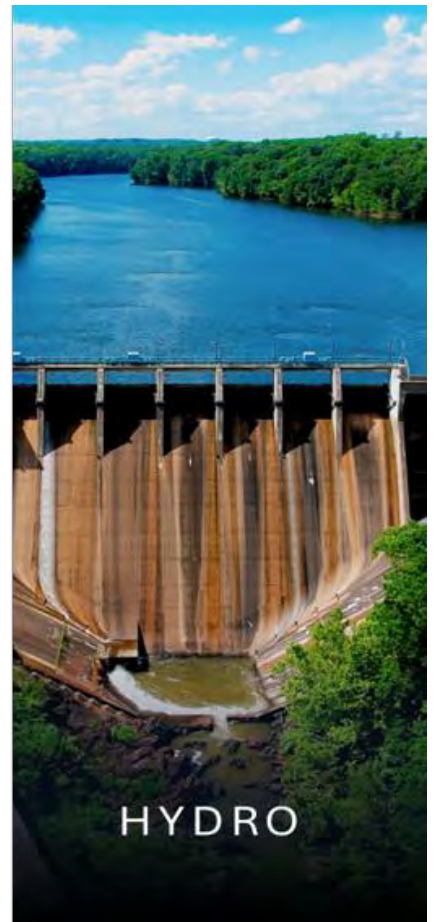


Washington Suburban Sanitary District

Green Financing Framework



September 1, 2026

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Cover: WSSC Water’s renewal program is using wind and solar energy to reduce carbon dioxide (CO₂) by 35,890 tonnes per year. Using hydroelectric capabilities to capture another 15,741 tonnes of CO₂ per year is being reviewed.



WSSC Water has been a proud member of Maryland’s Green Registry since 2022. This designation demonstrates our holistic and ongoing approach to sustainability in our policies, operational processes, capital projects and project management.

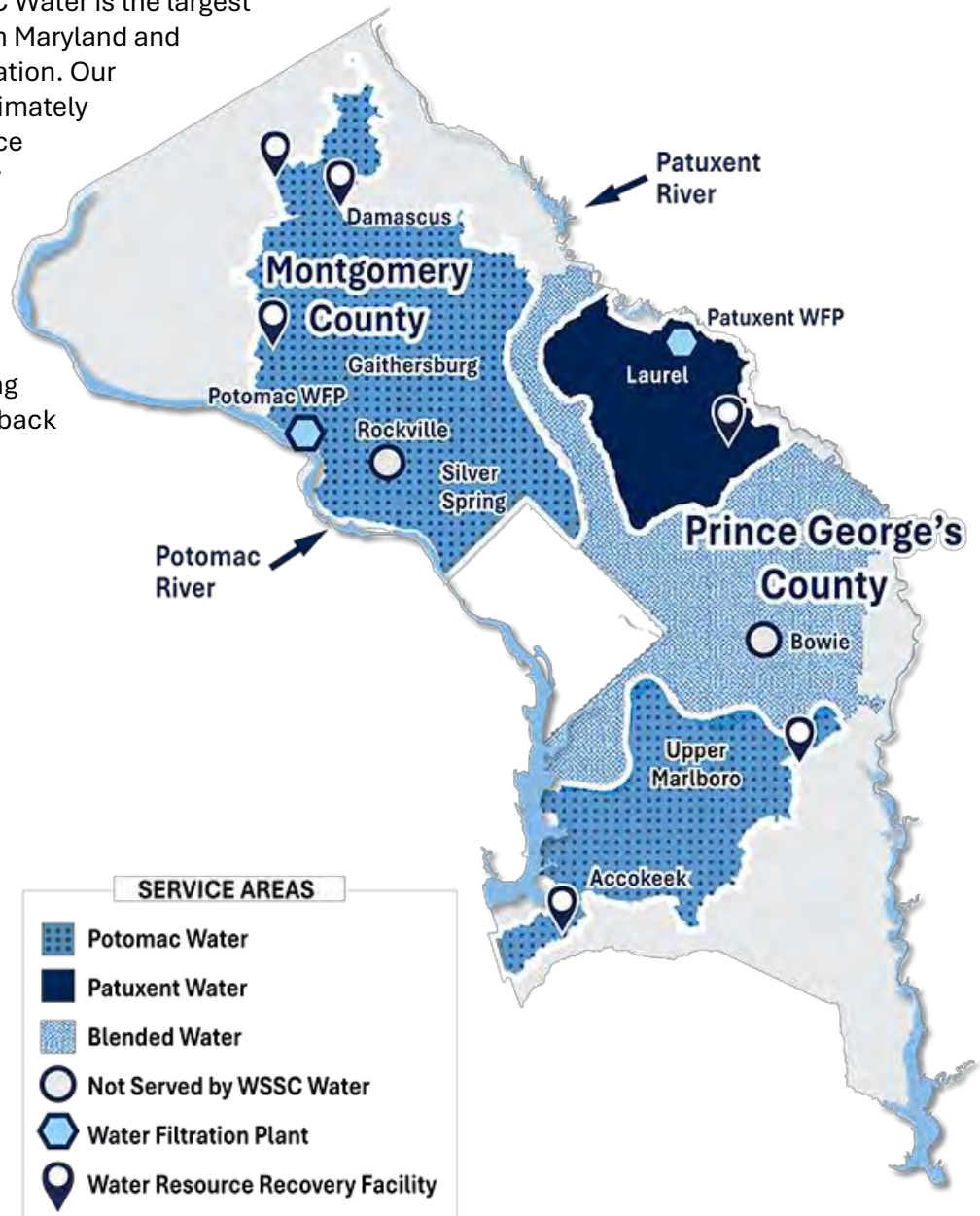
1. Mission and Strategic Priorities

1.1 Our Smart One Water Mission

WSSC Water ensures all communities thrive by ethically delivering safe, reliable and sustainable water and wastewater services.

WSSC Water at a Glance

Established in 1918, WSSC Water is the largest water/ wastewater utility in Maryland and among the largest in the nation. Our service area spans approximately 1,000 square miles in Prince George's and Montgomery counties. We proudly serve 1.9 million residents with safe and reliable drinking water and help protect the Chesapeake Bay by treating and returning clean water back to Maryland waterways.



1.2 Strategic Priorities

These strategic priorities represent our investment areas to achieve our organization's vision. Each priority was carefully crafted by the Strategic Plan Development Team (SPDT) to advance us toward our Smart One Water future.

1.2.1 Workforce Development

WSSC Water will be a preferred employer by providing a competitive total rewards program, promoting career growth and workforce development in an innovative organization.

1.2.2 Affordability & Financial Viability

To ensure financial stability, we actively invest in our employees and systems to provide reliable service while balancing the financial impact on our customers.

1.2.3 Customer Engagement & Partnerships

To ensure all communities and partnerships thrive, WSSC Water will enhance customer experience and foster stronger connections through customer education, affordability, reliability and trust.

1.2.4 Sustainability & Resiliency

WSSC Water will invest in and develop Smart One Water solutions to mitigate key risks to achieve reliable, sustainable infrastructure, environmental health and net zero emissions by 2050.

1.2.5 Optimizing Operations

WSSC Water will leverage best practices and innovative technologies, continuously optimizing operations to sustainably meet the growing service needs of our thriving communities.

1.2.6 Asset Management & Infrastructure Reliability

We will implement proactive procedures and protocols for Commission-wide assets, achieving financial efficiency to optimize the assets' life cycle and level of service to the community while protecting the environment.

1.2.7 Digital Transformation

To address economic, social, regulatory and environmental pressures, WSSC Water will leverage innovative technologies and techniques to improve decision making, organizational efficiency and service in support of our Smart One Water future.

1.2.8 Culture Shift

We will embed our values in everything we do to foster the health, safety and wellbeing of our workforce and the communities we serve.

2. Introduction

The Washington Suburban Sanitary Commission (WSSC Water) provides water and sewer services to 1.9 million residents of Montgomery and Prince George's counties (Maryland), which border Washington, D.C. Established by the Maryland General Assembly in 1918 as a regional (bi-county) organization under Article 29 and later recodified into Division II of the Public Utilities Article of the Annotated Code of Maryland, WSSC Water ranks among the largest water and sewer utilities in the country encompassing a service area of nearly 1,000 square miles.

To fulfill its primary mission of providing safe and reliable water and returning clean water to the environment, WSSC Water operates and maintains an extensive array of highly automated facilities. The organization's two water filtration plants, drawing raw water from the Potomac and Patuxent rivers, are projected to produce an average of 162 million gallons of water per day in FY 2027 and deliver that water through a system of approximately 6,000 miles of water mains to homes and businesses in Montgomery and Prince George's counties, serving more than 483,000 customer accounts.

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 is reflected in the organization's core value of environmental stewardship, which guides and informs its behavior and decision-making in investments related to climate change adaptation, renewable energy, water quality, pollution prevention and control and green buildings and facilities. WSSC Water's commitment to sustainability is reflected in a broad array of actions that include the following examples:

2.1 Green Buildings/Facilities

Over the past year, 26 electric vehicle (EV) chargers were installed across various facilities, bringing the total to 52, with plans to add 14 to 17 more in FY 2026. In alignment with its fleet strategy, WSSC Water has acquired 23 EVs, 54 hybrid vehicles and 13 electric forklifts, which could collectively reduce carbon dioxide emissions by an estimated 140 tons annually. Recently, the Maryland Energy Administration (MEA) has approved a \$123,878 grant to fund the purchase of four mini electric excavators and one additional electric forklift.

As part of the Anacostia Depot Reconfiguration project, engineering and design work is underway for a sewer thermal HVAC system that will harness the heat capacity of an on-site sewer to provide efficient heating and cooling for the Warehouse Building. Additionally, the new Keiffer Funk solar farm is set to become operational this year, while rooftop solar is planned for the Anacostia Depot. Multiple WSSC Water properties are being evaluated for future solar installations, including rooftop, ground mount, canopy and floating solar configurations.

2.2 Pollution Prevention and Control

Working closely with its federal, state and local partners, WSSC Water developed a proactive, comprehensive plan that augments existing efforts to maintain, identify and rehabilitate problem areas within its 5,700-mile sewer system.

The Sewer Basin Reconstruction capital project supports viable infrastructure and reduces the risk of sanitary sewer overflows (SSOs). In FY 2025, the State of Maryland provided \$10.1 million in grants toward this program to reduce pollution and restore the Chesapeake Bay watersheds. Accomplishments include:



- Reduced SSOs by 60.3 percent, SSO volume by 99.6 percent, and basement backups by 35.5 percent (2006-2025).
- Inspected 122+ miles of sewers via CCTV in FY 2025; designed and constructed 375 miles of mainline and lateral lines (FY 2020 through 2025).
- Kept pipes clean and flowing through the Fats, Oils and Grease Program with 5,000+ active permits and enforcement through 3,890+ inspections during FY 2025.
- Met all reporting requirements (554 reports, including 82 quarterly and 22 annually).
- Deployed innovative tools (drone inspections, smart level sensors, advanced hydraulic modeling, real-time flow monitoring dashboard, sewer ball and Edge AI).

Future investments for WSSC Water aim to reduce Per- and Polyfluoroalkyl Substances (PFAS) from sources, thereby averting or mitigating costly treatment needs in water and wastewater, as well as promoting broader environmental protection.

2.3 Renewable Energy

Implemented in 2003, the WSSC Water Energy Management Program's mission is to support environmental stewardship and efficient procurement practices that are strategic priorities. Due to the high cost and environmental impacts of energy demand and consumption, energy management is critical to WSSC Water's performance at the highest service levels in these areas. Wind, solar and hydropower are just a few of the technologies WSSC Water employs for energy efficiency during the water filtration and treatment processes.

- WSSC Water adopted a goal to reduce greenhouse gas (GHG) emissions by 100 percent by 2045.
 - Six megawatts (MW) of solar photovoltaic power are at two water resource recovery facilities and one off-site facility.

- Two MW of solar photoelectrical power are located in Carroll County, Maryland, and began production in 2023.
- 12 MW of solar power located in Washington County, Maryland, started in March 2026. WSSC Water will own 100 percent of the carbon offsets from the power generated, plus Renewable Energy Credits (RECs) beginning in year four of operation.
- 25 MW of hydroelectric power was purchased from three different hydroelectric dams in Maryland, West Virginia and Pennsylvania and will begin delivering power in July 2026.
- WSSC Water receives 33 percent of its energy from wind power and owns the associated RECs.
- WSSC Water operates three 700-horsepower pump turbines at the Rocky Gorge Water Pumping Station. The Brighton Dam facility operates two 250-horsepower hydro turbine generators with a production capacity of 1.8 million kilowatt hours of electricity annually.
- The Piscataway Bioenergy Plant will recover approximately three MW of renewable energy from wastewater biomass, reduce greenhouse gas production by 11,800 tons/year, reduce biosolids output by 50–55 percent of current output, reduce lime demand by 4,100 tons/year, maintain permitted nutrient load limits to the Chesapeake Bay, reduce grease discharge to sewers by five million gallons/year and produce pathogen-free Class A Biosolids.
- A planned Potomac Water Filtration Plant (WFP) microgrid will produce nine KW of continuous power and include carbon recovery and sequestration of approximately 22,000 tonnes of carbon. The project is expected to be completed in 2033.

2.4 Water Quality

WSSC Water established the Department of Operational Reliability & Resilience (DORR) in 2024 to identify innovative strategies to improve the sustainability of operations in the face of regulatory, environmental and infrastructure challenges. DORR continues many initiatives to improve the sustainability of operations in the face of regulatory, environmental and infrastructure challenges, including:



2.4.1 Pollution Prevention and Control

Identifying industrial PFAS sources and piloting innovative treatment to improve beneficial nutrient recovery in biosolids.

2.4.2 Water Quality

- Identifying and removing water service lines with lead, in compliance with the U.S. Environmental Protection Agency's (EPA's) Lead and Copper Rule Improvements.
- Investigating sources of PFAS in our drinking water sources to reduce future drinking water treatment needs and to maintain compliance with the new PFAS Drinking Water Rule.

2.4.3 Climate Change Adaptation

- Testing digital technology to reduce chemical and energy usage for nutrient removal at water resource recovery facilities.
- Launched a study to evaluate a new backup drinking water source in the event of contamination or drought.
- Testing new treatment technologies at water resource recovery facilities to increase resilience against sudden high flows from large storm events.

Other projects WSSC Water is undergoing:

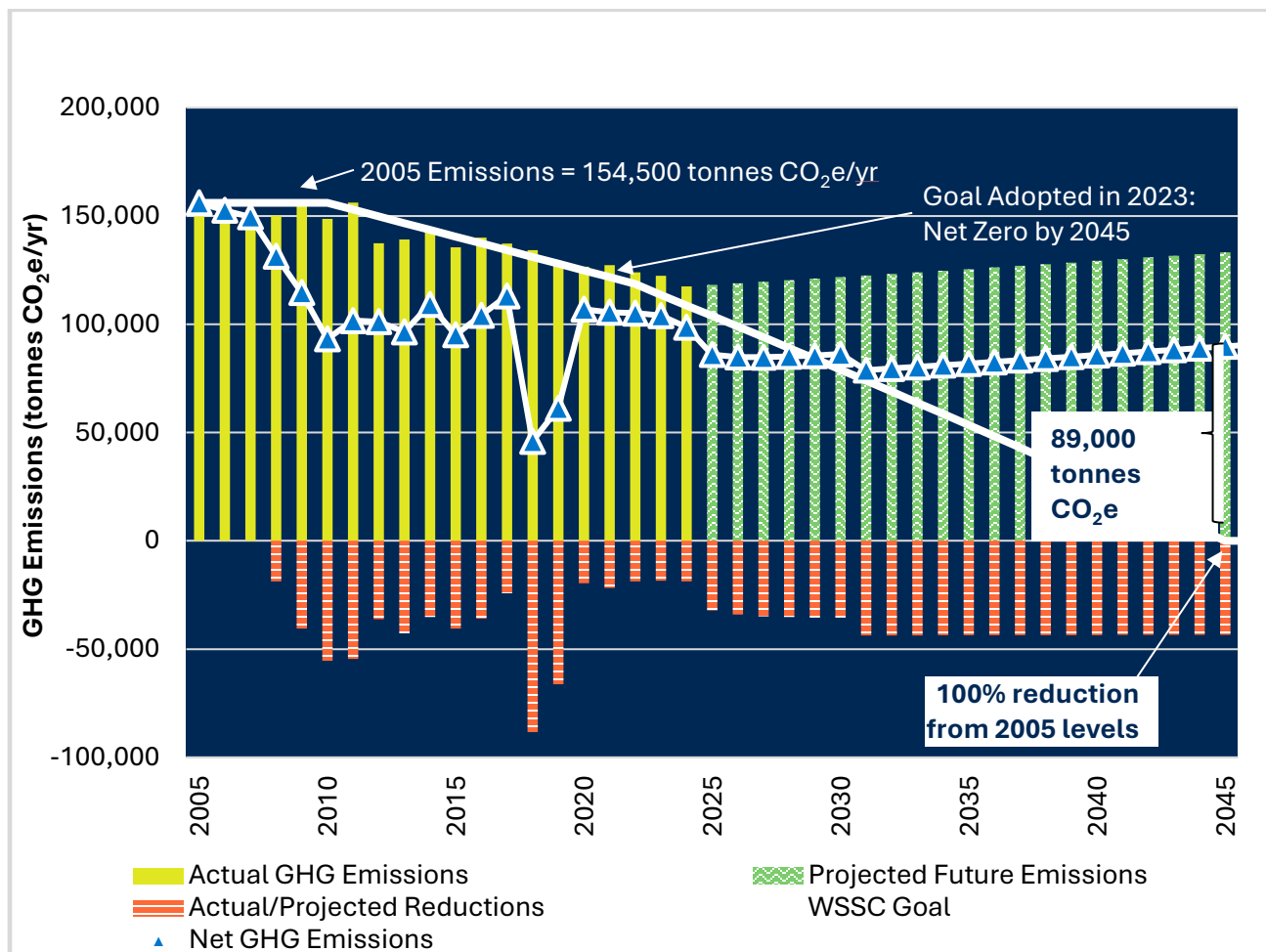
- Water main break predictive analysis, to reduce breaks and prioritize repairs;
- Capture renewable natural gas and improve biosolids quality; and
- Advanced Metering Infrastructure, which supports leak detection and reduces water waste.

2.5 Climate Change Adaptation

In 2010, the State of Maryland and the Metropolitan Washington Council of Governments (which includes Montgomery and Prince George's counties) adopted a GHG emission reduction goal to achieve a 10 percent reduction in emissions every five years through 2045. Starting in 2011, WSSC Water adopted this same goal in alignment with the jurisdictions it serves.

In 2025, WSSC Water adopted a new goal of net zero emissions by 2045. WSSC Water has developed inventories of annual GHG emissions for all operations for the calendar years (CY) 2005 through 2024. The inventories quantify the GHG emissions that result from the energy-intensive processes required to treat and distribute potable water for public use and to collect and treat wastewater before discharge. Accounting protocols published by The Climate Registry, the Intergovernmental Panel on Climate Change (IPCC) and the International Council for Local Environmental Initiatives are used to complete the inventory with the most recently updated methodology and emissions factors. Methodologies are described in detail in WSSC Water's GHG Inventory Development and Management Plan (2024). Based on the inventory results, a 40-year plan of action was developed with strategies to reduce future GHG emissions at WSSC Water by 10 percent every five years through the year 2045 using demonstrated technologies and practices available.

WSSC Water GHG Projections (2005-2045) vs. WSSC Water Goal



The previous figure illustrates how the projected growth of GHG emissions compares to WSSC Water's current goal of net zero by 2045 (previously a 10-percent reduction every five years after 2010), and the impact of projects currently under implementation. The projection includes the 10-year wind contract that began June 1, 2020. The red line represents WSSC Water's reduction goals of 10 percent every five years from 2005 GHG emissions (2010 to 2024) and a 100 percent reduction from 2005 emissions by 2045. The projection indicates that by 2035, WSSC Water would need to reduce annual emissions by 63,600 metric tons of carbon dioxide equivalent (CO₂e), or 50 percent of the projected 2035 annual emissions, to meet the goal.

WSSC Water used the GHG inventory results and future emissions projections to develop strategies to reduce GHG emissions and meet the reduction goal. The following are the focus areas of the GHG reduction strategies:

1. Optimizing the efficiency of the water distribution system
2. Improving equipment efficiency for water and wastewater
3. Reducing residuals and optimizing processes

4. Reducing GHGs associated with vehicles and transportation
5. Optimizing building services (lighting/heating, ventilating and air conditioning [HVAC])
6. Implementing renewable energy

3. Framework

In support of the Green Bonds to be issued by WSSC Water, a framework has been created that follows the four pillars of the Green Bond Principles (GBP):

- Use of Proceeds;
- Evaluation and Selection Process;
- Management of Proceeds; and
- Reporting.

3.1 Use of Proceeds

To be eligible for the Green Bond proceeds, the projects to be funded must meet criteria in one or more of the following areas:

1. Green buildings/facilities;
2. Pollution prevention and control;
3. Renewable energy;
4. Water quality; and
5. Climate change adaptation.

Use of proceeds: WSSC Water has identified candidate projects to make its infrastructure greener. The projects involve one or more of the following activities:

3.1.1 Green Buildings/Facilities

- Installation of high-efficiency HVAC units;
- Installation of high-efficiency, light-emitting diode (LED) lighting fixtures;
- Use of cool roof materials; and
- Installation of high-efficiency water and wastewater processing equipment, pumps, motors and valves.

3.1.2 Pollution Prevention and Control

- Lead cleanup and removal;
- Protection of environmentally sensitive areas from sewer overflow;
- Construction of new sewer and recycled water supply systems;
- Sewer system rehabilitation to prevent overflow in waterways;
- Sewer line blockage assessments; and
- Enhanced nutrient (nitrogen and phosphorus) removal and discharge processes to protect waterways.



3.1.3 Renewable Energy

- Installation of new equipment and systems to produce biogas and electricity.

3.1.4 Water Quality

- Sewer and water line reconstruction for cleaner drinking water;
- Leak detection technologies;
- Advanced mixing systems;
- Installation of technologies to reduce chemical use and
- Construction of an intake channel to reduce drinking water contamination and treatment.

3.1.5 Climate Change Adaptation

- Address safety standards, including the Probable Maximum Flood criteria and maximum credible earthquake loadings;
- Install enhanced power reliability equipment at water resource recovery facilities and wastewater pumping stations to prevent sanitary sewer overflows; and
- Reduce biosolids production to enhance the health of the Chesapeake Bay and reduce greenhouse gas emissions and other air pollutants.

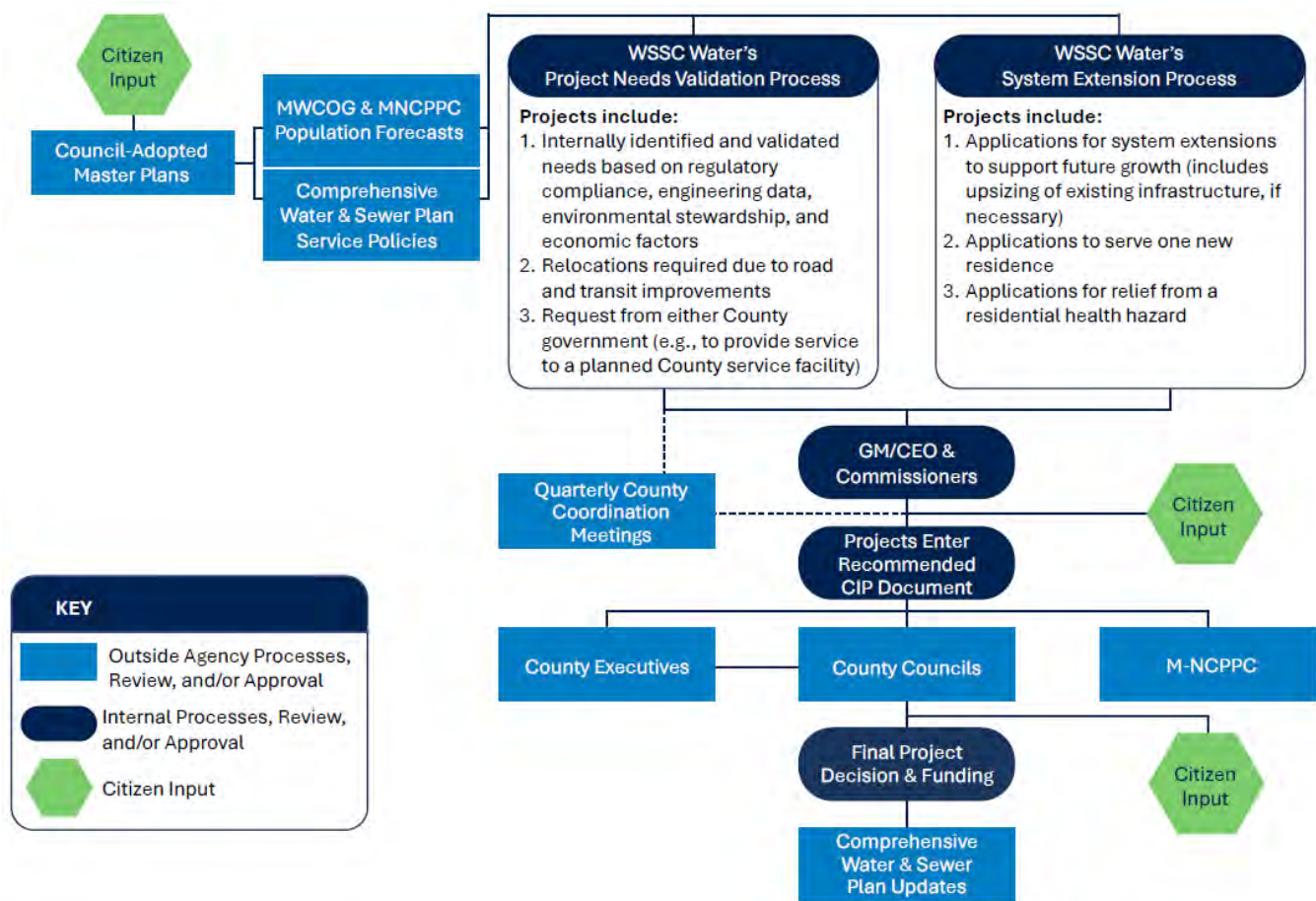
Projects focused on the previously listed activities are eligible to be funded wholly or in part by allocating the proceeds of the Green Bond. WSSC Water has selected the projects listed in Appendix A to allocate proceeds for the eighth issue of Green Bonds since 2019.

3.2 Project Evaluation and Selection Process

WSSC Water has a rigorous and comprehensive process for planning and programming capital projects. Projects financed or refinanced through the Green Bond proceeds are evaluated and selected through the Capital Improvements Program (CIP) project development and approval process based on (i) alignment with the 30-year asset management plan (need identification and validation); (ii) business case studies, as needed (identify needs, develop and evaluate options, and identify a preferred solution); and (iii) a thorough vetting process for review and final approval.

The project development process incorporates engineering data, environmental requirements, economic factors and public interaction to establish a sound basis for making decisions, efficiently conducting and documenting specific work tasks and successfully implementing solutions. An essential goal in the development process is to produce a result acceptable to citizens, elected officials, regulatory agencies and WSSC Water at a reasonable cost.

CIP Project Development and Approval Process



Evaluation and Selection: As a first step, capital projects in the CIP will be tagged to the following program categories: General Facilities, Water Treatment and Storage, Water Resource Recovery, Wastewater Collection, Water Distribution, Innovation and Investment Priorities and Interjurisdictional Agreements. Furthermore, capital investment needs will be prioritized as: Priority 1a – Regulatory and Mandates; Priority 1b – Health and Safety and Business Risk Exposure; Priority 2 – Operational Efficiencies/ Level of Service; Priority 3 – Reliability and Resilience; Priority 4 – Maintaining State of Good Repair; and Priority 5 – Initiatives/ Plans and Policies.

Capital needs validation specifically includes community consideration throughout an asset’s life cycle; the collection of performance measure data to ensure WSSC Water’s level of service can be measured and compared to community-level goals; and a facility planning process that uses future needs projections to identify the scope and schedule of facility plans.

The needs validation is critical in identifying and validating water and wastewater needs. The following depiction highlights some of the key elements of this process.



Both the project development and needs validation processes reflect WSSC Water's commitment to protecting the natural environment of Prince George's and Montgomery counties. Many projects throughout WSSC Water's CIP reflect the actions of the general manager and senior staff to invest in outcomes that address environmental sensitivity and mitigate environmental impacts. These actions include rehabilitation of sewer mains in environmentally sensitive areas (ESAs), mitigation efforts such as reforestation, greenhouse gas reduction, upgrading facilities to protect the health and safety of employees and complying with federal and/or state environmental mandates.

While any resource investment seeks to balance cost and affordability with environmental consequences, risk and system reliability, WSSC Water will advocate and support conduct for environmental management through a proactive Project Outreach program that:

1. Identifies community and public policy issues early in the planning stage.
2. Addresses known community concerns and environmental issues within the reasonable context of the planning effort.
3. Promotes community understanding of system needs and demands, and the planning process used by WSSC Water to maintain public health standards and water quality protection.
4. Provides constructive forums for community involvement and information throughout the planning process.
5. Provides a clear understanding of the decision-making process.
6. Addresses potential health and environmental risks.
7. Establishes and maintains open lines of communication.

All projects financed with Green Bond proceeds are selected based on their adherence to the conduct stated as part of WSSC Water's environmental management and all applicable laws, rules and regulations. In addition, all selected projects have been reviewed against WSSC Water's Environment Statement (Appendix D) and a stakeholder consultation process through our CIP approval process.

The CIP approval process is a comprehensive review that determines whether a project will be part of the six-year capital plan. We document the process within WSSC Water's published CIP. It includes points for public input, WSSC Water Commissioner review and review by our bi-county governance—Prince George's and Montgomery counties. All public hearings, Commission meetings and county actions are recorded and available for public review.



Environmental, Social and Governance (ESG) Risks: WSSC Water is a public utility governed by the State of Maryland, a six-member Board of Commissioners and two county governments. There is sufficient transparency in WSSC Water's programs, which minimizes the risk of failing to identify and address ESG risks. The comprehensive capital development and approval process includes a thorough project development stage, which involves gathering initial community comments, conducting environmental assessments in compliance with Federal and State laws and regulations and obtaining necessary permits. A rigorous approval process includes the participation of relevant internal and external stakeholders. Any risks and externalities to the financed projects are addressed as early as possible within the development and approval process.

WSSC Water conducts regular water audits and water quality tests that follow state regulations and the EPA's Clean Water and Safe Drinking Water Acts.

Health and Safety: WSSC Water's comprehensive Occupational Health and Safety Program is committed to providing a safe and healthy work environment for all employees, as water and wastewater services are provided to the citizens of Montgomery and Prince George's counties.

Our Health and Safety Office at WSSC Water is adopting a new approach to health and safety, implementing the Human Organizational Performance (HOP) principles. This approach focuses on understanding human behaviors and organizational systems to proactively reduce risks. By emphasizing learning, system improvements and resilience, HOP will help WSSC Water create more effective and adaptive safety programs.

In addition, WSSC Water is improving our contractor safety program for capital and facility projects by developing a new contractor safety program requiring contract vendors to submit project Health & Safety Plans, encourage on-site safety representatives and provide evidence of an OSHA Recordable Incident Rate (IR) of less than 3.5 for the last three years, as well as copies of OSHA Form 300A to support the calculation of the Total Recordable Incident Rate (TRIR).

3.3 Management of Proceeds

Management: Proceeds from Green Bond issuance will be directed to pay the design, construction, property acquisition and other related costs necessary for selected projects. Ensuring that the proceeds from a Green Bond issuance are used according to established procedures will be the responsibility of WSSC Water's Chief Financial Officer and Division Manager of Accounting.

Green Bond proceeds will be held in a segregated account and used exclusively to fund a new project or refinance a portion of a prior bond issuance that funded eligible green projects. Green Bond proceeds may also be used to pay the cost of issuance and underwriter's fees. These costs will be delineated in closing documents.

Green Bond proceeds are reconciled and matched against project expenditures quarterly. For any upcoming new issuance, WSSC Water management annually determines the size of the Green Bond issuance for a fiscal year or 12 months. Because issuance sizing is based on management's view, Green Bond issuance may not always cover all expenditures planned for a given fiscal year.

The maximum time for allocating bond proceeds complies with regulatory requirements, but in practice, Green Bond proceeds are typically allocated within 12 months.

Refunding Plan: Any portion of a refunded bond would be determined by reviewing the applicable bonds and identifying proceeds drawn down for eligible Green Bond Projects. WSSC Water follows a rigorous refund process that is guided by debt policy. Refunding includes a detailed breakdown of bonds being refunded and multiple disclosure points to the Commissioners, bi-county governance bodies and the market via an official statement.

In the case of refunding, all the funds will be allocated immediately, as no proceeds are used to initiate new projects.

3.4 Reporting

3.4.1 Allocation Reporting

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 project until the full allocation of the proceeds. The management of proceeds will be reviewed annually by a third party, using attestation standards established by the American Institute of Certified Public Accountants. The annual report will include a copy of the final Independent Accountants' Report and be posted to the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board, accessible at <https://emma.msrb.org/>. This report will be posted along with other WSSC Water filings, which will be made on or before the date eight months after the close of the fiscal year.

Green Bond issuance and proceeds can be used to reimburse appropriate capital expenses not covered by prior Green Bond debt issuance. The annual report following such action will include the relevant details of the selected projects reimbursed by the issuance.

3.4.2 Impact Reporting

WSSC Water commits to reporting key performance indicators (KPIs) in the annual report and Environmental Stewardship section of the WSSC Water website until the full allocation of the proceeds.

For an example of this KPI reporting for eligible projects, please see Appendix B.

WSSC Water has not undertaken an independent third-party impact assessment of financed projects' environmental benefits and externalities. The CFO is planning for such an assessment as part of the next issuance in FY 2027.

3.4.3 Management and Quarterly Reporting

WSSC Water staff use an internal capital dashboard to track the progress of all capital projects, including green bonded projects. Senior management also reviews the dashboard monthly with department staff at Project Stat, a monthly meeting assembled to coordinate project status and to address issues early on in project implementation.

Beginning in Q2 FY 2026, senior management will present quarterly capital program updates on allocation use and impacts to the Commission. This quarterly report would include any necessary disclosures on material development.

4. Selected Projects

4.1 Use of Proceeds

Based on the project criteria and project planning and development articulated previously, WSSC Water proposes the following projects be financed with the proceeds of its second series of Green Bonds in December 2026:

Description: Potomac WFP Consent Decree Program (W-73.33)

Anticipated Environmental Outcomes per International Capital Market Association (ICMA) GBPs: Pollution Prevention/Control

KPI: Increase in the percent of river solids removed

Estimated Cost: \$10 million

Estimated Timeline: December 2026 through June 2027

Description: Large-Diameter Water Pipe & Large Valve Rehabilitation Program (W-161.01)

Anticipated Environmental Outcomes per ICMA GBPs: Sustainable Water Management

KPI: Miles of large-diameter water mains replaced annually

Estimated Cost: \$20 million

Estimated Timeline: December 2026 through June 2027

Capital projects selected for green funding are considered viable for the 30-year debt period. The project's scope and objectives are followed and reviewed annually as part of our capital plan, and this review cycle continues until the project is completed or "closed" (meaning all funding has been satisfied for the project's completion). If a project is no longer eligible or the asset is no longer viable, proper disclosures will be made to all bondholders. As with all capital projects approved within the capital plan and under this framework, funding would be relocated to other eligible approved "green" projects. The WSSC Water Accounting Division Manager monitors and tracks all WSSC Water assets, funding and expenditures.

Further detail on selected projects can be found in Appendices A, B and F.



Piscataway Bioenergy Facility, above, and diagram of Piscataway Raw Sewage Pumping Station, right.

Appendices

Appendix A: Eligible Projects

The following table provides a project description and amount and indicates the International Capital Market Association (ICMA) Green Bond Principles (GBPs) (June 2021) category for each eligible project funded/refunded by the Green Bond. See Appendix E for Project Categories.

Project Name	Project Description	Amount (USD)	Renewable Energy	Energy Efficiency	Pollution prevention /control	Sustainable management of living	Terrestrial and aquatic biodiversity	Clean transportation	Sustainable water management	Climate change adaptation	Eco-efficient products, production	Green Building
Potomac WFP Consent Decree Program (W-73.33)	The Potomac WFP Consent Decree Program provides for the planning, design and construction required for the implementation of Short-term Operational and Long-term Capital Improvements at the Potomac WFP to allow WSSC Water to meet the new discharge limitations identified in the Consent Decree.	\$10,000,000	-	-	X	-	-	-	-	-	-	-

ICMA GBPs category definitions can be found in Appendix E.

Project Name	Project Description	Amount (USD)	Renewable Energy	Energy Efficiency	Pollution prevention /control	Sustainable management of living natural	Terrestrial and aquatic biodiversity conservation	Clean transportation	Sustainable water management	Climate change adaptation	Eco-efficient products, production technologies	Green Building
Large-Diameter Water Pipe & Large Valve Rehabilitation Program (W-161.01)	This program aims 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 mains 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 36-inch-diameter and larger PCCP pipelines. Of the 335 miles of PCCP, 140 miles are 36-inch diameter and larger.	\$20,000,000	-	-	-	-	-	-	X	-	-	-

ICMA GBPs category definitions can be found in Appendix E.

Appendix B: Project KPI Reporting

Project	Category	KPI	Target Result Description	Status
Potomac WFP Consent Decree Program	Solid Discharge Reduction	Increase in the percent of river solids removed	Dewater and remove at least 50 percent of the river intake solids (dry weight equivalent) in addition to the dry weight equivalent of the annual tons of solids resulting from the addition of water treatment chemicals due to facility improvements.	The program construction is proceeding on schedule. One of the remaining two projects is the Sediment Basin Filter Backwash Treatment Facility, which is 86 percent complete. This project separates the solids from the filter backwash before discharging into the Potomac River. The other is the Gravity Thickener Expansion Project, which is 77 percent complete. This project adds three new gravity thickeners to the plant site for additional solids treatment. Solids removal has improved from a 2017 baseline of 59.7 percent (revised from prior reporting) to 63.5 percent (revised lower from prior reporting). Solids removal will be updated in October 2025 when the two-year rolling average solids removal percentage is calculated and reported to the State of Maryland in February 2026. WSSC Water continues to exceed the consent decree requirements.
Large-Diameter Water Pipe & Large Valve Rehabilitation Program	Sustainable Infrastructure	Miles of large-diameter water mains replaced annually	Over the six-year capital planning period, this program is scheduled to replace six miles of large-diameter water mains (16 inches in diameter or greater) on average per year. For FY 2027, the goal is four miles.	WSSC Water completed 10 miles of large-diameter pipe work in FY 2025 for 35.1 miles since FY 2020.

Appendix C: WSSC Water Governance

A six-member commission governs WSSC Water - three members from each county. The Commissioners are appointed to four-year terms by their respective County Executives and confirmed by their County Councils. The Commissioners' powers and responsibilities are outlined in Division II of the Public Utilities Article of the Annotated Code of Maryland and any subsequent legislative amendments. The Maryland General Assembly conferred these powers upon the WSSC Water to enable it to fulfill its principal functions:

- To provide for the construction, operation and maintenance of water supply and sanitary sewerage systems in Montgomery and Prince George's counties;
- To provide for the construction of water and sewer house connection lines from WSSC Water's mains to abutting property lines;
- To approve the locations of, and issue permits for, utilities installed in public ways, and
- To establish water consumption rates, sewer usage rates, connection charges, front foot benefit charges and permit fees and, if required, to cause appropriate ad valorem taxes to be levied.

The Commissioners review and adopt WSSC Water's strategic priorities, including updates when management recommends them. The priorities are crucial to guiding every decision WSSC Water makes to support its customers and achieve its clean water mission.

WSSC Water Commissioners



Jonathan W. Powell

Chair

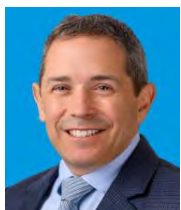
Montgomery County,
2024



Lynnette D. Espy-Williams

Vice-Chair

Prince George's County,
2022



**Jeffrey M.
Seltzer**

Montgomery
County, 2025



T. Eloise Foster

Montgomery
County, 2016



Mark J. Smith

Prince George's
County, 2022



**Regina Y.
Speed-Bost**

Prince George's
County, 2022

General Manager and CEO



Kishia L. Powell

General Manager and CEO
2023

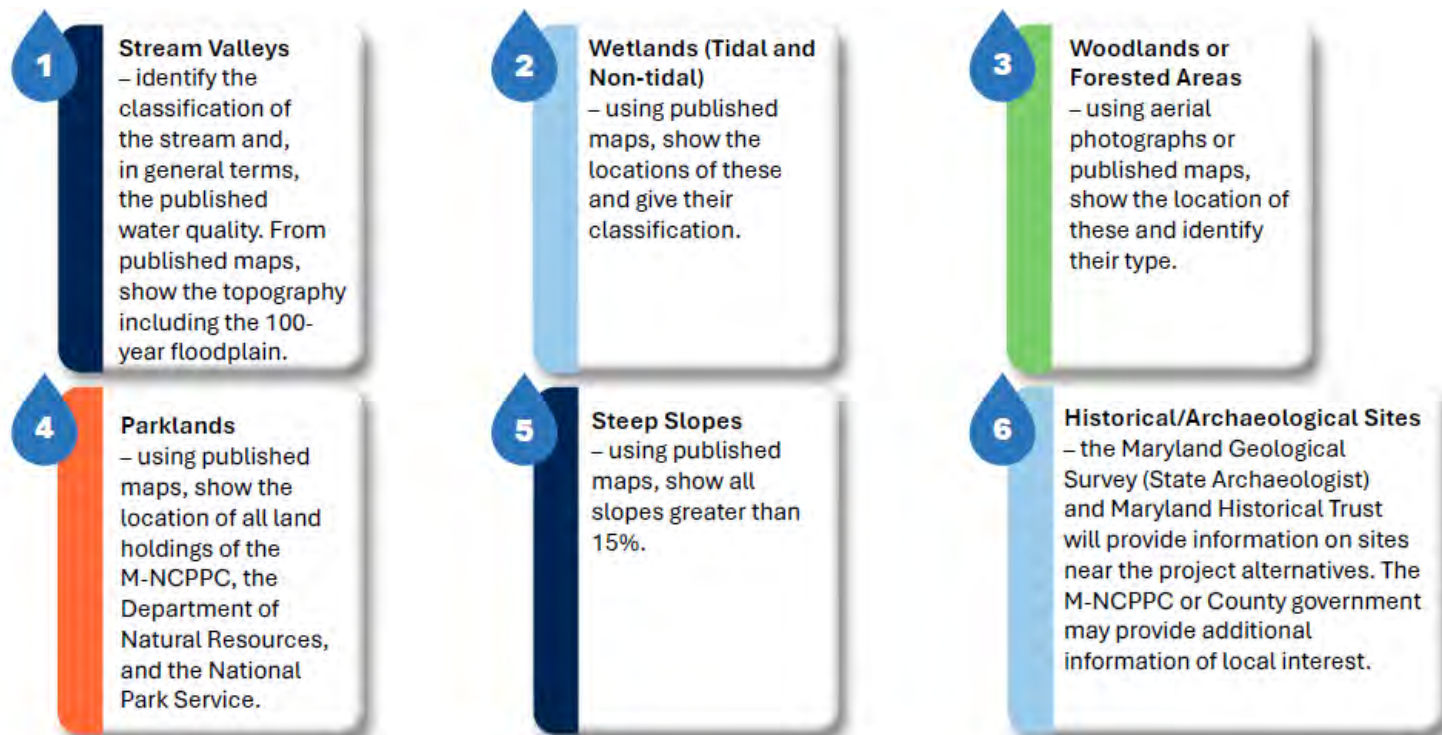
Kishia L. Powell is a dynamic force in the global water sector with 25 years of experience in both the public and private sectors across the United States and London, England. Powell leads a team of 1,841 strong and manages the day-to-day operations of the largest water utility in Maryland – the 8th largest in the country – and ensures water and water resource recovery services are safely provided to 1.9 million customers throughout a 1,000-square-mile service area.

Kishia serves on the board of the National Association of Clean Water Agencies (formerly as President), representing more than 400 clean water agencies across the country. Mayor Brandon Scott appointed her to serve on the Baltimore Water Governance Task Force. She also serves on the Morgan State University School of Engineering Executive Council and the Montgomery County Chamber Board and was appointed to serve on the GSA Green Building Advisory Council. In May 2023, the Maryland Society of Professional Engineers honored her with the Industry Icon Award.

Before being selected to lead WSSC Water, Kishia served as DC Water’s Chief Operating Officer and Executive Vice President, where she championed several initiatives, including a focus on operationalizing equity and environmental justice. She provided oversight for DC Water’s \$6.4 billion 10-year capital improvement program and led the implementation of workstreams under the utility’s strategic plan, which was imperative for reliability. While at DC Water, Kishia had the honor of testifying before both houses of Congress to support water sector funding and the Infrastructure Investments and Jobs Act, known as the Bipartisan Infrastructure Law (BIL), with historic federal water funding levels. In September 2023, she was invited to return to the Senate Environment and Public Works Committee to provide testimony on the BIL implementation and progress.

Appendix D: WSSC Water Environmental Statement

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 environmental features will be affected by the adopted construction of a project. Six primary areas are addressed as appropriate:



* Maryland-National Capital Park and Planning Commission (M-NCPPC)

A further extension of these protections has been included in the six-year CIP, which is attributable to meeting environmental regulations. Projects under these protections 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.

Appendix E: Green Project Categories (ICMA June 2021)

The eligible Green Project categories, listed in no specific order, include, but are not limited to:

- **Renewable energy** (including production, transmission, appliances and products);
- **Energy efficiency** (such as in new and refurbished buildings, energy storage, district heating, smart grids, appliances and products);
- **Pollution prevention and control** (including reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy/emission-efficient waste to energy);
- **Environmentally sustainable management of living natural resources and land use** (including environmentally sustainable agriculture; environmentally sustainable animal husbandry; climate-smart farm inputs such as biological crop protection or drip-irrigation; environmentally sustainable fishery and aquaculture; environmentally sustainable forestry, including afforestation or reforestation and preservation or restoration of natural landscapes);
- **Terrestrial and aquatic biodiversity conservation** (including the protection of coastal, marine and watershed environments);
- **Clean transportation** (such as electric, hybrid, public, rail, non-motorized, multi-modal transportation, infrastructure for clean energy vehicles and reduction of harmful emissions);
- **Sustainable water and wastewater management** (including sustainable infrastructure for clean and/or drinking water, wastewater treatment, sustainable urban drainage systems and river training and other forms of flooding mitigation);
- **Climate change adaptation** (including efforts to make infrastructure more resilient to impacts of climate change, as well as information support systems, such as climate observation and early warning systems);
- **Circular economy adapted products, production technologies and processes** (such as the design and introduction of reusable, recyclable and refurbished materials, components and products; circular tools and services); **and/or certified eco-efficient products.**
- **Green buildings** that meet regional, national or internationally recognized standards or certifications for environmental performance.

Appendix F: Selected Green Bond Projects

Potomac WFP Consent Decree Program

A. Identification and Coding Information

Agency Number	Project Number	Update Code	PDF Date	Date Revised	Pressure Zones	Drainage Basins	Planning Areas
W - 000073.33	173801	Change	October 1, 2025	-	WFP HGPOWF	-	Bi-County

B. Expenditure Schedule (000s)

Cost Elements	Total	Thru FY'25	Estimate FY'26	Total 6 Years	Year 1 FY'27	Year 2 FY'28	Year 3 FY'29	Year 4 FY'30	Year 5 FY'31	Year 6 FY'32	Beyond 6 Years
Planning, Design & Supervision	24,875	22,009	1,623	1,243	1,243	-	-	-	-	-	-
Land	1,000	1,000	-	-	-	-	-	-	-	-	-
Construction	197,755	164,255	22,500	11,000	11,000	-	-	-	-	-	-
Other	1,818	-	1,206	612	612	-	-	-	-	-	-
Total	225,448	187,264	25,329	12,855	12,855	-	-	-	-	-	-

C. Funding Schedule (000s)

Cost Elements	Total	Thru FY'25	Estimate FY'26	Total 6 Years	Year 1 FY'27	Year 2 FY'28	Year 3 FY'29	Year 4 FY'30	Year 5 FY'31	Year 6 FY'32	Beyond 6 Years
WSSC Bonds	225,448	187,264	25,329	12,855	12,855	-	-	-	-	-	-

D. Description & Justification

Description

The Potomac WFP Consent Decree Program provides for the planning, design and construction required for the implementation of Short-Term Operational and Long-Term Capital Improvements at the Potomac Water Filtration Plant (WFP) to allow WSSC Water to meet the new discharge limitations identified in the Consent Decree.

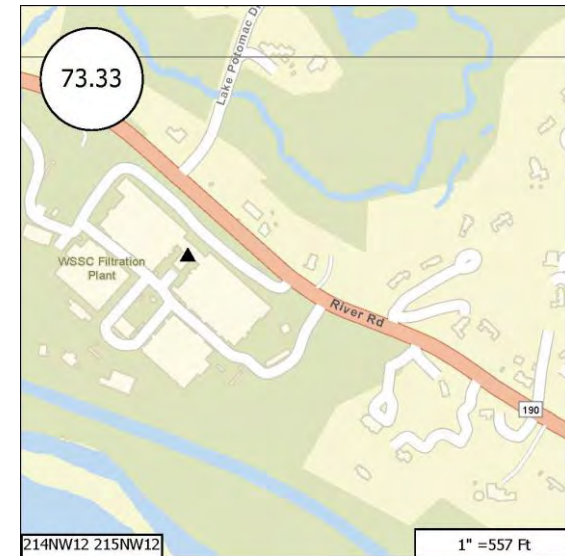
Justification

The Consent Decree (CD) was Entered by the U.S. District Court of Maryland on April 15, 2016. Under the terms of the CD, WSSC Water is required to “undertake short-term operational changes and capital improvements at the Potomac WFP that will enable WSSC Water to reduce significantly the pounds per day of solids discharged to the River” (CD Section II. Paragraph 6.i); and to plan, design and implement long-term “upgrades to the existing Plant or to design and construct a new plant to achieve the effluent limits, conditions and waste load allocations established by the Maryland Department of the Environment (the Department) and/or in this Consent Decree and incorporated in a new discharge permit to be issued by the Department” (CD Section II. Paragraph 6.ii). The CD required WSSC Water to submit a Draft Audit Report and Draft Long-Term Upgrade Plan to the Citizens and the Department by November 15, 2016, and final reports to the Citizens and the Department by January 1, 2017. The Final Audit and Long-Term Upgrade Plan Reports were submitted to the Citizens and the Department on December 29, 2016. The Department reviews the Audit Report and selects recommended improvements in operations, monitoring, and waste tracking, along with select capital projects that can be completed no later than April 1, 2020, and that are necessary to achieve the goals identified in CD Section IV, Paragraph 24. Additionally, the work required to implement the Long-Term Capital Improvements Project(s) shall be fully implemented in accordance with the schedule set forth in the Long-Term Upgrade Plan. In March of 2025, the parties agreed to amend the January 1, 2026, substantial completion deadline to October 11, 2026.

Cost Change

The schedule and expenditure projections were revised based upon the amount of time and funding required to complete the remaining projects in this program.

Green Financing Framework



Other

The schedule and expenditure projections shown in Block B above are based on actual bids and include \$1,000,000 for Supplemental Environmental Projects included under CD Section IX. Paragraph 50. WSSC Water Green Bonds will be used to fund a portion of this project. The reduction in suspended solids discharged into the Potomac River will address the following International Capital Market Association (ICMA) Green Bond Principles 2016 category: Pollution prevention/control.

Coordination

Coordinating Agencies: Maryland Department of the Environment; Montgomery County Government; National Park Service; Prince George's County Government; U.S. Environmental Protection Agency, Region III

Coordinating Projects: W - 000073.30 - Potomac WFP Submerged Channel Intake; W - 000073.32 - Potomac WFP Main Zone Pipeline

E. Annual Operating Budget Impacts (000s)

Impact Category	Amount of Impact	FY of Impact
Staff & Other	-	-
Maintenance	-	-
Debt Service	\$13,841	28
Total Cost	\$13,841	28
Impact on Water and Sewer Rate	\$0.03	28

F. Approval and Expenditure Data (000s)

Date First in Program	FY 17
Date First Approved	FY 16
Initial Cost Estimate	27,250
Cost Estimate Last FY	218,954
Present Cost Estimate	225,448
Approved Request Last FY	38,717
Total Expenses & Encumbrances	187,264
Approval Request Year 1	12,855

G. Status Information

Land Status	Land Acquired
Project Phase	Construction
Percent Complete	78%
Estimated Completion Date	June 2027
Growth	-
System Improvement	-
Environmental Regulation	100%
Population Served	-
Capacity	-

Large Diameter Water Pipe & Large Valve Rehabilitation Program

A. Identification and Coding Information

Agency Number	Project Number	Update Code	PDF Date	Date Revised	Pressure Zones	Drainage Basins	Planning Areas
W - 000161.01	113803	Change	October 1, 2025	-	-	-	Bi-County

B. Expenditure Schedule (000s)

Cost Elements	Total	Thru FY'25	Estimate FY'26	Total 6 Years	Year 1 FY'27	Year 2 FY'28	Year 3 FY'29	Year 4 FY'30	Year 5 FY'31	Year 6 FY'32	Beyond 6 Years
Planning, Design & Supervision	52,934	-	5,554	47,380	5,305	7,476	8,243	8,631	8,847	8,878	-
Land	-	-	-	-	-	-	-	-	-	-	-
Construction	408,319	-	43,054	365,265	45,129	56,487	60,734	65,157	66,788	70,970	-
Other	69,188	-	7,291	61,897	7,566	9,594	10,347	11,068	11,345	11,977	-
Total	530,441	-	55,899	474,542	58,000	73,557	79,324	84,856	86,980	91,825	-

C. Funding Schedule (000s)

Cost Elements	Total	Thru FY'25	Estimate FY'26	Total 6 Years	Year 1 FY'27	Year 2 FY'28	Year 3 FY'29	Year 4 FY'30	Year 5 FY'31	Year 6 FY'32	Beyond 6 Years
WSSC Bonds	530,441	-	55,899	474,542	58,000	73,557	79,324	84,856	86,980	91,825	-

D. Description & Justification

Description

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. Condition assessment and/or corrosion monitoring is performed on

Green Financing Framework

metallic pipelines, including ductile iron, cast iron and steel, to identify lengths of pipe requiring replacement or rehabilitation and cathodic protection. The PCCP Inspection and Condition Assessment and Monitoring Program identifies individual pipe segments that require repair or replacement to ensure 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. Rehabilitation or replacement of these mains provides value to the customer by minimizing the risk of failure and ensuring a safe and reliable water supply. The program includes installation of Acoustic Fiber Optic Monitoring equipment to accomplish these goals in PCCP mains.

***Expenditures For Large-Diameter Water Pipe Rehabilitation Are Expected to Continue Indefinitely.**

Justification

WSSC Water has approximately 867 miles of large diameter water main ranging from 16 inches to 96 inches in diameter. This includes 194 miles of cast iron, 299 miles of ductile iron, 40 miles of steel and 326 miles of PCCP. Internal inspection and condition assessment is performed on PCCP pipelines 36 inches and larger in diameter. Of the 326 miles of PCCP, 133 miles are 36-inch diameter and larger. The inspection program includes internal visual and sounding, sonic/ultrasonic testing, and electromagnetic testing to establish the condition of each pipe section and determine if maintenance repairs, rehabilitation or replacement are needed.

The planning and design phase evaluates the alignment, hydraulic capacity and project coordination, among other factors, to re-engineer these pipelines to meet today's design standards. The design effort includes the preparation of bid-ready contract documents including all needed rights-of-way acquisitions and regulatory permits. The constructed system is inspected and an as-built plan is produced to serve as the renewed asset record.

In July 2013, WSSC Water's Acoustic Fiber Optic monitoring system identified breaking wires in a 54-inch diameter PCCP water transmission main in the Forestville area of Prince George's County. Upon attempting to close nearby valves to isolate the failing pipe for repair, WSSC Water crews encountered an inoperable valve with a broken gear, requiring the crew to drop back to the next available valve. This dropping-back to another valve would block one of the major water mains serving Prince George's County, significantly enlarging the shutdown area and reduce our capacity to supply water to over 100,000 residents. To minimize the risk associated with inoperable large valves and possible water outages, the large valve inspection and repair program was initiated to systematically inspect, exercise, repair, or replace any of the nearly 1,500 large diameter valves and vaults located throughout the system.

Utility Wide Master Plan (December 2007); 30 Year Infrastructure Plan (2007); FY'25 Water Network Asset Management Plan (May 2023).

Cost Change

Program costs reflect the latest schedule and expenditure estimates based upon the recommendations from the Buried Water Assets System Asset Management Plan.

Other

The project scope has remained the same. The schedule and expenditure projections shown in Block B above are order of magnitude estimates and are expected to change based upon the results of the on-going inspections and condition assessments. Additional costs associated with PCCP inspection/condition assessment, large valve inspection/repairs and emergency repairs are included in the Operating Budget. WSSC Water Green Bonds will be used to fund a portion of this project. The annual replacement work for large-diameter water mains will address the following International Capital Market Association (ICMA) Green Bond Principles 2016 category: Sustainable water management.

Coordination

Coordinating Agencies: Local Community Civic Associations; Maryland State Highway Administration; Maryland-National Capital Park & Planning Commission; Montgomery County Department of Public Works and Transportation; Montgomery County Government;(including localities where work is to be performed); Prince George's County Government;(including localities where work is to be performed); Prince George's County Department of Permitting Inspection and Enforcement.

Coordinating Projects: W - 000001.00 - Water Reconstruction Program; W - 000107.00 - Specialty Valve Vault Rehabilitation Program

E. Annual Operating Budget Impacts (000s)

Impact Category	Amount of Impact	FY of Impact
Staff & Other	-	-
Maintenance	-	-
Debt Service	\$32,565	-
Total Cost	\$32,565	-
Impact on Water and Sewer Rate	\$0.07	-

F. Approval and Expenditure Data (000s)

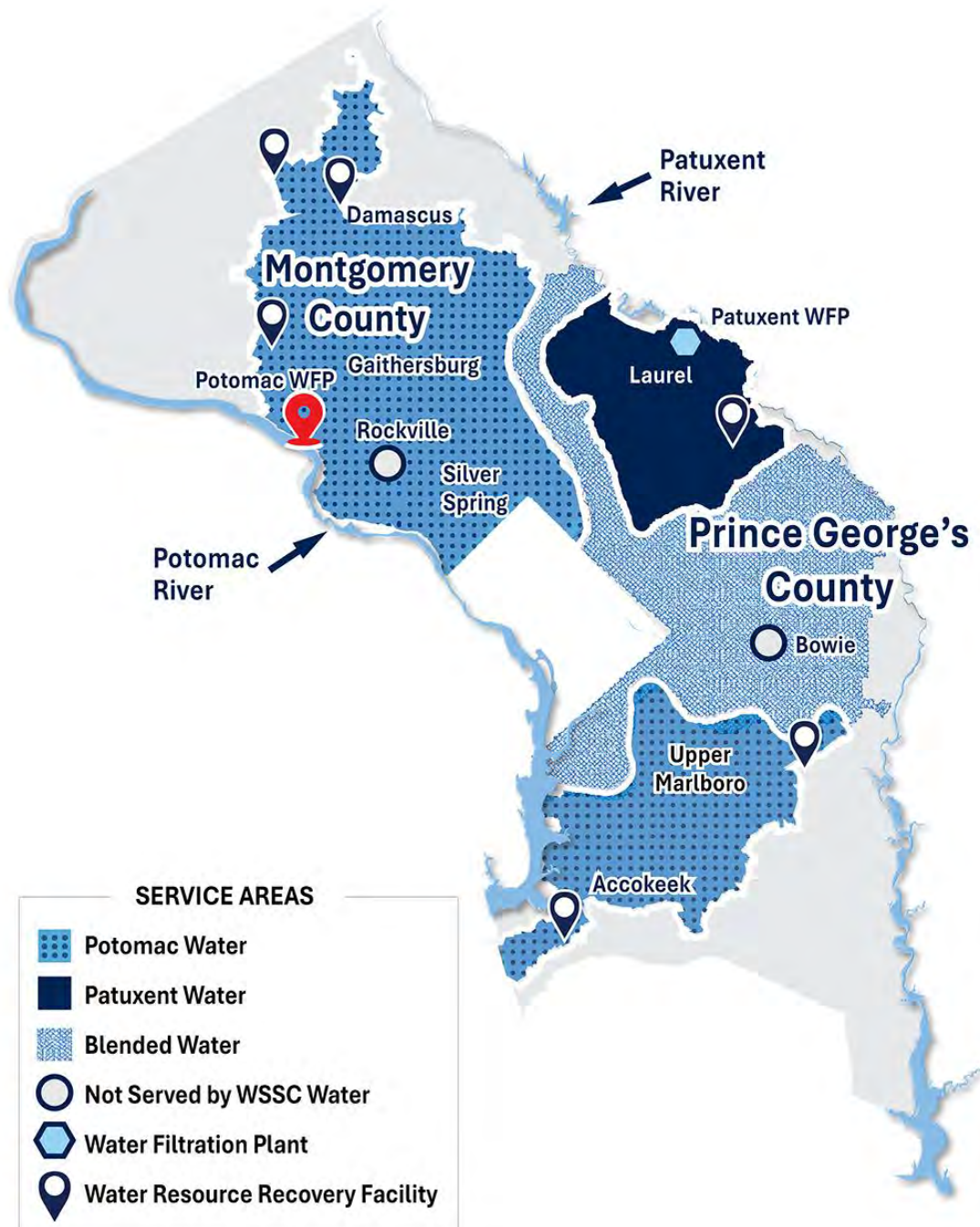
Date First in Program	FY 11
Date First Approved	FY 11
Initial Cost Estimate	-
Cost Estimate Last FY	480,185
Present Cost Estimate	530,441
Approved Request Last FY	54,595
Total Expenses & Encumbrances	-
Approval Request Year 1	58,000

G. Status Information

Land Status	Not Applicable
Project Phase	Ongoing
Percent Complete	0%
Estimated Completion Date	Ongoing
Growth	-
System Improvement	100%
Environmental Regulation	-
Population Served	-
Capacity	-

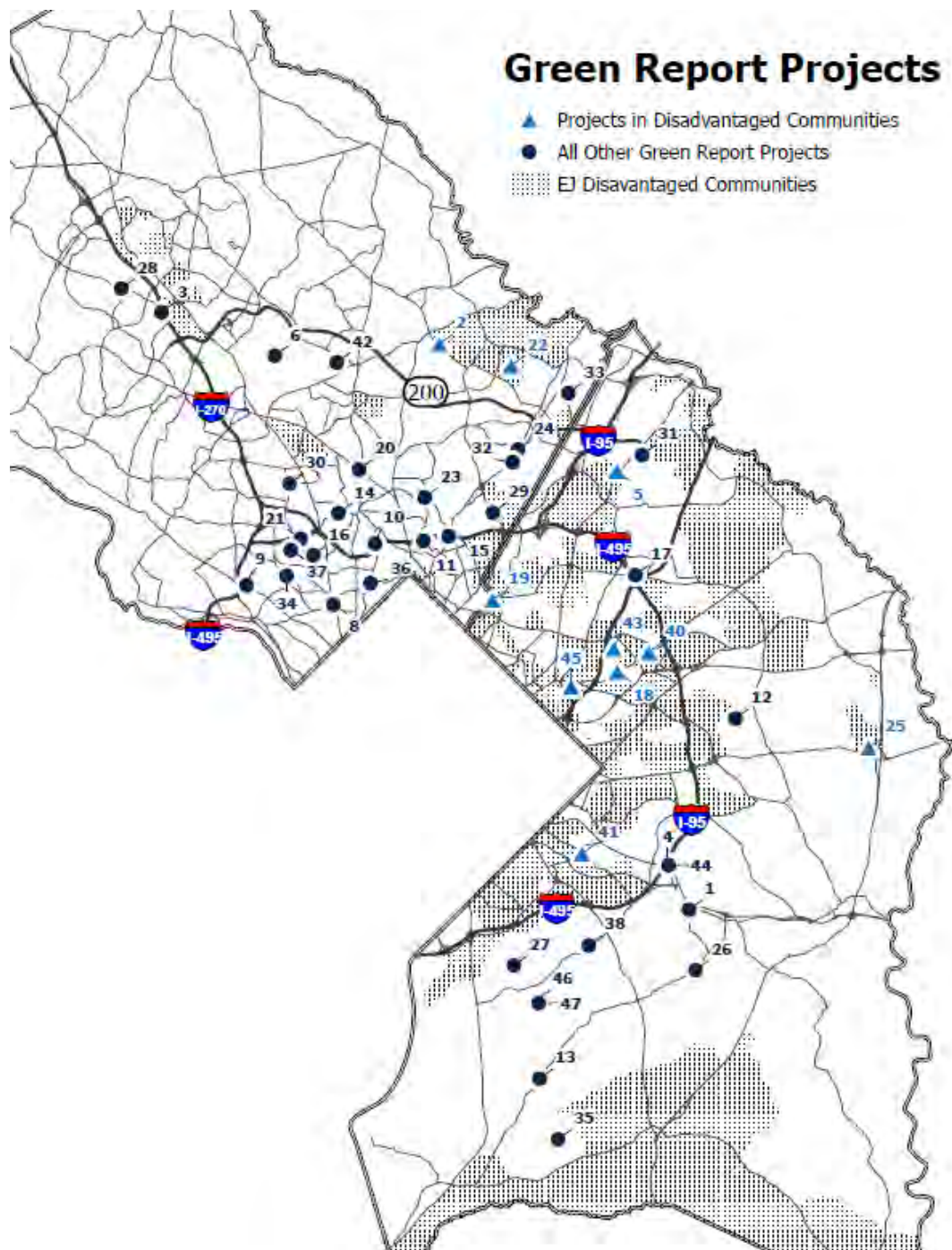
Selected Green Bond Projects: Project Maps

Potomac WFP Consent Decree Program



Large-Diameter Water Pipe and Large Valve Rehabilitation Program

Project Level View



ID	Project Number	Project Name
1	BT8056A25	Dower House Road 24/30/36-inch PCCP Transmission Main Replacement
2	BT8032A25	Norbeck Road 42/30-inch PCCP Transmission Main Replacement
3	BT6477A18	NIST/I-270 66-inch & 36-inch PCCP Transmission Main Replacement
4	BT8053A25	PG High Zone 54/42/36-Inch PCCP Transmission Main Replacement
5	BT8120A25	Ammendale Road
6	BT6988A20	48-Inch MCHZ PCCP Transmission Main Replacement
7	BT6691A19	54-inch PGHZ PCCP Transmission Main Replacement
8	BT7168A21	Leland Str 54" LVVR
9	BT6757A19	66-inch River Road LVVR
10	BT7293A22	54-inch Beach Drive LVVR
11	BT7292A22	48-inch Sligo Creek Parkway LVVR
12	AW7413A22	Lottsford Road WM Redundancy
13	BTBR7241A21	Piscataway II 16 WMR
14	BT6110A16	Beach Drive 30" WMR
15	BT7294A22	Colesville Road Large Valve Vault
16	BTBR7058A21	W. Cedar Ln WMR
17	BT7372A22	Large Valve Vault Replacement
18	BTBR7141B21	Annapolis Road Phase TWMR Phase II
19	BIBT5737B14	Hannon Street 24" Rehab/Replacement
20	BT7920A25	Veirs Mill Road Watermain Replacement
21	BT7934A25	Old Georgetown Road 30-inch Phase 1
22	BTBR7260A21	Beaufort Place WMR
23	BT7370A22	1200 W. University Boulevard - 30" Valve and Vault Replacement
24	BT7373A22	12501 Old Columbia Pike - 24" Valve and Vault Replacement
25	BT7171B21	Penn Manor Lane Large Valve Vault
26	BT7171A21	Woodyard Large Valve Vault
27	BTBR6651A19	Bock Road Transmission Water Main Replacement
28	BT7570A23	Clopper Road WMR Phase 2
29	BTBR6235A17	New Hampshire Ave 16" WMR
30	BT7371A22	Tilden Lane Large Valve Vault
31	BT7374A22	7301 Muirkirk Road 42 Inch Large Valve Vault Replacement
32	BT8115A25	12345 Columbia Pike LVVR
33	BT8109A25	3700 Greencastle Rd LVVR
34	BTBR7232A21	Bradley Blvd. 16" TWMR
35	BTBR7285A22	Danville Road WMR
36	BT6608A18	East-West Highway at Jones Mill Road Transmission Main
37	BTBR7286A22	Lindale Drive
38	BT6289A17	Allentown Rd WMR
39	BT8042A25	Brightseat 54-inch LVV
40	BTBR7141A21	Annapolis Road Phase I TWMR

41	BTBR7327A22	Silver Hill Rd TWMR
42	BTBR7038A21	Sunflower Drive WMR
43	BTBR7062A21	Furman Pkwy 24" WMR
44	BT7244A21	450A High Zone 48" Main & 24" FCV Replacement
45	BT8140A26	Buchanan St 24-inch WMR
46	BTBR6625A19	Allentown Rd 16" TWMR and FCV
47	BT6625B19	Allentown Rd 16" TWMR and FCV



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September 2026