less MOU Credit Reimbursement	0
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TRANSFERRED TO OPERATING FUNDS:*

Water Operating - Debt Service	(454)
Sewer Operating - Debt Service	(508)

TRANSFERRED TO BOND FUNDS:

Water Supply Bond	0
Sewer Disposal Bond	0

Account Balance	52,414
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Less Amounts Billed But Not Yet Collected	0
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Less Reserve for MOU Related Reimbursements	<u>(11,832)</u>
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AVAILABLE ACCOUNT BALANCE, AUGUST 31, 2025	<u>\$40,582</u>
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ACTUAL WORKYEARS

