



FY2026
MONTHLY STATUS REPORT

SEPTEMBER 2025



Interoffice Memorandum

TO: KISHIA L. POWELL
GENERAL MANAGER/CEO

FROM: MUNETSI TIMOTHY MUSARA, CPA
CHIEF FINANCIAL OFFICER

Signed by:

Munetsi Timothy Musara

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DATE: October 22, 2025

SUBJECT: MONTHLY STATUS REPORT – September 2025

Attached is the September 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 September 30, 2025, for Fiscal Year 2026 (FY'26). Total operating fund revenues are at \$299.2 million, and net operating fund expenses are at \$239.6 million. The net revenues of \$59.6 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 higher water consumption and lower expenditure realization.

Highlights as of the September 2025 report as follows:

Revenues

- Water and Sewer revenues – which make up 80.1 percent of total revenues are at 27.0 percent YTD versus a prorated target of 25.0 percent based on the first three months of the fiscal year.
- Other revenues which make up 19.9 percent of total revenues are at 25.0 percent YTD versus a prorated target of 25.0 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 29.0 percent of actual revenues for FY'25 at the end of the first three months of the fiscal year.

KISHIA L. POWELL
MONTHLY STATUS REPORT - SEPTEMBER
October 22, 2025
PAGE 2

- Other revenues were at 29.0 percent at the end of the first three months of the fiscal year.

Expenditures:

- Operating expenditures are at 19.6 percent budget year to date (YTD) versus a prorated target of 25.0 percent based on the first three months of the fiscal year.
- PAYGO and Debt Service Expenses were on target.

Prior Year Comparison:

- Operating expenditures were at 18.4 percent of actual expenditures for FY'25 at the end of the first three months of the fiscal year.

Factors Impacting Revenues: Water and Sewer Consumption trends.

- Water consumption is lower for FY'26, (143.3 MGD in FY'26 versus 145.7 MGD in FY'25) Sewer usage was marginally higher (122.1 MGD versus 121.5 MGD) for FY'25 giving net overall revenues a nominally higher realization compared to the budget. (Pages 9 and 11)

Work years:

- The workforce saw an increase of 93 to 1,821 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 September FY'26 is \$42.3 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	ACTUAL THRU	YEAR ENDING	VARIANCE TO	% VARIANCE TO	THRU
	ACTUAL	BUDGET*	9/30/24	9/30/25	YTD BUDGET	YTD BUDGET	6/30/26
<u>REVENUES</u>							
Water Consumption and Sewer Use Charges	\$833,490	\$887,579	\$232,599	\$239,603	(\$10,129)	-4.1%	\$887,579
All Other Revenues	228,624	238,123	60,455	59,626	(2,534)	-4.1%	238,123
TOTAL REVENUES	1,062,114	1,125,702	293,054	299,229	(12,663)	-4.1%	1,125,702
<u>EXPENSES</u>							
Operating Expenses	612,263	666,297	110,908	130,607	3,499	1.4%	666,297
PAYGO	50,602	93,000	6,787	23,212	38	0.2%	93,000
Debt Service Expense	367,024	373,801	85,917	87,727	5,723	6.1%	373,801
GROSS EXPENSES	1,029,889	1,133,098	203,612	241,546	9,260	3.7%	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)	(1,443)	(1,443)	0	0.0%	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(500)	(498)	(2)	0.4%	(2,000)
NET EXPENSES	1,022,117	1,125,326	201,669	239,605	9,258	3.7%	1,125,326
NET REVENUE (LOSS) FOR YEAR	\$39,997	\$376	\$91,385	\$59,624	(\$3,405)	5.5% (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	YEAR ENDING	VARIANCE TO	% VARIANCE TO	THRU
		BUDGET*	9/30/24	9/30/25	YTD BUDGET	YTD BUDGET	6/30/26
REVENUES							
Water Consumption Charges	\$371,913	\$399,545	\$107,200	\$109,130	(\$5,540)	-4.8%	\$399,545
Sewer Use Charges	461,577	488,034	125,399	130,473	(4,589)	-3.4%	488,034
Account Maintenance Fees	62,730	69,493	15,880	17,183	(392)	-2.2%	69,493
Infrastructure Investment Fee	77,325	85,782	20,107	21,232	(708)	-3.2%	85,782
Front Foot Benefit & House Connection Assessments	4,850	2,772	1,316	1,107	345	45.2%	2,772
Plumbing & Inspection Fees	20,736	22,610	5,630	6,175	736	13.5%	22,610
Interest Income	25,800	14,000	6,266	5,365	1,865	53.3%	14,000
Rockville Sewer Use	4,643	4,500	1,084	1,163	71	6.5%	4,500
Miscellaneous	32,540	38,966	10,172	7,401	(4,451)	-37.6%	38,966
TOTAL REVENUES	1,062,114	1,125,702	293,054	299,229	(12,663)	-4.1%	1,125,702
EXPENSES							
Salaries & Wages	164,687	200,396	38,524	46,581	2,781	5.6%	200,396
Heat, Light & Power	26,273	29,200	6,038	8,216	(399)	-5.1%	29,200
Regional Sewage Disposal	80,409	83,661	19,000	19,756	481	2.4%	83,661
All Other	340,894	353,040	47,346	56,054	636	1.1%	353,040
PAYGO	50,602	93,000	6,787	23,212	38	0.2%	93,000
Debt Service	367,024	373,801	85,917	87,727	5,723	6.1%	373,801
GROSS EXPENSES	1,029,889	1,133,098	203,612	241,546	9,260	3.7%	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)	(1,443)	(1,443)	0	0.0%	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(500)	(498)	(2)	0.4%	(2,000)
NET EXPENSES	1,022,117	1,125,326	201,669	239,605	9,258	3.7%	1,125,326
NET REVENUE (LOSS) FOR YEAR	\$39,997	<u>\$376</u>	<u>\$91,385</u>	<u>\$59,624</u>	<u>(\$3,405)</u>	<u>5.5%</u> (F)	\$376
ACCUMULATED NET REVENUE - JULY 1	376,823						413,265
Use of Fund Balance	0						0
ACCUMULATED NET REVENUE - JUNE 30	<u>\$416,820</u>						<u>\$413,641</u>

*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 9/30/24	FY'26 YEAR ENDING 9/30/25	FY'26 VARIANCE TO YTD BUDGET	FY'26 % VARIANCE TO YTD BUDGET	PROJECTED THRU 6/30/26
<u>REVENUES</u>							
Water Consumption & Sewer Use Charges	\$833,490	\$887,579	\$232,599	\$239,603	(\$10,129)	-4.1%	\$887,579
All Other Revenues	222,449	235,151	58,804	58,211	(3,137)	-5.1%	235,151
TOTAL REVENUES	1,055,939	1,122,730	291,403	297,814	(13,266)	-4.3%	1,122,730
<u>EXPENSES</u>							
Operating Expenses	610,239	663,701	110,501	130,106	3,482	2.6%	663,701
PAYGO	50,602	93,000	6,787	23,212	38	0.2%	93,000
Debt Service Expense	363,562	373,801	84,925	88,127	5,323	5.7%	373,801
GROSS EXPENSES	1,024,403	1,130,502	202,213	241,445	8,843	3.5%	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)	(1,443)	(1,443)	0	0.0%	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(500)	(498)	(2)	0.4%	(2,000)
NET EXPENSES	1,016,631	1,122,730	200,270	239,504	8,841	3.6%	1,122,730
NET REVENUE (LOSS) FOR YEAR	\$39,308	\$0	\$91,133	\$58,310	(\$4,424)	7.1% (F)	\$0
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	356,071						391,824
NET REVENUE (LOSS) FOR YEAR	39,308						0
USE OF ACCUMULATED NET REVENUE	0						0
ACCUMULATED NET REVENUE - END OF YEAR	\$395,379						\$391,824
WATER CONSUMPTION (MGD)	129.4	127.0	145.7	143.3	16.3	12.8%	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	ACTUAL THRU	ACTUAL THRU	VARIANCE TO	% VARIANCE TO	THRU
	ACTUAL	BUDGET*	9/30/24	9/30/25	YTD BUDGET	YTD BUDGET	6/30/26
<u>REVENUES</u>							
Water Consumption Charges	\$371,913	\$399,545	107,200	\$109,130	(\$5,540)	-4.8%	\$399,545
Account Maintenance Fee	32,447	\$38,303	8,196	8,903	(796)	-8.2%	\$38,303
Infrastructure Investment Fee	39,729	\$46,794	10,321	10,917	(1,061)	-8.9%	\$46,794
Plumbing & Inspection Fees	12,206	\$13,600	3,286	3,620	330	10.0%	\$13,600
Interest Income	10,187	\$5,135	2,672	1,804	520	40.5%	\$5,135
Miscellaneous	15,001	\$15,968	3,464	3,277	(1,299)	-28.4%	\$15,968
TOTAL REVENUES	481,483	519,345	135,139	137,651	(7,846)	-5.4%	519,345
<u>EXPENSES</u>							
Salaries & Wages	92,150	107,960	21,305	26,216	350	1.3%	107,960
Heat, Light & Power	15,231	18,118	3,610	4,686	345	6.9%	18,118
All Other	200,458	189,218	27,927	33,712	(3,307)	-10.9%	189,218
PAYGO	21,961	32,550	(308)	8,099	39	0.5%	32,550
Debt Service	169,114	175,167	37,899	39,716	4,076	9.3%	175,167
GROSS EXPENSES	498,914	523,013	90,433	112,429	1,502	1.3%	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)	(683)	(681)	(2)	0.3%	(\$2,731)
Less: Premium & Underwriter's Discount Transfers	(907)	(937)	(227)	(235)	1	-0.3%	(\$937)
NET EXPENSES	495,276	519,345	89,523	111,513	1,501	1.3%	519,345
NET REVENUE (LOSS)	(13,793)	-	\$45,616	26,138	(6,345)	-19.5% (N/M)	\$0
ACCUMULATED NET REVENUE - JULY 1	139,155						120,465**
Use of Fund Balance	0						0
Fund Balance Transfer	0						0
ACCUMULATED NET REVENUE - JUNE 30	\$125,362						\$120,465

*Reflects transfers between major expense categories from the approved budget

**Reflects a decrease in net revenues of \$4,896,518 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'25	FY'26	FY'25	FY'26	FY'26	FY'26	PROJECTED
	ACTUAL	REVISED BUDGET*	ACTUAL THRU 9/30/24	YEAR ENDING 9/30/25	VARIANCE TO YTD BUDGET	% VARIANCE TO YTD BUDGET	THRU 6/30/26
REVENUES							
Sewer Use Charges	\$461,577	\$488,034	125,399	\$130,473	(\$4,589)	-3.4%	\$488,034
Account Maintenance Fee	30,283	\$31,190	7,684	8,280	\$404	5.1%	\$31,190
Infrastructure Investment Fee	37,596	\$38,988	9,786	10,315	\$353	3.5%	\$38,988
Rockville Sewer Use	4,643	\$4,500	1,084	1,163	\$71	6.5%	\$4,500
Interest Income	14,385	\$8,865	3,288	3,336	\$1,120	102.5%	\$8,865
Plumbing & Inspection Fees	8,530	\$9,010	2,344	2,555	\$406	18.9%	\$9,010
Miscellaneous	17,442	\$22,798	6,679	4,041	(\$3,185)	-44.1%	\$22,798
TOTAL REVENUES	574,456	603,385	156,264	160,163	(5,420)	-3.3%	603,385
EXPENSES							
Salaries & Wages	71,441	91,323	16,960	20,049	2,492	11.1%	91,323
Heat, Light & Power	11,042	11,082	2,428	3,530	(744)	-26.7%	11,082
Regional Sewage Disposal	80,409	83,661	19,000	19,756	481	2.4%	83,661
All Other	139,508	162,339	19,271	22,157	3,865	14.9%	162,339
PAYGO	28,640	60,450	7,095	15,113	(1)	0.0%	60,450
Debt Service	194,448	198,634	47,026	48,411	1,248	2.5%	198,634
GROSS EXPENSES	525,488	607,489	111,780	129,016	7,342	5.4%	607,489
Less: Reconstruction Debt Service Offset	0	\$0	0	0	0	0.0%	\$0
Less: SDC Debt Service Offset	(3,041)	(\$3,041)	(760)	(762)	2	-0.2%	(\$3,041)
Less: Premium & Underwriter's Discount Transfers	(1,093)	(1,063)	(273)	(263)	(3)	1.0%	(\$1,063)
NET EXPENSES	521,354	603,385	110,747	127,991	7,341	5.4%	603,385
NET REVENUE (LOSS)	\$53,102	\$0	\$45,517	\$32,172	\$1,921	6.3% (N/M)	\$0
ACCUMULATED NET REVENUE - JULY 1	216,915						271,359**
Use of Fund Balance	0						0
Fund Balance Transfer	0						0
ACCUMULATED NET REVENUE - JUNE 30	\$270,017						\$271,359

*Reflects transfers between major expense categories from the approved budget

**Reflects an increase in net revenues of \$1,341,893 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	ACTUAL THRU	YEAR ENDING	VARIANCE TO	% VARIANCE TO	THRU
	ACTUAL	BUDGET*	9/30/24	9/30/25	YTD BUDGET	YTD BUDGET	6/30/26
REVENUES							
Front Foot Benefit & House Connection							
Assessments	\$4,850	\$2,772	\$1,316	\$1,107	\$345	45.2%	\$2,772
Interest Income	1,228	\$0	306	225	\$225	0.0%	\$0
Miscellaneous	97	\$200	29	83	\$33	66.0%	\$200
Reconstruction Debt Service Offset	0	\$0	0	0	\$0	0	\$0
TOTAL REVENUES	6,175	2,972	1,651	1,415	603	74.2%	2,972
EXPENSES							
Salaries & Wages	1,096	1,113	259	316	(62)	-24.3%	1,113
All Other	928	1,483	148	185	78	29.7%	1,483
Debt Service	3,462	0	992	(400)	400	0.0%	-
GROSS EXPENSES	5,486	2,596	1,399	101	416	80.5%	2,596
NET EXPENSES	5,486	2,596	1,399	101	416	80.5%	2,596
NET REVENUE (LOSS)	\$689	\$376	\$252	\$1,314	\$1,019	345.5% (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

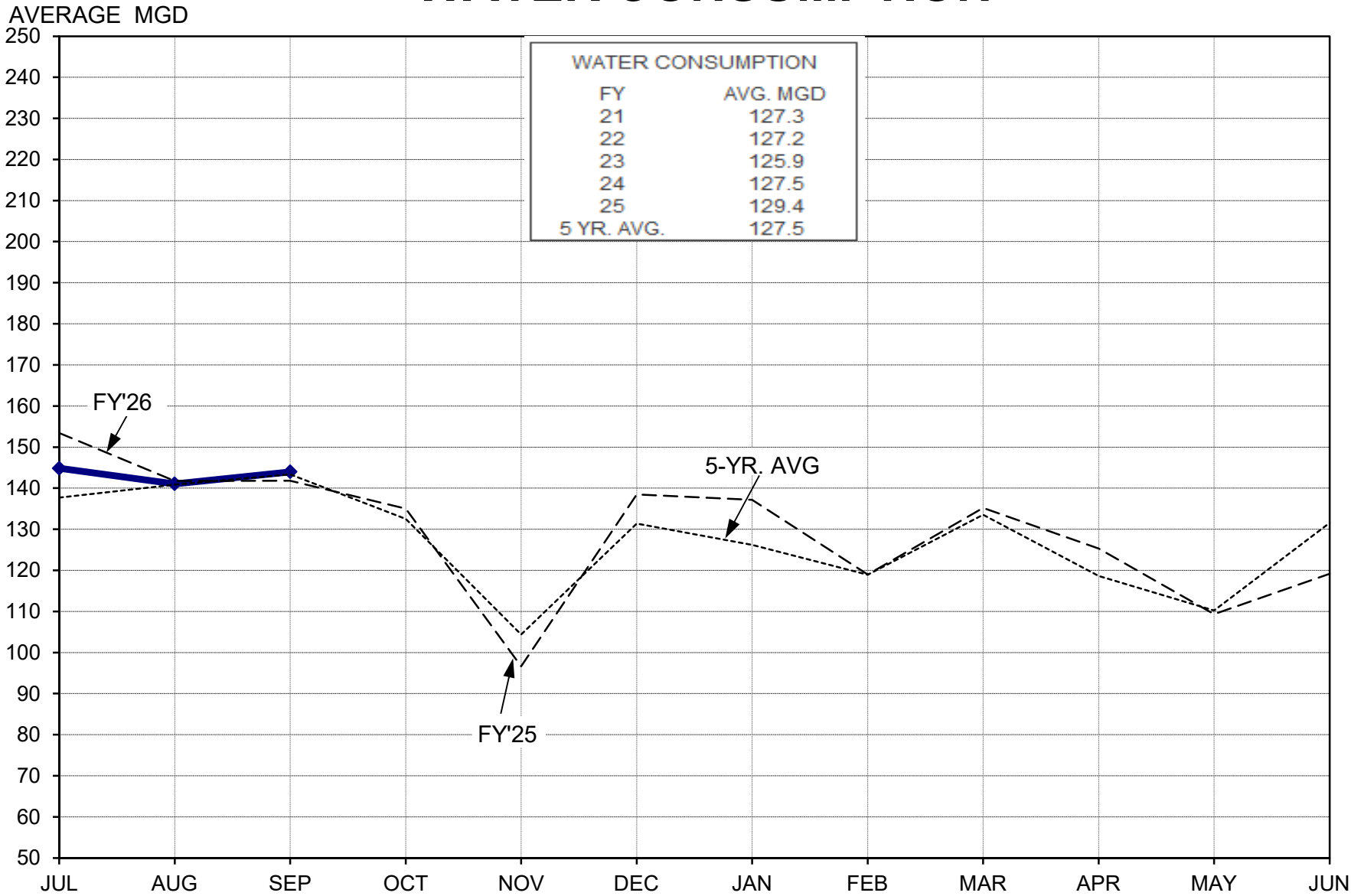
*Reflects transfers between major expense categories from the approved budget

(F) = Favorable Variance

**FY'26
WATER CONSUMPTION**

<u>MONTH</u>	<u>MONTHLY AVERAGE (MGD)</u>	<u>FY'26 CUMULATIVE AVERAGE (MGD)</u>	<u>FY'25 CUMULATIVE AVERAGE (MGD)</u>
July	144.831	144.831	153.427
August	141.051	142.941	147.588
September	143.979	143.280	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



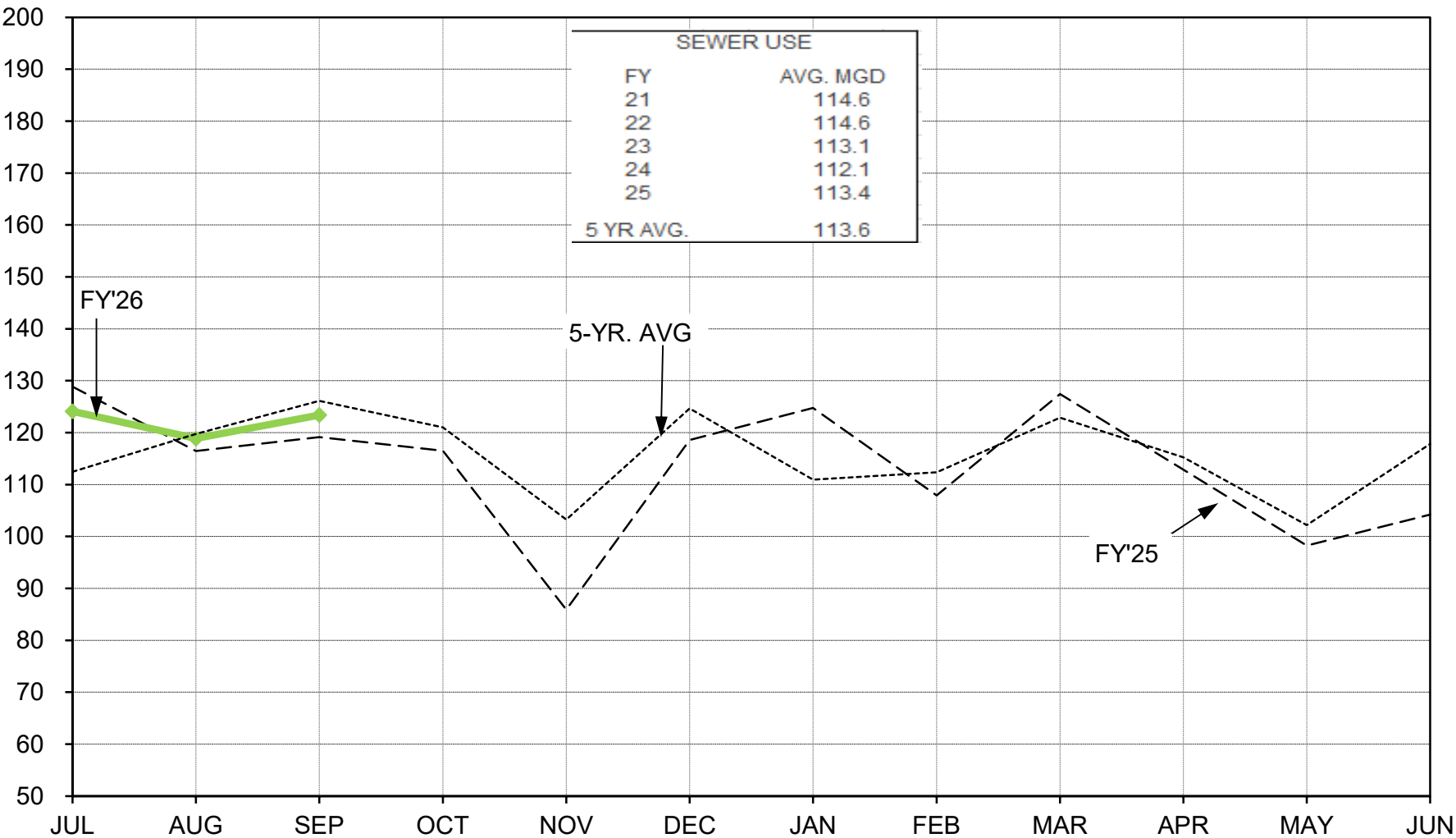
**FY'26
SEWER USE**

<u>MONTH</u>	<u>FY'26 MONTHLY AVERAGE (MGD)</u>	<u>FY'26 CUMULATIVE AVERAGE (MGD)</u>	<u>FY'25 CUMULATIVE AVERAGE (MGD)</u>
July	124.13	124.13	128.84
August	118.87	121.50	122.65
September	123.40	122.12	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	FY'26	FY'25	FY'26	FY'26	FY'26	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU	YEAR ENDING	VARIANCE TO	% COMPLETION TO	THRU
	ACTUAL	BUDGET*	9/30/24	9/30/25	YTD BUDGET	YTD BUDGET	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	545,035	696,815					
<u>CAPITAL COSTS</u>							
Salaries & Wages	\$38,624	42,194	8,924	\$10,752	(3,870)	25.5%	42,194
Contract Work	284,164	383,031	67,190	61,895	(3,555)	16.2%	383,031
Consulting Engineers	40,495	117,541	3,336	3,628	2,773	3.1%	117,541
All Other **	98,261	154,049	24,860	29,142	(12,472)	18.9%	154,049
TOTAL COSTS	\$461,544	696,815	104,310	105,417	(17,124)	15.1%	\$696,815

Change in Funds Available for Construction

Funds Balance - July 1

Funds Balance - June 30

*Reflects transfers between major expense categories from the approved budget

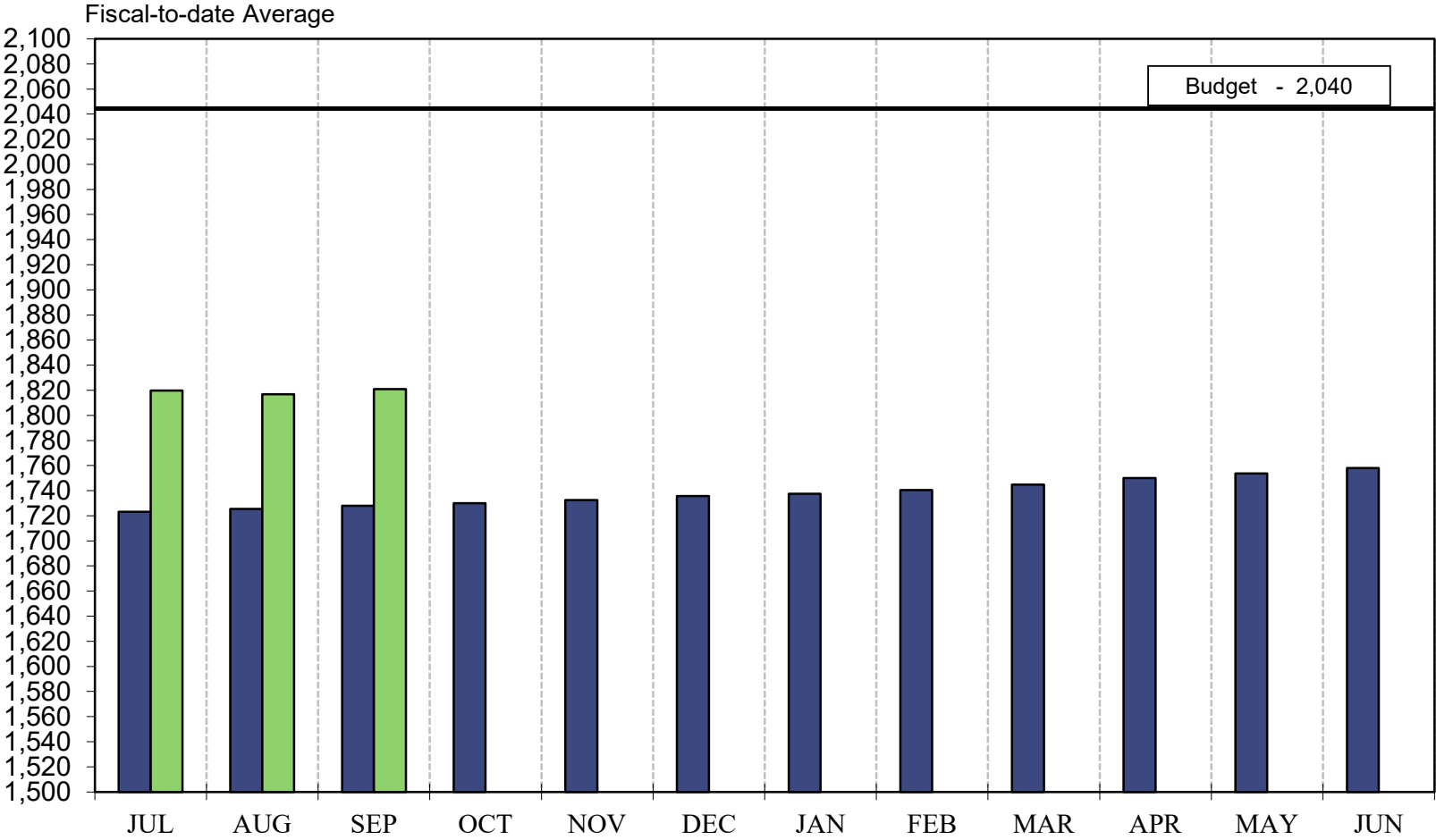
**Reflects prior year adjustments. No Bond Premium transfer in FY24-FY25

SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2025	\$47,899
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	7,089
Interest Income	<u>587</u>
FUNDS AVAILABLE	55,575
Less MOU Credit Reimbursement	0
<u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(681)
Sewer Operating - Debt Service	(762)
<u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	0
Sewer Disposal Bond	<u>0</u>
Account Balance	54,132
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	<u>(11,832)</u>
AVAILABLE ACCOUNT BALANCE, SEPTEMBER 30, 2025	<u><u>\$42,300</u></u>

ACTUAL WORKYEARS



<div></div> FY'25	1,723	1,725	1,728	1,730	1,733	1,736	1,738	1,741	1,745	1,750	1,754	1,758
<div></div> FY'26	1,820	1,817	1,821	-	-	-	-	-	-	-	-	-