



WSSC WATER

DELIVERING THE ESSENTIAL

FY2026
MONTHLY STATUS REPORT

DECEMBER 2025



Interoffice Memorandum

TO: KISHIA L. POWELL
GENERAL MANAGER/CEO

FROM: MUNETSI TIMOTHY MUSARA, CPA
CHIEF FINANCIAL OFFICER

DATE: January 16, 2026

SUBJECT: MONTHLY STATUS REPORT – December 2025

Signed by:
Munetsi Timothy Musara
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Attached is the December 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 December 31, 2025, for Fiscal Year 2026 (FY’26). Total operating fund revenues are at \$586.6 million, and net operating fund expenses are at \$501.8 million. The net revenues of \$84.8 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 December 2025 report as follows:

Revenues

- Water and Sewer revenues – which make up 79.8 percent of total revenues are at 52.7 percent YTD versus a prorated target of 50.0 percent based on the first six months of the fiscal year.
- Other revenues which make up 20.2 percent of total revenues are at 49.7 percent YTD versus a prorated target of 50.0 percent. (Page 3)
- Interest Income on cash balances was ahead of budget. (Page 4)

Prior Year Comparison:

- Water and Sewer revenues were at 55.3 percent of actual revenues for FY’25 at the end of the first six months of the fiscal year.
- Other revenues were at 55.7 percent at the end of the first six months of the fiscal year.

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Expenditures:

- Operating expenditures are at 42.6 percent budget year to date (YTD) versus a prorated target of 50.0 percent based on the first six months of the fiscal year.
- PAYGO and Debt Service Expenses were on target.

Prior Year Comparison:

- Operating expenditures were at 41.1 percent of actual expenditures for FY'25 at the end of the first six months of the fiscal year.

Factors Impacting Revenues: Water and Sewer Consumption trends.

- Water consumption is lower for FY'26, (132.8 MGD in FY'26 versus 134.7MGD in FY'25) Sewer usage was marginally higher (114.5 MGD versus 114.4 MGD) for FY'25 giving net overall revenues a nominally lower realization compared to the budget. (Pages 9 and 11)

Work years:

- The workforce saw an increase of 94 to 1,830 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 December FY'26 is \$37.1 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)

	<u>FY'25 ACTUAL</u>	<u>FY'26 REVISED BUDGET*</u>	<u>FY'25 ACTUAL THRU 12/31/25</u>	<u>FY'26 YEAR ENDING 12/31/26</u>	<u>FY'26 VARIANCE TO YTD BUDGET</u>	<u>FY'26 % VARIANCE TO YTD BUDGET</u>	<u>PROJECTED THRU 6/30/26</u>
REVENUES							
Water Consumption and Sewer Use Charges	\$833,490	\$887,579	\$443,083	\$468,125	(\$691)	-0.1%	\$887,579
All Other Revenues	228,624	238,123	115,993	118,458	(4,641)	-3.8%	238,123
TOTAL REVENUES	<u>1,062,114</u>	<u>1,125,702</u>	<u>559,076</u>	<u>586,583</u>	<u>(5,332)</u>	<u>-0.9%</u>	<u>1,125,702</u>
EXPENSES							
Operating Expenses	605,488	666,297	248,149	283,566	7,927	1.5%	666,297
PAYGO	50,601	93,000	13,575	46,495	5	0.0%	93,000
Debt Service Expense	355,024	373,801	171,960	175,622	11,279	6.0%	373,801
GROSS EXPENSES	<u>1,011,113</u>	<u>1,133,098</u>	<u>433,684</u>	<u>505,683</u>	<u>19,210</u>	<u>3.7%</u>	<u>1,133,098</u>
Less: Reconstruction Debt Service & Misc Offset	0	0	0	0	0	0.0%	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(2,886)	(2,886)	0	0.0%	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(1,001)	(999)	(1)	0.1%	(2,000)
NET EXPENSES	<u>1,003,341</u>	<u>1,125,326</u>	<u>429,797</u>	<u>501,798</u>	<u>19,209</u>	<u>3.7%</u>	<u>1,125,326</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$58,773</u>	<u>\$376</u>	<u>\$129,279</u>	<u>\$84,785</u>	<u>\$13,877</u>	<u>19.6% (F)</u>	<u>\$376</u>

*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 ACTUAL	FY'26 REVISED BUDGET*	FY'25 ACTUAL THRU 12/31/25	FY'26 YEAR ENDING 12/31/26	FY'26 VARIANCE TO YTD BUDGET	FY'26 % VARIANCE TO YTD BUDGET	PROJECTED THRU 6/30/26
REVENUES							
Water Consumption Charges	\$371,913	\$399,545	\$201,230	\$210,580	(\$2,893)	-1.4%	\$399,545
Sewer Use Charges	461,577	488,034	241,853	257,545	2,202	0.9%	488,034
Account Maintenance Fees	62,730	69,493	31,603	34,434	(783)	-2.2%	69,493
Infrastructure Investment Fee	77,325	85,782	38,922	42,561	(944)	-2.2%	85,782
Front Foot Benefit & House Connection Assessments	4,850	2,772	2,633	2,213	688	45.1%	2,772
Plumbing & Inspection Fees	20,736	22,610	10,871	11,135	293	2.7%	22,610
Interest Income	25,800	14,000	12,033	10,493	3,493	49.9%	14,000
Rockville Sewer Use	4,643	4,500	2,248	2,445	250	11.4%	4,500
Miscellaneous	32,540	38,966	17,683	15,177	(7,638)	-33.5%	38,966
TOTAL REVENUES	1,062,114	1,125,702	559,076	586,583	(5,332)	-0.9%	1,125,702
EXPENSES							
Salaries & Wages	164,687	200,396	80,045	94,791	4,479	4.5%	200,396
Heat, Light & Power	26,273	29,200	10,803	14,059	231	1.6%	29,200
Regional Sewage Disposal	80,409	83,661	38,774	41,547	(968)	-2.4%	83,661
All Other	334,119	353,040	118,527	133,169	4,185	3.0%	353,040
PAYGO	50,601	93,000	13,575	46,495	5	0.0%	93,000
Debt Service	355,024	373,801	171,960	175,622	11,279	6.0%	373,801
GROSS EXPENSES	1,011,113	1,133,098	433,684	505,683	19,210	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)	(2,886)	(2,886)	0	0.0%	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(1,001)	(999)	(1)	0.1%	(2,000)
NET EXPENSES	1,003,341	1,125,326	429,797	501,798	19,209	3.7%	1,125,326
NET REVENUE (LOSS) FOR YEAR	\$58,773	\$376	\$129,279	\$84,785	\$13,877	19.6% (F)	\$376
ACCUMULATED NET REVENUE - JULY 1	382,851						411,058
Restate Compensated Absence (GASB101)	(24,804)						0
ACCUMULATED NET REVENUE - JUNE 30	\$416,820						\$411,434

*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)

	<u>FY'25 ACTUAL</u>	<u>FY'26 REVISED BUDGET*</u>	<u>FY'25 ACTUAL THRU 12/31/25</u>	<u>FY'26 YEAR ENDING 12/31/26</u>	<u>FY'26 VARIANCE TO YTD BUDGET</u>	<u>FY'26 % VARIANCE TO YTD BUDGET</u>	<u>PROJECTED THRU 6/30/26</u>
REVENUES							
Water Consumption & Sewer Use Charges	\$833,490	\$887,579	\$443,083	\$468,125	(\$691)	-0.1%	\$887,579
All Other Revenues	222,449	235,151	112,720	115,704	(5,770)	-4.8%	235,151
TOTAL REVENUES	<u>1,055,939</u>	<u>1,122,730</u>	<u>555,803</u>	<u>583,829</u>	<u>(6,462)</u>	<u>-1.1%</u>	<u>1,122,730</u>
EXPENSES							
Operating Expenses	603,464	663,701	247,242	282,558	7,772	2.7%	663,701
PAYGO	50,601	93,000	13,575	46,495	5	0.0%	93,000
Debt Service Expense	351,562	373,801	169,989	176,411	10,490	5.6%	373,801
GROSS EXPENSES	<u>1,005,627</u>	<u>1,130,502</u>	<u>430,806</u>	<u>505,464</u>	<u>18,266</u>	<u>3.5%</u>	<u>1,130,502</u>
Less: Reconstruction Debt Service & Misc Offset	0	0	0	0	0	0.0%	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(2,886)	(2,886)	0	0.0%	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(1,001)	(999)	(1)	0.1%	(2,000)
NET EXPENSES	<u>997,855</u>	<u>1,122,730</u>	<u>426,919</u>	<u>501,579</u>	<u>18,265</u>	<u>3.5%</u>	<u>1,122,730</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$58,084</u>	<u>\$0</u>	<u>\$128,884</u>	<u>\$82,250</u>	<u>\$11,804</u>	<u>16.8% (F)</u>	<u>\$0</u>
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	362,099						389,617
NET REVENUE (LOSS) FOR YEAR	58,084						0
Restate Compensated Absence (GASB101)	(24,804)						0
ACCUMULATED NET REVENUE - END OF YEAR	<u>\$395,379</u>						<u>\$389,617</u>
WATER CONSUMPTION (MGD)	129.5	127.0	134.7	132.8	5.8	4.6%	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)

	<u>FY'25</u> <u>ACTUAL</u>	<u>FY'26</u> <u>REVISED</u> <u>BUDGET*</u>	<u>FY'25</u> <u>ACTUAL THRU</u> <u>12/31/25</u>	<u>FY'26</u> <u>ACTUAL THRU</u> <u>12/31/26</u>	<u>FY'26</u> <u>VARIANCE TO</u> <u>YTD BUDGET</u>	<u>FY'26</u> <u>% VARIANCE TO</u> <u>YTD BUDGET</u>	<u>PROJECTED</u> <u>THRU</u> <u>6/30/26</u>
REVENUES							
Water Consumption Charges	\$371,913	\$399,545	201,230	\$210,580	(\$2,893)	-1.4%	\$399,545
Account Maintenance Fee	32,447	\$38,303	16,341	17,818	(1,594)	-8.2%	\$38,303
Infrastructure Investment Fee	39,729	\$46,794	19,998	21,867	(1,868)	-7.9%	\$46,794
Plumbing & Inspection Fees	12,206	\$13,600	6,345	6,609	72	1.1%	\$13,600
Interest Income	10,187	\$5,135	4,883	3,528	961	37.4%	\$5,135
Miscellaneous	15,001	\$15,968	7,319	6,145	(2,660)	-30.2%	\$15,968
TOTAL REVENUES	481,483	519,345	256,116	266,547	(7,984)	-2.9%	519,345
EXPENSES							
Salaries & Wages	92,150	107,960	44,764	53,652	(312)	-0.6%	107,960
Heat, Light & Power	15,231	18,118	6,369	7,836	1,232	13.6%	18,118
All Other	193,971	189,218	68,610	76,826	(3,998)	-5.5%	189,218
PAYGO	21,961	32,550	(615)	16,237	38	0.2%	32,550
Debt Service	157,114	175,167	75,740	79,525	8,059	9.2%	175,167
GROSS EXPENSES	480,427	523,013	194,868	234,076	5,019	2.1%	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)	(1,366)	(1,363)	(3)	0.2%	(\$2,731)
Less: Premium & Underwriter's Discount Transfers	(907)	(937)	(454)	(470)	2	-0.3%	(\$937)
NET EXPENSES	476,789	519,345	193,048	232,243	5,018	2.1%	519,345
NET REVENUE (LOSS)	4,694	-	\$63,068	34,304	(2,965)	-8.0% (N/M)	\$0
ACCUMULATED NET REVENUE - JULY 1	134,448						119,775 **
Restate Compensated Absence (GASB101)	(13,780)						0
Fund Balance Transfer	0						0
ACCUMULATED NET REVENUE - JUNE 30	\$125,362						\$119,775

*Reflects transfers between major expense categories from the approved budget

**Reflects a decrease in net revenues of \$5,586,518 resulting from prior year adjustments.

(N/M)=Not Meaningful. Revenue loss of \$3.0 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	ACTUAL THRU	YEAR ENDING	VARIANCE TO	% VARIANCE TO	THRU
	ACTUAL	BUDGET*	12/31/25	12/31/26	YTD BUDGET	YTD BUDGET	6/30/26
REVENUES							
Sewer Use Charges	\$461,577	\$488,034	241,853	\$257,545	\$2,202	0.9%	\$488,034
Account Maintenance Fee	30,283	\$31,190	15,262	16,616	\$811	5.1%	\$31,190
Infrastructure Investment Fee	37,596	\$38,988	18,924	20,694	\$923	4.7%	\$38,988
Rockville Sewer Use	4,643	\$4,500	2,248	2,445	\$250	11.4%	\$4,500
Interest Income	14,385	\$8,865	6,578	6,525	\$2,093	95.3%	\$8,865
Plumbing & Inspection Fees	8,530	\$9,010	4,526	4,526	\$221	5.1%	\$9,010
Miscellaneous	17,442	\$22,798	10,296	8,931	(\$4,978)	-35.8%	\$22,798
TOTAL REVENUES	574,456	603,385	299,687	317,282	1,522	0.5%	603,385
EXPENSES							
Salaries & Wages	71,441	91,323	34,743	40,513	4,880	10.8%	91,323
Heat, Light & Power	11,042	11,082	4,434	6,223	(1,001)	-19.2%	11,082
Regional Sewage Disposal	80,409	83,661	38,774	41,547	(968)	-2.4%	83,661
All Other	139,220	162,339	49,548	55,961	7,938	12.4%	162,339
PAYGO	28,640	60,450	14,190	30,258	(33)	-0.1%	60,450
Debt Service	194,448	198,634	94,249	96,886	2,431	2.4%	198,634
GROSS EXPENSES	525,200	607,489	235,938	271,388	13,247	4.7%	607,489
Less: Reconstruction Debt Service Offset	0	\$0	0	0	0	0.0%	\$0
Less: SDC Debt Service Offset	(3,041)	(\$3,041)	(1,520)	(1,523)	3	-0.2%	(\$3,041)
Less: Premium & Underwriter's Discount Transfers	(1,093)	(1,063)	(547)	(529)	(3)	0.5%	(\$1,063)
NET EXPENSES	521,066	603,385	233,871	269,336	13,247	4.7%	603,385
NET REVENUE (LOSS)	\$53,390	\$0	\$65,816	\$47,946	\$14,769	44.5% (F)	\$0
ACCUMULATED NET REVENUE - JULY 1	227,651						269,842 **
Restate Compensated Absence (GASB101)	(11,024)						0
Fund Balance Transfer	0						0
ACCUMULATED NET REVENUE - JUNE 30	\$270,017						\$269,842

*Reflects transfers between major expense categories from the approved budget

**Reflects a decrease in net revenues of \$175,107 resulting from prior year adjustments.

(F) = Favorable Variance

GENERAL BOND DEBT SERVICE FUND

(In Thousands)

	FY'25 ACTUAL	FY'26 REVISED BUDGET*	FY'25 ACTUAL THRU 12/31/25	FY'26 YEAR ENDING 12/31/26	FY'26 VARIANCE TO YTD BUDGET	FY'26 % VARIANCE TO YTD BUDGET	PROJECTED THRU 6/30/26
REVENUES							
Front Foot Benefit & House Connection							
Assessments	\$4,850	\$2,772	\$2,633	\$2,213	\$688	45.1%	\$2,772
Interest Income	1,228	\$0	572	440	\$440	0.0%	\$0
Miscellaneous	97	\$200	68	101	\$1	1.0%	\$200
Reconstruction Debt Service Offset	0	\$0	0	0	\$0	0	\$0
TOTAL REVENUES	6,175	2,972	3,273	2,754	1,129	69.5%	2,972
EXPENSES							
Salaries & Wages	1,096	1,113	538	626	(89)	-16.6%	1,113
All Other	928	1,483	369	382	244	39.0%	1,483
Debt Service	3,462	0	1,971	(789)	789	0.0%	-
GROSS EXPENSES	5,486	2,596	2,878	219	944	81.2%	2,596
NET EXPENSES	5,486	2,596	2,878	219	944	81.2%	2,596
NET REVENUE (LOSS)	\$689	\$376	\$395	\$2,535	\$2,073	449.3% (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

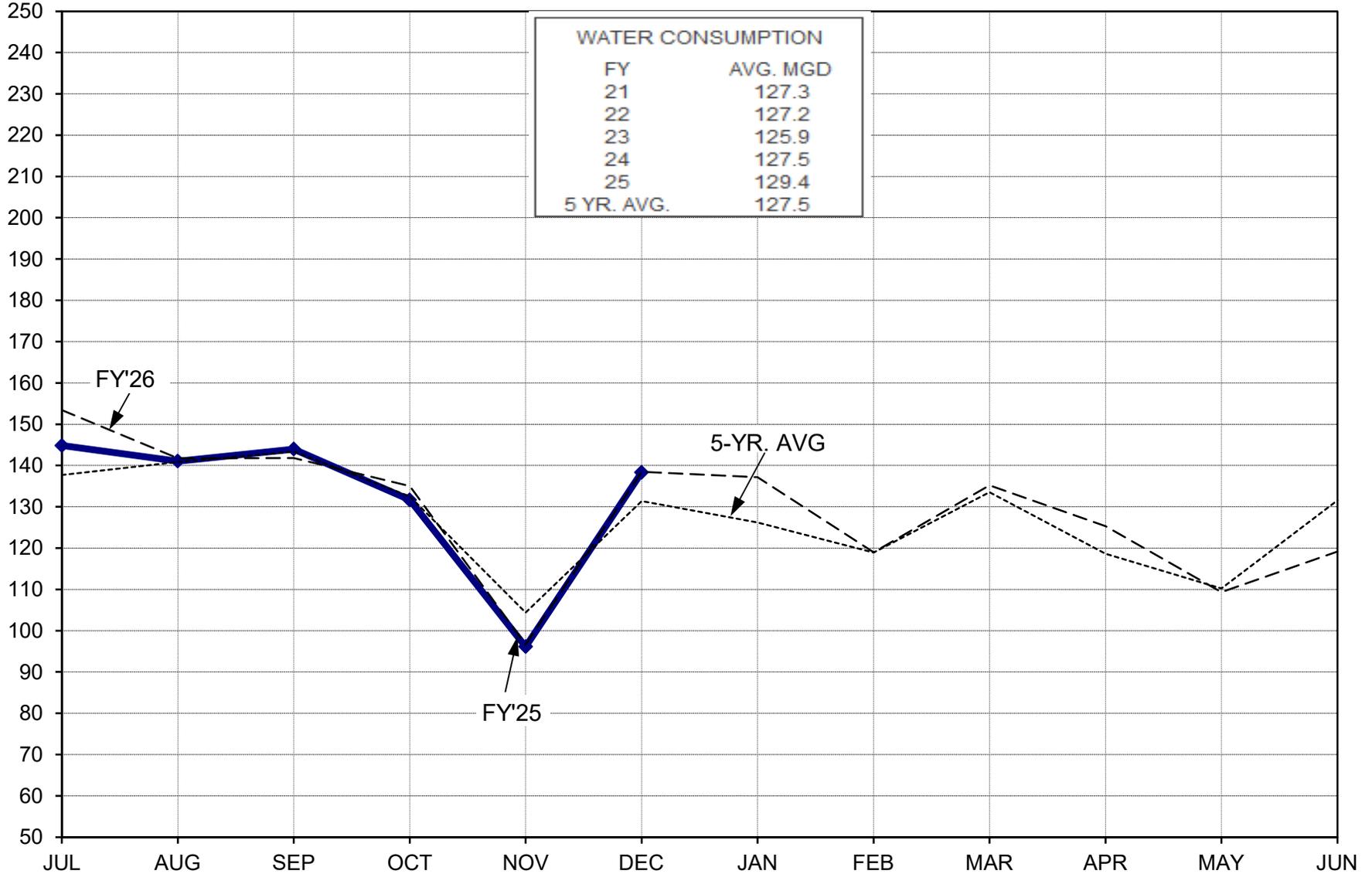
(F) = Favorable Variance

**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	131.669	140.353	143.017
November	96.132	131.682	133.920
December	138.356	132.807	134.689
January			135.049
February			133.201
March			133.425
April			132.621
May			130.469
June			129.540

WATER CONSUMPTION

AVERAGE MGD



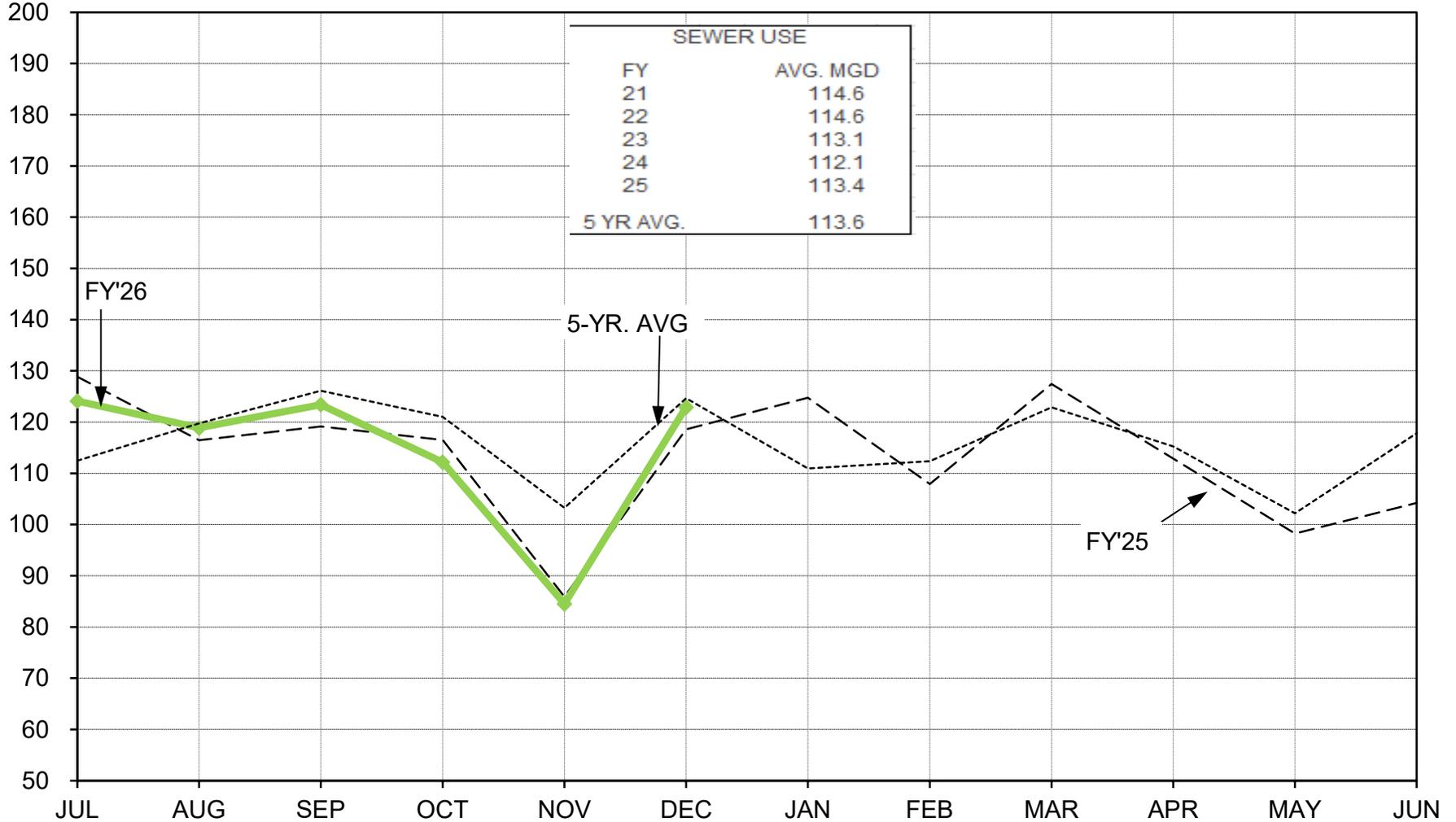
**FY'26
SEWER USE**

<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	112.17	119.61	120.25
November	84.51	112.73	113.52
December	122.92	114.45	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)

	<u>FY'25 ACTUAL</u>	<u>FY'26 REVISED BUDGET*</u>	<u>FY'25 ACTUAL THRU 12/31/25</u>	<u>FY'26 YEAR ENDING 12/31/26</u>	<u>FY'26 VARIANCE TO YTD BUDGET</u>	<u>FY'26 % COMPLETION TO YTD BUDGET</u>	<u>PROJECTED THRU 6/30/26</u>
<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	15,529	\$21,825	(855)	51.7%	42,194
Contract Work	284,164	383,031	109,812	126,389	46,327	33.0%	383,031
Consulting Engineers	40,495	117,541	8,901	18,888	14,642	16.1%	117,541
All Other **	98,261	154,049	46,251	68,430	(4,406)	44.4%	154,049
TOTAL COSTS	<u>\$461,544</u>	<u>696,815</u>	<u>180,493</u>	<u>235,532</u>	<u>55,707</u>	<u>33.8%</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

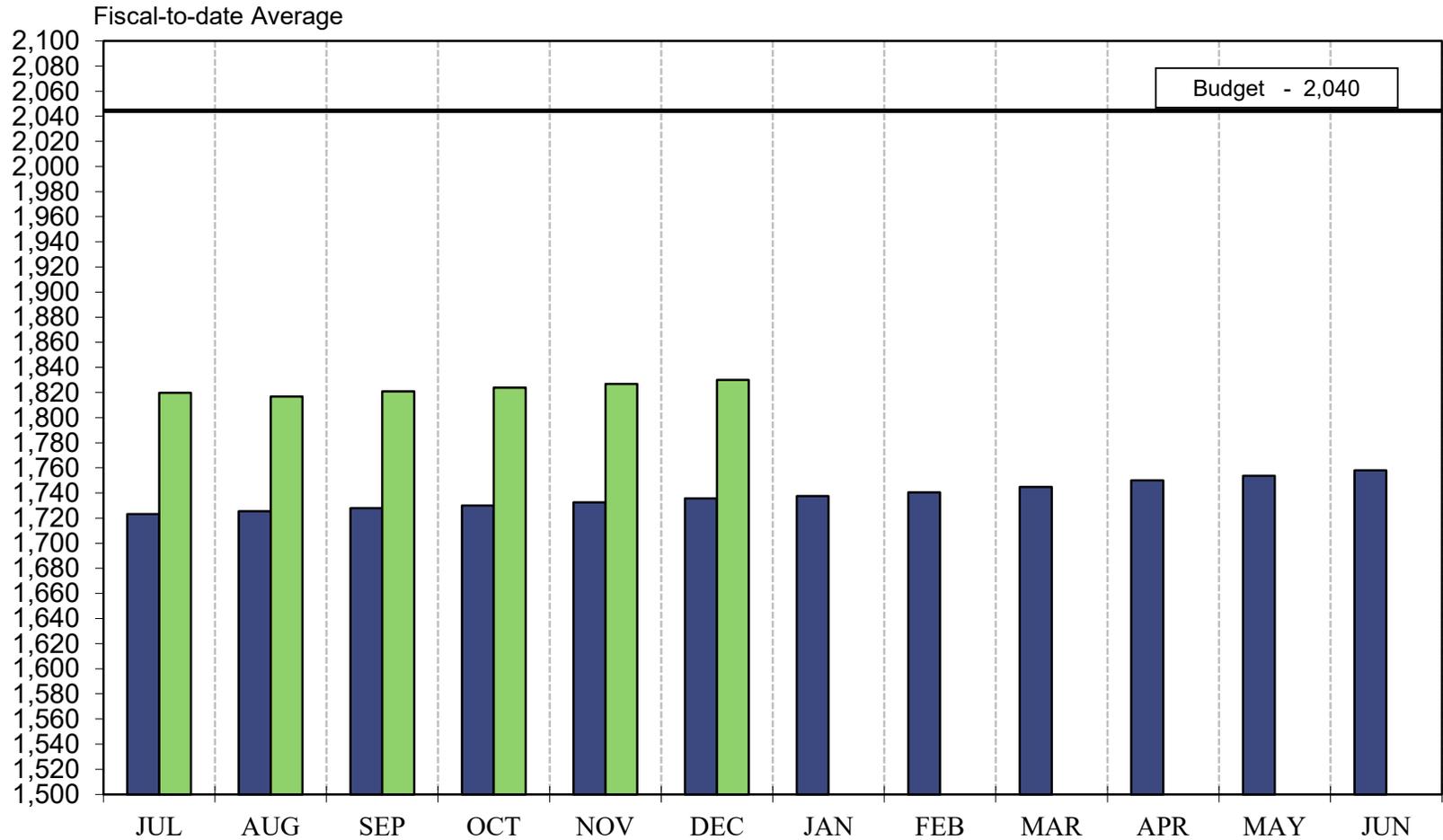
**Reflects prior year adjustments. No Bond Premium transfer in FY24-FY25

SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2025	\$47,899
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	11,924
Interest Income	<u>1,148</u>
FUNDS AVAILABLE	60,971
Less MOU Credit Reimbursement	(468)
<u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(1,363)
Sewer Operating - Debt Service	(1,523)
<u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	(4,703)
Sewer Disposal Bond	<u>(3,991)</u>
Account Balance	48,923
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	<u>(11,832)</u>
AVAILABLE ACCOUNT BALANCE, DECEMBER 31, 2026	<u><u>\$37,091</u></u>

ACTUAL WORKYEARS



 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
 FY'26	1,820	1,817	1,821	1,824	1,827	1,830	-	-	-	-	-	-