This Preliminary Official Statement and the information contained herein are subject to change, completion, and amendment without notice. These securities may not be sold nor may an offer be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 24, 2026

NEW ISSUE – Book-Entry Only

Fitch Ratings: AAA
Moody's Investors Service: Aaa
S&P Global Ratings: AAA
See "Ratings" herein.

In the opinion of Bond Counsel, (i) under existing statutes, regulations and decisions, interest on the Bonds is exempt from taxation by the State of Maryland, its counties and municipalities; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the interest on the Bonds; and (ii) assuming compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations and decisions. Interest on the Bonds, for federal income tax purposes, is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment; however, interest on the Bonds will be part of adjusted financial statement income in computing the alternative minimum tax on applicable corporations. Additionally, interest on the Bonds will be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States of America. See "TAX MATTERS."

$474,690,000*
WASHINGTON SUBURBAN SANITARY DISTRICT, MARYLAND
(MONTGOMERY AND PRINCE GEORGE'S COUNTIES, MARYLAND)

	$357,395,000* Consolidated Public Improvement Bonds of 2026 Series B	**$28,980,000* Consolidated Public Improvement Bonds of 2026 Series B (Second Series) (Green Bonds)**	**$88,315,000* Consolidated Public Improvement Refunding Bonds of 2026**
Dated:	Date of Delivery		
Due:	June 1, as shown on the inside front cover		
Interest Payment Date:	June 1 and December 1, beginning June 1, 2027		
Denomination:	$5,000 or any integral multiples thereof		
Form:	Registered, book-entry only through the facilities of The Depository Trust Company		
Optional Redemption:	The Construction Bonds, Green Bonds, and Refunding Bonds maturing on or after June 1, 2037 are subject to redemption prior to maturity without premium. See "Description of the Bonds - Redemption Provisions."		
Sources of Payment and Security:	Debt service on the Bonds is expected to be paid from revenues generated in the District from fees, charges, rates and assessments and other available funds. In the event of a deficiency of such revenues for the purpose of paying the principal of and interest on the Bonds, the Public Utilities Article of the Annotated Code of Maryland provides that the county councils of Montgomery County and Prince George's County shall impose *ad valorem* taxes upon all the assessable property within the District. See "Summary of District Ad Valorem Taxes and Other Charges and Revenues Therefrom." *To date, ad valorem tax revenues have not been required from such counties to pay debt service on any of the Commission's outstanding bonds.*		
Purpose:	The proceeds of the Construction Bonds and investment earnings thereon will provide funding for (i) the construction or reconstruction of water supply facilities, water supply lines and transmission mains, sewage disposal facilities, sewer collection mains and trunk sewers, and the acquisition of land or equipment for, or the construction, remodeling, enlargement, or replacement of any office or operating building necessary to administer or operate the water and sewer systems in the District and (ii) the payment of costs of issuance related to the Construction Bonds.	The proceeds of the Green Bonds and investment earnings thereon will provide funding for (i) the planning, design and construction of improvements to a water filtration plant in order to reduce solids discharge, (ii) the planning, design and construction or rehabilitation of large diameter water transmission mains and large system valves and other appurtenances including meter and pressure reducing valves, (iii) other projects which have been designated by the Commission as "Green Projects" and (iv) the payment of costs of issuance related to the Green Bonds.	The proceeds of the Refunding Bonds will provide funding for (i) the refunding of the Refunded Bonds (as defined herein) and (iii) paying costs of issuance related to the Refunding Bonds.
Green Bonds:		The Commission has designated the projects to be funded by the proceeds of the Second Series Bonds as "Green Projects" and the Second Series Bonds as "Green Bonds."	
Bond Counsel:	McKennon Shelton & Henn LLP		
Financial Advisor:	Public Resources Advisory Group, Inc.		
Paying Agent and Bond Registrar:	The Bank of New York Mellon Trust Company, N.A.		

FOR MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS, SEE INSIDE FRONT COVER

The Bonds are offered when, as and if issued and subject to the unqualified approving opinion of McKennon Shelton & Henn LLP, Baltimore, Maryland and other conditions specified in the Official Notice of Sale. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company, New York, New York, on or about December 17, 2026.

* Preliminary, subject to change.

MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS

$357,395,000* CONSOLIDATED PUBLIC IMPROVEMENT BONDS OF 2026 SERIES B

Maturity June 1	Principal Amount*	Interest Rate**	Yield**	CUSIP Number†	Maturity June 1	Principal Amount*	Interest Rate**	Yield**	CUSIP Number†
2027	$ 4,365,000				2042	$11,195,000			
2028	5,655,000				2043	11,755,000			
2029	5,935,000				2044	12,345,000			
2030	6,235,000				2045	12,965,000			
2031	6,545,000				2046	13,610,000			
2032	6,875,000				2047	14,290,000			
2033	7,220,000				2048	15,005,000			
2034	7,580,000				2049	15,755,000			
2035	7,955,000				2050	16,540,000			
2036	8,355,000				2051	17,370,000			
2037	8,775,000				2052	18,285,000			
2038	9,210,000				2053	19,240,000			
2039	9,670,000				2054	20,250,000			
2040	10,155,000				2055	21,265,000			
2041	10,665,000				2056	22,330,000			

$28,980,000* CONSOLIDATED PUBLIC IMPROVEMENT BONDS OF 2026 SERIES B (SECOND SERIES) (GREEN BONDS)

Maturity June 1	Principal Amount*	Interest Rate**	Yield**	CUSIP Number†	Maturity June 1	Principal Amount*	Interest Rate**	Yield**	CUSIP Number†
2027	$355,000				2042	$ 910,000			
2028	460,000				2043	955,000			
2029	480,000				2044	1,000,000			
2030	505,000				2045	1,050,000			
2031	530,000				2046	1,105,000			
2032	555,000				2047	1,160,000			
2033	585,000				2048	1,215,000			
2034	615,000				2049	1,280,000			
2035	645,000				2050	1,340,000			
2036	675,000				2051	1,410,000			
2037	710,000				2052	1,485,000			
2038	745,000				2053	1,560,000			
2039	785,000				2054	1,640,000			
2040	825,000				2055	1,725,000			
2041	865,000				2056	1,810,000			

$88,315,000* CONSOLIDATED PUBLIC IMPROVEMENT REFUNDING BONDS OF 2026

Maturity June 1	Principal Amount*	Interest Rate**	Yield**	CUSIP Number†	Maturity June 1	Principal Amount*	Interest Rate**	Yield**	CUSIP Number†
2032	$10,845,000				2036	$13,185,000			
2033	11,390,000				2037	13,845,000			
2034	11,955,000				2038	14,535,000			
2035	12,560,000								

* Preliminary, subject to change.

** The interest rates and yields shown above are the rates payable by the District resulting from the successful bids for the Bonds on December 3, 2026. The interest rates and yields shown above are furnished by _____, the successful bidder for the Construction Bonds, the Green Bonds and the Refunding Bonds (the "Successful Bidder"). Other information concerning the terms of the reoffering of the Bonds of each series, if any, should be obtained from the Successful Bidder and not from the Commission. See "Sale at Competitive Bidding."

† The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by CUSIP Global Services, which is managed on behalf of the American Bankers Association ("ABA") by FactSet Research Systems Inc. These entities are not affiliated with the Commission, and the Commission is not responsible for the selection or use of the CUSIP numbers and takes no responsibility for the accuracy

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WASHINGTON SUBURBAN SANITARY COMMISSION

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BOND COUNSEL

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FINANCIAL ADVISOR

Public Resources Advisory Group, Inc.

BOND REGISTRAR AND PAYING AGENT

The Bank of New York Mellon Trust Company, N.A.

Additional copies of this Official Statement may be obtained from Munetsi Timothy Musara, Director of Finance, Washington Suburban Sanitary Commission, 14501 Sweitzer Lane, Laurel, Maryland 20707 (301-206-7083), or from Public Resources Advisory Group, Inc. 39 Broadway, Suite 1115, New York, New York 10006 (212-566-7800). Copies of the latest Official Statements of Montgomery County, Maryland and Prince George's County, Maryland are available at the offices of the respective counties. THE WASHINGTON SUBURBAN SANITARY COMMISSION HAS NOT UNDERTAKEN TO AUDIT, AUTHENTICATE OR OTHERWISE VERIFY THE INFORMATION SET FORTH IN ANY OFFICIAL STATEMENT OF MONTGOMERY COUNTY, MARYLAND OR PRINCE GEORGE'S COUNTY, MARYLAND. THE INCLUSION HEREIN OF INFORMATION FROM AND REFERENCE TO THE OFFICIAL STATEMENTS OF MONTGOMERY COUNTY, MARYLAND AND PRINCE GEORGE'S COUNTY, MARYLAND IS INCLUDED HEREIN FOR CONVENIENCE ONLY AND ANY INFORMATION INCLUDED IN SUCH OFFICIAL STATEMENTS IS NOT INCORPORATED HEREIN, BY REFERENCE OR OTHERWISE.

This Official Statement is provided in connection with the issuance of the Bonds referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. The information contained in this Official Statement has been derived from information provided by the Commission and other sources which are believed to be reliable. Additional information, including financial information, concerning the Commission is available from the Commission's website. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. This Official Statement is not to be construed as a contract or agreement between the Commission and the purchasers or holders of any of the Bonds.

No dealer, broker, salesperson or other person has been authorized by the Commission to give any information or to make any representations with respect to this offering, other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Commission. This Official Statement does not constitute an offer to sell, the solicitation of an offer to buy, or a recommendation to purchase the Bonds, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Bonds have not been registered with the U.S. Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon exceptions contained in the Securities Act of 1933. Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Bonds or passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

The order and placement of information in this Official Statement, including the appendices, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Official Statement.

Some statements contained in this Official Statement reflect not historical facts but forecasts and "forward-looking statements." In this respect, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe," "plan," "budget," and similar expressions are intended to identify forward-looking statements. Projections, forecasts, assumptions, expressions of opinions, estimates and other forward-looking statements are not to be construed as representations of fact and are qualified in their entirety by the cautionary statements set forth in this Official Statement. The achievement of results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Commission does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur or do not occur.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Commission since the date hereof.

In making an investment decision, investors should rely on their own examination of the Commission, the Counties, and the terms of the offering, including the merits and risks involved.

All references in this Official Statement to the Commission's website are provided for convenience only. The information on the Commission's website is NOT incorporated herein, by reference or otherwise.

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SUMMARY OF OFFICIAL STATEMENT

This Official Statement, including the cover page, inside front cover, and appendices hereto, sets forth certain information concerning the $357,395,000* Consolidated Public Improvement Bonds of 2026 Series B (the "Construction Bonds"), the $28,980,000* Consolidated Public Improvement Bonds of 2026 Series B (Second Series) (Green Bonds) (the "Second Series" or "Green Bonds"), and $88,315,000* Consolidated Public Improvement Refunding Bonds of 2026 (the "Refunding Bonds" and, together with the Construction Bonds and the Green Bonds, collectively, the "Bonds") of the Washington Suburban Sanitary District (the "District"). The following summary is qualified in its entirety by the detailed information in this Official Statement, including the cover page and appendices hereto. This summary is only a brief description of the offering and potential investors should review this entire Official Statement. The Official Statement speaks only as of its date, and the information contained herein is subject to change.

The District

The District is a sanitary district incorporated under Chapter 122 of the Acts of the General Assembly of 1918, as amended. It is governed by and is under the jurisdiction of a commission of six members constituting a statutory body corporate under the name of the Washington Suburban Sanitary Commission (the "Commission"). Three of the Commissioners are required to be from, and are appointed by, the County Executive of Montgomery County, Maryland and three of the Commissioners are required to be from, and are appointed by, the County Executive of Prince George's County, Maryland. The District operates as a public corporation of the State of Maryland under the Public Utilities Article of the Annotated Code of Maryland, as amended (the "Public Utilities Article"). Through its governing body, the Commission, it provides, as authorized, water and sewerage systems, including water supply and sewage disposal facilities for Montgomery and Prince George's Counties. The area initially incorporated in the District has been expanded by legislative enactments to its present boundaries encompassing over 950 square miles within Montgomery and Prince George's Counties effectively representing 95% of the land area of both counties. See "Washington Suburban Sanitary District - Establishment, Powers and Service Area."

Authorization of Bonds

The bonds of the District, including the Bonds offered by this Official Statement, are issued upon the basis of authorizations under the Constitution of Maryland, the Public Utilities Article and other applicable law, and by the Commission through the adoption of resolutions or orders. See "Bonded Indebtedness of the District - Authorization of Debt."

Purpose of Bonds

Proceeds of the Construction Bonds will be used to (i) finance the costs of the construction or reconstruction of water supply facilities, water supply lines and transmission mains, the construction or reconstruction of sewage disposal facilities, sewer collection mains and trunk sewers and the acquisition of land or equipment for, or the construction, remodeling, enlargement, or replacement of any office or operating building necessary to administer or operate the water and sewer systems in the District and (ii) pay costs of issuance related to the Construction Bonds. See "Use of Proceeds of the Construction Bonds."

Proceeds of the Green Bonds will be used to finance (i) the planning, design and construction of improvements to a water filtration plant in order to reduce solids discharge, (ii) the planning, design and construction or rehabilitation of large diameter water transmission mains and large system valves and other appurtenances including meter and pressure reducing valves, (iii) other projects which have been designated by the Commission as "Green Projects" and (iv) the costs of issuance related to the Green Bonds. See "Use of Proceeds of the Green Bonds."

Proceeds of the Refunding Bonds will be used to (i) currently refund certain maturities of the Refunded Bonds and (ii) pay the costs of issuing the Refunding Bonds. See "Refunding Plan."

* Preliminary, subject to change.

Sources of Payment and Security for Bonds

Debt service on the Bonds is expected to be paid from revenues generated in the District from fees, charges, rates and assessments and other available funds. However, in the event of a deficiency of such revenues, for the purpose of paying the principal of and interest on bonds and notes of the District, including the Bonds, the Public Utilities Article provides that the County Council of Montgomery County and the County Council of Prince George's County, respectively, shall levy, annually, against all the assessable property within the District *ad valorem* taxes sufficient to pay such principal and interest when due. Due to the level of revenues generated in the District from fees, charges, rates and assessments, the Commission has not needed to seek *ad valorem* tax revenues from such counties to pay debt service on any of its outstanding bonds and notes since the incorporation of the District and does not anticipate the need to cause the counties to levy *ad valorem* taxes to pay the debt service on the Bonds. See "Summary of District Ad Valorem Taxes and Other Charges and Revenues Therefrom" herein.

Denominations

The Bonds will be issued in denominations of $5,000 each or any integral multiple thereof.

Book-Entry Only System

The Depository Trust Company ("DTC") will act as the securities depository for the Bonds. The Bonds will be issued on a book-entry only basis. Beneficial Owners (defined herein) will not receive certificates representing their ownership interest in the Bonds except in the event of termination of the book-entry only system. Principal of and interest payments on the Bonds will be made to DTC or its nominee, Cede & Co., as registered owner of the Bonds. Payments by Direct Participants and Indirect Participants (each as defined herein) to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name." For a more complete description, see Appendix E herein.

Redemption

Construction Bonds, Green Bonds, and Refunding Bonds maturing on or after June 1, 2037 are callable for redemption at par prior to their respective maturities, at the option of the Commission, from any money that may be made available for such purpose. Any such redemption may be made on not fewer than 20 days' notice by mail, either in whole or in part on any date not earlier than June 1, 2036, at the principal amount of the Bonds to be redeemed, with interest thereon accrued to the date fixed for redemption, without premium, as more fully described herein under "Description of the Bonds - Redemption Provisions."

Tax Matters

In the opinion of Bond Counsel, (i) under existing law, interest on the Bonds is exempt from taxation by the State of Maryland, its counties and municipalities; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the interest on the Bonds; and (ii) assuming compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations and decisions. Interest on the Bonds, for federal income tax purposes, is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment; however, interest on the Bonds will be part of adjusted financial statement income in computing the alternative minimum tax on applicable corporations. Interest on the Bonds will be includable in the applicable tax base for purposes of determining the branch profits tax imposed on certain foreign corporations engaged in a trade or business in the United States of America. See "TAX MATTERS."

Continuing Disclosure

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the Commission will execute and deliver a continuing disclosure certificate on the date of issuance of the Bonds pursuant to which it will undertake to provide certain information annually and notices of certain events. See "Continuing Disclosure" and Appendix C herein.

Litigation

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings and authority under which they are to be issued.

There are miscellaneous claims now pending against the Commission, including claims currently in litigation. See "Litigation."

Limitation on Offering or Reoffering Securities

No dealer, broker, sales agent, financial consultant, or any other person has been authorized by the Commission, Montgomery County or Prince George's County to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

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OFFICIAL STATEMENT

$474,690,000*
WASHINGTON SUBURBAN SANITARY DISTRICT, MARYLAND
(MONTGOMERY AND PRINCE GEORGE'S COUNTIES, MARYLAND)

$357,395,000*	**$28,980,000***	**$88,315,000***
Consolidated Public Improvement Bonds of 2026 Series B	**Consolidated Public Improvement Bonds of 2026 Series B (Second Series) (Green Bonds)**	**Consolidated Public Improvement Refunding Bonds of 2026**

INTRODUCTORY STATEMENT

The purpose of this Official Statement, including the cover page, inside front cover, and appendices hereto, is to set forth certain information concerning the $357,395,000* Consolidated Public Improvement Bonds of 2026 Series B (the "Construction Bonds"), the $28,980,000* Consolidated Public Improvement Bonds of 2026 Series B (Second Series) (Green Bonds) (the "Second Series" or "Green Bonds") and the $88,315,000* Consolidated Public Improvement Refunding Bonds of 2026 (the "Refunding Bonds" and, together with the Construction Bonds and the Green Bonds, collectively, the "Bonds") of the Washington Suburban Sanitary District (the "District"). The proceeds of the Construction Bonds and the Green Bonds will be used to (i) finance the construction or reconstruction of water supply facilities, water supply lines and transmission mains, sewage disposal facilities, sewer collection mains and trunk sewers and the acquisition of land or equipment for, or the construction, remodeling, enlargement, or replacement of, any office or operating building necessary to administer or operate the water and sewer systems in the District, (ii) finance certain projects designated as "Green Projects," and (iii) pay the costs of issuing the Construction Bonds and the Green Bonds. The proceeds of the Refunding Bonds will be used to (i) currently refund the maturities of certain outstanding bonds of the District described herein under "Refunding Plan" and (ii) pay the costs of issuing the Refunding Bonds.

The District is a sanitary district incorporated under Chapter 122 of the Acts of the General Assembly of 1918, as amended. It is governed by and under the jurisdiction of a commission of six members constituting a statutory body corporate under the name of the Washington Suburban Sanitary Commission (referred to herein as the "Commission," or "WSSC Water"). See "Washington Suburban Sanitary District - Commission" herein.

Amounts herein relating to tax collections, front foot benefit charges, water and sewer charges and the District's financial position have been taken from official records of the Commission. All estimates and assumptions herein have been based upon information believed to be reliable and correct; however, statements made involving estimates and assumptions, whether or not expressly so stated, are intended merely as such and not as representations of facts.

SECURITY

Bonds and Notes Are Currently Paid from Revenues Other Than Taxes

Currently all debt service on bonds and notes of the District is being paid from revenues generated in the District from fees, charges, rates and assessments and other available funds. The Commission has not sought *ad valorem* tax revenues from Montgomery County or Prince George's County to pay debt service on any of its outstanding bonds or notes and does not anticipate the need to cause the Counties to levy *ad valorem* taxes to pay the debt service on the Bonds, or for any of its operations. However, the underlying security for all bonds and notes of the District is the levy of *ad valorem* taxes on the assessable property as stated in the following paragraph. See "Summary of District Ad Valorem Taxes and Other Charges and Revenues Therefrom" herein.

Levy of Taxes to Pay Bonds and Notes

For the purpose of securing the principal of and interest on bonds and notes of the District, including the Bonds, in the event of a deficiency of the above referenced revenues, the Public Utilities Article provides for the levy, annually,

* Preliminary, subject to change.

against all the assessable property within the District by the County Council of Montgomery County and the County Council of Prince George's County, respectively, of *ad valorem* taxes sufficient to pay such principal and interest when due and payable. For its 2025 general obligation bonds, Montgomery County received ratings of "Aaa" from Moody's Investors Services, Inc., "AAA" from S&P Global Ratings, and "AAA" from Fitch Ratings. For its 2026 general obligation bonds Prince Georges County received ratings of "Aa1" from Moody's Investors Services, Inc., "AAA" from S&P Global Ratings, and "AAA" from Fitch Ratings.

After receiving from the County Executive of each County the assessed valuations of the taxable property in the District, the Commission determines the amount necessary to be raised, taking into account the amount available from other sources, by the levy of taxes for the next taxable year for the payment of interest on all outstanding bonds and notes due and payable in such year. The Commission shall determine the number of cents per $100 valuation necessary to raise such amount and shall so certify to the two county councils. Each of the county councils in its next annual levy is required to levy and to collect such tax in the same manner as county taxes are levied and collected. The tax so levied and collected shall be remitted to the Commission every sixty days.

Charges and Assessments

While the Bonds constitute general obligations of the District, the Commission fixes and collects the following charges and assessments which have been and are currently estimated to be sufficient to pay all expenses of the Commission including principal of and interest on the Bonds.

Water Consumption Charge: The Commission fixes and collects a water consumption charge, which is based upon metered water use on all properties connected to the water supply system of the District. The proceeds of the water consumption charges are applied to the payment of principal of and interest on the bonds and notes of the District (including that portion of the Bonds allocable to water supply projects), and to the payment of the cost of operating and maintaining the water supply system.

Sewer Usage Charge: The Commission fixes and collects a sewer usage charge, which is based on metered water use on all properties connected to the sewage disposal system of the District. Sewer only customers are billed a flat rate on a quarterly basis. The proceeds of the sewer usage charges are applied to the payment of the principal of and the interest on all bonds and notes of the District (including that portion of the Bonds allocable to sewage disposal projects), and to the payment of the costs of operating and maintaining the sewage disposal system.

Ready to Serve Charge: The Ready to Serve Charge is comprised of two components: the Account Maintenance Fee (AMF) and the Infrastructure Investment Fee (IIF). The AMF is a fixed fee that recovers the costs associated with the expenses and overhead of maintaining and servicing each account. The IIF is a fixed fee that funds the debt service associated with the Commission's water and sewer pipe reconstruction program in the approved Capital Improvements Program.

Front Foot Benefit Charge: The Commission assesses, on certain property benefiting from water mains or sewers, front foot benefit charges in amounts sufficient, together with other charges, including water consumption charges and sewer usage charges, to pay debt service on the bonds and notes of the District as such debt service becomes due. The front foot benefit charges are payable in annual installments during the term of the respective bonds issued for the particular improvements. Proceeds of such front foot benefit charges, together with other charges, including the proceeds of water consumption charges and sewer usage charges, are applied to the payment of the principal of and the interest on the bonds and notes of the District (including the portion of the Bonds allocable to the general construction projects of the District).

The assessment of front foot benefit charges normally begins the calendar year following the completion of or actual connection to the newly constructed water and/or sewer lines. Once construction is completed, those property owners directly benefitting from the newly constructed water and/or sewer mains receive in writing a "Notice of Benefit Assessment." This notice is accompanied by a letter which includes the property's classification, footage, rate(s), and amount of the proposed front foot benefit charges.

In regard to customer appeal rights, after owners are notified in writing of their assessments, customers are requested to contact the Property Assessment staff with any questions or concerns they may have about the proposed assessments. Also, the customer may elect to be represented at the hearing. Following the hearing, the customer is

provided a written decision by the Commissioner, and the customer is informed of his/her right to additionally appeal the Commissioner's decision to the full Commission. A hearing may be held in accordance with the State's Administrative Procedures Act.

Annually following a public hearing, the Commission establishes a "base" water and sewer rate which is used to assess properties abutted or served by the Commission's water and/or sewer lines. After the base rate is established, a property's front foot benefit charge is determined by multiplying its assessment rate(s) by its assessable front footage and each property is classified as subdivision residential, multi-unit residential, small acreage, industrial or single business, multi-unit business, or agricultural.

SOURCES AND USES OF FUNDS

Sources and Uses of the Bonds

	Construction Bonds	Green Bonds	Refunding Bonds	Total
Sources of Funds:				
Par Amount				
Net Original Issue Premium				
Total Sources of Funds				
Uses of Funds:				
Deposit to Construction Fund				
Underwriter's Discount				
Redemption of Refunded Bonds				
Costs of Issuance [1]				
Total Uses of Funds				

(1) Includes fees and expenses of the Financial Advisor to the Commission, Bond Counsel to the Commission and certain accounting fees, as well as rating agency fees, printing costs, fees and expenses of the Bond Registrar and other miscellaneous expenses.

USE OF PROCEEDS OF THE CONSTRUCTION BONDS

The Construction Bonds will provide funding for the construction or reconstruction of water supply facilities, water supply lines and transmission mains, sewage disposal facilities, sewer collection mains and trunk sewers mains, the acquisition of land or equipment for, or the construction, remodeling, enlargement, or replacement of any office or operating building necessary to administer or operate the water and sewer systems in the District and costs of issuance of the Construction Bonds.

USE OF PROCEEDS OF THE GREEN BONDS

The Commission has designated the Second Series as "Green Bonds." The purpose of such designation is to allow investors to invest directly in bonds which finance environmentally beneficial projects ("Green Projects"). The Commission has established a green bonds framework, which among other things, provides guidelines for determining the eligibility of a given project for designation as a "Green Project." In order to be eligible for designation as a Green Project, the framework requires that the project meet criteria in one or more of the following areas: green buildings, pollution prevention and control, renewable energy, water quality, and climate change adaption. A copy of the Commission's Green Bond Framework can be found at https://www.wsscwater.com/investor. The Commission engaged Moody's Investors Service, Inc ("Moody's") to conduct an independent green bonds assessment of the Second Series. Moody's assigned the Commission's Consolidated Public Improvement Bonds of 2026 Series B (Second Series) (Green Bonds) an overall score of SQS1. Based in part on the assessment of Moody's, the Commission has designated the Second Series as "Green Bonds."

The net proceeds of the Green Bonds will be used to finance the (i) planning, design and construction of improvements to a water filtration plant in order to reduce solids discharges, (ii) planning, design and construction or

rehabilitation of large diameter water transmission mains and large system valves and other appurtenances including meter and pressure reducing vaults and (iii) costs of issuance of the Green Bonds. The Commission has determined that each of the projects to be financed by the Green Bonds meets the criteria to be designated as a Green Project. After the issuance of the Green Bonds, the Commission will have issued $130,935,000 in bonds independently assessed as green bonds by S&P Global Ratings and $115,125,000* in bonds independently assessed as green bonds by Moody's.

REFUNDING PLAN

Refunded Bonds

The proceeds of the Refunding Bonds will be used to currently refund certain maturities of the District's bonds listed in Appendix H (referred to herein as the "Refunded Bonds")* and pay the costs of issuing the Refunding Bonds. See "Estimated Sources and Uses of Funds."

Refunding Program

The Commission has heretofore developed a refunding plan designated "Washington Suburban Sanitary Commission Debt Refunding Plan" (the "Plan"). Section 22-114 of Division II of the Public Utilities Article requires that the Plan be approved, and the Plan has been approved, by the Commission and by the County Councils and the County Executives, respectively, of Montgomery County and Prince George's County. It has been determined that the refunding pursuant to the Plan will produce total savings in debt service costs.

DESCRIPTION OF THE BONDS

General

The Bonds will be dated the date of their initial delivery and will bear interest at the rates and mature in the amounts and at the times set forth on the inside front cover page hereof.

The Bonds shall be fully registered bonds in the denomination of $5,000 or any integral multiple thereof. The Bond Registrar and Paying Agent shall be The Bank of New York Mellon Trust Company, N.A. (the "Bond Registrar" or "Paying Agent"), having a corporate trust office in Pittsburgh, Pennsylvania, which shall register the Bonds and the transfer of Bonds on the District's bond registration books. The payment of interest on each Bond shall be made by the Bond Registrar and Paying Agent on each interest payment date to the person appearing on the bond registration books as the registered owner of such Bond (or the previous bond or bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date, which shall be the 15th day of the calendar month next preceding such interest payment date, by check or draft mailed to such person at his address as it appears on the registration books. The payment of principal shall be made to the owner registered on the bond registration books upon presentation and surrender thereof to The Bank of New York Mellon Trust Company, N.A. at the office of its affiliate, The Bank of New York Mellon, in New York, New York or Dallas, Texas. The Bonds may be transferred or exchanged subject to the requirements prescribed by the resolution authorizing their issuance, including provisions that the Bond Registrar shall not be required to exchange or register the transfer of any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the resolution.

Redemption Provisions

Bonds which mature on or after June 1, 2037 are callable for redemption prior to their respective maturities, at the option of the Commission, from any money that may be made available for such purpose. Any such redemption may be made on not fewer than 20 days' notice by mail, either in whole or in part on any date not earlier than June 1, 2036, at the principal amount of the Bonds to be redeemed, with interest thereon accrued to the date fixed for redemption, without premium. If less than all of the Bonds of any one maturity of a series of the Bonds shall be called for redemption, the particular bonds of such maturity to be redeemed shall be selected by lot; except that so long as The Depository Trust

* Preliminary, subject to change.

Company ("DTC" or, together with any successor securities depository for the Bonds, the "Securities Depository") or its nominee is the sole registered owner of the Bonds, the particular Bond or portion to be redeemed shall be selected by DTC in such manner as DTC shall determine. In selecting Bonds for redemption, the Bond Registrar shall treat each bond of a denomination higher than $5,000 as representing that number of bonds which is equal to the principal amount of such bond divided by $5,000.

Book-Entry Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co., DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate of the Bonds will be issued for each maturity of each series of the Bonds in principal amount equal to the aggregate principal amount of the Bonds of such maturity and will be deposited with DTC. Beneficial Owners (as defined in Appendix E) will not receive certificates representing their ownership interest in the Bonds except in the event of termination of the book-entry only. Principal of and interest payments on the Bonds will be made to DTC or its nominee, Cede & Co., as registered owner of the Bonds. Payments by Direct Participants and Indirect Participants (each as defined in Appendix E) to Beneficial Owners will be governed by standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name." For a more complete description, see Appendix E herein.

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Annual Debt Service on the Bonds

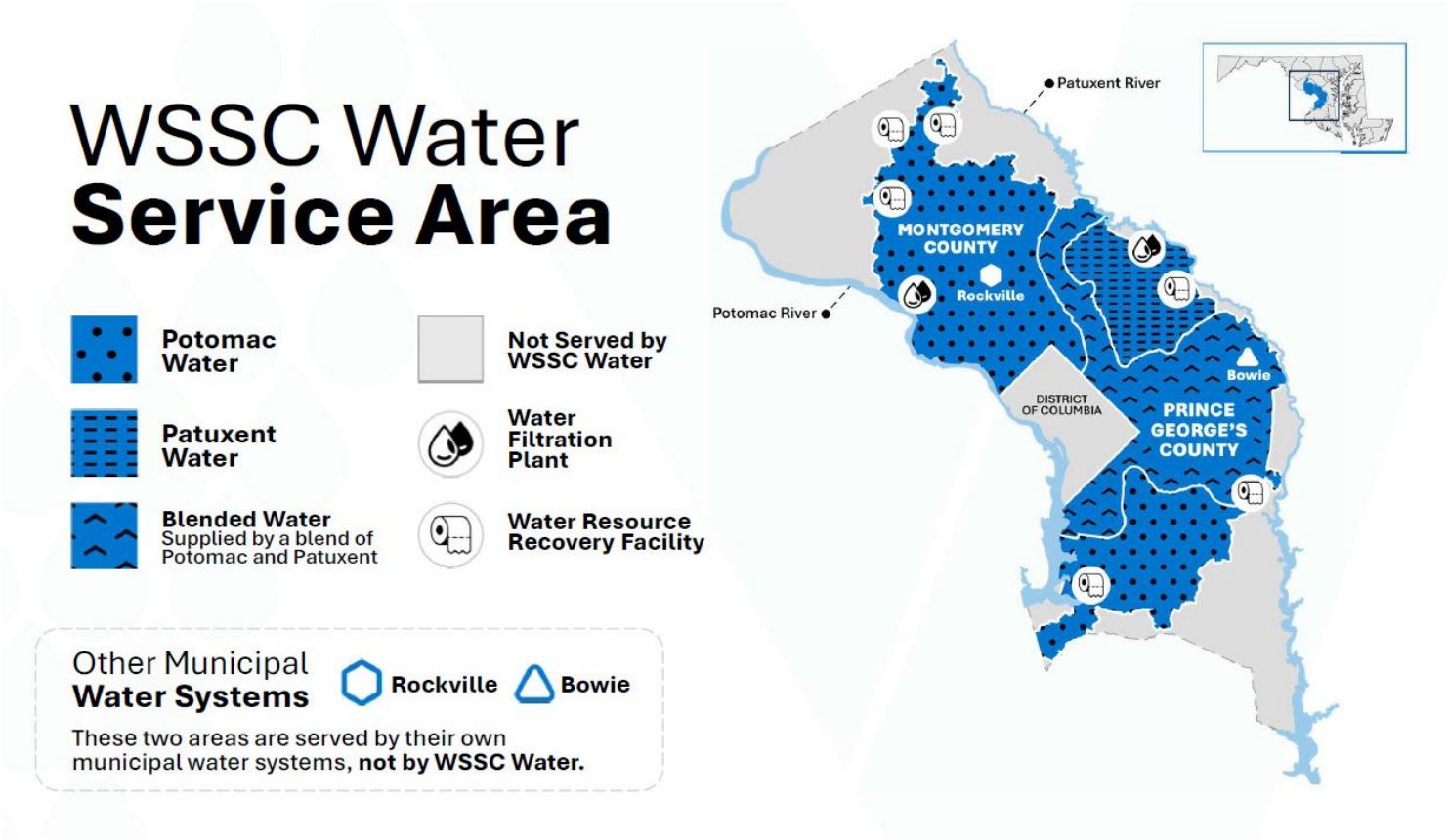
Fiscal	Construction Bonds			Green Bonds			Refunding Bonds			Total Debt Service
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
Total										

[Remainder of page left blank intentionally]

WASHINGTON SUBURBAN SANITARY DISTRICT

Establishment, Powers and Service Area

The District was created in 1918 and operates as a public corporation of the State of Maryland under the Public Utilities Article. Through its governing body, the Commission, it provides, as authorized, water and sewerage systems, including water supply and sewage disposal facilities for Montgomery and Prince George's Counties, Maryland. The area initially incorporated in the District has been expanded by legislative enactments to its present boundaries encompassing over 950 square miles within Montgomery and Prince George's Counties.



Commission

The District is under the jurisdiction of, and its governing body is, the Commission, a body corporate consisting of six members. Two Commissioners are required to be from, and are appointed by, the County Executive of Montgomery County, subject to their confirmation by the County Council thereof, one is required to be the Director of the Montgomery County Department of Environmental Protection or their designee, and three Commissioners are required to be from, and are appointed by, the County Executive of Prince George's County, subject to their confirmation by the County Council thereof. Each Commissioner from Prince George's County shall be a resident of the District. Except for the Montgomery Director of the Department of Environmental Protection or their designee, each Commissioner from Montgomery County shall be a registered voter of Montgomery County. Each Commissioner from Prince George's County shall be a registered voter of Prince George's County. Not more than two Commissioners from Montgomery County may be of the same political party. Except for the Montgomery County Director of the Department of Environmental Protection, the term of office for the Commissioners is four years, with termination dates on a staggered year basis. At the end of a term a commissioner continues to serve until a successor is appointed and takes the oath of office. The Chair and the Vice-Chair of the Commission are elected by the Commission in June of each year for

one-year terms and may not be from the same county. These two offices rotate annually between the two counties unless waived, as provided by law. The Commission may conduct business with a quorum of four Commissioners.

The County Executive of each of the two counties may, with the approval of the majority of the members of the County Council of the respective county, remove any Commissioner appointed from such county from such Commissioner's current term of office prior to the completion of such term. In addition, a majority of the County Council of Montgomery County, by resolution, may, unless the County Executive of Montgomery County disapproves the resolution in writing within 30 days of its adoption, remove any Commissioner appointed from Montgomery County prior to the completion of his or her term. In either event, a public hearing must be held thereon unless waived in writing by the Commissioner sought to be removed.

Powers and Responsibilities of the Commission

The powers and responsibilities of the Commission as set forth in the Public Utilities Article include, among others:

(i) providing for the construction, reconstruction, operation and maintenance of water supply and sanitary sewerage facilities in the District;

(ii) establishing water rates, sewer usage rates, connection charges, front foot benefit charges and permit fees, and causing *ad valorem* taxes to be levied;

(iii) issuing bonds and notes of the District, including refunding bonds and bond anticipation notes;

(iv) exercising the power of eminent domain;

(v) providing for the construction, reconstruction, operation and maintenance of water and sewer house connection lines from the Commission's mains to abutting property lines;

(vi) approving the location of, and issuing permits for, all utilities to be installed in public ways;

(vii) reviewing preliminary subdivision plans as to suitability of water and sewer design and reviewing street grades for those streets in which there are Commission facilities;

(viii) formulating regulations governing all plumbing and gas fitting installations;

(ix) issuing permits for the installation of and inspection of all plumbing and gas fitting connections; and

(x) licensing master and journeyman plumbers and gas fitters.

Commission Membership

Lynnette D. Espy-Williams: Ms. Espy-Williams was appointed to the Commission from Prince George's County in September 2022 and reappointed to a full term in June 2024. She was elected Vice Chair on June 17, 2026. Ms. Espy-Williams is a Member of Cozen O'Connor's Commercial Litigation Department, representing a wide variety of clients in complex litigation, and currently serves as the firm's Chief Culture Officer. She has previously served as an adjunct professor at the University of Maryland Francis King Carey School of Law and is the former President of the Gate City Bar Association, the oldest African American bar association in the state of Georgia. Ms. Espy-Williams has been named by Savoy Magazine as one of the Most Influential Black Lawyers in the United States and named Graduate of the Year by the University of Maryland Francis King Carey School of Law's Black Law Students Association. She earned her bachelor's degree from Spelman College and her Juris Doctor from the University of Maryland Francis King Carey School of Law. Ms. Espy-Williams' term expires in May 2028.

T. Eloise Foster: Ms. Foster was appointed to the Commission from Montgomery County in June 2016, reappointed in July 2017 and reappointed again in July 2021. She has served two terms as Chair and three as Vice Chair. She served as a Trustee on WSSC Water's Retirement Plan Board for nearly 10 years. Ms. Foster has more than three decades of experience in the public sector, where she developed an expertise in fiscal policy and management. She served for over a decade as Secretary of the Maryland Department of Budget and Management, the first and only African American woman in the nation to serve as a chief state budget officer. In this capacity, she was responsible for the development and management of Maryland's $38 billion operating and $1.5 billion capital budgets, a personnel system governing approximately 80,000 employees and an employee and retiree benefits program covering more than 250,000

lives. Ms. Foster also served as Maryland's Deputy Secretary of Budget & Management and Assistant Secretary of Budget & Fiscal Planning and as Assistant Dean for Business Affairs and Program Development at the University of Maryland School of Medicine. Earlier in her career, Ms. Foster was a legislative officer for Maryland Governor William Donald Schaefer and an analyst for the Maryland General Assembly. An honorary lifetime member of the National Association of State Budget Officers, Ms. Foster is also a former member of the National Forum for Black Public Administrators. She has served on the Howard University Cancer Center Advisory Board, the Seton Keough School Board, the Arts and Humanities Council of Montgomery County, and as a Trustee on the Financial Accounting Foundation Board. She currently serves as Chair of the Maryland Supplemental Retirement Plans. Ms. Foster serves on the Board of the Volker Alliance for which she is the Acting Treasurer and serves as the Chair of the Audit Committee. She also serves as a mentor for the Alliance's Up to US Rising Leaders Program. Ms. Foster was named one of Maryland's Top 100 Women in 2002, 2007 and 2010, qualifying her for entrance into the Circle of Excellence. In 2014, Howard University selected her to receive the Distinguished Alumni Award in the field of public service. Ms. Foster earned her bachelor's degree in Business Administration from Howard University and an MBA from American University's Kogod School of Business. She also has completed the Harvard University Senior Executives in State and Local Government Program. Ms. Foster's term expired in May 2025 and she continues to serve as a holdover Commissioner.

Jonathan Powell: Mr. Powell was appointed to the Commission from Montgomery County in July 2024 for his first term. He was elected Chair on June 17, 2026, and previously served as Vice Chair from June 2025 to June 2026. He has more than 20 years of experience implementing complex and sophisticated programs and systems for large corporations and the United States military. Mr. Powell is currently a project manager with the U.S. Navy. Before joining the Navy, Mr. Powell was a project manager at General Dynamics from 2017 to 2021. In this role, he was responsible for tasks for multiple sponsors, including Undersea Technology, New Construction Submarines and InService Submarine Support. His previous work experience includes project and program management positions at CACI International, Inc. and IBM. Upon graduating from the Naval Academy, he served as a Submarine Officer in the Navy from 1994 to 2001, receiving several commendations for his service. Mr. Powell has also contributed to academia as an Adjunct Professor at UMBC, teaching Project Management and Leadership to graduate students. He has published articles, including one in PM Network Magazine, and served on the Board of Directors for the Montgomery County Revenue Authority for 18 years, culminating in his role as Treasurer. Mr. Powell holds a Bachelor of Science in Systems Engineering from the U.S. Naval Academy, a Master of Business Administration from the University of Maryland, and a Master's Certificate in Project Management from George Washington University. Mr. Powell is a Certified PMP and has the designation of CGFM (Certified Government Financial Manager). He resides in Gaithersburg. Mr. Powell's term expires in May 2028.

Jeffrey M. Seltzer: Mr. Seltzer joined the Commission on October 3, 2025, pursuant to Section 17-102 of the Public Utilities Article of the Annotated Code of Maryland Code, effective October 1, 2025, which states that one of the Montgomery County Commissioners shall be the Director of the Montgomery County Department of Environmental Protection, or the Director's designee. Mr. Seltzer is the Deputy Director for the Montgomery County Department of Environmental Protection where he is responsible for programs that protect and improve the county's air, water, and land in a sustainable, innovative, inclusive, and industry-leading way. Mr. Seltzer is a Professional Civil Engineer with over 30 years of experience in environmental restoration and resources management in both the private and public sectors. Prior to joining the Department, Mr. Seltzer served at the District of Columbia's Department of Energy and Environment. He has previously served on the DC Water Board of Directors and as a Commissioner for the Interstate Commission on the Potomac River Basin. He received his Bachelor of Science, Civil Engineering, from Penn State University. Mr. Seltzer's term does not expire.

Mark J. Smith: Mr. Smith was appointed to the Commission from Prince George's County in November 2022 and appointed to a full term in May 2023. He was elected Chair on June 18, 2025, and previously served as Vice Chair from June 2024 to June 2025. Mr. Smith is the Executive Director, Community Engagement and Partnership with The American Red Cross and has previously served as the Executive Director, Recovery Operations; Executive Director, Preparedness Health, and Safety Services; Regional Director, Africa Programs; and Chief Executive Officer of the Oklahoma City, OK and Jackson MS Chapters. Mr. Smith earned his bachelor's degree from Lincoln University (PA) and his graduate degree in Strategic Management from The George Washington University. Mr. Smith's term expires in May 2027.

Regina Y. Speed-Bost: Ms. Speed-Bost was appointed to the Commission from Prince George's County in March 2022 and reappointed to a full term in May 2023. She was elected Chair from June 2023 to June 2024, and

previously served as Vice Chair from June 2022 to June 2023. Ms. Speed-Bost began her legal career as an attorney at the Federal Energy Regulation Commission. In 2020, Ms. Speed-Bost founded her own firm with offices in Washington, DC, and Prince George's County. She has represented various entities on federal and state energy regulatory matters for more than 30 years. In 2025 she joined Washington Gas as Senior Director and Deputy General Counsel. Ms. Speed-Bost earned her bachelor's degree from Dartmouth College and her Juris Doctor from the Georgetown University Law Center. She has also completed the Cornell University Diversity and Inclusion Certificate Program. She has resided in Prince George's County for more than 40 years. Ms. Speed-Bost's term expires in May 2027.

Management and Operations

The daily operation of the Commission is supervised by the General Manager/CEO.

Senior Staff

A brief resume of the Commission's senior staff is shown below:

Kishia L. Powell, P.E., General Manager/CEO: Ms. Powell was appointed unanimously to serve as the Commission's 14th leader, taking office January 1, 2023. Since taking office, she has focused on sustained and transformative change for WSSC Water in the workforce and workplace, innovation and technology, the infrastructure and service delivery. Under her direction the Commission's 6-year $4.6 billion capital improvement program has prioritized accelerating critical infrastructure investments, and digital modernization. Her tenure with WSSC Water is also marked by initiating Advanced Metering Infrastructure through a pilot deployment, the Secure the Source campaign for water supply resilience; the Sustainable Sewer Solutions program to ramp up sewer system rehabilitation; adoption of a cloud-first digital transformation; enhancement and increases in the customer assistance programs to address affordability; and policies to enhance underutilized business inclusion.

Prior to WSSC Water, she served in four water utility leadership roles including as Chief Operating Officer and Executive Vice President, at DC Water overseeing daily operations and the Authority's 10-year $6.4 billion capital improvement program including the DC Clean Rivers program, improvements to Blue Plains, and the water and sewer systems; and Lead Free DC, an initiative to replace all lead service lines in the District of Columbia. As Commissioner of the City of Atlanta's Department of Watershed Management, she had oversight of $644 million in annual operating expenditures and a five-year capital improvement plan of $1.26 billion. Under her leadership, the Watershed Management team commissioned the Water Supply Program to secure Atlanta's water future by repurposing a rock quarry to store 2.4 billion gallons of raw water. Ms. Powell also led the utility's induction in the inaugural class of Leading Utilities of the World. She was appointed as the City of Jackson, Mississippi's Public Works Director with oversight of water, wastewater, roads and solid waste functions. She led the development of a master plan to leverage Jackson's municipal special option sales tax funding for infrastructure investments including the "Greening the Gateways" initiative, which led to the City's award of a $16.5 million TIGER Grant. Her public sector experience started as Bureau Head of Water and Wastewater for the City of Baltimore.

Ms. Powell's local, regional and national water sector roles include service on the National Association of Clean Water Agencies Board of Directors since 2016 (President 2021-2022); she has served the greater Water Sector as Chair of the US Water Alliance's One Water Council (2021-2022). Over the course of her career, she has received a number of recognitions and honors for her service to the sector and the communities where she has served including being recognized as one of Engineering Georgia Magazine's top 100 most influential women. In 2019, she received the WaterNow Alliance's Impact Award for leadership in closing the country's first publicly offered Environmental Impact Bond and in 2026 she was honored by the National Capital Section of ASCE with the inaugural Infrastructure Impact award.

A licensed Professional Engineer in the States of Maryland, Virginia and the District of Columbia, Ms. Powell holds a Bachelor of Science degree in Civil Engineering from Morgan State University's Clarence M. Mitchell, Jr. School of Engineering.

Julianne M. Montes de Oca, Esq., Corporate Secretary: Ms. Montes de Oca joined the Commission in July 2017, as an Associate Counsel in the General Counsel's Office. She was appointed to serve as Corporate Secretary in April 2021. Prior to coming to WSSC Water, Ms. Montes de Oca served for three terms as the Senior Law Clerk to

Judge Dan Friedman of the Appellate Court of Maryland and worked as an attorney at Treanor Pope & Hughes. Ms. Montes de Oca earned her bachelor's degrees in International Studies and Spanish at the University of Arkansas Little Rock where she was part of the Donaghey Scholars Honors Program. She earned her law degree from the University of Baltimore School of Law. Ms. Montes de Oca is a member of the Maryland and Idaho state bars and the U.S. Supreme Court bar.

Nina R. Hickson, Esq., General Counsel: Ms. Hickson most recently served as the City Attorney for the City of Atlanta, where she was the chief legal officer for almost 500,000 residents. Immediately prior, she was Vice President and General Counsel for The Atlanta BeltLine, Inc. She has also served as the Ethics Officer for the City of Atlanta; Interim City Manager for East Point, Georgia; inaugural Chief Assistant Public Defender for the Atlantic Judicial Circuit and Director of the Juvenile Division; and Chief Presiding Judge to the Fulton County Juvenile Court. Her extensive community involvement includes as a member and founder of the Juvenile Justice Fund, the Advisory Board of the Sister-to-Sister Program, which she initiated with the Georgia Association of Black Women Attorneys, First Lady of Georgia's GRACE Commission, Delta Sigma Theta Sorority Incorporated and The Links, Incorporated. Ms. Hickson earned her bachelor's degree, magna cum laude, in Journalism from Howard University, and her law degree from Emory University.

Munetsi Timothy Musara, CPA, CGMA, Chief Financial Officer: Mr. Musara joined the Commission on October 30, 2023, from the District of Columbia Retirement Board where he served as the Chief Financial Officer for the pension fund. Prior to that he served as the Chief Financial Officer of the University of the District of Columbia and held various senior leadership positions in the Office of the Chief Financial Officer of the District of Columbia where he was responsible for overseeing the annual budgets and managing the financial operations for various agencies in the Education Cluster. Prior to joining the Office of the Chief Financial Officer, Mr. Musara was a Transaction Services Manager at PricewaterhouseCoopers focused on primarily providing buy side and sell side financial due diligence and an Audit Manager at KPMG LLP in the commercial sector. Mr. Musara earned both his bachelor's and MBA from Howard University and is a certified public accountant.

Labor Relations

As of June 30, 2026, the Commission had 1,912 full-time employees of whom approximately 425 are represented by the American Federation of State, County and Municipal Employees and 273 are represented by the International Brotherhood of Teamsters. The Commission considers its labor relations to be satisfactory.

Employees' Retirement Plan

Substantially all Commission employees participate in either the closed or open version of the contributory Washington Suburban Sanitary Commission Employees' Retirement Plan (the "Retirement Plan"). The closed version of the Retirement Plan is applicable only to participants as of June 30, 1978 who did not elect to change to the open version. The open version of the Retirement Plan is mandatory for all employees who commenced employment on or after July 1, 1978, and all other employees who elected to change to the open version.

The Retirement Plan, including the books and records thereof, is an entity distinct from the Washington Suburban Sanitary Commission. Its assets are managed by an independent board of trustees comprised of two Commissioners, four Commission employees, two Commission retirees, two members of the business community, and the Executive Director of the Retirement Plan. The Retirement Plan's valuation is prepared annually by an independent actuarial firm.

As of June 30, 2015, the Commission adopted Governmental Accounting Standards Board ("GASB") Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. Based on actuarial valuations as of June 30, 2025 and as of June 30, 2024, which were rolled forward to December 31, 2025 and December 31, 2024, the Retirement Plan's independent actuaries determined that, at December 31, 2025 and 2024 (the measurement dates), the Retirement Plan's total pension liability exceeded its fiduciary net position by $149.8 million and $198.6 million, respectively.

The Retirement Plan implemented GASB Statement No. 67 Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25 in fiscal year 2014. As required by GASB Statement No. 67, the Plan's fiduciary

net position as a percentage of total pension liability was 87.2% as of December 31, 2025, and 82.6% as of December 31, 2024.

For additional information concerning the Retirement Plan, see Required Supplementary Information (RSI) Schedules A-1 and A-2, "Notes to Financial Statements," Note K, Retirement Plan.

Other Post-Employment Benefits

Post-employment benefits are provided under a set of personnel policies (herein referred to, collectively, as the "OPEB Plan"). The OPEB Plan and its underlying trust, a single employer defined benefit plan, was established in 2007 to provide life insurance, healthcare and prescription drug benefits for OPEB Plan participants and beneficiaries of WSSC Water under conditions set forth in the Trust Agreement, including the payment of reasonable administrative expenses. WSSC Water employees are eligible to continue group insurance coverage after retirement provided that retiring employees have had coverage in effect for two years prior to retirement.

As of June 30, 2018, the Commission adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replacing GASB Statement No. 45. Based on actuarial valuations as of June 30, 2025, and as of June 30, 2023, the OPEB Plan's independent actuaries determined that, at December 31, 2025 (the measurement date), the OPEB Plan's fiduciary net position exceeded its total OPEB liability by $8.7 million and that at December 31, 2024, the Plan's total OPEB liability exceeded its fiduciary net position by $14.2 million.

Actuarial studies are performed at least once every two years as of June 30th and the measurement date for the net OPEB Plan liability is December 31st. The OPEB Report is subject to a number of actuarial and economic assumptions; these assumptions are generally similar to the assumptions used in evaluating the Commission's pension fund liabilities. As required by GASB Statement No. 75, the OPEB Plan's fiduciary net position as a percentage of total OPEB liability is 103.2% as of December 31, 2025, and 94.4% as of December 31, 2024.

For additional information concerning the OPEB Plan, see Required Supplementary Information (RSI) Schedules A-3 and A-4, "Notes to Financial Statements," Note L, Other Post-Employment Benefits (OPEB).

Leases and Agreements

The Commission is party to certain agreements to provide water service to Howard County, Maryland and Charles County, Maryland on an as-available basis and sewage service to the City of Rockville, Maryland. The Commission considers its present capacity to be adequate to continue providing water and sewerage services under these contracts and is of the opinion at the present time that no new capital expenditures will be required of the Commission to fulfill these obligations.

BONDED INDEBTEDNESS OF THE DISTRICT

Bond Program

The Commission issues bonds to provide funding for the construction or reconstruction of (i) water supply facilities, water supply lines and transmission mains (the "Water Supply Bonds"), (ii) sewage disposal facilities, sewer collection mains and trunk sewers (the "Sewage Disposal Bonds"), and (iii) any office or operating building necessary to administer or operate the water and sewer systems in the District (the "General Construction Bonds"). The bonds may also be issued to replace short-term bond anticipation notes. Pursuant to Section 19-101 of the Local Government Article of the Annotated Code of Maryland, as amended, the Water Supply Bonds, the Sewage Disposal Bonds and the General Construction Bonds may be consolidated for sale and sold, issued and delivered as a single issue of bonds that are designated as the "Consolidated Public Improvement Bonds."

Maryland Water Quality Debt

The Maryland Water Quality Revolving Loan Fund is administered by the Maryland Water Infrastructure Financing Administration. As of June 30, 2026, the Commission had $343,502,173 of outstanding debt under this program. The Commission's obligation to repay this amount is evidenced by Commission bonds, which are payable over

a 20-year or 30-year period at below-market interest rates and on parity with the bonds of the Commission. The source of repayment and security for such Commission obligations is the same as that for the Commission's Water Supply Bonds and Sewage Disposal Bonds, respectively.

Washington Suburban Sanitary Commission Debt Statement

	Bonds Outstanding June 30, 2026
Bonds Outstanding[1]:	
General Construction Bonds (self-supporting)[3]	$ 93,053,536
Water Supply Bonds (self-supporting)[4]	2,087,767,797
Sewage Disposal Bonds (self-supporting)[5]	1,946,456,666
Maryland Water Quality Loan Fund (self-supporting)[5]	343,502,173
Total Bonds Outstanding	4,470,780,172
Less:	
Self-supporting Bonds	4,470,780,172
Bonds Outstanding Exclusive of Self-supporting Bonds	$ --
Assessed Valuation[5], All Property within District	$ 415,847,311,804
Per Capita: (Population estimated at 2,048,902 - 6/30/24)	
Bonds Outstanding Total	$ 2,182
Bonds Outstanding Exclusive of Self-supporting Bonds	$ --

(1) Excludes $50,900,000 principal amount of bond anticipation notes outstanding as of June 30, 2026. See "Short Term Financing Program" below.
(2) Front foot benefit charges are levied in an amount sufficient, together with other charges, including water consumption and sewer usage charges, to pay debt service.
(3) Water consumption charges are fixed sufficient to pay all operating expenses and debt service.
(4) Sewer usage charges are fixed sufficient to pay all operating expenses and debt service.
(5) Includes the assessed valuation for Montgomery County and Prince George's County as of June 30, 2026.

Bonded Debt Outstanding and Changes from June 30, 2025 to June 30, 2026 [1]

	Bonds Outstanding June 30, 2025	Issued	Defeased	Redeemed	Bonds Outstanding June 30, 2026
General Construction Bonds	$ 100,022,613	$ 0	$ 0	$ 6,969,077	$ 93,053,536
Water Supply Bonds	1,905,343,954	262,130,000	0	79,706,157	2,087,767,797
Sewage Disposal Bonds	1,915,779,433	117,240,000	0	86,562,767	1,946,456,666
Maryland Water Quality Loan Fund	337,123,278	30,925,772	0	24,546,877	343,502,173
Total	$4,258,269,278	$410,295,772	$ 0	$197,784,878	$4,470,780,172

(1) Excludes $50,900,000 principal amount of bond anticipation notes outstanding as of June 30, 2026. See "Short-Term Financing Program" below.

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Outstanding Debt Service

The following table shows principal, interest, and total fixed rate debt service on the District's outstanding bonds.

Outstanding Bonds
June 30, 2026 [(1)(2)(3)]

Fiscal Year	Principal	Interest	Total
2027	$ 200,428,249	$ 155,658,843	$356,087,092
2028	201,957,810	148,391,719	350,349,529
2029	198,225,122	141,013,617	339,238,739
2030	193,399,088	133,922,348	327,321,436
2031	187,808,402	126,984,167	314,792,569
2032	178,112,921	120,474,311	298,587,232
2033	162,837,493	114,314,934	277,152,427
2034	164,113,194	108,702,500	272,815,694
2035	159,101,436	103,502,740	262,604,176
2036	162,547,184	97,946,504	260,493,688
2037	167,849,513	92,438,357	260,287,870
2038	170,226,157	86,712,466	256,938,623
2039	175,966,036	80,655,696	256,621,732
2040	181,965,942	74,502,712	256,468,654
2041	188,192,009	68,123,301	256,315,310
2042	239,290,784	61,512,497	300,803,281
2043	186,324,630	53,806,187	240,130,817
2044	192,517,662	47,450,115	239,967,777
2045	179,939,246	40,771,182	220,710,428
2046	179,263,391	34,525,022	213,788,413
2047	154,558,356	28,241,492	182,799,848
2048	132,105,144	22,810,729	154,915,873
2049	112,951,082	18,334,243	131,285,325
2050	104,521,832	14,551,772	119,073,604
2051	92,129,081	11,175,349	103,304,430
2052	79,126,714	7,854,004	86,980,718
2053	61,069,273	4,847,753	65,917,026
2054	41,692,420	2,539,930	44,232,350
2055	22,560,000	904,750	23,464,750
Total	$4,470,780,172	$2,002,669,238	$6,473,449,410

(1) Excludes $50,900,000 principal amount of bond anticipation notes outstanding as of June 30, 2026. See "Short Term Financing Program" below.
(2) Totals may not add due to rounding.
(3) Outstanding bonds calculated on accrual basis. Source: WSSC Water Bond & Note Information Book as of June 30, 2026.

Summary of Outstanding Debt Service as of June 30, 2026[1]

	Principal	Interest to Maturity	Total Debt Service
General Construction Bonds	$ 93,053,536	$ 37,828,733	$ 130,882,269
Water Supply Bonds	2,087,767,797	1,061,534,683	3,149,302,480
Sewage Disposal Bonds	1,946,456,666	877,887,884	2,824,344,550
Maryland Water Quality Loan Fund	343,502,173	25,417,938	368,920,111
Total	$ 4,470,780,172	$ 2,002,669,238	$6,473,449,410

(1) Excludes $50,900,000 principal amount of bond anticipation notes outstanding as of June 30, 2026. See "Short-Term Financing Program" below.

Authorization of Debt

The Bonds are issued upon the basis of authorizations under the Constitution and laws of the State of Maryland, including Titles 16 through 25 of Division II of the Public Utilities Article, particularly Titles 22 and 25 thereof and other applicable law, and by the Commission through the adoption of Resolution No. 2026-2461, Resolution No. 2026-2462, or orders of the Commission.

Borrowing Limitation

The Public Utilities Article limits the amount of bonds and notes issued by the District that may be outstanding at any time. The aggregate principal amount of bonds and notes of the District (excluding refunded bonds and certain short-term instruments) outstanding at any time may not exceed the sum of: (i) 3.8% of the total assessable tax base of all real property assessed for county tax purposes within the District, and (ii) 7.0% of the total assessable personal property and operating real property assessed for county tax purposes within the District (or such respective percentages of such tax bases as of July 1, 1997, if larger).

Shown below are the latest certified assessed valuations of those portions of the Counties that lie within the District, and the ratio of debt to permitted debt.

(in 000's)	Total Assessed Valuation[1]	Maximum Debt Permitted	Total Debt Outstanding	Ratio of Debt Outstanding to Debt Permitted
June 30, 2026 ……	$415,847,312	$15,864,675	$4,521,680	28.5%
June 30, 2025 ……	394,774,346	$15,063,530	$4,347,369	28.9%
June 30, 2024 …….	381,195,128	14,548,033	4,219,238	29.0%
June 30, 2023……..	351,500,779	13,429,512	4,115,058	30.6%
June 30, 2022……..	331,792,776	12,680,799	3,892,547	30.7%
June 30, 2021……..	319,480,812	12,214,073	3,640,263	29.8%

(1) Includes assessed valuation data for Montgomery County and Prince George's Counties as of June 30, 2026.

Short-Term Financing Program

On June 24, 2003, the Commission established a $465,000,000 short-term borrowing facility whereby it may issue and redeem its General Obligation Multi-Modal Bond Anticipation Notes (the "BANs") from time to time. The BANs are general obligations of the District. The proceeds of the BANs are used to provide interim financing for the water, sewer and general construction projects comprising a portion of the Commission's capital program. On November 19, 2008, the Commission amended the previous note program to expand the authority to issue notes up to an additional $600,000,000. The BANs are tax-exempt variable rate demand notes, the interest rates on which are reset daily. The BANs are subject to optional redemption by the Commission at par on not less than fifteen days' notice to the holders thereof. Debt service on the BANs is expected to be paid from revenues generated in the District from fees, charges, rates and assessments and other available funds and, in the event of a deficiency, are secured by *ad valorem* taxes upon all the assessable property within the District, without limitation as to rate or amount. The principal of the BANs is

payable from the proceeds of the long-term water supply bonds and sewage disposal bonds of the District and other available funds. Until such time as they are redeemed from bond proceeds, the Commission generally amortizes the BANs principal over a 20-year term. Over the years, there have been CUSIPs issued in a single series with two remarketing agents and one (1) liquidity facility as well as CUSIPs issued in two (2) series with two (2) remarketing agents and a liquidity facility for each.

Under each Standby Note Purchase Agreement, the applicable bank is obligated, subject to certain terms and conditions of a note order, to purchase the notes secured thereby, or portions thereof tendered for purchase and not remarketed. Each Standby Note Purchase Agreement is scheduled to expire on June 1, 2027. As was allowed under the previous BANs, the Commission has the right to complete a partial redemption of the Series A and Series B BANs.

As of fiscal year 2024, the BANs program with current outstanding CUSIPs was due to fully mature in June 2024. As such, on May 30, 2024, the Commission executed a three-year maturity extension to extend the program through June 1, 2027. On the same date, the Commission fully redeemed the remaining Series "A" BANs in the aggregate principal amount of $53,650,000, and issued a new Series "A", single CUSIP in the same amount. The Series "A" CUSIP is remarketed by Barclays Capital, Inc., backed by TD Bank, N.A. as the liquidity provider, and will mature on June 1, 2027. The Commission also fully redeemed the remaining Series "B" BANs in the aggregate principal amount of $56,650,000, and issued a new Series "B", single CUSIP in the same amount. The Series "B" CUSIP is remarketed by Loop Capital Markets LLC, backed by TD Bank, N.A. as the liquidity provider, and will mature on June 1, 2027. At the beginning of calendar year 2027, the Commission plans to review short term facility replacement options for this program.

On June 26, 2026, the Commission completed a partial redemption of $9,200,000 as part of the Commission's normal annual amortization and an additional partial redemption of $30,000,000 from PAYGO funds, taking the aggregate balance from $89,100,000 to $50,900,000.

History of No Default

The Commission has never defaulted on any bonded indebtedness.

DISTRICT FINANCIAL DATA

The District's financial records are maintained on the debt service method of accounting to conform to its annual budget. The District maintains a fund accounting system to separately account for its construction functions and operating functions. Each operating fund is credited with its share of the interest earned from the investments. The Commission continuously reviews its procedures to ascertain if it is necessary to update them due to new developments and other changes.

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Summary of Operating Revenues, Expenses and Net Revenues

Revenue available for debt service and operating expenses for the five most recent complete fiscal years ended June 30 are shown in summary form as follows:

Summary of Operating Revenues, Expenses and Net Revenues (Loss) (Dollars in Thousands)(1)

	Fiscal Year ended June 30				
	2026	2025	2024	2023	2022
Gross Revenue Available for Debt Service …	$1,144,669	$1,062,680	$ 977,835	$ 905,832	$ 839,736
Debt Service:					
Bonds Redeemed and Sinking Fund Contributions ……..	235,979	217,880	214,748	165,384	160,080
Interest on Bonds and Notes Payable ……	154,748	146,312	145,895	139,217	125,645
Bonds and Note Issuance Related Costs	2,799	2,832	2,387	2,957	3,489
Total ……..	393,526	367,024	363,030	307,558	289,214
Net Revenues Available for Operations …….	751,143	695,656	614,805	598,274	550,522
Operating Expense Exclusive of Depreciation and Amortization ……..	720,749	643,911	541,580	527,788	464,708
Net Revenue (Loss) …….....	$ 30,394	$ 51,745	$ 73,225	$ 70,486	$ 85,814
Composed of:					
Water Operating ……..….	1,744	$3,614	$18,636	$36,432	$50,162
Sewer Operating ……..….	22,923	47,442	35,538	35,762	43,428
Other Operating Funds ……...……..….	5,727	689	19,051	(1,708)	(7,776)
Total …….	$ 30,394	$ 51,745	$ 73,225	$ 70,486	$ 85,814

(1) Operating losses were planned uses of existing prior year surpluses within the operating funds accomplished by restraining rate increases in the respective year.

Source: Washington Suburban Sanitary District.

The Commission's operating revenues derived from water and sewer charges vary from year to year, as water usage fluctuates in response to a variety of factors (such as changing weather patterns and economic conditions, for example).

Budget

The Public Utilities Article requires the Commission, prior to January 15 preceding the respective fiscal year, to prepare operating and capital budgets (the "Budget") for the ensuing fiscal year. The Commission timely prepared its operating and capital the Budget for fiscal year 2027.

The Budget is prepared to reflect the total funding and staffing requirements of the Commission as well as its individual programs and organizational components. The Budget is divided into two major sections, the Operating Budget and the Capital Budget. The Operating Budget reflects the Commission's resource requirements to operate and maintain its completed plants and other installations. The Operating Budget consists of three separate funds: Water Operating, Sewer Operating, and General Bond Debt Service. The Capital Budget reflects the Commission's plan to receive and expend funds for capital projects including those identified in the first year of its Six Year Capital Improvements Program (see "Capital Improvements Program - Six Year Capital Program"), reconstruction programs and

other capital programs. The Capital Budget consists of three separate funds: Water Supply Bond, Sewage Disposal Bond and General Construction Bond funds.

The Budget process begins with submission of requests by all organizational units. The Finance Office compiles and presents the budget to the General Manager for review. After review, the General Manager submits this Budget with the General Manager's recommendations to the Commissioners. The Commissioners review the Budget and make changes they deem necessary in order to arrive at the Commission's proposed Budget.

The Public Utilities Article requires that the Proposed Budget be published by January 15. Copies of the Proposed Budget are available to the public. The Commission holds public hearings on the Proposed Budget prior to February 15 after providing 21 days' notice of such hearing by publication in at least two newspapers published and generally circulated in Montgomery County and two newspapers published and generally circulated in Prince George's County.

The Commission is required to transmit the Proposed Budget by March 1 to the County Executives of Prince George's and Montgomery Counties. The County Executives make recommendations on the Proposed Budget by March 15 to their respective County Councils. The County Councils may hold public hearings and conduct work sessions with Commission personnel during the months of April and May. Each County Council may add to, delete from, increase or decrease any item of the Proposed Budget and shall transmit by May 15 any proposed changes to the other County Council for review and concurrence. Each County Council must approve all amendments to the Proposed Budget and, prior to June 1, approve the Budget.

In the event both County Councils fail to concur on a change with respect to any item in such Proposed Budget by June 1, that failure shall constitute approval of the item as submitted by the Commission.

Finally, upon receipt of the joint resolutions of the two County Councils, the Commission adopts the Budget and approves the water and sewer rates, other charges and fees, and ad valorem tax levies as the Councils deem necessary.

Operating Budget and Year to Date Financial Results

The Commission's 2027 Approved Operating Budget (the "2027 Operating Budget"), shown in the table on the next page, was approved by the Commission on June 17, 2026. The 2027 Operating Budget includes an 5.0% average water and sewer and volumetric and fixed fees rate increase consistent with the spending affordability guideline rate increase recommendations provided by the County Councils of Montgomery County and Prince George's County. The 2027 Operating Budget includes $1,193.9 million of anticipated revenues which is $63.4 million (5.6%) more than the 2026 Operating Budget figures and $37.5 million (3.3%) more than the actual fiscal year 2026 results and $1,193.9 million of anticipated expenses which is $163.4 million (5.6%) more than the 2026 Operating Budget figures and $70.5 million (6.3%) more than the actual fiscal year 2026 results. The increase in operating expenses is partially the result of salary enhancements, higher energy costs, increasing PAYGO funds for capital, inflationary pressures and an increase in payments to the District of Columbia Water and Sewer Authority Blue Plains Advanced Wastewater Treatment Plant for regional sewage disposal expenses. The 2027 Operating Budget does not budget for surplus funds deposited to the Commission's reserves with the budgeted accumulated net revenues remaining at $392 million which exceeds the Commission's 20% reserve target and is 33.3% of total operating revenues. The Commission is looking to create a rate stabilization fund that will be implemented in fiscal year 2027.

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Actual and Approved Operating Budgets[1][2]

(In Thousands $000s)	FY 2026 Actual	FY 2027 Approved
FINANCIAL PLAN		
Water and Sewer User Charges	$901,060	$ 937,167
Ready-to-Serve	152,157	161,028
Account Maintenance Fees	67,970	72,124
Infrastructure Investment Fee	84,187	88,904
Other Sources/Fees	64,864	66,157
Rockville Sewer Use	6,126	4,650
Plumbing and Inspection Fees	23,229	23,289
Intergovernmental/ Grants	2,563	2,500
Miscellaneous	32,946	29,730
Renewable/ Natural Gas Sales	-	5,988
Interest Income	22,222	18,907
Uncollectible @ 1% of User Charges	-	(5,491)
Operating Revenues	**1,140,303**	**1,177,768**
OTHER TRANSFERS AND CREDITS	7,769	16,230
SDC Debt Service Offset	5,772	5,748
Underwriter's Discount Transfer	1,997	2,000
Use of Fund Balance	-	5,500
Miscellaneous Offset	-	2,982
Total Funds Available	**$ 1,148,072**	**$ 1,193,998**
Salaries and Wages	$ 191,508	$ 212,946
Heat, Light, and Power	34,960	31,866
Regional Sewage Disposal	92,703	89,667
All Other	345,329	371,073
Operating Expenses	**$ 664,500**	**$ 705,552**
DEBT SERVICE		
Bonds and Notes Principal and Interest	365,905	388,446
Operating Expenses with Debt Service	**1,030,405**	**1,093,998**
OTHER TRANSFERS AND ADJUSTMENTS		
PAYGO (Contribution to bond fund)	93,000	100,000
Total Expenditures	**$ 1,123,405**	**$ 1,193,998**
Net Revenue (Loss)	**24,667**	**-**
BEGINNING FUND BALANCE - JULY 1	$ 385,440	$ 397,941
Net Increase (Decrease) in Fund Balance	-	-
Use of Fund Balance/Other Adjustments	24,667	(5,500)
ENDING FUND BALANCE - JUNE 30	$ 410,107	$ 392,441

Capital Budget

The Commission's 2027 Approved Capital Budget (the "2027 Capital Budget"), shown in the table below, was approved on June 17, 2026, along with the Commission's 2027 Operating Budget. The 2027 Capital Budget of $778.5 million represents an increase of $63.0 million (11.35%) from the 2026 Approved Capital Budget of $715.5 million. Excluding developer funded projects, which totaled $18.7 million in fiscal year 2025 and $8.3 million in fiscal year 2027, the capital budget is $696.8 million for fiscal year 2026 and $770.2 million for fiscal year 2027.

The 2027 Capital Budget funds several essential priorities for compliance and infrastructure improvements including:

- Invest $114.1 million to replace 63.5 miles of sewer pipe in the Sewer Reconstruction Program.
- Invest $68.0 million to replace 35 miles of water pipe in the Water Reconstruction Program.
- Invest $58.0 million to replace 5 miles of large diameter water pipe in the Large Diameter Water Pipe & Large Valve Rehabilitation Program.
- Invest $34.0 million in Lead and Copper Reduction regulatory compliance.
- Invest $26.4 million to replace 7.4 miles of Trunk Sewer line in the Trunk Sewer Reconstruction Program.
- Invest $24.0 million in the Anacostia Depot Reconfiguration for mechanical upgrades at the warehouse and heavy equipment shop and the replacement of the warehouse roof.
- Invest $22.8 million to replace and upgrade Support Center assets that have reached the end of their useful lives such as: Replacement of the primary 13.2 kV switchgear and associated equipment that supply power to the building and replacement of the emergency generators and fuel tanks, building Envelope improvements, 8th and 12th floor upgrades and green roof improvements and upgrades.
- Invest $16.3 million in Energy Performance Program.
- Invest $15.2 million in Master Planning and Facilities Planning and Investments.
- Invest $12.8 million in Smart Water Meter Infrastructure.

Capital Budget

Capital Funds

($ in thousands)[1]	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Actual	FY 2027 Adopted
Funds Provided					
Bonds and Notes Issues/Cash on Hand	$ 512,042	$ 470,867	$ 466,852	$ 433,104	$ 510,519
PAYGO	31,016	12,956	27,150	39,884	100,000
Federal & State Grants	5,697	4,959	11,076	22,611	133,074
System Development Charge	9,635	12,484	29,787		17,954
Other Contributions	10,158	9,271	10,170	41,630	8,705
Total Capital Funds	$ 568,548	$ 510,537	$ 545,035	$ 537,229	$ 770,252
Expenses					
Salaries & Wages	27,997	46,844	55,797	42,378	44,129
Heat, Light & Power	-	-	-	-	-
Contract Work	268,792	245,930	284,163	276,563	439,720
Consulting Engineers	43,531	57,886	64,575	65,958	86,337
All Other	96,072	106,345	57,009	139,741	200,066
Total Capital Expenses	$ 436,392	$ 410,161	$ 461,544	$ 524,640	$ 770,252

[1] Totals may not add due to rounding.

Operating Reserves

During fiscal year 2021, the Commission changed its policy to maintain a reserve in the amount of at least 10% to an amount of at least 15% of budgeted water and sewerage operating revenues to offset any shortfall in such revenues. During fiscal year 2022, the Commission again revised this policy increasing the reserve minimum to 20% of budgeted water and sewer operating revenues. In fiscal years in which water or sewer operating revenues does not reach budgeted

amounts, the Commission adjusts its then-current budget by reducing expenditures through a savings plan and may also drawing upon the reserve, if necessary. In the event that the reserve is inadequate to cover such shortfall, the Commission may implement a mid-year rate increase after notifying the respective County Councils, although this has never been required.

The Commission did not draw upon the reserve during fiscal years 2023, 2024, 2025, and 2026. The Commission did utilize operating reserve as part of the fiscal year 2027 budget as part of a one-off effort to mitigate rate increase. Ending fund balance as a percentage of operating revenue was 37.4% for fiscal year 2025 and 37.1% for fiscal year 2026, exceeding the increased 20% reserve target both years.

Audited Financial Results

The table below presents the Commission's historical revenues, expense and changes in net position using information contained in the audited financial statements for Fiscal Year 2023 through 2026. The Commission's complete financial statements are included in Appendix A. The Commission's audited financial statements (Appendix A) are prepared in accordance with generally accepted accounting principles. Comparison of the audited financial statements to the debt service method statements requires adjustments for several differences, including depreciation, bond principal redemption, and capitalized interest.

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Historical Revenues, Expenses, and Changes in Net Position

(in thousands)

	FY26 Unaudited	FY25 (Restated)	FY24 (Restated & Reclassified[2])	FY23 (Reclassified[2])
Operating Revenues				
W&S and Fees	$1,053,217	$ 973,545	$ 886,178	$ 827,593
FFBC	824	1,385	2,439	3,914
House connection charges	3,827	3,785	3,682	3,839
Other	62,394	55,548	54,476	51,104
Total operating revenues	**$1,120,262**	**$ 1,034,263**	**$ 946,775**	**$ 886,450**
Operating Expenses				
Operations	$ 170,730	$ 147,979	$ 133,801	$ 101,942
Maintenance	239,809	246,861	192,044	180,807
Intermunicipal agency sewage disposal	100,481	87,276	85,697	81,954
Administrative and general	162,593	141,862	128,475	114,866
Depreciation and amortization	234,097	222,277	209,100	205,761
Total operating expenses	**$ 907,710**	**$ 846,255**	**$ 749,117**	**$ 685,330**
Net operating revenues	**$212,552**	**$ 188,008**	**$ 197,658**	**$ 201,120**
Non-Capital Subsidies				
Operating grants	2,949	2,563	3,790	2,743
Operating Income (loss) and non-capital subsidies	**$ 215,501**	**$ 190,571**	**$ 201,448**	**$ 203,863**
Non-Operating Revenue (Expenses)				
Capital Contributions	106,719	82,244	42,302	61,217
Interest on bonds and notes payable	(135,466)	(126,028)	(125,281)	(115,942)
SDC credit reimbursements	(468)	(296)	(2,239)	(1,800)
Loss on disposal of assets	(5,351)	(253)	(52)	(593)
Pension				
OPEB				
Interest income on investments	22,089	28,078	33,118	25,319
Other interest income	(1,761)	(1,827)	(1,319)	(1,879)
Net non-operating expenses	**$ (14,238)**	**$ (18,082)**	**$ (53,471)**	**$ (33,678)**
Change in Net Position	**$ 201,263**	**$ 172,489**	**$ 147,978**	**$ 170,185**
Net position beginning of the year	5,572,677	5,400,188	5,277,014	5,107,670
Restated Net Position, beginning of the year			5,252,210	5,106,829
Net position end of the year	**$ 5,773,940**	**$ 5,572,677**	**$ 5,400,188**	**$ 5,277,014**

Notes:
(1) FY25 has been restated to reflect the implementation of GASB Statement No. 103.
(2) FY24 was previously restated for the implementation of GASB Statement No. 101. For comparative purposes, FY24 and FY23 have been reclassified to conform to the presentation requirements of GASB Statement No. 103, which specifically defines the revenues and expenses to be classified as nonoperating.
The GASB 103 reclassifications had no effect on previously reported changes in net position.

SUMMARY OF DISTRICT AD VALOREM TAXES AND OTHER CHARGES AND REVENUES THEREFROM

Ad Valorem Tax Rate

At present, no *ad valorem* taxes are levied pursuant to Commission certification for the payment of debt service on outstanding bonds. Debt service on the Bonds and other outstanding bonds of the District is expected to be paid from revenues generated in the District from fees, charges, rates and assessments and other available funds.

Tax Collection Procedures

Pursuant to Section 22-106 of Division II of the Public Utilities Article, in order to retire and pay the interest on bonds of the District each year the county councils of Montgomery County and Prince George's County shall impose against the assessable property located in the District a tax sufficient to pay the principal of and interest on the bonds, as and when due and until paid in full. Each year the Commission shall determine the amount necessary to pay the principal and interest on bonds issued and shall set aside such amount from water service charges, sewer usage charges, house connection charges, and any other charges imposed by the Commission as the Commission determines to be fair and equitable. The amount set aside shall be deducted from the amount that the Commission determines to be necessary to be raised by taxation.

At least 30 days before the taxable year for property taxes, the county executives of Montgomery County and Prince George's County shall certify to the Commission the total valuation of assessable property within the District in each county. The Commission shall determine the amount necessary, for the next taxable year, to pay: (i) interest on all outstanding bonds; (ii) principal of all serial bonds maturing during the year; and (iii) the proportionate part of principal of all outstanding sinking fund bonds as determined by the usual table of redemption of bonds by annual deposit in a sinking fund.

After deducting all amounts applicable to payment of interest and principal on the bonds, the Commission shall certify to the county councils of Montgomery County and Prince George's County the number of cents per $100 necessary to raise the amount determined to pay the debt service.

Each year the county councils of Montgomery County and Prince George's County shall impose a tax in the amount determined by the Commission under the Public Utilities Article on all assessable property within the District. The taxes imposed under this Act shall (i) have the same status as county taxes; and (ii) be imposed and collected by the tax collecting authority for each county as county taxes. Every 60 days, each county shall pay to the Commission the taxes collected under the Public Utilities Article.

Front Foot Benefit Charges and Historic Collections

For meeting debt service on its $93,053,536 of General Construction Bonds outstanding as of June 30, 2026, there have been assessed front foot benefit charges (“FFBC”) in amounts sufficient, together with additional charges, including water consumption and sewer usage charges, and taking delinquencies in account, to pay debt service on the General Construction Bonds as such debt service becomes due. Front foot benefit charges are payable in annual or semi-annual installments. There are no operations, repair or maintenance costs paid from front foot benefit charges.

In the year following completion of water and/or sewer main construction, connecting improved or abutting unimproved properties are assessed a FFBC. The assessment as required by law is to repay funds borrowed by WSSC Water for water and/or sewer main construction. The charge appears on the property tax bill for the same number of years as the term of the bonds sold to finance the improvements but may be paid in full at any time. The FFBC assessment is determined by multiplying property footage by the rate per foot for the appropriate property classification. Irregularly shaped lots are assessed using average footages of neighboring regular shaped properties. Listed below are the Commission's latest approved FFBC rates for residential properties. The rates are updated annually. The assessments levied during 2019 - 2026 levy years will run for 30 years. The bond period for properties levied between 1983-2012 were 23 years and 2013-2018 were 20 years. Earlier years assessments could be from 33 to 50 years.

Front Foot Benefit Rate Schedule*

Assessment Length	Assessment Rate for Water (Per Ft Per Year)	Assessment Rate for Sewer (Per Ft Per Year)
Subdivision:		
1st - 150 ft.	$4.00	$6.00
2nd - 150 ft.	$3.00	$4.50
Over - 300 ft.	$2.00	$3.00
Business:		
All Footage	$5.32	$7.98

Source: WSSC Water Finance Department
*The total amount of assessment can be redeemed at any time by the property owner.

Front foot benefit charges and deferred house connection charges are levied on a calendar year basis prior to July 1 of each year. Charges can be paid in two installments, the first due prior to October 1 and the second due prior to January 1. Levies, and collections for the five calendar years through 2025 as supplied by the counties, are shown in the following table:

	Montgomery County			Prince George's County		
Levy Year[2]	Amount Levied	Total Collections	Percent Collected[1]	Amount Levied	Total Collections	Percent Collected[1]
2026	$3,098,135	$1,527,685	49.31%	$1,359,019	$ 651,473	47.94%
2025	2,970,583	2,969,271	99.97%	1,387,233	1,359,019	98.84%
2024	3,304,946	3,301,602	99.89%	1,891,568	1,878,213	99.29%
2023	3,510,566	3,509,606	99.97%	2,524,291	2,513,063	99.56%
2022	4,341,916	4,341,525	99.99%	3,479,247	3,467,994	99.68%

(1) Collections are applied to their respective levy years regardless of the year of collection. Collections occur twice a year and Levy Year 2026 results do not reflect the completion of the second levy collection for such Levy Year.

(2) Original levies adjusted by subsequent additions, deletions and collections as of September 30, 2026.

Source: WSSC Water Finance Department

Water and Sewer Charges

Water consumption charges are collected to pay the operation, repair and maintenance costs of water supply projects and the debt service on bonds and notes of the District. Sewer usage charges are collected to pay the operation, repair and maintenance costs of sewerage projects and the debt service on bonds and notes of the District. *Ad valorem* taxes are not presently levied for such purposes.

The Commission imposes a 5% late payment charge on any water/sewer bill outstanding after 30 days for residential and commercial customers. If payment is not made within an additional 15 days, a termination notice is forwarded to a delinquent property owner advising that service will be discontinued by a specified date without further notice. Should this fail, and if any bill shall remain unpaid for 60 days from the date fixed for payment, it is collectible against the owner of the property served. As of this date of the Official Statement, historically the bad debt write-off has never been material to the Commission. The table set forth below shows the cumulative customer balances which were delinquent from the date fixed for payment and the amount of any bad debt write-offs.

($ In Millions) (June)	Delinquent AR Balance (All due ages)	Delinquent AR Balance (+ 90 days due)	Write-Off AR Total	Delinquent % of Operating Revenues
2019	$17.54	$ 5.23	--	2.4%
2020	39.79	20.24	$0.28	5.4
2021	55.22	36.39	3.23	7.5
2022	43.42	27.86	1.69	5.2
2023	43.03	25.50	2.31	4.9
2024	42.91	22.00	1.33	4.5
2025	49.13	26.57	1.64	4.8
2026	64.68	39.36	6.50	5.8

Notes:

- The totals shown on the Delinquent AR Balance column is after cancellations. A cancellation is cancelling the account bill and then rebilling at a later time.
- Delinquent AR balance includes only active accounts.
- A write-off is to forgive billed amount on the accounts receivable balance.

Source: WSSC Water Accounting Department

The Commission employs a conservation oriented multi-rate structure for both water and sewer usage. The structure applies a sliding schedule of rates per thousand gallons of use with a level of charges determined by the customer's average daily consumption ("ADC") during each billing period. The rates as of July 1, 2026, range from $7.68 for tier 1 to $11.70 for tier 4 per thousand gallons for water consumption and $10.22 for tier 1 to $18.82 for tier 4 per thousand gallons for sewer usage. The schedule starts at a base consumption level of 0-80 gallons a day where the lowest water and sewer rates apply and moves up through three tiers ending at a 276 gallons a day or greater tier. Customers are billed for volumetric consumption in each tier at the tier's rate. Sewer-only customers are charged a flat rate. In addition, all customers are assessed Ready-to-Serve fees, based on meter size, in cumulative amounts ranging from $58.38 to $13,409.82 per quarter.

Other Charges

The Commission collects other charges and fees, namely, house connection fees, plumbing and gas connection inspection fees and system development charges, as mentioned below.

Sub-district Charges

In order to expedite the construction of water and/or sewer facilities to serve certain sub- districts within the District ahead of schedule, the Commission established individual sub-district charges in the Olney, Mattawoman, Green Branch, Mill Branch and Clopper Road Sub-districts to help defray the cost of capital construction therein. The Commission has suspended the collection of sub-district charges, because system development charges provide sufficient growth-related cost recovery. See "System Development Charge" below.

House Connection Fees

The Commission is authorized by the Public Utilities Article to fix and collect a reasonable connection charge for the connection of properties to the water and sewer systems in the District. Of the net revenue derived from such connection charges: (i) one half must be retained in a contingency fund for the repair, replacement or any extraordinary maintenance and operating expense of the water supply or sewer systems under the control of the Commission and (ii) one half may be applied to pay debt service on the bonds and notes of the District.

On January 1, 2006, to reflect the construction cost differential, the Commission's pricing of house connections for residential customers changed to one in which unimproved and improved connections receive different rates for each different sized connection. Beginning January 1, 2026, the rate for standard one-inch or one and one-half inch residential water connections in an unimproved area is $3,335, whereas a standard one-inch or one and one-half inch residential water connection in an improved area is $14,360. A standard residential sewer connection in an unimproved area is $7,425, whereas a standard residential sewer connection in an improved area is $15,000. Commercial customers are charged different rates for larger sized improved and unimproved area connections to reflect the construction cost differential for these two types of connections.

Plumbing and Gas Connection Inspection Fees

The Commission inspects the installation of all plumbing and gas facilities throughout the bi-county area. This affords standardization of materials and methods for plumbing and gas systems in the District. The Commission charges certain fees for such inspections.

Customer Financial Assistance Programs

The Commission is committed to making water and sewer bills affordable for its customers. Therefore, the Commission offers a multitude of financial assistance programs (the "Programs").

The 2027 Capital Budget allotted $10.6 million for the Programs, which is an increase of twenty percent from the fiscal year 2026 Approved Budget. The Programs include:

- *Customer Assistance Program ("CAP").* Created in fiscal year 2016 to assist economically challenged customers by providing financial assistance for their water and sewer bills. Eligibility for CAP is determined based on enrollment in the Maryland Office of Home Energy Programs' energy assistance program. If a customer is enrolled in this state program, they also qualify for WSSC Water's CAP. The CAP will continue in fiscal year 2027, and the 2027 Capital Budget estimates the revenue offset at $2.2 million.

- *The Water Fund.* This supplemental program provides assistance to eligible customers. Customers can make multiple requests for assistance with water and sewer bills up to $500 per year. For fiscal year 2027, $750,000 is included in the Water Fund. Prior to fiscal year 2025, the Water Fund was funded through donations. A third party non-profit administers the Water Fund and is responsible for determining customer eligibility. The eligibility criteria are primarily based on household income and size.

- *PipeER or Connection Pipe Emergency Replacement Loan Program.* This program is also known as the Connection Pipe Emergency Replacement Loan Program. Eligible residential customers can receive loans to finance the replacement of their water service line, which is located on their property and connects WSSC Water's main line to the home. The Maryland General Assembly passed, and the Governor signed, legislation that enabled WSSC Water to create the PipeER Program in 2018. The Commission established the PipeER Program in fiscal year 2020, and it provides affordable financing of up to $10,000 per eligible customer. The budget for this program is currently $200,000.

- *Bill Adjustments (High Bill Adjustments).* These adjustments are made when it has been determined that a leak occurs, due to issues with the plumbing system within a building or from the underground service line. This occurrence can result in higher water bills, which can cause financial hardship for the property owner. While property owners are responsible for maintaining their plumbing systems and service lines, WSSC Water does make bill adjustments available under certain circumstances to relieve the financial hardship caused by an undetected leak.

- *CAP Leak Repair Program.* Those customers that are enrolled in CAP, and impacted by an on-property leak, will be eligible to participate in this program. CAP Leak Repair was implemented in fall 2024 and is administered by Habitat for Humanity Metro Maryland. The program budget has doubled to $700,000 for fiscal year 2027. Repairs must be made by a WSSC Water licensed registered plumber, and the total cost of services provided to any CAP customer cannot exceed $9,000.

- *Flexible Payment Options/ Promise Pay.* WSSC Water offers flexible payment options, such as extended due dates and payment plans, to assist customers with unexpected financial hardships. Customers that have been approved for CAP may also be eligible for a payment plan lasting up to 48 months. WSSC Water launched a partnership with Promise Pay in September 2023. Promise Pay allows residential and commercial customers with past-due bills to establish affordable, flexible and interest-free payment plans. All residential and commercial customers with a past-due balance of $50 or more are eligible. By establishing a payment plan for past-due water and sewer bills, and staying current with the plan, customers will avoid late fees and possible water service turnoffs. This financial assistance program allows residential and commercial customers payment plan options. The 2027 Capital Budget includes $3.6 million for Promise Pay.

The Commission has increased the budget for Assistance Programs by $7.1 million since fiscal year 2023, as well as expanded bill relief offerings to customers. The chart set forth below provides the amount budgeted for the Programs in fiscal years 2023 through 2027. None of the actions taken by the Commission set forth in this section are expected to have a material adverse effect on the Commission's ability to satisfy its debt service requirements for the Bonds.

INFORMATION REGARDING MONTGOMERY AND PRINCE GEORGE'S COUNTIES

Montgomery County and Prince George's County are each a body politic and corporate and a political subdivision of the State of Maryland. The populations of Montgomery County and Prince George's County are shown below:

	1990	2000	2010	2020
Montgomery County.....	757,027	873,341	971,777	1,062,061
Prince George's County.....	728,553	801,515	863,420	967,201
Total.....	1,485,580	1,674,856	1,835,197	2,029,262

Source: U.S. Census of Counties.

Additional information regarding Montgomery County and Prince George's County, including detailed governance, demographic, economic and financial information is set forth in Appendix B and can be obtained from the most recent Official Statements of such counties. The information regarding Montgomery County and Prince George's County set forth in Appendix B to this Official Statement has been provided to the Commission by Montgomery County and Prince George's County, respectively. The Commission has not undertaken to audit, authenticate or otherwise verify the information set forth in Appendix B or any Official Statement of Montgomery County or Prince George's County. The Commission makes no guaranty, warranty or other representation respecting the accuracy and completeness of the information set forth in Appendix B or any such Official Statement. The Commission is not in a position to, and will not, undertake to update any information set forth in Appendix B or in any Official Statement of Montgomery County or Prince George's County. Reference to the Official Statements of Montgomery County and Prince George's County is included herein for convenience only and any information included in such Official Statements is not incorporated herein, by reference or otherwise.

CAPITAL IMPROVEMENTS PROGRAM

Ten Year Plan

The State of Maryland requires that every county in the State have a ten-year water and sewerage plan. The Commission, as the provider of water and wastewater services for Montgomery County and Prince George's County, has assisted in the preparation of the Counties' ten-year plans since 1971. The County 10-year plans provide the overall guidance for the timing and capacity for planned implementation of new water filtration plants, pumping stations, transmission lines, storage facilities, water resource recovery facilities to treat wastewater, pumping stations, force mains, interceptor sewers and related facilities. Local water distribution and sewage collection systems are approved by Commission authority consistent with service policies in the ten-year plans.

Six Year Capital Program

Each year the Commission prepares a six-year projection of capital expenditures for new major water and sanitary sewerage facilities constituting its Capital Improvements Program ("CIP"). In addition, six-year projections are made for existing water and sewer systems reconstruction activities, a planned program for rehabilitating the older or deficient portions of these systems. The principal objective of the CIP is the six-year programming of planning, design, land acquisition, and construction activities on a yearly basis for major water and sewerage infrastructure projects and programs. These projects and programs may be necessary for system improvements for service to existing customers (83% of the CIP), to comply with federal and/or state environmental mandates (8%), or to support new development in accordance with the counties' approved plans and policies for orderly growth and development (9%). The projects within

the approved six-year program include an aggressive program to rehabilitate or replace the older portions of the Commission's more than 6,000 miles of water mains and 5,700 miles of sewer mains, provide for growth as needed and ensure compliance with the 2005 Sanitary Sewer and 2016 Potomac Water Filtration Plant consent decrees. The projects are generally categorized as follows:

- Capital Improvements Program (CIP)
- Information Only Projects

Working to protect clean water, in July of 2005 the Commission joined U.S. Representative Chris Van Hollen, Lieutenant Governor Michael S. Steele and representatives from the Anacostia Watershed Society, Natural Resources Defense Council (NRDC), Audubon Naturalist Society and Friends of Sligo Creek to announce agreement on a multi-year action plan to dramatically minimize, and eliminate where possible, sewage overflows. A sanitary sewer overflow (SSO) is an event where untreated or partially treated wastewater discharges from a sanitary sewer system into the surrounding areas.

The comprehensive plan settles a lawsuit filed by the U.S. Department of Justice (DOJ) in November 2004 on behalf of the U.S. Environmental Protection Agency (EPA) regarding overflows in the Commission's wastewater collection system. The Commission has worked closely with its partners at the federal, state and local levels to develop a proactive plan that will augment its existing efforts to maintain, identify and rehabilitate problem areas within its 5,600-mile sewer system. This sanitary sewer consent decree, similar to many others enacted throughout the country, will enhance the Commission's ability to meet the public health needs of our customers. The Commission is well underway on this program and all funding required has been incorporated within the CIP. On June 26, 2016, the sanitary sewer consent decree deadline was extended for an additional six years. The Commission completed the collection system repair work by the extended February 9, 2022 deadline. Continuing efforts related to the consent decree, including stream monitoring and performance assessments of completed repairs, are underway.

As described below under "Litigation," pursuant to a Consent Decree approved by the U.S. District Court of Maryland on April 15, 2016, WSSC Water is required to undertake short-term operational changes and capital improvements at the Potomac Water Filtration Plant. In connection therewith, on December 26, 2016, WSSC Water submitted an audit report and long-term upgrade plan (the "2016 Plan") for consideration by the Maryland Department of the Environment ("MDE"). In September of 2018, WSSC Water and its consultant submitted an amended long-term plan (the "Amended Plan") to address deficiencies in the 2016 Plan, which was approved by MDE in April 2019. The FY 2025 Adopted CIP reflects the estimated cost of the approved Amended Plan.

The Commission has approved water and sewer CIP, Engineering Support and Energy Performance Program projects with a value of over $4.8 billion. Beginning in fiscal years 2027-2032, WSSC Water right sized several water and sewer investments to reflect the removal of a completion factor and redirected funds to other strategic investments such as Master Facility Planning and Investments, PFAS and a Lead Reduction Program. Of this amount, over $3.4 billion is anticipated to be funded through the sale of Commission bonds. The remaining amount is expected to be funded through federal and state grants, operating funds, and contributions from other sources.

The following table shows the approximate funding schedule (subject to adjustment for inflation) for the approved projects (dollars in thousands).

	FY'27	FY'28	FY'29	FY'30	FY'31	FY'32	6-Yr.-Total
Water CIP/ESP/EPP	$ 157,536	$ 148,334	$ 157,278	$ 160,897	$ 164,986	$ 151,349	$ 940,378
Sewer CIP/ESP/EPP	279,972	320,544	306,624	298,898	222,837	230,691	1,659,564
System Reconstruction	182,046	171,885	175,025	179,394	183,882	188,478	1,080,710
Other Strategic Investments	159,005	183,603	187,130	194,957	213,901	221,451	1,160,047
Total	$778,558	$824,365	$826,056	$834,146	$785,605	$791,968	$4,840,698
Bond Funding	$ 510,519	$ 588,545	$ 618,796	$ 604,810	$ 562,845	$ 566,661	$ 3,452,177
% of Capital Program	66%	71%	75%	73%	72%	72%	71%

The funds necessary to finance the construction of local lines are not included in the above six-year projections. In accordance with amendments to the Public Utilities Article enacted in 1998, construction of local lines begun after June 30, 2001, will generally be financed by private developers rather than the Commission.

WATER AND SEWERAGE FACILITIES, SERVICE CENTERS AND STATISTICS

The Commission currently operates water filtration plants, raw water reservoirs, water resource recovery facilities to treat wastewater (in addition to sharing the use of regional facilities) and maintenance service centers.

Water Sources and Filtration Facilities

The Commission has multiple sources of raw water available for processing and delivery to its customers. These sources are supplemented by a number of reservoirs containing an aggregate of 14 billion gallons of raw water storage, and up to an additional 13 billion gallons of water for river quality and flow. The water filtration facilities (Potomac and Patuxent), which have a combined peak production capacity of nearly 400 million gallons of water per day (mgd), are strategically located to meet all of the needs of the Commission's customers. The water system is designed with a focus on sufficient redundancy to ensure adequate overlapping coverage for the Commission's service area.

The Commission maintains a water distribution network with more than 6,000 miles of mains. There are finished water storage structures located at strategic points along this network to assist in meeting peak customer demands and fire protection requirements. These structures have a combined gross storage capacity of more than 200 million gallons.

Water Resource Recovery Facilities for Wastewater Treatment

The Commission's water resource recovery facilities (WRRF) located throughout the District are as follows:

Seneca WRRF	Piscataway WRRF	Parkway WRRF
Damascus WRRF	Western Branch WRRF	Hyattstown WRRF

Blue Plains Plant (developed and operated by the District of Columbia Water and Sewer Authority; capacity is shared by the Commission under regional agreements)

Mattawoman Plant (developed and operated by Charles County, Maryland; the Commission has purchased 15% of the plant's capacity under a regional agreement)

Poolesville Plant (owned and operated by the Town of Poolesville, Maryland; the Commission has purchased 20,000 gpd capacity at the plant under an agreement with the Town)

In response to efforts to improve water quality in the Chesapeake Bay, emphasis has been placed on the improvement of water resource recovery facilities to serve current and future needs of the Commission's bi-county service area. Every plant receiving wastewater from the Commission's system is equipped to provide advanced treatment. In 2004, the State of Maryland passed the Chesapeake Bay Restoration Act into law to provide funding to remove additional nitrogen at wastewater treatment plants statewide to achieve Enhanced Nutrient Removal (ENR). Construction is complete to upgrade all Commission facilities to the ENR standard, reducing nitrogen in the effluent to approximately 3 mg/l which is considered the limit of technology.

Approximately 63% of the District's sewage flow travels through the regional system in Maryland and the District of Columbia to the Blue Plains Advanced Wastewater Treatment Plant in Washington, D.C. ("Blue Plains"). The Blue Plains Plant is an advanced wastewater treatment plant with treatment capacity of 370 mgd. Construction of the Blue Plains enhanced nitrogen removal facilities is complete. The Commission has contributed to the capital cost of these upgrades. During fiscal year 2024, the Blue Plains Plant received 43.8 billion gallons (bg) of sewage from the Commission system, while the following flows were handled during the year at Commission-operated facilities: Piscataway Plant, 8.3 bg; Western Branch Plant, 8.4 bg; Parkway Plant, 2.3 bg; Seneca Plant, 4.9 bg; and Damascus Plant, 0.3 bg. In addition, the Mattawoman Plant received .5 bg of sewage from the Commission system. Wastewater is conveyed through the Commission's more than 5,700 miles of sewer mains.

Service Centers

The Commission operates four service centers throughout the service area. Through facilities in Anacostia, Gaithersburg, Lyttonsville and Temple Hills, the Commission provides warehouse management, fleet services and meter operations to ensure that appropriate resources are available for the maintenance and repair of the vast water and wastewater system. In addition, the Commission operates a state-of-the-art laboratory which performs an estimated 500,000 tests annually to ensure water safety and quality.

Historical Water and Sewage Service Statistics

Fiscal Year	Estimated Population Served	Miles of Water Mains	Water Connections	Water Delivered (million gallons)	Average MGD	Miles of Sewer Mains	Sewer Connections
2026	1,997,000	6000	488,000	62,640	162.0	5,700	458,000
2025	1,986,000	5,997	486,000	61,283	167.9	5,677	455,000
2024	1,976,000	5,931	482,000	58,692	160.8	5,655	452,000
2023	1,966,000	5,900	479,000	57,572	157.7	5,632	450,731
2022	1,939,000	5,884	476,000	58,840	157.7	5,624	446,392
2021	1,915,000	5,869	473,497	59,422	162.8	5,615	444,523
2020	1,910,000	5,844	470,944	59,505	162.6	5,624	442,654
2019	1,801,000	5,816	468,873	59,028	161.7	5,604	440,941
2018	1,777,000	5,768	465,393	59,828	163.9	5,578	437,789
2017	1,785,000	5,647	460,891	59,519	163.1	5,549	434,586

Cybersecurity

Cyber security threats continue to become more sophisticated and are increasingly capable of impacting the confidentiality, integrity, and availability of WSSC Water's systems and applications. WSSC Water maintains critical control systems that are "air-gapped" and reside on a private network that is not connected to the internet.

WSSC Water is continuously pursuing improvements to its Risk Management and Cyber Security program and is governed by PCI-DSS and CIS 8.0 standards and guidelines on a foundation that is based on the NIST Cyber Framework for Critical Infrastructure. WSSC Water's Cyber Security Division continually updates its IT security standards, and has upgraded WSSC Water's firewalls, matured vulnerability scanning and patch management processes. The investments made in security tools have included advanced protection for our applications, APIs, and microservices, and updated endpoint threat detection capabilities including USB blocking. Multi-factor authentication is deployed across the enterprise for remote access and for all privileged account access regardless of location; enhanced password complexity rules have also been adopted. The Cyber Security Division works with State and local fusion centers to monitor current threats and utilizes such intelligence to proactively update defenses and train our workforce to protect against those threats.

WSSC Water maintains cyber liability insurance coverage sufficient to meet best incident response coverages. In addition, WSSC Water has implemented the Authority to Operate (ATO) methods following the NIST Risk Management Framework, hardened its mobile devices and remote access for ongoing telework and mobile workforce, implemented a mature insider threat management program, enhanced and enforced security education and training awareness which is required annually for all users including both employees and contractors, implemented sensitive data protection, encryption and strong authentication, as well as enhanced monitoring and incident response capability through the use of a 24x7 Security Operations Center (SOC) and elevated intrusion detection monitoring.

WSSC Water continues to improve and enhance its cybersecurity safeguards, training, backup and recovery and response capabilities, including protecting from ransomware attacks by offline, immutable backups employing a 3-2-1 back-up strategy. Annual Disaster Recovery and desktop cyber incident response tests are conducted to hone the Teams skills and validate Cyber Resiliency capabilities.

WSSC Water is working in collaboration with a specialized service provider to deploy advanced solutions for deep asset and network discovery, as well as comprehensive vulnerability and threat management across critical control systems. This initiative will significantly strengthen WSSC Water's ability to detect, assess, and address potential risks, thereby enhancing the overall security posture of our essential infrastructure.

Sustainability and Planning for a Changing Climate

WSSC Water is committed to protecting the natural environment of Prince George's County, Maryland and Montgomery County, Maryland as it carries out its mandate to provide sanitary sewer and drinking water services. This commitment is reflected in WSSC Water's core value, environmental stewardship, which serves to guide and incorporate behavior and decision making into WSSC Water's investments into green buildings, pollution prevention and control, renewable energy, water quality, and climate change adaptation. WSSC Water's commitment to sustainability is also reflected in its energy management program; climate change planning; Green House Gas ("GHG") reduction program; and local educational activities.

There are potential risks to WSSC Water associated with changes to the climate over time and from increases in the frequency, timing, and severity of extreme weather events. WSSC Water is preparing for a changing climate and the resulting infrastructure and operational impacts by integrating consideration of climate change into decision making and identifying mitigation and adaptation actions to enhance the resilience of its infrastructure.

While WSSC Water has not experienced serious damages or problems as a result of climate change, starting in 2016, WSSC Water undertook an ambitious approach to responding to the threat of climate change and the unique challenges it will present to water and wastewater utilities by initiating a multi-year Climate Change Vulnerability Assessment, Adaption, and Mitigation Planning (CCVAAMP) Project. The CCVAAMP project included a climate analysis and projections, a vulnerability assessment of WSSC Water facilities and resources, an adaptation analysis, and mitigation planning.

With 49 facilities located in or near floodplains, WSSC Water has several current and future challenges associated with climate change. To address this a "Design Guide for Protecting Facilities from Future Climate Extremes" has been drafted and eighteen facility assessments have been completed. At these 18 facilities, the assessments indicated that eight were at risk of flooding now or in the near future. WSSC Water is in the process of developing plans to implement adaptation strategies for each of these eight facilities.

WSSC Water has developed inventories of annual GHG emissions for all Commission operations for the calendar years 2005 through 2023. 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. Currently, accounting protocols published by The Climate Registry General Reporting Protocol Version 3 in 2019 are used to complete the inventory. WSSC Water has developed a plan of action with strategies to reduce future GHG emissions to reach a net 100% reduction by 2050, using demonstrated technologies and practices available at the present time.

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

- Optimizing the efficiency of the water distribution system.
- Improving equipment efficiency for water and wastewater.
- Reducing residuals and optimizing processes.
- Reducing GHGs associated with vehicles and transportation.

- Optimizing building services (lighting/heating, ventilating, and air conditioning (HVAC)).
- Increasing the use of renewable energy.

There are two ongoing projects that will contribute to attaining the goal of reducing GHG by 100% by 2050 including construction of a 12 MW solar facility in Washington County, Maryland, and planning for implementation of a Microgrid Project (including CO2 recovery and sequestration) at the Potomac Water Filtration Plant. These two projects will contribute to approximately a 40% reduction in GHG on an ongoing basis.

WSSC Water's long term and comprehensive plan will enable it to align its capital plan to meet the costs of these improvements over time.

Federal Policy Actions

Federal policies involving taxation, appropriations, borrowing, trade, immigration, education, environmental matters and other topics can shift, sometimes dramatically, from one presidential administration or Congress to another. From time to time, such shifts may be followed by material increases or decreases in the levels of federal funding directly affecting federal agencies and authorities and indirectly affecting state and local recipients of such funding. Recently, the current presidential administration has proposed policy shifts that involve, among other things, proposed delays or cuts in grants and appropriations, reductions in the federal workforce, and elimination of certain federal agencies and departments. Federal government employee reductions may impact customers of the Commission. The Commission may also have some exposure to potential federal funding freezes or cuts, which could impact access to State Revolving Funds, however, the Commission has the tools and resources to allow it to address the effects of any such actions or cuts discussed herein.

INSURANCE

The Commission maintains insurance on its property (structures, contents, boilers and machinery, etc.) for physical damage. The Commission also maintains Employee Dishonesty and Terrorism insurance.

The Commission is self-insured for all liability except fiduciary liability insurance which the Commission maintains in connection with its Employees Retirement Plan and OPEB Trust. Each year, the Commission budgets funds to pay for expected claims, based on past loss experience. However, should the actual claims be significantly higher than budgeted, or should a catastrophic loss occur, then funds to pay for such loss or losses would have to be obtained from *ad valorem* taxation or other sources of revenue, since a self-insurance fund has not been established.

The Commission is self-insured for Workers' Compensation benefits per the applicable statutory requirements of the State of Maryland.

The Commission's insurance policies contain varying self-insured retention levels. All such policies are subject to their terms, conditions, exclusions, definitions and limitations.

INVESTMENT OF OPERATING AND CAPITAL FUNDS

Commission funds held for operating and capital purposes are invested by the Commission Finance Department in accordance with the Commission's investment policy, which conforms to State of Maryland law on the investment of public funds. The Commission does not leverage its investment portfolio, buy reverse repurchase agreements, invest in investment pools or enter into interest rate swaps or other derivatives. The Commission does not borrow or lend securities. The Commission invests primarily in obligations of the United States government, its agencies or instrumentalities, repurchase agreements, and bankers' acceptances. The repurchase agreements into which the Commission enters are collateralized by United States government treasury obligations and obligations of agencies and instrumentalities of the United States government, held by an independent third-party custodian and marked to market daily.

LITIGATION

In February 2014, the Potomac Riverkeeper, Inc. and the Chesapeake Bay Foundation, Inc. filed a complaint for injunctive relief and penalties in U.S. District Court in Maryland alleging violations of the Clean Water Act by the Commission. Under a Consent Decree approved by the U.S. District Court of Maryland on April 15, 2016 (the "Consent Decree"), WSSC Water is required to undertake short-term operational changes and capital improvements at the Potomac Water Filtration Plant that will enable WSSC Water to reduce solids discharged to the river, and to plan, design and implement upgrades or new construction to achieve requirements established by MDE and incorporated in a new discharge permit. As described above under "Capital Improvements Program - Six Year Capital Program," in accordance with the Consent Decree WSSC Water submitted the 2016 Plan with MDE in December of 2016 and, to address deficiencies with the 2016 Plan, the Amended Plan in September of 2018. On April 29, 2019, MDE issued its approval of the September 2018 Amended Plan and the recommended alternative upgrades to comply with the Consent Decree (the "Approved Plan"). Construction under the terms of the Approved Plan began on June 1, 2022. In March of 2025, the parties agreed to amend the January 1, 2026 substantial completion deadline to October 11, 2026. The projected substantial completion date is October 11, 2026. On September 23, 2026, the parties agreed to amend the October 11, 2026 substantial completion deadline to March 9, 2027. The projected substantial completion date is March 9, 2027.

The level of improvements and any civil and stipulated penalties and other expenditures required under the Consent Decree are not expected to have a material adverse effect on the Commission's ability to satisfy its debt service requirements for the Bonds or any other debt obligations of the District.

On June 14, 2021, WSSC Water received General Notices of Liability for Response Costs Claims from the District of Columbia Department of Energy and Environment ("DOEE") and the U.S. Department of Interior, National Park Service ("NPS") identifying WSSC Water as a Potentially Responsible Party ("PRP") for two operations (Colmar Manor Community Park built over a former WSSC Water landfill and the municipal separate storm sewer system (MS4) in Prince George's County, Maryland). The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and the District of Columbia Brownfield Revitalization Act authorize suits against PRPs to recover a share of investigative and remedial costs for sites covered by CERCLA. The General Notices of Liability for Response Costs Claims to WSSC Water indicate an intent to seek to recover response costs under CERCLA from WSSC Water (and other PRPs) related to the Anacostia River sediment contamination. These notices represent a formal claim and demand for contribution from WSSC Water and other entities.

On November 19, 2021, WSSC Water received a letter from DOEE described as, "Invitation to participate in a Natural Resource Damage Assessment for the Anacostia River." The letter states that DOEE, the U.S. Department of Interior, and the National Oceanic and Atmospheric Administration, as Trustees, plan to investigate and assess damages to natural resources from the Anacostia River sediment contamination that is the subject of the CERCLA notices, and invites WSSC Water, as a PRP, to enter into an agreement to participate in the effort. While WSSC Water denies any liability, WSSC Water continues to engage in discussions to resolve this matter with the other parties. After unsuccessful settlement negotiations with potential plaintiffs in July of 2023, WSSC Water General Counsel's Office was advised by the District of Columbia in a November 2023 meeting that a revised proposed settlement proposal would be tendered to government entities who are potential defendants (with which WSSC Water is grouped) early in 2024. Since that meeting, those entities have not been approached about settlement, nor has legal action been filed. The clean-up activities are continuing for the sites covered by CERCLA at present. Any settlement or potential litigation are not expected to have a material adverse effect on the Commission's ability to satisfy its debt service requirements for the Bonds or any other debt obligations of the District.

RATINGS

Fitch Ratings, Inc., Moody's Investors Service, Inc. and S&P Global Ratings have assigned the Bonds long-term ratings of "AAA" (with a stable outlook), "Aaa" (with a stable outlook), and "AAA" (with a stable outlook), respectively. No application was made to any other rating agency for the purpose of obtaining a rating on the Bonds. The Commission engaged Moody's Investors Service, Inc. ("Moody's") to conduct an independent green bonds assessment of the Second Series. Moody's assigned the Commission's Consolidated Public Improvement Bonds of 2026 (Second Series) (Green Bonds) an overall score of SQS1. Based in part on the assessment of Moody's, the Commission has designated the Second Series as "Green Bonds." See "Green Bonds Designation."

The Commission furnished to such rating agencies certain information and materials respecting the Bonds, the District, the Commission, Prince George's County and Montgomery County. Generally, rating agencies base their ratings on investigations, studies and assumptions that they made, in addition to the information and materials provided by the Commission. Such ratings express only the views of the respective rating agencies. There is no assurance that the ratings mentioned above will remain in force for any given period of time or that the ratings may not be lowered or withdrawn by the rating agencies or any of them. Any such lowering or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

TAX MATTERS

The following discussion does not describe all aspects of federal income taxation that may be relevant to a particular holder of Bonds in light of his or her particular circumstances and income tax situation. Each holder of Bonds should consult such holder's tax advisor as to the specific tax consequences to such holder of the ownership and disposition of such Bonds, including the application of state, local, foreign and other tax laws.

State of Maryland Taxation

In the opinion of Bond Counsel, under existing statutes, regulations and decisions, interest on the Bonds is exempt from taxation by the State of Maryland, its counties and municipalities; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the interest on the Bonds. Interest on the Bonds may be subject to state or local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws. Purchasers of the Bonds should consult their own tax advisors with respect to the taxable status of the Bonds in jurisdictions other than Maryland.

Federal Income Taxation

In the opinion of Bond Counsel, under existing statutes, regulations and decisions, assuming compliance with certain covenants described herein, interest on the Bonds will be excludable from gross income for federal income tax purposes.

Under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the Bonds in order that the interest thereon be excludable from gross income. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the Bonds; and (iii) other requirements applicable to the use of the proceeds of the Bonds and the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The Commission has covenanted to take all actions necessary to maintain the exemption of interest on the Bonds from federal income taxation in the resolution authorizing their issuance.

Further, under existing statutes, regulations and decisions, Bond Counsel is of the opinion that interest on the Bonds is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. Interest on the Bonds will be part of adjusted financial statement income, fifteen percent of which is included in the computation of the corporate alternative minimum tax imposed on applicable corporations. For this purpose, in general, applicable corporations are corporations with more than one billion dollars in average annual adjusted financial statement income determined over a 3-year period. In addition, interest income on the Bonds will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

In rendering its opinion with respect to the Bonds, Bond Counsel will rely, without independent investigation, on certifications provided by the Commission with respect to certain material facts within its knowledge relevant to the tax-exempt status of interest on the Bonds. See Appendix D – Form of Opinion of Bond Counsel.

Certain Other Federal Tax Consequences Pertaining to Bonds

There are other federal income tax consequences of ownership of obligations such as the Bonds under certain circumstances, including the following: (i) deductions are disallowed for certain expenses of taxpayers allocable to interest on tax-exempt obligations, as well as interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations and interest expense of financial institutions allocable to tax-exempt interest; (ii) for property and casualty insurance companies, the amount of the deduction for losses incurred must be reduced by 25% of the sum of tax-exempt interest received or accrued and the deductible portion of dividends received by such companies; (iii) interest income which is exempt from tax must be taken into account for the purpose of determining whether, and what amount of, social security or railroad retirement benefits are includable in gross income for federal income tax purposes; (iv) for S-corporations having Subchapter C earnings and profits, the receipt of certain levels of passive investment income, including interest on tax-exempt obligations such as the Bonds, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status; (v) net gain realized upon the sale or other disposition of the Bonds generally must be taken into account when computing the 3.8% Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and certain trusts and estates; and (vi) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code.

Tax Accounting Treatment of Discount Bonds

Certain maturities of the Bonds of each series may be issued at an initial public offering price that is less than the amount payable on such Bonds at maturity (the "Discount Bonds"). The difference between the initial offering price at which a substantial amount of the Discount Bonds of each maturity was first sold and the principal amount of such Discount Bonds payable at maturity constitutes the original issue discount. The amount of such original issue discount that is treated as having accrued, with respect to such Discount Bonds, is added to the original cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, early redemption or payment at maturity). For federal income tax purposes, (a) any holder of a Discount Bond will recognize gain or loss upon the disposition of such Discount Bond (including sale, early redemption or payment at maturity) in an amount equal to the difference between (i) the amount received upon such disposition and (ii) the sum of (1) the holder's original cost basis in such Discount Bond, and (2) the amount of original issue discount attributable to the period during which the holder held such Discount Bond, and (b) the amount of the basis adjustment described in clause (a)(ii)(2) will not be included in the gross income of the holder.

Original issue discount on Discount Bonds will be attributed to permissible compounding periods during the life of such Discount Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the Discount Bonds of each maturity is determined using permissible compounding periods. In general, the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the Discount Bonds and must begin or end on the date of such payments. Such yield then is used to determine an amount of accrued interest for each permissible compounding period. For this purpose, interest is treated as compounding periodically at the end of each applicable compounding period. The amount of original issue discount that is treated as having accrued in respect of a Discount Bond for any particular compounding period is equal to the excess of (a) the product of (i) the yield for such Discount Bond (adjusted as necessary for an initial short period) divided by the number of compounding periods in a year and (ii) the amount that would be the tax basis of such Discount Bond at the beginning of such period if held by an original purchaser who purchased at the initial public offering price, over (b) the amount actually payable as interest on such Discount Bond during such period. For purposes of the preceding sentence, the tax basis of a Discount Bond, if held by an original purchaser, can be determined by adding to the initial issue price of such Discount Bond, the original issue discount that is treated as having accrued during all prior compounding periods. If a Discount Bond is sold or otherwise disposed of between compounding dates, then interest, which would have accrued for that compounding period for federal income tax purposes, is to be apportioned in equal amounts among the days in such compounding period.

Holders of Discount Bonds should note that, under the applicable tax regulations, the yield and maturity of a Discount Bond are determined without regard to commercially reasonable sinking fund payments and any original issue discount remaining unaccrued at the time that a Discount Bond is redeemed in advance of stated maturity will be treated as taxable gain. Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable upon the occurrence of certain contingencies.

The yields (and related prices) of each series of the Bonds provided by the successful bidder of such series of Bonds and shown on the inside cover of this Official Statement may not reflect the initial issue prices for purposes of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Discount Bonds but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Discount Bonds. In addition, prospective corporate purchasers should consider possible federal tax consequences arising from original issue discount on the Discount Bonds under the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount.

Purchasers with questions concerning the detailed tax consequences of transactions in the Discount Bonds should consult their tax advisors.

Purchase, Sale and Retirement of Bonds

Except as noted below in the case of market discount, the sale or other disposition of a Bond will normally result in capital gain or loss to its holder. A holder's initial tax basis in a Bond will be its cost. Upon the disposition of a Bond (including sale, early redemption, or payment at maturity), for federal income tax purposes, a holder will recognize capital gain or loss upon the disposition of such security in an amount equal to the difference between (a) the amount received upon such disposition and (b) the tax basis in such Bond, determined by adding to the original cost basis in such Bond the amount of original issue discount that is treated as having accrued as described above under "Tax Accounting Treatment of Discount Bonds." Such gain or loss will be a long-term capital gain or loss if at the time of the sale or retirement the Bond has been held for more than one year. Present law taxes both long and short-term capital gains of corporations at the rates applicable to ordinary income. For noncorporate taxpayers, however, short-term capital gains are taxed at the rates applicable to ordinary income, while net capital gains are taxed at lower rates. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses.

Market Discount

If a holder acquires a Bond after its original issuance at a discount below its principal amount (or in the case of a Bond issued at an original issue discount, at a price that produces a yield to maturity higher than the yield to maturity at which such Bond was first issued), the holder will be deemed to have acquired such Bond at "market discount," unless the amount of market discount is de minimis, as described in the following paragraph. If a holder that acquires a Bond with market discount subsequently realizes a gain upon the disposition of such Bond, such gain shall be treated as taxable interest income to the extent such gain does not exceed the accrued market discount attributable to the period during which the holder held such Bond, and any gain realized in excess of such market discount will be treated as capital gain. Potential purchasers should consult their tax advisors as to the proper method of accruing market discount.

In the case of a Bond not issued at an original issue discount, market discount will be *de minimis* if the excess of the stated redemption price of such Bond at maturity over the holder's cost of acquiring such Bond is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years between the date the holder acquires such Bond and its stated maturity date. In the case of a Bond issued with original issue discount, market discount will be *de minimis* if the excess of the revised issue price of such Bond over the holder's cost of acquiring such Bond is less than 0.25% of the revised issue price multiplied by the number of complete years between the date the holder acquires such Bond and its stated maturity date. For this purpose, the "revised issue price" of a Bond is the sum of (a) its original issue price and (b) the aggregate amount of original issue discount that is treated as having accrued with respect to such Bond during the period between its original issue date and the date of acquisition by the holder.

Amortizable Bond Premium

A Bond will be considered to have been acquired at a premium if, and to the extent that, immediately after the acquisition of such Bond, the holder's tax basis in the Bond exceeds the amount payable at maturity (or, in the case of a Bond callable prior to maturity, an amount payable on the earlier call date, as described). Under the tax regulations applicable to the Bonds, the amount of the premium would be determined with reference to the amount payable on that call date (including for this purpose the maturity date) that produces the lowest yield to maturity on such Bonds. The holder will be required to reduce his tax basis in such Bond for purposes of determining gain or loss upon disposition of the Bond by the amount of amortizable bond premium that accrues, determined in the manner prescribed in the regulations. Generally, no deduction (or other tax benefit) is allowable in respect of any amount of amortizable bond premium on the Bonds.

Legislative Developments

Legislative proposals could adversely affect the market value of the Bonds. Further, if enacted into law, any such legislation could cause the interest on the Bonds to be subject, directly or indirectly, to federal or state income taxation and could otherwise alter or amend one or more of the provisions of federal or state tax law described above or their consequences, as applicable. Prospective purchasers of the Bonds should consult with their tax advisors as to the status and potential effect of any pending or future legislative proposals, as to which Bond Counsel expresses no opinion.

CERTIFICATE CONCERNING OFFICIAL STATEMENT

Concurrently with the delivery of the Bonds, one or more Officers of the Commission will certify that, to the best of their knowledge, the Official Statement did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading in any material respect.

SALE AT COMPETITIVE BIDDING

The Bonds will be offered by the Commission by a competitive sale occurring on December 3, 2026, in accordance with the Official Notices of Sale for the Bonds. The Official Notices of Sale for the Bonds are attached hereto as Appendix F. The interest rates shown on the inside cover page of this Official Statement for the Bonds are the interest rates resulting from the award of each series of the Bonds at the competitive sale. The yields or prices of each series of the Bonds shown on the inside cover page of this Official Statement were furnished by the successful bidder for each such series of the Bonds. All other information concerning the nature and terms of any reoffering should be obtained from the successful bidder for each series of the Bonds and not from the Commission.

FINANCIAL ADVISOR

Public Resources Advisory Group, Inc. is an independent registered municipal advisor (the "Financial Advisor") that has rendered financial advice to the Commission regarding the issuance of the Bonds and the preparation of this Official Statement. The Financial Advisor has not been engaged, nor has it undertaken, to audit, authenticate or otherwise verify the information set forth in this Official Statement, or any other related information available to the Commission, with respect to accuracy and completeness of disclosure of such information. The Financial Advisor makes no guaranty, warranty or other representation respecting the accuracy and completeness of this Official Statement or any other matter related to the Official Statement.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the Financial Advisor relating to the computation of the forecasted payments of principal and interest to redeem the Refunded Bonds, was examined by The Arbitrage Group, Inc. Such computations were based solely on assumptions and information supplied by the Commission. The Arbitrage Group, Inc. has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

APPROVAL OF LEGAL PROCEEDINGS

The legality of the Bonds, based upon the documents and proceedings relative to the authorization, issuance and delivery thereof, is subject to the approval of McKennon Shelton & Henn LLP, Bond Counsel, whose approving opinion will be delivered with the Bonds. The proposed form of bond counsel opinion is set forth in Appendix D.

FINANCIAL STATEMENTS

The financial statements of the Commission as of June 30, 2026 and 2025 and for the years then ended, included in Appendix A, have been audited by SB & Company, LLC, independent auditors, as stated in their report appearing herein.

CONTINUING DISCLOSURE

The Commission will execute a Continuing Disclosure Certificate (the "Disclosure Undertaking") in connection with the issuance of the Bonds to assist the bidders in complying with the requirements of Rule 15c2-12 (the "Rule") promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended. The Disclosure Undertaking requires the Commission to file with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system ("EMMA") (i) certain annual financial information and operating data and (ii) certain event notices. The form of the Disclosure Undertaking is attached as Appendix C. The Commission may amend the Disclosure Undertaking in the future so long as such amendments are consistent with the Rule as then in effect.

A default by the Commission under the Disclosure Undertaking is not an event of default with respect to the Bonds. Except as described herein, during the last five years, the Commission has not failed to comply, in all material respects, with its continuing disclosure undertakings. Due to an administrative oversight, the Commission's annual audited financial statements for the fiscal year ended June 30, 2021, were not appropriately linked to the CUSIPs relating to the Commission's Consolidated Public Improvement Bonds of 2021 and Consolidated Public Improvement Bonds of 2021 (Second Series) (Green Bonds). This administrative error was corrected by the Commission on February 13, 2023. The Commission has put in place internal procedures intended to ensure that all required information is provided to the MSRB for posting on EMMA on a timely basis and to all outstanding CUSIP numbers in accordance with its continuing disclosure undertakings.

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APPROVAL OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement have been approved by Washington Suburban Sanitary Commission.

WASHINGTON SUBURBAN SANITARY COMMISSION

By: _____
Jonathan W. Powell, Chair

By: _____
Kishia L. Powell, General Manager/CEO

APPENDIX A

AUDITOR'S REPORT DATED OCTOBER 1, 2026, AND COMPARATIVE FINANCIAL STATEMENTS OF THE COMMISSION FOR FISCAL YEARS ENDED JUNE 30, 2026 AND 2025

2026 Annual Financial Report

For the year ended
June 30



WSSCWATER
DELIVERING THE ESSENTIAL

SB & Company
CPAs and Business Advisors

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

To the Commissioners of the
Washington Suburban Sanitary Commission
Laurel, Maryland

Opinions

We have audited the financial statements of the business-type activities as of and for the years ended June 30, 2026 and 2025, and the aggregate remaining fund information as of and for the years ended December 31, 2025 and 2024, of the Washington Suburban Sanitary Commission (the Commission) and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Commission as of June 30, 2026 and 2025, and the aggregate remaining fund information as of December 31, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls-related matters that we identified during the audit.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions - pension, schedule of changes in net OPEB liability and related ratios, schedule of employer contributions - OPEB, schedule of investment returns - pension, and schedule of investment returns - OPEB, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2026 on our consideration of the Commission's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal controls over financial reporting and compliance.

Owings Mills, Maryland
October 1, 2026

SB & Company, LLC

SB & Company
CPAs and Business Advisors

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Commissioners of the
Washington Suburban Sanitary Commission
Laurel, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities as of and for the year ended June 30, 2026, and the aggregate remaining fund information as of and for the year ended December 31, 2025, of the Washington Suburban Sanitary Commission (the Commission) and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 1, 2026.

Report on Internal Controls Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal controls over financial reporting (internal controls) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal controls.

A *deficiency in internal controls* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

SB & Company
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owing Mills, Maryland
October 1, 2026

SB & Company, LLC

WASHINGTON SUBURBAN SANITARY COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025
(Unaudited)

This section of the Washington Suburban Sanitary Commission (WSSC Water) annual financial report presents our discussion and analysis of WSSC Water's financial performance for the fiscal years ended June 30, 2026 and 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis, the required financial statements, and required supplementary information. The required financial statements consist of:

- Statement of net position
- Statements of revenues, expenses, and changes in net position
- Statements of cash flows
- Pension and OPEB statement of fiduciary net position
- Pension and OPEB statement of changes in fiduciary net position
- Notes to the financial statements

The statements of net position provide a snapshot of WSSC Water's financial position as of June 30, the end of the fiscal year. WSSC Water's statements of net position present current and long-term assets and liabilities, deferred outflows and inflows of resources, as well as net position.

WSSC Water's statements of revenues, expenses and changes in net position reflect activity for the fiscal years. These statements measure operating revenues and expenses as well as non-operating revenues and expenses. The statements also present capital contributions as well as changes in net position.

The statements of cash flows present WSSC Water's inflows and outflows of cash. Cash flows from operating activities, capital and related financing activities, and investment activities are shown separately. Cash provided by operating activities is reconciled to operating income.

Pension and OPEB statements of fiduciary net position provide a snapshot of the combined financial position for WSSC Water's Retirement Plan and Retiree Other Post-Employment Benefits Plan as of December 31 of the two comparative calendar years, the Plans' fiscal year end. The statements present the Plans' assets, liabilities, and net position.

Pension and OPEB statements of changes in the fiduciary net position reflect combined activities for the comparative calendar years for both Plans. The statements present the additions into and deductions from the Plans as well as the Plans' net position changes.

The financial statements also include notes that provide more detailed data and explanations for some of the information in the financial statements.

WSSC Water operates as an enterprise fund, which is one type of proprietary fund. Enterprise funds operate similarly to private businesses in that charges for services to customers are expected to cover expenses. WSSC Water's financial statements are presented using the accrual basis of accounting and the economic resources measurement focus. All assets and liabilities are included in the financial statements. Revenue is recognized when water or other services are delivered. Expenses are recognized when goods and services are received. All revenues and expenses are recognized regardless of when cash is received or paid.

FINANCIAL ANALYSIS

Net Position

TABLE A-1
WSSC's Condensed Statement of Net Position
(in millions of dollars)

	FY 2026	FY 2025	FY 2024 (Restated)	FY 2026 % Change	FY 2025 % Change
Current and other assets	$ 952.0	$ 859.7	$ 811.2	10.7	6.0
Capital assets, net of accumulated depreciation	10,087.8	9,765.1	9,486.0	3.3	2.9
Total assets	11,039.8	10,624.8	10,297.2	3.9	3.2
Total deferred outflows of resources	61.5	76.1	111.7	(19.2)	(31.9)
Current and other liabilities	760.7	811.3	827.9	(6.2)	(2.0)
Bonds and notes payable, net of current maturities	4,485.0	4,275.7	4,127.1	4.9	3.6
Total liabilities	5,245.7	5,087.0	4,955.0	3.1	2.7
Total deferred inflows of resources	81.7	41.3	53.7	97.8	(23.1)
Net position:					
Net investment in capital assets	5,391.6	5,229.8	5,092.7	3.1	2.7
Restricted for growth construction	56.9	59.7	68.4	(4.7)	(12.7)
Unrestricted	325.5	283.2	239.1	14.9	18.4
Total net position	5,774.0	5,572.7	5,400.2	3.6	3.2
Beginning net position	5,572.7	5,400.2	5,252.2	3.2	2.8
Ending net position	5,774.0	5,572.7	5,400.2	3.6	3.2
Change in Net Position	$ 201.3	$ 172.5	$ 148.0	16.7	16.6

Fiscal Year 2026

WSSC Water's net position increased by $201.3 million or 3.6% to $5,774.0 million (See Table A-1). The increase was the sum of a $161.8 million increase in net investment in capital assets, a $42.3 million increase in the unrestricted net position, and a $2.8 million decrease in net position restricted for growth. Capital assets, net of accumulated depreciation, increased 3.3% to $10,087.8 million. Current and other assets increased by $92.3 million or 10.7%, attributed to a $43.0 million increase in cash and investments, $41.5 million increase in accounts receivable,$8.7 million increase in net OPEB assets, $4.2 million in state grants receivable, $5.1 million decrease in other receivables and prepaid expenses. Unused bond proceeds at the end of the year were $184.1 million. During fiscal year 2026, developers constructed $47.9 million of capital assets and donated them to WSSC Water. Additional information is presented in the Capital Asset and Debt Administration section of this discussion.

Total debt excluding current maturities increased 4.9% to $4,485.0 million. Current and other liabilities decreased by $50.6 million or -6.2%, due to combined effect of decreases in net pension and OPEB liabilities and increase in current liabilities. The capital contributions of $58.8 million (net of donated capital assets) were available to finance capital projects during the year. These funding sources reduced the amount of bonds WSSC Water needed to sell for construction of water and sewer projects. A more detailed description of WSSC Water's debt can be found in Notes I and J of the financial statements.

Fiscal Year 2025

WSSC Water's net position increased by $172.5 million or 3.2% to $5,572.7 million (See Table A-1). The increase was the sum of a $137.1 million increase in net investment in capital assets, a $44.1 million increase in the unrestricted net position, and a $8.7 million decrease in net position restricted for growth. Capital assets, net of accumulated depreciation, increased 2.9% to $9,765.1 million. Current and other assets increased by $48.5 million or 6.0%, attributed to a $27.8 million increase in cash and investments, $20.3 million increase in accounts receivable, $1.6 million increase in other receivables and prepaid expenses, and $1.2 million decrease in accrued interest receivable. Unused bond proceeds at the end of the year were $142.3 million. During fiscal year 2025, developers constructed $42.0 million of capital assets and donated them to WSSC Water. Additional information is presented in the Capital Asset and Debt Administration section of this discussion.

Total debt excluding current maturities increased 3.6% to $4,275.7 million. Current and other liabilities decreased by $16.6 million or -2.0%, due to combined effect of decreases in net pension and OPEB liabilities and increase in current liabilities. The capital contributions of $40.2 million (net of donated capital assets) were available to finance capital projects during the year. These funding sources reduced the amount of bonds WSSC Water needed to sell for construction of water and sewer projects. A more detailed description of WSSC Water's debt can be found in Notes I and J of the financial statements.

Changes in Net Position

TABLE A-2
WSSC's Condensed Changes in Net Position
(in millions of dollars)

	FY 2026	FY 2025	FY 2024 (Restated)	FY 2026 % Change	FY 2025 % Change
Operating revenues	$ 1,120.3	$ 1,034.3	$ 946.8	8.3	9.2
Operating expenses	(907.7)	(846.3)	(749.1)	7.3	13.0
Operating income	212.6	188.0	197.7	13.1	(4.9)
Non-capital subsidies					
Operating grants	2.9	2.6	3.8	11.5	(31.6)
Operating income (loss) and non-capital subsidies	215.5	190.6	201.5	13.1	(5.4)
Net non-operating revenues (expenses)	(14.2)	(18.1)	(53.5)	(21.5)	(66.2)
Changes in net position	201.3	172.5	148.0	16.7	16.6
Net position beginning of the year	5,572.7	5,400.2	5,252.2	3.2	2.8
Net position end of the year	$ 5,774.0	$ 5,572.7	$ 5,400.2	3.6	3.2

* ***FY2025 and FY2024 amounts have been reclassified for comparative purposes in accordance with GASB Statement No.103***

Fiscal Year 2026

- WSSC Water's operating revenues increased $86.0 million in comparison with fiscal year 2025 (see Table A-2). $79.7 million of the total increase is from water and sewer consumption and ready to serve fee revenues. Other revenue increased by $6.8 million. Annual front foot benefit assessments continued to decline, by another $0.6 million, while house connection charges increased slightly. Front foot benefit extensions and related house connections have been built primarily by outside developers since 1993. Assessments for construction by WSSC Water prior to that time are collected over the remaining term of the debt utilized to finance the construction. Water, sewer and other revenues were impacted by the following:

    - Both combined water and sewer rates and ready to serve charges were increased by 9.5% in fiscal year 2026.
    - At June 30, the total billed water and sewer receivable balance increased by $29.5 million or 28%, the current receivable increased by $15.4 million or 27% while the delinquent receivable balance increased by $14.1 million or 29%. The increases in both the current and delinquent receivables are mainly from rate increases. Without implementing the customer assistance programs which will be detailed below, the delinquent receivable balance would have increased by $23.3 million or 47%. Of the total $227.0 million water and sewer receivable, $72.6 million is current billed receivable and $91.2 is current unbilled receivable. $63.2 million is delinquent receivable, $30.9 million of which or 48.9% has been put under reserve. In comparison with the total receivable of $227.0 million, the unreserved delinquent balance is $32.3 million or 14.2%.
    - During fiscal year 2026, $7.6 million was provided for customer assistance through several programs by paying a portion of some customers' delinquent bills. Another $1.6 million late payment fee was cancelled as part of the customer assistance programs. During the pause of turn offs for most of the fiscal year and therefore stop of billing or cancellation of the late payment charges, WSSC Water received $3.6 million less in late payment charges in total in fiscal year 2026 compared with fiscal year 2025.
    - Miscellaneous revenue increase was mainly contributed by renewable energy related revenues, plumbing and cross connection revenues and reduced by loss on late payment charges.

- Operating expenses increased by $61.4 million, or 7.3%, in comparison with fiscal year 2025.

    - Blue Plains O&M expenses have increased by a net of $12.9 million, $1.8 million of which is from prior year adjustment.
    - Salaries and fringe benefits increased by $26.1 million, $19.8 million of which is from salary increases and $6.3 million is from fringe benefit increases.
    - General administrative and information technology expenses increased by $9.8 million.
    - Heat, light, power and natural gas expenses have increased by $10.8 million due to freezing temperatures in January and February. But renewable energy revenue has also increased by 3.6 million. Therefore, the net increase is about $7.2 million.
    - Materials expenses increased by $5.6 million, mainly due to materials used in corrective maintenance and increase in reserve due to less inventory movement.
    - Service by others increased by $8.3 million, mainly due to year end accrual variances of $5.9 million and Jennings Randolph O&M payment increase of $1.2 million.
    - $10.0 million increase in depreciation and amortization expenses.
    - $4.2 million increase in transportation expenses.
    - $2.5 million increase in refund and adjustments.
    - Outside engineering and professional services decreased by $15.3 million due to less current year expenses, less prior year reclassification adjustments, and prior year accrual reversal.
    - $5.4 million decrease in pension and OPEB expenses.
    - $6.0 million decrease in contract work, contract restoration, and other miscellaneous expenses.
    - $2.5 million decrease in claims expenses.

- Non-capital subsidies or operating grants increased $0.4 million, in comparison with fiscal year 2025.

- Non-operating expenses decreased by $3.8 million, in comparison with fiscal year 2025, due to increase in capital contributions which are offset by all other changes, as shown below:

    - Increase of $24.5 million from capital contributions, consisting of $3.0 million increase in capital grant, $6.0 million increase in donated assets constructed and contributed by developers, and $15.5 million increase in system development charges and developer fees.
    - Decrease of $9.4 million from bond interest expenses.
    - Decrease of $6 million from investment interest income.
    - Decrease of $5.1 million from loss on disposal.
    - Decrease of $0.2 million from more system development credit reimbursement.

- Net position increased by $201.3 million in fiscal year 2026 to $5,774.0 million.

Fiscal Year 2025

- WSSC Water's operating revenues increased $87.5 million in comparison with fiscal year 2024 (see Table A-2). $87.4 million of the total revenue increase is from water and sewer consumption and ready to serve fee revenues. Other revenue increased by $1.1 million. Annual front foot benefit assessments continued to decline, by another $1.1 million, while house connection charges increased by $0.1 million. Front foot benefit extensions and related house connections have been built primarily by outside developers since 1993. Assessments for construction by WSSC Water prior to that time are collected over the remaining term of the debt utilized to finance the construction. Water, sewer and other revenues were impacted by the following:

    - Water and sewer rates were increased about 2.4% in fiscal year 2025.
    - Ready to serve fees were increased by about 65% in fiscal year 2025.
    - Compared with fiscal year 2024, water and sewer revenue increases are mainly from increases in ready to serve fees. As for the consumption revenue increases, about 43.7% of the increases is from consumption or uses increases. The rest is from water and sewer rate increases.
    - At June 30, the total billed water and sewer receivable balance increased by $6.4 million and the delinquent receivable balance increased by $6.0 million. Of the total $193.1 million water and sewer receivable, $57.2 is current billed receivable and $86.8 is current unbilled receivable. $49.1 million is delinquent receivable, $32.6 million of which or 66.3% has been put under reserve. In comparison with the total receivable of $193.1 million, the unreserved delinquent balance is $16.6 million or 8.6%.
    - Both water and sewer consumption revenues came in higher than the budget, by $11.8 and $20.5 million, respectively. Ready to serve charges are $5.3 million over the budget.
    - Net miscellaneous revenues increased by $1.1 million.

- Operating expenses increased by $97.2 million, or 13.0%, in comparison with fiscal year 2024.

    - Blue Plains related costs increased by a net of $1.6 million.
    - Chemical expenses increased by $1.3 million, mainly due to price increase. Material expenses increased by $2.5 million. One of the contributing factors was there were more water main breaks in fiscal year 2025. Heat, light, and power increased by $2.5 million due to more natural gas usage and higher electricity rates.
    - Salary and wages increased by $16.8 million, $3.2 million of which is from overtime pay due to inclement weather work and increased watermain breaks. Majority of the overtime pay were from Utility Services and Customer Services ($1.8 million) and Production ($0.9 million). Other general administrative and insurance expenses increased by $13.4 million.

- Service by others increased by $2.6 million, including net increases in operations and maintenance of $0.8 million, in Customer Service support of $3.5 million, in meter reading related activities of $0.4 million, offset by decreases in mail distribution of water and sewer bills of $1.4 million, and in non-emergency customer phone calls of $0.8 million.
- Contract work increased by $17.5 million, including $6.1 million increase in preventive maintenance sewer cleaning, $1.7 million in construction management and inspection, $2.6 million in corrective maintenance, $9.1 million in Utility Services' general operation, $0.6 million in cleaning and lining, $0.3 million in planned maintenance, offset by $1.3 million decrease in replacement, and $1.6 million in manhole reconstruction.
- Outside engineering increased by $11.8 million, after excluding $1.8 million contract restoration on street repairs.
- Contract restoration on street repairs and landscaping, including the $1.8 million charged to outside engineering, increased by $9.7 million in total.
- Pension and OPEB expenses increased by $3.8 million.
- Rental, equipment repair, transportation and office building expenses increased by $2.3 million.
- Professional services increased by $0.6 million, with $1.3 million increases in facility maintenance contract administration and asset management program, offset by $0.7 million decreases in water contamination response planning, debt service activities, and general operation expenses.
- IT services increased by $2.9 million.
- Depreciation and amortization expenses increased by a net of $10.8 million.
- Claims and damages increased by $2.4 million, mainly from claims reserve increase.
- Refund and adjustments decreased by $5.6 million.

- Non-capital subsidies or operating grants decreased by $1.2 million, in comparison with fiscal year 2024.

- Non-operating expenses decreased by $35.4 million, or 66.2%, in comparison to fiscal year 2024, due to the following changes as shown below:

    - Increase of $39.9 million from capital contributions, consisting of $10.0 million increase in capital grant, $33.2 million increase in donated assets constructed and contributed by developers, and $3.3 million decrease in system development charges and developer fees.
    - Increase of $2.0 million from less SDC credit reimbursement.
    - Decrease of $6.3 million from the net of bond and note interest expense and investment earning.
    - Decrease of $0.2 million from loss on disposing assets.

- Net position increased by $172.5 million in fiscal year 2025 to $5,572.7 million.

SIGNIFICANT CAPITAL ASSETS AND LONG-TERM FINANCING ACTIVITY

Capital Assets

TABLE A-3
WSSC's Capital Assets
(net of depreciation and impairment losses, in millions of dollars)

	FY 2026	FY 2025	FY 2024	FY 2026 % Change	FY 2025 % Change
Land and rights of way	$ 147.8	$ 144.9	$ 143.3	2.0	1.1
Construction in progress	1,474.9	1,617.5	1,675.4	(8.8)	(3.5)
Water supply	3,182.0	3,059.4	2,921.3	4.0	4.7
Sewage disposal	2,790.9	2,485.0	2,283.5	12.3	8.8
General construction	1,247.6	1,241.9	1,244.9	0.5	(0.2)
Intangible assets	1,205.7	1,195.5	1,207.2	0.9	(1.0)
Other	38.9	20.9	10.4	86.1	101.0
Total capital assets	$ 10,087.8	$ 9,765.1	$ 9,486.0	3.3	2.9

Fiscal Year 2026

As of June 30, 2026, WSSC Water had invested $10,087.8 million, net of accumulated depreciation, in a broad range of capital assets including water and sewer lines, water tanks, treatment plants, pumping stations, multi-purpose facilities and other facilities. This amount represents a net increase of $322.7 million, or 3.3%. over fiscal year 2025.

Fiscal Year 2025

As of June 30, 2025, WSSC Water had invested $9,765.1 million, net of accumulated depreciation, in a broad range of capital assets including water and sewer lines, water tanks, treatment plants, pumping stations, multi-purpose facilities and other facilities. This amount represents a net increase of $279.1 million, or 2.9%. over fiscal year 2024.

Additional information relative to WSSC Water's capital assets is presented in Note D of the financial statements.

Bonds and Notes Payable

TABLE A-4
WSSC Water's Long Term Financing
(in millions of dollars)

	FY 2026	FY 2025	FY 2024	FY 2026 % Change	FY 2025 % Change
Water supply	$ 2,147.3	$ 1,943.9	$ 1,848.4	10.5	5.2
Sewage disposal	2,246.5	2,232.6	2,171.6	0.6	2.8
General construction	91.2	99.2	107.1	(8.1)	(7.4)
Total Long Term Debt	4,485.0	4,275.7	4,127.1	4.9	3.6
Lease payable	0.4	0.5	0.1	(20.0)	400.0
SBITA payable	2.3	4.2	2.8	(45.2)	50.0
Total long term financing	$ 4,487.7	$ 4,280.4	$ 4,130.0	4.8	3.6

Fiscal Year 2026

At the end of fiscal year 2026, long term bonds, notes, leases and SBITA contracts outstanding totaled $4,487.7 million, a $207.3 million or 4.8% increase in comparison to the previous fiscal year.

- In February 2026, WSSC Water issued $379.4 million of Consolidated Public Improvement Bonds to fund new construction, rehabilitation and replacement of water and sewer infrastructure. This issue includes $28.5 million in green bonds which allows investors to invest directly in environmentally beneficial projects (Green Projects). Green bonds were rated E1/80 by S&P Global. In fiscal year 2026, WSSC Water also issued $30.9 million Maryland State Water Quality Bond to fund sewer construction.

Fiscal Year 2025

At the end of fiscal year 2025, long term bonds, notes, leases and SBITA contracts outstanding totaled $4,280.4 million, a $150.4 million or 3.6% increase in comparison to the previous fiscal year.

- In February 2025, WSSC Water issued $311.5 million of Consolidated Public Improvement Bonds to fund new construction, rehabilitation and replacement of water and sewer infrastructure. This issue includes $28.3 million in green bonds which allows investors to invest directly in environmentally beneficial projects (Green Projects). Green bonds were rated E1/80 by S&P Global. In fiscal year 2025, WSSC Water also issued $34.6 million Maryland State Water Quality Bond to fund sewer construction.

Bond Ratings

Fitch Ratings, Moody's Investors Service, and S&P Global assigned and affirmed ratings of 'AAA', 'Aaa', and 'AAA', respectively, on WSSC Water's outstanding water supply, sewage disposal and general construction general obligation bonds. The agencies identified strengths of the Commission in support of their ratings which include a sizeable, diverse tax base in Montgomery and Prince George's Counties, good finances characterized by the self-supporting nature of the water and sewer system, and a skilled management team. The bonds and notes are ultimately secured by an unlimited ad valorem

property tax which may be assessed on properties in the WSSD district, although no such tax has been levied due to sufficient revenues.

Limitations on Debt

Maryland law limits the amount of bonds and notes WSSC Water may have outstanding at any time. This limitation is generally based on legislated percentages of the real property assessable tax base and personal property and operating real property assessments within the Washington Suburban Sanitary District. As of June 30, 2026 and 2025, the calculated limits were $15,864.7 million and $15,063.5 million, respectively. WSSC Water's outstanding debt was significantly below those limits.

Additional information relative to WSSC Water's Bonds and Notes activity is presented in Notes I and J of the financial statements.

CONTACT INFORMATION

Any questions regarding this report can be directed to the Finance Office at 14501 Sweitzer Lane, Laurel, Maryland, 20707. A copy of the report is also available on WSSC Water's website at www.wsscwater.com.

WASHINGTON SUBURBAN SANITARY COMMISSION
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2026 AND 2025
(in thousands)

	2026	2025
ASSETS		
Current assets:		
Cash (Note B)	$ 46,430	$ 38,441
Investments (Note B)	445,206	451,986
Accrued interest receivable	6,231	8,698
Receivables, net (Note C)	209,805	168,265
Lease and lease interest receivable, current maturities (Notes C & N)	2,234	2,252
State grants receivable	14,773	10,611
Prepaid expenses	671	3,174
Materials and supplies, net	24,447	23,145
Total current assets	749,797	706,572
Non-current assets:		
Non-depreciable capital assets	1,622,662	1,762,360
Depreciable capital assets, net of accumulated depreciation/amortization (Note D)	8,465,092	8,002,775
Investments restricted for capital construction (Note B)	184,061	142,320
Lease and lease interest receivable, non-current (Note N)	6,792	8,047
Net OPEB asset (Note L)	8,724	-
Note receivable (Note E)	2,637	2,769
Total non-current assets	10,289,968	9,918,271
Total assets	11,039,765	10,624,843
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount from pension (Note K)	45,203	58,337
Deferred amount from OPEB (Note L)	16,327	17,802
Total deferred outflows of resources	61,530	76,139
Total assets and deferred outflows of resources	$ 11,101,295	$ 10,700,982

The accompanying notes are an integral part of these financial statements.

WASHINGTON SUBURBAN SANITARY COMMISSION
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2026 AND 2025
(in thousands)

	2026	2025
LIABILITIES		
Current liabilities:		
Bonds and notes payable, current maturities (Notes I & J)	$ 252,183	$ 284,118
Accounts payable and accrued liabilities	314,232	268,881
Accrued bond and note interest payable	11,899	11,223
Deposits and unearned revenue	8,830	9,241
Total current liabilities	587,144	573,463
Non-current liabilities:		
Bonds and notes payable, net of current maturities (Notes I & J)	4,485,005	4,275,671
Net pension liability (Note K)	149,806	198,583
Net OPEB liability (Note L)	-	14,207
Lease and SBITA payable, non-current (Notes N & O)	2,706	4,726
Deposits, unearned revenue and other long-term liabilities (Note H)	21,042	20,318
Total non-current liabilities	4,658,559	4,513,505
Total liabilities	5,245,703	5,086,968
DEFERRED INFLOWS OF RESOURCES		
Deferred amount from pension (Note K)	46,411	-
Deferred amount from OPEB (Note L)	21,704	25,756
Deferred amount from debt refunding (Note A)	5,322	6,199
Deferred amount from leases (Note N)	8,215	9,382
Total deferred inflow of resources	81,652	41,337
Total liabilities and deferred inflows of resources	5,327,355	5,128,305
NET POSITION		
Net investment in capital assets	5,391,572	5,229,748
Restricted for growth construction	56,867	59,731
Unrestricted	325,501	283,198
Total net position	5,773,940	5,572,677
Total liabilities, deferred inflows of resources and net position	$ 11,101,295	$ 10,700,982

The accompanying notes are an integral part of these financial statements.

WASHINGTON SUBURBAN SANITARY COMMISSION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025
(in thousands)

	2026	2025
OPERATING REVENUES:		
Water consumption, sewer use and service charges	$ 1,053,217	$ 973,545
Front foot benefit assessments	824	1,385
House connection charges	3,827	3,785
Other	62,394	55,548
Total operating revenues	1,120,262	1,034,263
OPERATING EXPENSES:		
Operations	170,730	147,979
Maintenance	239,809	246,861
Intermunicipal agency sewer disposal	100,481	87,276
Administrative and general	162,593	141,862
Depreciation and amortization	234,097	222,277
Total operating expenses	907,710	846,255
Operating income	212,552	188,008
NON-CAPITAL SUBSIDIES		
Operating grants	2,949	2,563
Total non-capital subsidies	2,949	2,563
Operating income and non-capital subsidies	215,501	190,571
NON-OPERATING REVENUES (EXPENSES):		
Capital contributions	106,719	82,244
Interest on bonds and notes payable	(135,466)	(126,028)
System development charge credit reimbursements	(468)	(296)
Loss on disposal of assets	(5,351)	(253)
Investment income	22,089	28,078
Other interest income	(1,761)	(1,827)
Net non-operating Revenue (expenses)	(14,238)	(18,082)
Changes in net position	201,263	172,489
Net position, beginning of the year	5,572,677	5,400,188
Net position, end of the year	$ 5,773,940	$ 5,572,677

The accompanying notes are an integral part of these financial statements.

WASHINGTON SUBURBAN SANITARY COMMISSION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

(in thousands)

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from water and sewer customers	$ 1,017,272	$ 954,064
Receipts from front foot benefit assessments	751	1,850
Receipts from house connection charges	4,413	3,327
Receipts from other customers and miscellaneous	97,277	96,431
Payments to employees	(233,928)	(218,493)
Payments to District of Columbia Water & Sewer Authority	(89,963)	(81,613)
Payments to suppliers and others	(405,413)	(367,679)
Net cash provided by operating activities	390,409	387,887
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Long term lease and lease interest receivable	1,255	1,636
Proceeds from bonds and notes	410,295	346,012
Capital contributions	106,309	86,372
Bond redemptions and note repayments	(236,812)	(218,684)
Interest payments, premiums and discounts on bonds and notes	(133,511)	(128,796)
Capital asset construction	(519,550)	(475,878)
Net cash used in capital and related financing activities	(372,014)	(389,338)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of investments	1,106,712	1,105,006
Purchases of investments	(1,144,872)	(1,128,917)
Interest income received	27,754	30,323
Net cash used in investing activities	(10,406)	6,412
Net increase in cash	7,989	4,961
Cash, beginning of year	38,441	33,480
Cash, end of year	$ 46,430	$ 38,441
Reconciliation of net operating revenues to net cash provided by operating activities:		
Net operating revenue	$ 212,552	$ 188,009
Adjustments to reconcile net operating revenue to net cash provided by operating activities:		
Depreciation	207,547	198,154
Effect of changes in assets, liabilities and deferred outflows of resources:		
Receivables, net	(41,521)	(20,247)
Materials and supplies	(1,301)	(1,505)
Prepaid expenses	2,503	(2,626)
Net OPEB Asset	(7,285)	-
Deferred outflows of resources - pension and OPEB	14,945	35,763
Accounts payable and accrued liabilities	13,638	24,313
Unearned revenue	(1,525)	(2,106)
Deferred inflows of resources - pension and OPEB	42,359	(9,634)
Long-term pension liability	(39,988)	(3,988)
Long-term OPEB liability	(11,515)	(18,246)
Net cash provided by operating activities	$ 390,409	$ 387,887

Noncash capital financing activities:

-Developers contributed capital assets were $47,932 and $41,960 in FY2026 and FY2025 , respectively

The accompanying notes are an integral part of these financial statements.

WASHINGTON SUBURBAN SANITARY COMMISSION
STATEMENTS OF FIDUCIARY NET POSITION
FIDUCIARY FUND FOR PENSION AND OPEB BENEFIT TRUSTS
DECEMBER 31, 2025 AND 2024
(in thousands)

	2025	2024
ASSETS		
Cash and cash equivalents (Note P)	$ 2,109	$ 9,353
Collateral received under securities lending agreements (Note P)	52,323	41,926
Investment at fair value (Note P):		
Mutual funds	824,405	715,656
Commingled funds	169,435	167,949
U.S. Government and agency bonds	103,656	103,570
Corporate bonds	49,503	38,996
Common stock	76,424	67,867
Investment contracts with insurance company	78,901	77,386
Limited partnership units	20	20
Total investments	1,302,344	1,171,444
Dividends and accrued interest receivable	1,313	1,246
Contributions receivable from employees	414	405
Total assets	1,358,503	1,224,374
LIABILITIES		
Payable for collateral received under securities lending agreements (Note P)	52,323	41,926
Benefits payable and accrued expenses	1,912	1,730
Total liabilities	54,235	43,656
NET POSITION		
Restricted for pension and OPEB	$ 1,304,268	$ 1,180,718

The accompanying notes are an integral part of these financial statements.

WASHINGTON SUBURBAN SANITARY COMMISSION
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND FOR PENSION AND OPEB BENEFIT TRUSTS
DECEMBER 31, 2025 AND 2024
(in thousands)

	2025	2024
ADDITIONS		
Investment Income:		
Net appreciation in the fair value of plan investments	$ 120,840	$ 81,138
Dividends and interest	43,941	34,565
	164,781	115,703
Less investment expenses	(3,710)	(4,192)
Net investment income	161,071	111,511
Contributions:		
WSSC Water Contributions	38,740	33,062
Employee Contributions	6,691	5,660
WSSC Water on-behalf contributory	15,547	12,405
Retiree Contributions	5,207	4,921
Total Contributions	66,185	56,048
Total Additions	227,256	167,559
DEDUCTIONS		
Benefit payments to retirees and refund	101,790	97,566
Administrative expense	1,917	1,702
Total Deductions	103,706	99,268
INCREASE IN NET POSITION	123,550	68,291
NET POSITION RESTRICTED FOR PENSION AND OPEB BEGINNING OF YEAR	1,180,718	1,112,427
NET POSITION RESTRICTED FOR PENSION AND OPEB END OF YEAR	$ 1,304,268	$ 1,180,718

The accompanying notes are an integral part of these financial statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Washington Suburban Sanitary Commission (WSSC Water) is a bi-county political subdivision of the State of Maryland, created to provide water supply and sewage disposal services for Montgomery and Prince George's Counties. The financial statements are presented using the accrual basis of accounting and the economic resources measurement focus. Significant accounting policies are summarized below.

Operating and Non-Operating Revenues and Expenses

Revenues and expenses derived from financing and investment activities are classified as non-operating revenues and expenses, except for investment activities for pension and OPEB, which are classified as operating expenses as required by GASB Statement No. 103. All other revenues and expenses are classified as operating.

Water and sewer service rates are established to provide sufficient funds to recover operating costs and debt service relating to the water supply and sanitary sewer systems. Metered water and sewer revenues are invoiced and recognized as customers utilize water. Revenue generated for which customers have not been invoiced is estimated based on past billings and recorded as unbilled revenue.

Estimated intermunicipal agency sewage disposal expenses are paid quarterly. Adjustments resulting from audits and/or reconciliations of WSSC Water's share of estimated and actual expenses are recognized in the year of settlement.

Front foot benefit and house connection assessments levied on properties where water and/or sanitary sewer service is available are the principal source of funds to service general construction bond debt. Front foot benefit assessments are recorded as operating revenue ratably over the levy year; house connection assessments and fees are recognized as operating revenue over the life of the bonds issued to finance the house connections.

Capital Contributions

In July 1993, a system development charge (SDC) was established to help finance the cost of expanding water and sewage systems to accommodate growth in the Washington Suburban Sanitary District. System development charges are recorded as capital contributions when received. Certain qualified projects may be eligible for SDC credits or reimbursements. Only those SDC receipts filed in association with plumbing permits under which all covered work has obtained an approved final inspection are eligible for reimbursement. The credits are presented as non-operating expenses on the statement of revenues and changes in net position.

Developer fees and charges are established to recover costs related to services provided to outside developers for the construction of capital assets. These fees are recorded as permits are issued.

Federal and State grants are recognized as capital contributions when related capital costs are incurred. Operating grants are reported as non-capital subsidies as required by GASB statement No. 103.

Donated assets consist principally of capital assets constructed by developers and subsequently donated to WSSC Water. Values are established by using developers' estimated costs to construct the assets or WSSC Water's estimated costs to construct similar assets. Donated land and rights of way are recorded at estimated acquisition values. The capital assets, and related capital contributions, are recognized upon completion of construction.

WSSC Water follows Governmental Accounting Standards Board Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*" (GASB No. 33). GASB No. 33 requires recognition of all contributions of capital assets, including donated assets, as revenues (capital contributions in the Statements of Revenues, Expenses and Changes in Net Position).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

Cash includes amounts in demand deposits.

Investments

Investments are stated at fair value, with any related gain or loss reported in investment income on the accompanying Statements of Revenues, Expenses and Changes in Net Position. Fair value is generally based on quoted market prices on the last business day of the fiscal year. Investments in market-traded securities, including U.S. government and agency securities, municipal and corporate bonds are reported at last quoted sales/bid prices provided by independent pricing vendors. Non-current investments represent unused bond proceeds at the end of the fiscal year.

Capital Assets

Capital assets include water and sewer lines, water filtration and distribution, wastewater collection and treatment as well as multi-purpose facilities, equipment and fleet. Capital assets are stated at historical costs, which include related payroll, payroll taxes, fringe benefits, and administrative costs. Normal recurring maintenance and repair costs are charged to operations, whereas major repairs, improvements and replacements, which extend the useful lives of the assets, are capitalized. The threshold for capitalization is $100,000. Costs incurred for capital construction are carried in construction in progress until completion.

Costs incurred for the purchase of software and water and wastewater capacity are treated as intangibles and amortized over the estimated useful life of the asset or the term of the contractual agreement.

Depreciation and Amortization

Capital assets are depreciated or amortized using the straight-line method. Estimated useful lives of some significant asset categories are as follows:

Buildings and other structures	40 – 50 years
Pipe and pipe improvements	35 – 100 years
Manholes	50 years
Equipment and vehicles	3 – 12 years
Purchased capacity	50 years
System furniture	7 years
Software	5 years
Leases	1.5 – 30 years
SBITA	1 – 6 years

Depreciation is appropriately adjusted at substantial completion.

Inventory

Materials and supplies inventory is recorded utilizing a perpetual (moving average) cost methodology and is reduced for estimated losses due to obsolescence.

Bonds and Notes Payable

Bonds and notes payable are recorded at the principal amount outstanding, net of any applicable premium or discount.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Bonds outstanding, which have been refunded and economically defeased, are not included in long-term debt. The related assets are not included in investments. The difference between the reacquisition price and the net carrying amount of the old debt be reported as a deferred outflow of resources or deferred inflow of resources, as applicable. That deferred amount is recognized as a component of interest expense in a systematic and rational manner over the shorter of the remaining life of the old debt or the life of the new debt.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the net position of the Washington Sanitary Commission Employees' Retirement Plan (the Plan) and additions to/deductions from the Plan's net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pension costs are impacted by fluctuations in the market affecting actual and projected investment income and related deferred outflows or inflows. Investment activities are reported as operating expenses as required by GASB statement 103. Pension expenses and liabilities are allocated between operating and capital funds based on payroll.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the net position of the Washington Suburban Sanitary Commission Employees' OPEB Plan (the OPEB Plan) and additions to/deductions from the OPEB Plan's net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB costs are impacted by fluctuations in the market affecting actual and projected investment income and related deferred outflows or inflows. Investment activities are reported as operating expenses, as required by GASB statement 103. OPEB expenses and liabilities are allocated between operating and capital funds based on payroll.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that is applicable to a future period. Reported examples include:

(a) Net difference between projected and actual earnings on pension plan investments
(b) Results of changes in pension assumptions
(c) Contributions to the OPEB Plan subsequent to the measurement date of the net OPEB liability and before the end of WSSC Water's reporting period
(d) Differences between expected and actual experience in the measurement of the total OPEB liability

Deferred inflows of resources represent an acquisition of net assets that is applicable to a future period. Reported examples include:

(a) Deferred gain on bond refundings resulting from the difference between the carrying value of the refunded debt and its reacquisition price
(b) Differences between expected and actual experience in the measurement of the total pension liability
(c) Net difference between projected and actual earnings on pension plan investments
(d) Net difference between projected and actual earnings on OPEB plan investments
(e) Value of lease receivable plus payments received at commencement of the lease term that relate to future periods

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 87 states that a lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. The lease receivable should be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. A lessor should recognize interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease.

GASB Statement No. 87 states that a lessee should recognize a lease liability and a right-to-use intangible lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Based on GASB Statement No. 87, a long-term lease is a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of over 12 months, including any options to extend, regardless of their probability of being exercised. A long-term lease is required by GASB Statement No. 87 to be capitalized and reported in the financial statements as lease and interest receivables and deferred inflow of resources or a lease liability and a right-to-use intangible lease asset.

Lease term determination is different from determination of a long vs. short-term lease. Paragraph 12 of Statement No. 87 states that "periods for which both the lessee and the lessor have an option to terminate the lease without permission from the other party . . . are cancelable [cancellable] periods and are excluded from the lease term." The effect of excluding those cancellable periods from the lease term is the same as if it were reasonably certain that a lessee or lessor option to cancel would be exercised. Lease term to be used for capitalization and amortization is defined as the maximum non-cancellable period by both parties. Therefore, a long-term lease with options to renew could have a very short lease term for capitalization and amortization.

SBITA

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in exchange or exchange-like transaction.

Under GASB Statement No. 96, a government generally should recognize a right-to-use subscription asset – an intangible asset – and corresponding subscription liability. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets over 12 months. It includes any options to extend, regardless of their probability of being exercised.

To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, Leases, as amended. The major difference between a lease and SBITA is the implementation costs of a SBITA.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Employees earn annual and sick leave based on length of service. Accumulated annual leave in excess of 360 hours at the end of each calendar year is transferred to sick leave. At termination, employees will be paid for unused annual leave but will not receive any pay or time off for unused sick leave. At retirement, an employee may choose to convert unused annual leave to sick leave or receive payment for unused annual leave. Unused sick leave at retirement will be credited to an employee's total service time for retirement benefit purposes. Annual leave earned but unused and the portion of sick leave determined more likely than not to be used for time off is accrued as a liability at June 30.

WSSC Water implemented GASB Statement 101 in fiscal year 2025 and started to accrue sick leave, personal leave, and sick leave bank balances as of June 30, the fiscal year end. Sick leave balance to exclude from accrual is determined based on the recognition and measurement criteria in GASB 101, i.e. "…leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences".

The historical average for converted sick leave hours for appropriate service years or the average forfeited sick leave hours for unvested employees are used to determine the number of sick leave hours to exclude from accrual and consequently the sick leave hours to accrue. Actual hours for both personal leave and sick leave bank balances are used in accrual calculation.

For sick leave and personal leave balance accrual, each employee's pay rate as of June 30 is used. For sick leave bank balance accrual, the average payroll rate as of June 30 is used.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Net Position

Capital assets, as defined above, net of related outstanding debt represent the largest portion of WSSC Water's net position, or net investment in capital assets.

Net position associated with unspent proceeds from system development charges (SDC) is restricted for growth construction.

Unrestricted net position is the residual amount not included in the other classifications.

Accounting Changes

GASB Statement No. 101, *Compensated Absences*, is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Management implemented this GASB statement in fiscal year 2025.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB Statement No. 102, *Certain Risk Disclosures*, defines a concentration or constraint that may limit a government's ability to acquire resources or control spending. It requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact, whether an event or event associated with a concentration or constraint have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued, A government is required to disclose information in notes to financial statements in sufficient detail if criteria for disclosure have been met for concentration or constraint. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management implemented this GASB statement in fiscal year 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*, intends to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues, including Management's Discussion and Analysis, Unusual or Infrequent Items, Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management implemented this GASB statement in fiscal year in fiscal year 2026 and as a result certain balance from the financial statements as of and for the year ended June 30, 2025 were reclassified to conform with GASB 103.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. This Statement requires that capital assets held for sale be evaluated each reporting period. The requirements of this Statement should be applied retroactively to all periods presented in the basic financial statements, if practicable. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter. Management implemented this GASB statement in fiscal year in fiscal year 2026.

GASB Statement No. 105, *Subsequent Events*, intends to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement requires subsequent events that that occur after the date of the financial statements but before the date the financial statements are available to be issued be disclosed. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Management is evaluating the impact of the pronouncement on its financial statements.

B. CASH AND INVESTMENTS

At June 30, 2026 and 2025, cash per WSSC Water's records amounted to $46.4 million and $38.4 million, respectively, and reported bank balances were $50.1 million and $39.9 million, respectively. All collected bank balance funds were secured by Federal depository insurance or by collateral held in WSSC Water's name under a tri-party collateral agreement with M&T and BNY Mellon.

WSSC Water's investment policy conforms to Maryland laws on the investment of public monies. Consequently, WSSC Water is authorized to invest in the investment types identified in the table below. The table also identifies certain provisions of the Maryland law or WSSC Water investment policy, which address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Government securities	1 year	None	None
Federal agency securities	1 year	None	None
Bankers' acceptances	6 months	None	20%
Collateralized repurchase agreements	1 year	None	20%
Commercial paper	1 year	5%	None
Certificates of deposit	1 year	None	20%
Money market investments		None	None

B. CASH AND INVESTMENTS (continued)

Any investment with a maturity in excess of 1 year must be approved by the Treasurer and will be limited to U.S. Government and Federal agency securities. The aggregated value of investments with any one bank or broker will not exceed 20% of the total investment portfolio at the time of investment, unless approved by the Investment Manager or WSSC Water Treasurer.

Custodial credit risk is the risk that, in the event of a failure of a financial institution, WSSC Water would not be able to recover deposits, the value of its investments, or collateral securities that are in the possession of an outside party. Maryland State law requires that collateral shall be maintained for all deposits and certificates of deposit with amounts in excess of Federal insurance coverage. State law also requires the securities collateralizing repurchase agreements have a market value of at least 102 percent of the principal of the investment plus accrued interest. There were no repurchase agreements at June 30, 2026 and 2025.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2026 and 2025, all of WSSC Water's investments had remaining maturities of 1 year or less.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. WSSC Water may invest in bankers' acceptances and commercial paper having a short-term rating of the highest letter and numerical rating issued by at least one nationally recognized statistical rating organization. WSSC Water does not have a formal policy for other investment types; however virtually all remaining investments are in, or collateralized by, Federal agency securities. Actual ratings as of June 30, 2026 and 2025 are presented below for each investment type.

Investments at June 30, 2026 (in thousands):

Investment Type	Credit Rating	Remaining Maturity	Cost	Fair Value
Certificates of deposit	FDIC Insured	1 year or less	$ 6,835	$ 7,060
Money market investments	Aaa	1 year or less	103,064	103,064
Commercial paper	A1+P1	1 year or less	19,447	19,593
U. S. Government treasury bonds and notes	Aaa	1 year or less	492,903	497,533
Insured demand deposit	FDIC Insured	1 year or less	2,017	2,017
Total Investments (includes $56,868 restricted for capital projects and $184,061 which is classified as non-current)			$ 624,266	$ 629,267

Investments at June 30, 2025 (in thousands):

Investment Type	Credit Rating	Remaining Maturity	Cost	Fair Value
Certificates of deposit	FDIC Insured	1 year or less	$ 13,068	$ 13,530
Money market investments	Aaa	1 year or less	21,071	21,071
Commercial paper	A1+P1	1 year or less	29,389	29,832
U. S. Government treasury bonds and notes	Aaa	1 year or less	520,565	527,861
Insured demand deposit	FDIC Insured	1 year or less	2,012	2,012
Total Investments (includes $59,731 restricted for capital projects and $142,320 which is classified as non-current)			$ 586,105	$ 594,306

B. CASH AND INVESTMENTS (continued)

Concentration of credit risk is the risk of loss due to the magnitude of WSSC Water's investment in the securities of any single issuer. The investment policy of WSSC Water contains no limitations on the amount that can be invested in any one issuer. Those that represent 5% or more of total investments are as follows (in thousands). Fiscal year 2025 money market investments, even though below 5%, is presented for comparison purpose:

Issuer	Investment Type	2026	2025
FHLB, FNMA, FHLMC	Federal agency securities	$ 497,533	$ 527,861
Nothern Trust	Money Market Investments	103,064	21,071

The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

WSSC Water categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The valuation technique uses a three level hierarchy of inputs to measure fair value. Investments classified in Level 1 within the fair value hierarchy are valued using prices quoted in active markets for identical assets. Level 2 investment valuations utilize inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. If fair value inputs are unobservable, the investments will be classified as Level 3.

Fair value measurements at June 30, 2026 (in thousands) using:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments by fair value level:				
Certificate of deposit	$ 7,060	$ -		$ 7,060
Commercial paper	-	19,593	-	19,593
Federal agency securities	-	497,533	-	497,533
Total investments by fair value level	$ 7,060	$ 517,126	$ -	524,186
Investments measured at cost -				
Short-term investment funds				103,064
Insured demand deposit				2,017
Total investments				$ 629,267

B. CASH AND INVESTMENTS (continued)

Fair value measurements at June 30, 2025 (in thousands) using:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments by fair value level:				
Certificate of deposit	$ 13,530	$ -	$ -	$ 13,530
Commercial paper	-	29,832	-	29,832
Federal agency securities	-	527,861	-	527,861
Total investments by fair value level	$ 13,530	$ 557,693	$ -	571,223
Investments measured at cost -				
Short-term investment funds				21,071
Insured demand deposit				2,012
Total investments				$ 594,306

C. RECEIVABLES

Receivables consisted of the following at June 30 (in thousands):

	2026	2025
Front foot benefit assessments accrued and billed	$ 2,275	$ 2,223
Water and sewer services unbilled	91,220	86,753
Water and sewer services billed	135,786	106,335
Miscellaneous	13,775	8,148
	243,056	203,459
Less allowance for doubtful accounts	(33,251)	(35,194)
Total receivables, net	$ 209,805	$ 168,265

Reserves roll forward for each receivable at June 30 (in thousands):

	Water & Sewer	Billed Work	Bay Restoration Fee	Front Foot Benefit & House Connection	Total
Beginning Balance	$ (32,570)	$ (1,103)	$ (1,502)	$ (19)	$ (35,194)
Increase	-	(72)			(72)
Decrease	1,653		359	3	2,015
Ending Balance	$ (30,917)	$ (1,175)	$ (1,143)	$ (16)	$ (33,251)

D. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and rights of way	$ 144,892	$ 2,889	$ -	$ 147,781
Construction in progress	1,617,468	491,254	(633,842)	1,474,881
Total capital assets not being depreciated	1,762,360	494,143	(633,842)	1,622,662
Capital assets being depreciated/amortized:				
Water supply	4,220,341	184,755	(6,333)	4,398,763
Sewage disposal	3,677,468	387,608	(18,539)	4,046,537
General construction	2,888,722	65,557	(5,533)	2,948,746
Intangible assets	1,848,256	51,429	(4,302)	1,895,383
Other	122,497	23,156	(1,115)	144,538
Total capital assets being depreciated/amortized	12,757,284	712,505	(35,822)	13,433,967
Less accumulated depreciation for/amortized for:				
Water supply	(1,160,945)	(62,143)	6,333	(1,216,755)
Sewage disposal	(1,192,490)	(81,705)	18,539	(1,255,656)
General construction	(1,646,787)	(59,833)	5,532	(1,701,088)
Intangible assets	(652,737)	(41,265)	4,302	(689,700)
Other	(101,550)	(5,112)	987	(105,675)
Total accumulated depreciation/amortization	(4,754,509)	(250,058)	35,693	(4,968,875)
Capital assets being depreciated/amortized, net	8,002,775	462,447	(130)	8,465,092
Total capital assets, net	$ 9,765,135	$ 956,590	$ (633,971)	$ 10,087,754

D. CAPITAL ASSETS (continued)

Capital asset activity for the year ended June 30, 2025 was as follows (in thousands):

	Beginning Balance	Increases		Decreases	Ending Balance
Capital assets not being depreciated:					
Land and rights of way	$ 143,343	$ 1,549		$ -	$ 144,892
Construction in progress	1,675,289	443,708	*	(501,529)	1,617,468
Total capital assets not being depreciated	1,818,632	445,257		(501,529)	1,762,360
Capital assets being depreciated/amortized:					
Water supply	4,023,190	197,278		(127)	4,220,341
Sewage disposal	3,407,862	270,327		(720)	3,677,469
General construction	2,834,000	56,463		(1,742)	2,888,721
Intangible assets	1,818,560	32,632		(2,936)	1,848,256
Other	112,363	11,913		(1,779)	122,497
Total capital assets being depreciated/amortized	12,195,975	568,613		(7,304)	12,757,284
Less accumulated depreciation for/amortized for:					
Water supply	(1,101,902)	(59,170)		127	(1,160,945)
Sewage disposal	(1,124,389)	(68,821)		720	(1,192,490)
General construction	(1,589,075)	(58,510)		798	(1,646,787)
Intangible assets	(611,367)	(44,306)		2,936	(652,737)
Other	(101,910)	(1,695)		2,055	(101,550)
Total accumulated depreciation/amortization	(4,528,643)	(232,502)		6,636	(4,754,509)
Capital assets being depreciated/amortized, net	7,667,332	336,111		(668)	8,002,775
Total capital assets, net	$ 9,485,964	$ 781,368		$ (502,197)	$ 9,765,135

*: CIP increase was adjusted to reflect the correct amount after GASB 101 restated amount was added to the fiscal year 2024 beginning balance as suggested by auditors.

D. CAPITAL ASSETS (continued)

Details of intangible capital asset activity for the year ended June 30, 2026 was as follows (in thousands):

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Intangible capital assets being amortized:				
Computer software	$ 52,067	$ 42	$ -	$ 52,109
Right to use assets (LEASE)	1,569	(5)	(504)	1,060
Right to use assets (SBITA)	23,460	1,814	(3,798)	21,476
Jennings Randolph purchased capacity	33,106	-	-	33,106
Blue Plains purchased capacity	1,785,491	50,976	-	1,836,467
Rockville contra purchased capacity	(75,123)	(2,799)	-	(77,922)
Mattawoman purchased capacity	18,780	1,381	-	20,161
Poolsville purchased capacity	2,004	20	-	2,024
WGL purchased capacity	6,902	-	-	6,902
Total intangible capital assets being amortized	1,848,256	51,429	(4,302)	1,895,383
Less accumulated amortization for:				
Computer software	(51,164)	(389)	-	(51,553)
Right to use assets (LEASE)	(789)	(279)	504	(564)
Right to use assets (SBITA)	(13,951)	(4,686)	3,798	(14,839)
Jennings Randolph purchased capacity	(7,373)	(220)	-	(7,593)
Blue Plains purchased capacity	(584,876)	(36,654)	-	(621,530)
Rockville contra purchased capacity	15,301	1,545	-	16,846
Mattawoman purchased capacity	(8,392)	(403)	-	(8,795)
Poolsville purchased capacity	(1,424)	(41)	-	(1,465)
WGL purchased capacity	(69)	(138)	-	(207)
Total accumulated amortization	(652,737)	(41,265)	4,302	(689,700)
Intangible capital assets being amortized, net	$ 1,195,519	$ 10,164	$ -	$ 1,205,683

D. CAPITAL ASSETS (continued)

Details of intangible capital asset activity for the year ended June 30, 2025 was as follows (in thousands):

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Intangible capital assets being amortized:				
Computer software	$ 51,763	$ 304	$ -	$ 52,067
Right to use assets (LEASE)	2,160	683	(1,274)	1,569
Right to use assets (SBITA)	18,621	6,501	(1,662)	23,460
Jennings Randolph purchased capacity	33,106	-	-	33,106
Blue Plains purchased capacity	1,766,188	19,303	-	1,785,491
Rockville contra purchased capacity	(74,062)	(1,061)	-	(75,123)
Mattawoman purchased capacity	18,780	-	-	18,780
Poolsville purchased capacity	2,004	-	-	2,004
WGL purchased capacity	-	6,902	-	6,902
Total intangible capital assets being amortized	1,818,560	32,632	(2,936)	1,848,256
Less accumulated amortization for:				
Computer software	(47,531)	(3,633)	-	(51,164)
Right to use assets (LEASE)	(1,755)	(308)	1,274	(789)
Right to use assets (SBITA)	(10,579)	(5,034)	1,662	(13,951)
Jennings Randolph purchased capacity	(7,153)	(220)	-	(7,373)
Blue Plains purchased capacity	(548,758)	(36,118)	-	(584,876)
Rockville contra purchased capacity	13,795	1,506	-	15,301
Mattawoman purchased capacity	(8,003)	(389)	-	(8,392)
Poolsville purchased capacity	(1,383)	(41)	-	(1,424)
WGL purchased capacity	-	(69)	-	(69)
Total accumulated amortization	(611,367)	(44,306)	2,936	(652,737)
Intangible capital assets being amortized, net	$ 1,207,193	$ (11,674)	$ -	$ 1,195,519

D. CAPITAL ASSETS (continued)

Purchased Software

Purchased software and related development stage costs of $0.04 million and $0.3 million were capitalized in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* in fiscal years 2026 and 2025, respectively. Costs of $1.0 million are included in the Construction in Progress balance as of June 30, 2026 and will commence amortization upon implementation of the software. Intangible software include the balance of costs placed in service, net of accumulated amortization, of $0.6 million and $0.9 million in fiscal 2026 and 2025, respectively.

Leased Assets

No additional lease assets were capitalized for fiscal year 2026. Leased assets of $0.7 million were capitalized for fiscal years 2025, as required by GASB Statement No. 87. Leased assets, net of accumulated amortization, were $0.5 million and $0.8 million in fiscal 2026 and 2025, respectively. For details, please see the section on Lessee Leases for WSSC Water in Note N.

SBITA Assets

SBITA assets of $1.8 million and $6.6 million were capitalized in fiscal years 2026 and 2025 respectively, as required by GASB Statement No. 96. SBITA assets, net of accumulated amortization, were $6.6 million and $9.5 million in fiscal 2026 and 2025, respectively. For details, please refer to Note O.

Purchased Capacity

Jennings Randolph

An intangible asset for purchased capacity has been established for WSSC Water's share of capital costs in the Jennings Randolph Reservoir (Bloomington Dam). The Reservoir provides backup and peak-day water supply to WSSC Water and is operated by the U.S. Army Corps of Engineers, Baltimore District. WSSC Water funds 50% of the capital costs, and intangible asset balances, net of accumulated amortization, of $25.5 million and $25.7 million, for fiscal years 2026 and 2025, respectively, are included above.

Mattawoman and Poolesville

WSSC Water participates in the funding of capital costs for the Mattawoman and Poolesville Wastewater Treatment Plants through agreements with Charles County and the Town of Poolesville, respectively. In exchange for this participation, WSSC Water obtains the right to discharge wastewater from the Washington Suburban Sanitary District into said facilities. Costs of $17.5 million are included in the Construction in Progress balance as of June 30, 2026 and will commence amortization when placed in service. Asset balances, net of accumulated amortization, totaling $11.9 million and $11.0 million, for fiscal years 2026 and 2025, respectively, are included in intangible assets above.

Blue Plains

The Commission, the District of Columbia (the District), the District of Columbia Water and Sewer Authority (DC Water), Fairfax County, Virginia, Montgomery County, Maryland, and Prince George's County, Maryland are "Parties" to a regional Intermunicipal Agreement (IMA) that provides for dedicated allocation of wastewater flow capacity for treatment at the Blue Plains facility in Washington DC. The *Blue Plains Intermunicipal Agreement of 1985 Equity Payment Study* and the subsequent equity payments required by the 1985 IMA reconciled all capital cost contributions for the Parties prior to 1987 and established a new baseline as of 1988 for calculating and allocating future capital costs associated with Blue Plains.

D. CAPITAL ASSETS (continued)

The 1985 IMA was replaced, effective April 3, 2013, by a new Blue Plains Intermunicipal Agreement of 2012 (the "2012 IMA"), which was executed by each of the original signatories to the 1985 IMA. The 2012 IMA provides for the allocation of capital, operating, and maintenance costs among the Parties. The parties have demonstrated their willingness to share in the burdens associated with the demands for regional wastewater collection and treatment and biosolids management. Capital costs of Blue Plains are allocated among the Parties in proportion to their respective capacity allocation of the wastewater treatment, collection, and conveyance facilities as defined in the 2012 IMA. Operating costs are allocated on a proportional basis, by the wastewater flows from each participant to the Blue Plains facilities. The Commission has a wastewater treatment capacity entitlement of 169.60 MGD, which is approximately 45.8% of the Plant's total capacity of 370 MGD.

An operating procedure was implemented for Multi-Jurisdictional Users Facilities' (MJUF) in fiscal year 2018. The procedure employs a new methodology to determine the allocated flow by users through the various facilities (such as pump stations and major conveyance pipelines through the District of Columbia) for O&M billing purposes. There was no change in the Blue Plains capital cost allocation as defined.

To address technical, policy and financial issues related to the 2012 IMA, the Parties may act at three different levels of authority: 1) the policy level, as an IMA signatory, 2) the administrative level, as a member of the Leadership Committee, and 3) the technical level, as a member of the Regional Committee. WSSC Water has representation at each of these levels.

If any participant's projected annual flow is anticipated to exceed its allocated flow capacity, the following options are available for consideration by the Regional and Leadership Committees, with participation from all of the Parties: 1) wastewater flow management adjustments, 2) modification of treatment processes at Blue Plains, 3) diversion of flows from the Blue Plains Service Area to other facilities, 4) sale or rental of excess capacity at Blue Plains between the Parties, and 5) expansion or addition of treatment and/or storage facilities. The rental or sale of allocated flow capacity shall be at the discretion of the Party which is providing the capacity for sale or rent, and the related Parties to the transaction will mutually agree on the cost basis.

The 2012 IMA remains in effect until amended, replaced or terminated by mutual consent of the Parties.

The Commission's capital investment in Blue Plains, under the 2012 IMA, is accounted for as an intangible asset and is amortized over the estimated useful lives of the underlying assets. Costs of $304.3 million are included in the Construction in Progress balance as of June 30, 2026 and will commence amortization when assets are placed in service. Asset balances, net of accumulated amortization, totaling $1,153.9 million and $1,140.8 million, for fiscal years 2026 and 2025, respectively, are included in intangible assets above.

The amount shown in the statements of revenues, expenses and changes in net assets for depreciation and amortization does not include depreciation of vehicles and equipment. Depreciation of these assets, $5.1 million in fiscal 2026 and $3.3 million in fiscal 2025, is classified with other related operating and maintenance costs.

Consent Decrees

A Consent Decree with the Environmental Protection Agency, the Department of Justice, the State of Maryland, and four environmental groups entered its fifteenth year. The Consent Decree formally identifies the remedial measures to eliminate and/or reduce sanitary sewer overflows. In fiscal year 2016, the U.S. District Court approved a six-year extension to the original term of the Consent Decree. The costs for each fiscal year are or will be included in WSSC Water's budget and six-year capital improvements program.

- Costs of the remedial measures are estimated at $1,675.1 million and are to be expended over at least 22 years, $19.3 million of which is expected to be incurred after fiscal year 2026. During the year ended June 30, 2026, the Commission incurred $17.2 million of costs related to the decree.

- Costs of the remedial measures are estimated at $1,675.2 million and are to be expended over at least 22 years, $36.6 million of which is expected to be incurred after fiscal year 2025. During the year ended June 30, 2025, the Commission incurred $23.8 million of costs related to the decree.

D. CAPITAL ASSETS (continued)

Under a Consent Decree executed by the District Court of Maryland on April 15, 2016, the Commission is required to undertake short-term operational changes and capital improvements at the Potomac Water Filtration Plant that will enable WSSC Water to reduce solids discharged to the river, and to plan, design and implement upgrades or new construction to achieve requirements established by MDE and incorporated in a new discharge permit. An Audit Report and Long-Term Upgrade Plan were submitted by WSSC Water for consideration by MDE on December 26, 2016. WSSC Water and its consultant prepared an Amended Long-Term Upgrade Plan to address deficiencies in the 2016 Plan and issues raised by MDE and Potomac Riverkeepers, Inc. in response to the Plan, which was submitted in September 2018. In April 2019, MDE responded by approving the proposed option which best satisfies the requirement of the Consent Decree. The work required to implement the Long-Term Capital Improvement Project(s) shall be fully implemented in accordance with the schedule in the Long-Term Upgrade Plan. The Commission shall be subject to lump-sum stipulated penalties for failure to implement Long-Term Capital Improvement Project(s) by January 1, 2027. The costs are included in WSSC Water's budget and capital improvements program.

- Costs for implementation of improvements are estimated at $225 million, $13 million of which is expected to be incurred after fiscal year 2026. During the year ended June 30, 2026, the commission incurred $25 million of costs.
- Costs for implementation of improvements are estimated at $225 million, $38 million of which is expected to be incurred after fiscal year 2025. During the year ended June 30, 2025, the commission incurred $54 million of costs.

Capital Assets Held for Sale (GASB Statement 104 Implementation)

Included in capital assets are Land and rights of way and Other assets that are held for sale. The other assets include fleet vehicles and equipment. The historical cost of the land held for sale was $0.1 million for the fiscal years ended 2026 and 2025. The historical cost of the other assets held for sale was $1.8 million and $1.5 million, with accumulated depreciation of $1.8 million and $1.5 million, in fiscal years 2026 and 2025, respectively. There are no assets pledged as collateral for debt. The sale of the capital assets is expected to be completed within one year

E. NOTE RECEIVABLE

On June 7, 2022, WSSC Water executed Addendum No. 1 to the 1987 Water Supply Agreement with the Commissioners of Charles County Maryland. This addendum added a second water interconnection between WSSC Water to the County and increased the daily supply from WSSC Water to Charles County.

The additional supply through the new interconnection will be available after WSSC Water completes Phase IV of the Clinton Zone Water Transmission Main Improvement Project. Per the Addendum, the County is required to reimburse WSSC Water for a share of the improvement project (Phases I, III and IV) to cover the cost of upsizing mains to convey the increased water demand for the County.

For the completed Phases I and III, the County had the option to reimburse WSSC Water $3,254,781 if paid in full by July 1, 2022, or in twenty annual installments commencing thereafter. For the installment payments, interest accrues at a rate of 3.49% with an annual payment of $230,422. Charles County has chosen the installment payment option. Note receivables were $2.6 and $2.8 million for fiscal years ended June 30, 2026 and 2025, respectively.

F. CAPITAL CONTRIBUTIONS

Capital contributions consisted of the following for the years ended June 30 (in thousands):

	2026	2025
System development charges	$ 24,297	$ 23,754
Developer fees	20,322	5,367
Federal and State grants	14,169	11,163
House connections	14,532	10,812
Land and rights of way	1,458	1,479
Other construction projects	31,941	29,669
Total	$ 106,719	$ 82,244

G. COMPENSATED ABSENCE LIABILITY

Compensated absence liability activity consisted of the following for the years ended June 30 (in thousands):

	2026	2025
Compensated absence liability – beginning of year	$ 54,219	$ 49,037
Increases (incurred)	25,076	16,568
Decreases	(14,146)	(11,386)
Compensated absence liability – end of year	$ 65,149	$ 54,219

H. DEPOSITS, UNEARNED REVENUE AND OTHER LONG-TERM LIABILITIES

Deposits, unearned revenue and other long-term liabilities, reflected as non-current liabilities on the Balance Sheet, consisted of the following at June 30 (in thousands):

	2026	2025
Unearned revenue for house connections	$ 8,646	$ 8,903
Unearned front foot benefit revenue	142	156
Construction deposits	2,046	1,678
House connection deposits	5,992	5,150
Other	4,216	4,432
Total	$ 21,042	$ 20,319

I. BONDS AND NOTES PAYABLE

Bonds and notes payable activity for the year ended June 30, 2026 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance	Current Maturities
Bonds and notes payable:					
Water supply - other	$ 1,969,431	$ 262,130	$ (100,034)	$ 2,131,527	$ 110,670
Water supply - direct placement	342	19,822	-	20,164	-
Sewage disposal - other	1,956,580	117,240	(105,263)	1,968,557	108,963
Sewage disposal - direct placement	336,702	11,103	(24,542)	323,263	25,438
General construction - other	100,022	-	(6,968)	93,054	7,107
General construction - direct placement	80	-	(5)	75	5
	4,363,157	410,295	(236,812)	4,536,640	252,183
Plus unamortized premium/discount	196,632	22,807	(18,891)	200,548	-
Total bonds and notes payable	$ 4,559,789	$ 433,102	$ (255,703)	$ 4,737,188	$ 252,183

Bonds and notes payable activity for the year ended June 30, 2025 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance	Current Maturities
Bonds and notes payable:					
Water supply - other	$ 1,889,554	$ 172,720	$ (92,843)	$ 1,969,431	$ 126,354
Water supply - direct placement	-	342	-	342	-
Sewage disposal - other	1,904,474	138,740	(86,634)	1,956,580	126,253
Sewage disposal - direct placement	328,627	34,211	(26,136)	336,702	24,542
General construction - other	113,088	-	(13,066)	100,022	6,964
General construction - direct placement	85	-	(5)	80	5
	4,235,829	346,012	(218,684)	4,363,157	284,118
Plus unamortized premium/discount	195,601	20,465	(19,434)	196,632	-
Total bonds and notes payable	$ 4,431,430	$ 366,477	$ (238,118)	$ 4,559,789	$ 284,118

The unamortized amounts above represent premiums received on outstanding debt issuances.

Bonds and notes payable accrue interest at rates ranging from 0.4% to 5.0%, with an effective interest rate of 3.50% at June 30, 2026. All bonds payable at June 30, 2026, exclusive of refunded bonds, are due serially through the year 2055. Generally, the bonds are callable at a premium after a specified number of years.

In February 2026, WSSC Water issued $379.4 million of Consolidated Public Improvement Bonds to fund new construction, rehabilitation and replacement of water and sewer infrastructure. Included in the issue was $28.5 million of Consolidated Public Improvement Bonds to allow investors to invest directly in bonds which finance environmentally beneficial projects (Green Projects).

I. BONDS AND NOTES PAYABLE (continued)

In February 2025, WSSC Water issued $311.5 million of Consolidated Public Improvement Bonds to fund new construction, rehabilitation and replacement of water and sewer infrastructure. Included in the issue was $28.3 million of Consolidated Public Improvement Bonds to allow investors to invest directly in bonds which finance environmentally beneficial projects (Green Projects).

Bonds and Notes payable by issue date, amount, maturity range, interest range, and balance as of June 30, 2026 and 2025 are detailed below:

BONDS AND NOTES PAYABLE

AS OF JUNE 30, 2026

(in thousands)

Consolidated Public Improvement Bonds	ISSUE DATE	AMOUNT ISSUED	MATURITY RANGE	INTEREST RATE RANGE	BALANCE JUNE 30, 2026
2012 Issue	11/15/2012	$ 250,000	2027-2032	3.000	$ 75,000
2015 Refunding	11/24/2015	145,325	2027-2028	2.650-3.000	21,975
2016 Issue	5/26/2016	145,000	2027-2046	3.000-5.000	112,760
2016 Issue (2nd Series)	12/1/2016	381,810	2027-2046	3.000-5.000	305,260
2017 Refunding	11/9/2017	220,180	2027-2032	3.000	118,790
2017 Issue	11/9/2017	459,250	2027-2047	3.000-5.000	378,360
2017 Refunding (2nd Series), (2019 CO)	12/13/2017	79,075	2027-2029	5.000	24,845
2018 Issue	12/20/2018	390,000	2027-2048	4.000-5.000	330,360
2019 Refunding	3/27/2019	39,340	2027-2029	2.000-5.000	2,920
2019 Issue	12/23/2019	233,565	2027-2049	3.000-5.000	197,280
2020 Refunding	3/11/2020	99,210	2027-2030	5.000	41,515
2020 Issue	9/23/2020	278,350	2027-2049	2.000-5.000	290,975
2021 Issue	10/13/2021	333,980	2027-2051	2.000-5.000	297,380
2022 Convertible Refunding (Series 2022A)	5/4/2022	120,487	2027-2044	2.450	101,045
2022 Convertible Refunding (Series 2022B)	5/4/2022	220,747	2027-2044	2.520	203,153
2022 Convertible Refunding (Series 2022C)	5/4/2022	249,999	2027-2045	2.700	230,687
2022 Convertible Refunding (Series 2022D)	5/4/2022	111,234	2027-2045	2.900	100,438
2023 Issue	2/28/2023	336,995	2027-2052	4.000-5.000	317,055
2024 Issue	2/22/2024	311,640	2027-2053	4.000-5.000	298,200
2025 Issue	2/20/2025	311,460	2027-2054	4.000-5.000	303,500
2026 Issue	2/19/2026	379,370	2027-2055	4.000-5.000	375,780
Total Public Improvement Bonds					**4,127,278**

BONDS AND NOTES PAYABLE (continued)

AS OF JUNE 30, 2026

(in thousands)

Consolidated Public Improvement Bonds	ISSUE DATE	AMOUNT ISSUED	MATURITY RANGE	INTEREST RATE RANGE	BALANCE JUNE 30, 2026
Maryland Water Quality Bonds					
WB WWTP Filter Upgrade	1/15/2009	4,957	2027-2028	1.000	567
WB & Seneca WWTP ENR & Facility Upgrade	2/24/2012	49,706	2027-2034	0.800	20,838
BP WWTP ENR Upgrade (Tunnel) & NDF	6/19/2012	125,000	2027-2034	0.800	54,946
BP WWTP NDF - CHP	2/27/2013	15,000	2027-2035	0.800	7,046
Potomac Vista Water System	8/29/2013	135	2027-2040	1.000	75
BP WWTP NDF - CHP (2nd Loan)	5/30/2014	15,000	2027-2035	1.000	7,120
BP WWTP NDF - CHP (3rd Loan)	4/14/2016	7,547	2027-2035	0.700	3,605
BP WWTP ENR Upgrade - ECF & TDPS	4/14/2016	53,824	2027-2037	1.400	32,411
Piscataway WWTP BE	6/13/2019	43,960	2027-2048	0.700	31,628
WSSC Sewer Basin Reconstruction Program - Loan 1 (Interim)	11/25/2020	150,175	2027-2031	0.400	33,223
Piscataway WWTP Bio Energy Project - Loan 2	4/23/2021	85,002	2027-2053	0.400	76,952
Piscataway WWTP Bio Energy Project - Loan 3	7/29/2022	15,000	2027-2052	0.080	13,201
Piscataway WWTP Bio Energy Project - Loan 4	5/26/2023	22,500	2027-2054	0.080	21,161
Piscataway WWTP Bio Energy Project - Loan 5	11/21/2024	21,000	2027-2054	1.900	19,938
Horizon Way Wtater Main Replacement (Interim)	6/26/2025	4,105	2027-2029	1.200	3,451
Powtant Street Water Main Replacement (Interrim)	11/18/2025	3,373	2027-2050	1.100	2,543
Montgomery Knolls Water Main Replacement (Interim)	12/18/2025	6,769	2027-2042	2.300	3,021
Parkwood Dr Water Main Replacement (Interim)	4/29/2026	6,036	2027-2038	2.300	1,560
Village in the Woods Water Main Replacement Interim)	4/29/2026	7,440	2027-2047	1.100	4,840
Newburg Dr Water Main Replacement (Interim)	4/29/2026	2,729	2027-2048	1.100	1,826
Karla Lane Water Main Replacement (Interim)	4/29/2026	1,777	2027-2049	1.100	1,246
WSSC Sewer Basin Reconstruction Program - Loan 2 (Interim)	6/30/2026	11,445	2027-2029	1.100	626
WSSC Water Lead Reduction Program (Interim)	6/30/2026	19,739	2027-2031	1.100	1,678
Total Maryland Water Quality Bonds					**343,502**
Jennings Randolph (Water Operating)	7/1/1982	5,739	1982-2031	3.253	**1,218**
Jennings Randolph (Water Operating)	7/1/1992	27,367	1992-2041	3.253	**13,742**
Total Bonds Outstanding					**4,485,740**
Notes					
Water					28,800
Sewer					22,100
Total Notes Outstanding					**50,900**
Premium/Discount					**200,548**
Grand Total					**$ 4,737,188**

BONDS AND NOTES PAYABLE
AS OF JUNE 30, 2025
(in thousands)

Consolidated Public Improvement Bonds	ISSUE DATE	AMOUNT ISSUED	MATURITY RANGE	INTEREST RATE RANGE	BALANCE JUNE 30, 2025
2012 Issue	11/15/2012	$ 250,000	2026-2032	3.000	$ 87,500
2013 Refunding	4/23/2013	53,585	2026	2.000-2.250	4,780
2015 Refunding	11/24/2015	145,325	2026-2028	2.650-3.000	34,915
2016 Issue	5/26/2016	145,000	2026-2046	3.000-5.000	116,725
2016 Issue (2nd Series)	12/1/2016	381,810	2026-2046	3.000-5.000	314,655
2017 Refunding	11/9/2017	220,180	2026-2032	3.000	141,735
2017 Issue	11/9/2017	459,250	2026-2047	3.000-5.000	389,455
2017 Refunding (2nd Series), (2019 CO)	12/13/2017	79,075	2026-2029	5.000	32,915
2018 Issue	12/20/2018	390,000	2026-2048	4.000-5.000	339,025
2019 Refunding	3/27/2019	39,340	2026-2029	2.000-5.000	3,830
2019 Issue	12/23/2019	233,565	2026-2049	3.000-5.000	202,505
2020 Refunding	3/11/2020	99,210	2026-2030	5.000	51,540
2020 Issue	9/23/2020	278,350	2026-2049	2.000-5.000	298,675
2021 Issue	10/13/2021	333,980	2026-2051	2.000-5.000	304,620
2022 Convertible Refunding (Series 2022A)	5/4/2022	120,487	2026-2044	2.450	107,182
2022 Convertible Refunding (Series 2022B)	5/4/2022	220,747	2026-2044	2.520	211,989
2022 Convertible Refunding (Series 2022C)	5/4/2022	249,999	2026-2045	2.700	239,595
2022 Convertible Refunding (Series 2022D)	5/4/2022	111,234	2026-2045	2.900	104,215
2023 Issue	2/28/2023	336,995	2026-2052	4.000-5.000	323,135
2024 Issue	2/22/2024	311,640	2026-2053	4.000-5.000	303,605
2025 Issue	2/20/2025	311,460	2026-2054	4.000-5.000	308,550
Total Public Improvement Bonds					**3,921,146**
Maryland Water Quality Bonds					
WB WWTP Filter Upgrade	1/15/2009	4,957	2026-2028	1.000	846
WB & Seneca WWTP ENR & Facility Upgrade	2/24/2012	49,706	2026-2034	0.800	23,350
BP WWTP ENR Upgrade (Tunnel) & NDF	6/19/2012	125,000	2026-2034	0.800	61,571
BP WWTP NDF - CHP	2/27/2013	15,000	2026-2035	0.800	7,799
Potomac Vista Water System	4/29/2013	135	2026-2040	1.000	80
BP WWTP NDF - CHP (2nd Loan)	5/30/2014	15,000	2026-2035	1.000	7,873
BP WWTP NDF - CHP (3rd Loan)	4/14/2016	7,547	2026-2035	0.700	4,012
BP WWTP ENR Upgrade - ECF & TDPS	4/14/2016	53,824	2026-2037	1.400	35,120
Piscataway WWTP BE	6/13/2019	43,960	2026-2048	0.700	32,997
WSSC Sewer Basin Reconstruction Program - Loan 1 (Interim)	11/25/2020	150,175	2026-2031	0.400	27,524
Piscataway WWTP Bio Energy Project - Loan 2	4/23/2021	85,002	2026-2053	0.400	79,646
Piscataway WWTP Bio Energy Project - Loan 3	7/29/2022	15,000	2026-2052	0.080	13,656
Piscataway WWTP Bio Energy Project - Loan 4	5/26/2023	22,500	2026-2054	0.080	21,833
Piscataway WWTP Bio Energy Project - Loan 5	11/21/2024	21,000	2026-2054	1.900	20,474
Horizon Way Wtater Main Replacement	6/26/2025	4,105	2026-2029	1.200	342
Total Maryland Water Quality Bonds					**337,123**
Jennings Randolph (Water Operating)	7/1/1982	5,739	1982-2031	3.253	**1,399**
Jennings Randolph (Water Operating)	7/1/1992	27,367	1992-2041	3.253	**14,389**
Total Bonds Outstanding					**4,274,057**
Notes					
General					-
Water					48,300
Sewer					40,800
Total Notes Outstanding					**89,100**
Premium/Discount					**196,632**
Grand Total					**$ 4,559,789**

I. BONDS AND NOTES PAYABLE (continued)

Bond and note maturities and interest thereon for the next five years and then in five-year increments after fiscal year 2030 are as follows (in thousands):

Year ended June 30	Principal Other Maturities	Principal Direct Placement Maturities	Interest Other Requirements	Interest Direct Placement Requirements
2027	$ 226,740	$ 25,443	$ 155,269	$ 2,685
2028	176,873	25,968	147,938	2,536
2029	172,576	26,561	140,556	2,327
2030	167,871	26,470	133,814	2,113
2031	162,115	26,666	126,822	1,899
2032-2036	734,983	96,133	543,050	6,540
2037-2041	850,078	39,033	399,466	3,787
2042-2046	942,386	36,030	235,830	2,339
2047-2051	566,892	29,375	94,064	1,050
2052-2055	192,625	11,823	16,004	142
Total	$ 4,193,139	$ 343,502	$ 1,992,814	$ 25,418

The Commission established a short-term Multi-Modal Bond Anticipation Note (BANs) Program in August 2003 for a period of 20 years. Over the years, there have been CUSIPs issued in a single series with two remarketing agents and one (1) liquidity facility as well as CUSIPs issued in two (2) series with two (2) remarketing agents and a liquidity facility for each.

The BANs program was due to fully mature in June 2024. As such, on May 30, 2024, the Commission executed a three-year maturity extension to extend the program through June 1, 2027. On the same date, the Commission fully redeemed the remaining Series "A" BANs in the aggregate principal amount of $53,650,000, and issued a new Series "A", single CUSIP in the same amount. The Series "A" CUSIP, remarketed by Barclays Capital and backed by TD Bank as the liquidity provider, will mature on June 1, 2027. The Commission also fully redeemed the remaining Series "B" BANs in the aggregate principal amount of $56,650,000, and issued a new Series "B", single CUSIP in the same amount. The Series "B" CUSIP, remarketed by Loop Capital and backed by TD Bank as the liquidity provider, will mature on June 1, 2027.

On June 26, 2026, the Commission completed a partial redemption of $8,200,000 as part of our normal annual amortization and an additional partial redemption of $30,000,000 from PAYGO, taking the aggregate balance from $89,100,000 to $50,900,000. Once the partial redemption was completed, the outstanding principal balance of the Series "A" BANs is $23,300,000 and the outstanding principal balance of the Series "B" BANs is $27,600,000.

The interest rate reset mode will remain in daily mode given the current market. Barclays and Loop remarket the BANs daily and provide a daily email no later than 11:00AM. The Commission still pays the interest monthly.

The Notes are treated as bonds, and as such, are expected to be amortized over a 20-year term. However, because these Notes are callable, the entire $50.9 million has been included in current maturities (fiscal 2027 principal maturities), and an estimated $1.8 million has been included in the fiscal 2027 interest requirements. Additional estimated interest requirements at prevailing rates through 2036 on these Notes, assuming future redemption from proceeds of bonds, would total $9.0 million.

I. BONDS AND NOTES PAYABLE (continued)

Since November 1989, WSSC Water has participated in a loan program established by the State of Maryland to loan money to Maryland municipalities for local water and sewer projects. The program, known as the Maryland Water Quality Revolving Loan Fund, is designed to offer these municipalities loans at reduced interest rates. According to GASB Statement No. 88, the Maryland Water Quality Revolving Loan Fund is a direct placement bond. As of June 30, 2026, WSSC Water borrowed $671.5 million from the program. The total principal balance outstanding as of June 30, 2026 and 2025 was $343.5 million and $337.1 million, respectively. WSSC Water does not have assets that are pledged as collateral for the loan, however, WSSC Water has authority to assess an ad valorem tax to pay debt service if necessary. There has not been any event of default or termination on the Maryland Water Quality Revolving Loan.

Proceeds of notes payable to the Federal government were used to make improvements to the Jennings Randolph Reservoir for backup and peak-day water supply. The note payable accrues interest at 3.25% and balances outstanding at June 30, 2026 and 2025 were $15.0 million and $15.8 million, respectively.

WSSC Water is in compliance with all terms of its debt agreements at June 30, 2026 and 2025.

J. BOND REFUNDINGS

WSSC Water sells refunding bonds, thereby defeasing outstanding bonds, to reduce total debt service payments over the remaining life of the refunded bonds and to obtain an economic gain (difference between the present value of the old and new debt service payments) from the transactions.

The refunded bonds continue to be general obligations of WSSC Water until redeemed or called. However, the net proceeds of the refunding bonds are applied toward the purchase of U.S. Government obligations (held in escrow) with maturities and interest sufficient to meet debt service and call premiums, if any, on the refunded bonds. The holders of the refunded bonds have first lien on all assets held in escrow. There is no refunded bonds outstanding at both June 30, 2026 and 2025.

WSSC Water did not sell refunding bonds in FY26 or FY25.

Refunded bonds are considered to be defeased and the liability is not reflected in the financial statements. There are no defeased but not redeemed bonds as of June 30, 2026.

Effective July 1, 1993, WSSC Water adopted GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. GASB No. 23 requires deferral of the difference between the reacquisition price and the carrying amount of the old debt. The difference is reported in the accompanying financial statements as a deferred inflow of resources and is being amortized to interest on bonds and notes through the year 2045 using the proportionate-to-stated interest method. Amortization totaling (-$0.9) million and (-$0.9) million in fiscal 2026 and 2025, respectively, was recorded as an interest adjustment on bonds and notes payable in the accompanying statements of revenues, expenses and changes in net position.

In accordance with GASB 65, deferred amounts from debt refundings are now illustrated as Deferred Outflows or Inflows of Resources on the Balance Sheet.

K. RETIREMENT PLAN

Plan Description

The Washington Suburban Sanitary Commission Employees' Retirement Plan (the Plan), a single employer contributory defined benefit retirement plan, was established in 1967 to provide retirement and death benefits for the employees of the Washington Suburban Sanitary Commission (WSSC Water) under conditions set forth in the Plan Document based on an employee's age, length of service, and compensation. The Retirement Plan Document is amended from time to time, with the Plan last amended on April 17, 2019. The Plan may be amended by Commission resolution or by the Executive Director on behalf of the Commission.

K. RETIREMENT PLAN (continued)

WSSC Water implemented the Open Version of the Plan on July 1, 1978. Members of the Plan as of June 30, 1978 had an option to be included in the Open Version. This option expired December 31, 1978. The Open Version is mandatory for new employees. It generally provides for reduced employee contributions and benefits.

As of December 31, 2025, and 2024, there were 1,845 and 1,749 employees, respectively, participating in the Open Version of the Plan, and 2 and 3 employees, respectively, participating in the Closed Version of the Plan, a total of 1,847 and 1,752 employee participants, respectively.

As of December 31, 2025, and 2024, there were 1,717 and 1,718 retirees and/or beneficiaries, respectively, receiving benefits from the Plan, and there were 173 and 171 terminated vested employees, respectively, not yet receiving benefits. Eleven and eleven employees retired in fiscal years 2025 and 2024, respectively, and began receiving benefits in subsequent fiscal years.

Actuarial studies are performed at least once every two years as of June 30th and the measurement date for the net pension liability is December 31st.

Contributions

WSSC Water funds annual pension plan costs based upon a level percentage of payroll costs. WSSC Water's contribution, which was paid in lump sum at the beginning of July 2026 and 2025, amounted to $33.3 and $27.6 million, respectively.

Pension Benefits

The Plan provides for 100% vesting of retirement benefits after five years of credited service.

Generally, the normal retirement benefits payable to an eligible participant are equal to the sum of:

1. 2.1% of final average monthly compensation multiplied by the Closed Version credited service, plus

2. 1.4% of final average monthly compensation multiplied by the Open Version credited service where the sum of Closed Version credited service and Open Version credited service, exclusive of accumulated sick leave service is subject to a maximum of 36 years.

The Plan provides options for disability and early retirement to eligible participants or their surviving spouses.

The Plan provides for periodic cost of living increases to retirement benefits. Participants covered by the Closed Version will receive an increase two months following a sustained increase in the Consumer Price Index of 3% or more. Participants in the Open Version receive an increase each March 1, based on the preceding calendar year's increase in the Consumer Price Index. The first increase may be pro-rated depending on the time of retirement.

K. RETIREMENT PLAN (continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, using the following actuarial assumptions, applied to all periods included in the measurement:

	2025	2024
Inflation/Cost of Living Increase	2.50%	2.50%
Salary Increase	2.75% to 7.50%, including inflation	2.75% to 7.50%, including inflation
Investment Return	7.00%, net of investment expense and including inflation	7.00%, net of investment expense and including inflation

The mortality rates were based on the Pub-2010(B) Mortality Tables for Males and Females, projected on a generational using Scale SSA. A 109% adjustment factor is applied to female mortality rates.

The actuarial assumptions used were based on the results of an actuarial experience analysis covering 2015 through 2020.

Further details on all assumptions are provided in the valuation report and 2015-2020 experience study report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2025, and the final investment return assumption, are summarized in the following table:

	Approximate Portfolio Allocation	Long Term Expected Real Rate of Return
Asset class:		
US Equity	42.00%	5.90%
Non-U.S. Equity	19.00%	6.25%
U.S. Fixed Income	32.00%	2.70%
Real Estate	7.00%	4.45%
Total Weighted Average Real Return	100.00%	4.84%
Plus Inflation		2.50%
Total Return without Adjustment		7.34%
Risk Adjustment		-0.34%
Total Expected Return		7.00%

K. RETIREMENT PLAN (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Other Key Actuarial Assumptions

The other key actuarial assumptions that determined the total pension liability as of December 31, 2025 and 2024 included:

Valuation date	June 30, 2025	June 30, 2024
Measurement date	December 31, 2025	December 31, 2024
Inflation	2.50%	2.50%
Salary increased including inflation	2.75% to 7.50%	2.75% to 7.50%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.00% for each of 2025 and 2024, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate (in thousands).

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability - 2025	$ 273,759	$ 149,806	$ 43,942
Net Pension Liability - 2024	$ 318,241	$ 198,583	$ 96,596

K. RETIREMENT PLAN (continued)

Changes in the Net Pension Liability

Changes in the Net Pension Liability for the year ended December 31, 2025 were as follows (in thousands):

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances at 12/31/24	$ 1,139,309	$ 940,726	$ 198,583
Changes for the year:			
Service cost	15,331	-	15,331
Interest	78,037	-	78,037
Differences between expected and actual experience	19,244	-	19,244
Changes in assumptions	-	-	-
Contributions – employer	-	33,315	(33,315)
Contributions – employee	-	6,691	(6,691)
Net investment income	-	123,300	(123,300)
Benefit payments, including refunds of employee contributions	(81,036)	(81,036)	-
Administrative expense*	-	(1,917)	1,917
Net change	31,576	80,353	(48,777)
Balances at 12/31/25	$ 1,170,885	$ 1,021,079	$ 149,806
Plan's fiduciary net position as a percentage of the total pension liability	87.21%		

K. RETIREMENT PLAN (continued)

Changes in the Net Pension Liability for the year ended December 31, 2024 were as follows (in thousands):

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/23	$ 1,106,445	$ 902,939	$ 203,506
Changes for the year:			
Service cost	13,108	-	13,108
Interest	75,608	-	75,608
Differences between expected and actual experience	24,388	-	24,388
Changes in assumptions	-	-	-
Contributions – employer	-	27,637	(27,637)
Contributions – employee	-	5,660	(5,660)
Net investment income	-	86,432	(86,432)
Benefit payments, including refunds of employee contributions	(80,240)	(80,240)	-
Administrative expense*	-	(1,702)	1,702
Net change	32,864	37,787	(4,923)
Balances at 12/31/24	$ 1,139,309	$ 940,726	$ 198,583
Plan's fiduciary net position as a percentage of the total pension liability	82.57%		

Pension Expense

For the years ended June 30, 2026 and 2025, WSSC Water recognized pension expense as follows (in thousands):

	2026	2025
Pension cost distributions:		
Operating	$ 46,867	$ 42,541
Capital	(2,786)	4,315
Total pension expense	$ 44,081	$ 46,856

K. RETIREMENT PLAN (continued)

Deferred Outflows (Inflows) of Resources

Deferred outflows of resources and deferred inflows of resources related to pensions were reported for the years ended June 30, 2026 and 2025 from the following sources (in thousands):

Changes in assumptions	$ -	$ 3,746
Differences between expected and actual experience	45,091	45,517
Net difference between projected and actual earnings on pension plan investments	-	83,942
Deferred Outflows	$ 45,091	$ 133,205
Deferred Inflows		
Difference between projected and actual earnings on pension plan investments	$ 46,299	$ 74,868
Deferred Inflows	$ 46,299	$ 74,868

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year ended June 30	Amortization
2027	$31,394
2028	(18,530)
2029	(8,693)
2030	(8,586)
2031	3,207

Historical trend information showing the Plan's progress is presented in the Plan's December 31, 2025 comprehensive annual financial report, which can be requested from WSSC Water's offices.

Retirement Restoration Plan

Effective July 1, 1995, WSSC Water established the Washington Suburban Sanitary Commission Employees' Retirement Restoration Plan (the Restoration Plan), a non-qualified plan. The purpose of the Restoration Plan is to restore most of the benefits foregone by participants in the WSSC Water Employees' Retirement Plan when such benefits are limited by the maximum benefit provisions of Section 415 of the Internal Revenue Code. During fiscal years 2026 and 2025, the Restoration Plan paid benefits totaling $32,000 and $30,000, respectively.

L. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

Post-employment benefits are provided under a set of personnel policies (herein referred to, collectively, as the "OPEB Plan"). The OPEB Plan and its underlying trust, a single employer defined benefit plan, was established in 2007 to provide life insurance, healthcare and prescription drug benefits for OPEB Plan participants and beneficiaries of the WSSC Water under conditions set forth in the Trust Agreement, including the payment of reasonable administrative expenses. WSSC Water employees are eligible to continue group insurance coverage after retirement provided that retiring employees have had coverage in effect for two years prior to retirement.

As of December 31, 2025, and 2024, there were 1,847 and 1,752 active employees, respectively, and 1,717 and 1,718 retirees, respectively. WSSC Water has the right to amend the Trust Fund Agreement.

Actuarial studies are performed at least once every two years as of June 30th and the measurement date for the net OPEB liability is December 31st.

Member and Employer Contributions

WSSC Water contributes to the OPEB Plan as it deems appropriate. WSSC Water initially elected to phase-in payments to the Trust over a five-year period, such that 20% of the difference between the annual required contribution and total cash expenses (funded on a "Pay-as-you-go" basis) would be funded in fiscal year 2007 and 40% of this difference would be funded in fiscal year 2008. During the third year (2009) of the phase in, WSSC Water elected to phase-in this difference over an eight- year period, which ended in 2014. WSSC Water made cash contributions of $5.4 million each for the years ending December 31, 2025 and 2024.

The OPEB Plan recognizes revenues and expenditures for third-party payments made by WSSC Water related to benefits payments and administrative expenses. Accordingly, the OPEB Plan has included "on behalf" payments made by WSSC Water during the years 2025 and 2024 of $20.8 million and $17.3 million, respectively.

"On-behalf" payments by Water WSSC Water made subsequent to the measurement dates of December 31, 2025 and 2024 are reported as deferred outflows of contributions at June 30, 2026 and 2025 totaling $15.4 million and $12.8 million, respectively.

OPEB Benefits

The OPEB Plan pays 70-80% of the full premium for medical and prescription drug coverage for eligible participants and qualified dependents. In addition, employees who retired in 1982 and after are eligible for life insurance benefits. The amount of retiree life insurance coverage begins at 85% of the employee's salary as of the day immediately prior to retirement, and decreases over a four-year period, until coverage equals either 25% of that salary or $5,000, whichever is greater.

OPEB Plan Termination

In the event of the OPEB Plan termination, assets shall be allocated for the payment of benefits and administrative expenses in accordance with the OPEB Plan and Trust Agreement.

L. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%	
Salary Increase	3.00%	(for Entry Age cost method)
Investment return	7.00%	net of investment expense and including inflation

Healthcare cost trends

Year	UHC POS (Pre-65)	UHC EPO/HMO (Pre-65)	Medicare Plus/Supplement
2025	5.50%	5.50%	4.00%
2026	5.25%	5.25%	4.00%
2027	5.00%	5.00%	4.00%
2028	4.75%	4.75%	4.00%
2029	4.50%	4.50%	4.00%
2030	4.25%	4.25%	4.00%
2031+	4.00%	4.25%	4.00%

Mortality rates were based on the Pub-2010G (below median) headcount-weighted Mortality Tables, for Males and Females, projected generationally using Scale SSA. The Pub-2010G Disabled tables were used for the valuation of disabled lives, projected generationally using Scale SSA. A 109% factor is applied to female rates. The actuarial assumptions used in the July 1, 2025 valuation were based on the results of an actuarial experience analysis in 2021, covering 2015 through 2020.

There were no changes in actuarial assumptions during fiscal year 2025 or fiscal year 2024.

Further details on assumptions are provided in the valuation report.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. Best estimates of real rates of return for each major asset class included in the OPEB plan's target asset allocation as of December 31, 2025, and the final investment return assumption, are summarized in the following tables:

L. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

	Portfolio Allocation	Long Term Expected Real Rate of Return
Asset class:		
Domestic Equity	38%	5.90%
International Equity	24%	6.25%
Real Estate	5%	4.40%
U.S. Fixed Income - Investment	33%	2.70%
Total Weighted Average Real Return	100.00%	4.85%
Plus Inflation		2.50%
Total Return without Adjustment		7.35%
Risk Adjustment		-0.35%
Total Expected Return		7.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made equal to the pay-as-you-go cost, plus $5 million into the OPEB Trust or the full Actuarially Determined Employer Contribution, once benefits are paid from the trust. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of WSSC Water, calculated using the discount rate of 7.00%, as well as what WSSC Water's net OPEB liability would be if it were calculated using rates that are 1.00% lower or 1.00% higher than the current rate (in thousands).

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net OPEB Liability (Asset) - 2025	$ 23,811	$ (8,724)	$ (35,768)
Net OPEB Liability - 2024	44,119	14,207	(10,684)

L. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trends

The following presents the net OPEB liability of WSSC Water, calculated using the trend assumptions below, as well as what WSSC Water's net OPEB liability would be if it were calculated using rates that are 1.00% lower or 1.00% higher than the current rates (in thousands).

	1% Decrease 3.0% - 3.5%	Current Trend 4.0% - 4.5%	1% Increase 5.0% - 5.5%
Net OPEB Liability (Asset) - 2025	$ (35,855)	$ (8,724)	$ 24,290
Net OPEB Liability - 2024	(10,614)	14,207	44,324

Other Key Actuarial Assumptions

The other key actuarial assumptions that determined the total OPEB liability as of December 31, 2025 and 2024 included:

Valuation date	July 1, 2025	July 1, 2023
Measurement date	December 31, 2025	December 31, 2024
Inflation	2.50%	2.50%

L. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Changes in the Net OPEB Liability

Changes in the Net OPEB Liability for the year ended December 31, 2025 were as follows (in thousands):

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at 12/31/24	$ 254,199	$ 239,992	$ 14,207
Changes for the year:			
Service cost	3,440	-	3,440
Interest	17,500	-	17,500
Contributions – employer, including benefits paid	-	20,973	(20,973)
Contributions – retiree	-	5,208	(5,208)
Difference between expected and actual experience	14,872	-	14,872
Net investment income	-	37,771	(37,771)
Benefit payments, including refunds of employee contributions	(15,546)	(20,754)	5,208
Net change	20,266	43,198	(22,932)
Balances at 12/31/25	$ 274,465	$ 283,190	$ (8,725)
Plan's fiduciary net position as a percentage of the total OPEB liability	103.18%		

L. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Changes in the Net OPEB Liability for the year ended December 31, 2024 were as follows (in thousands):

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at 12/31/23	$ 246,222	$ 209,488	$ 36,734
Changes for the year:			
Service cost	3,340	-	3,340
Interest	17,042	-	17,042
Contributions – employer, including benefits paid	-	17,830	(17,830)
Contributions – retiree	-	4,920	(4,920)
Difference between expected and actual experience	-	-	-
Net investment income	-	25,079	(25,079)
Benefit payments, including refunds of employee contributions	(12,405)	(17,325)	4,920
Net change	7,977	30,504	(22,527)
Balances at 12/31/24	$ 254,199	$ 239,992	$ 14,207
Plan's fiduciary net position as a percentage of the total OPEB liability	94.41%		

OPEB Expense

For the years ended June 30, 2026 and 2025, WSSC Water recognized OPEB expense as follows (in thousands):

	2026	2025
OPEB cost distributions:		
Operating	$ (1,475)	$ (1,419)
Capital	(321)	(863)
Total OPEB expense	$ (1,796)	$ (2,282)

L. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Deferred Outflows (Inflows) of Resources

Deferred outflows of resources and deferred inflows of resources related to OPEB were reported for the years ended June 30, 2026 and 2025 from the following sources (in thousands):

Deferred Outflows	2026	2025
Contributions made subsequent to the measurement date	$ 15,391	$ 12,829
Changes in actuarial assumptions	936	1,871
Net difference between projected and actual earnings on plan investments		3,103
Deferred Outflows	$ 16,327	$ 17,803
Deferred Inflows		
Net difference between expected and actual experience	$ 4,231	$ 25,756
Net difference between projected and actual earnings on plan investments	17,473	-
Deferred Inflows	$ 21,704	$ 25,756

Contributions made subsequent to the measurement date will be recognized as expense in the next year. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year ended June 30	Amortization
2027	($3,879)
2028	(10,205)
2029	(7,480)
2030	(1,683)
2031	2,479

Historical trend information showing the Plan's progress is presented in the Plan's December 31, 2024 comprehensive annual financial report, which can be requested from WSSC Water's offices.

M. DEFERRED COMPENSATION PLAN

WSSC Water offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan, available to all employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All of the assets of the deferred compensation plan are held in a trust for the exclusive benefit of participants and beneficiaries. Participants' rights under the plan are equal to the fair market value of the deferred account for each participant.

N. LEASES

Determination of Discount Rate – Incremental Borrowing Rate

GASB Statement No. 87 requires that the future lease payments be discounted. If there is no stated rate (or if the stated rate is not the rate the lessor charges the lessee) and the implicit rate cannot be determined, the lessor may presume (unless there is persuasive evidence to the contrary) that it is recovering its cost associated with interest cost and use the lessor's own incremental borrowing rate as the discount rate. WSSC Water uses the most recent five-year average of the general obligation bond yields, adjusted from triple A rating to double A rating to reflect the rate for commercial borrowing.

Lease Term Reassessment

Per GASB Statement No. 87, paragraph 15b, lessees and lessors should reassess the lease term if the lessee or lessor elects not to exercise an option even though it was previously determined that it was reasonably certain that the lessee or lessor would exercise that option. Therefore, the lessees or lessors should reassess the lease term at the end of the first reporting period and subsequent reporting periods, as applicable. WSSC Water reassesses lessor leases when they have reached the end of the maximum non-cancellable periods and neither the lessor (WSSC Water) nor the lessee has given notice to exercise the cancellation option. Leases with 18 months maximum non-cancellable term are reassessed at the beginning of each fiscal year. Lease and lease interest receivables, deferred inflow of resources, and the prior year unearned lease revenues are adjusted accordingly in the reassessment.

Lease Capitalization Threshold

In paragraph B99 of GASB Statement No. 87, GASB views capitalization policies as methods to operationalize materiality; that is, those policies allow governments to specify amounts that they consider to be significant, individually or in the aggregate. GASB believes that a policy similar to those that establish capitalization thresholds could be used for leases. WSSC Water's capitalization threshold for leases in the aggregate, by lease terms or underlying assets, is $100,000, the same threshold for other fixed capital assets.

Lessor Leases for WSSC Water

WSSC Water has 64 and 66 long-term lessor leases for the year ended June 30, 2026 and June 30, 2025, respectively. They are contracts that convey the control of the right to use WSSC Water's properties (mostly water towers) to telecommunication companies to set up the antennas for a period of more than one year. The maximum possible contracts (terms) of the leases range from 20 to 30 years, with options to renew every five years. The lease terms (maximum non-cancellable periods) for lease capitalization and amortization range from 18 months to 30 years. Most of the lessor leases are paid annually and the lease years generally are not in sync with fiscal years. Therefore, annual lease payments are prorated for the lease terms and unearned revenues need to be accounted for.

Lessee Leases for WSSC Water

WSSC Water has two lessee leases for the year ended June 30, 2026, one property lease contract and one service lease contract embedded with equipment (printer). For the year ended June 30, 2025, there were four lessee leases, three property lease contracts and one service contract embedded with equipment (printer) lease. The expected future minimum principal payments for the years ending June 30, 2027, 2028, 2029 and 2030 are $131,000, $137,000, $144,000 and $100,000, respectively.

O. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

Determination of Discount Rate – Incremental Borrowing Rate

WSSC Water uses the same incremental borrowing rate for SBITAs as for leases. The rate is based on the most recent five-year average of general obligation bond yields, adjusted from a triple -A rating to a double -A rating to reflect WSSC water's commercial borrowing rate.

O. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (continued)

SBITA Capitalization Threshold

WSSC Water's capitalization threshold for SBITA is $100,000 in the aggregate, by subscription term, the same threshold for leases and other fixed capital assets.

SBITA for WSSC Water

WSSC Water has 21 and 30 capitalizable SBITA contracts for the years ended June 30, 2026 and 2025, respectively. Subsequent SBITA payable for the years ended June 30, 2027 and 2028 are $2.6 million and $2.3 million, respectively.

P. COMMITMENTS AND CONTINGENCIES

Construction expenditures for fiscal 2027 are not expected to exceed $770.3 million, after excluding the portion that will be funded by capital contributions. Commitments in connection with this construction program approximated $344.0 million at June 30, 2026.

For fiscal years 2026 and 2025, the Commission paid $57.8 million and $46.6 million, respectively, to fund its share of construction costs under the regional Blue Plains Intermunicipal Agreement of 2012. The Commission estimates its share of the construction costs over the next six years to be $862.1 million, of which $128.4 million is expected to be incurred in fiscal year 2027 and the balance over fiscal years 2028 to 2032. In addition, for fiscal years 2026 and 2025, the Commission made total payments of $84.7 million and $76.4 million, respectively, to DC Water for its share of operating and maintenance costs.

WSSC Water receives several federal and state grants. The grant funds expended are subject to compliance audits by the grantors.

WSSC Water is involved in judicial and administrative proceedings. These actions include personal injury, property damage, personnel and environmental claims, and various claims filed by contractors against WSSC Water for cost overruns on construction contracts. While the outcomes of these matters are uncertain, management is not aware of any claims outstanding that will have a material adverse effect on the financial position or changes in net position of WSSC Water.

WSSC Water purchases insurance on its property (structures, contents, boiler and machinery, etc.) for physical damages where it has been determined that a reasonable amount of exposure exists. In addition, WSSC Water is self-insured for workers' compensation in accordance with the statutory requirements of the State of Maryland. The workers' compensation accrued liability includes an estimate for claims incurred but not yet reported to the claims administrator. WSSC Water also maintains crime and terrorism insurance and fiduciary liability policies having various self-insured retention levels. Claims have not exceeded policy limits in the past three years. WSSC Water also carries insurance for other risks of loss.

WSSC Water is self-insured for all public liability. Each year, funds are budgeted for normal claims. However, should the past loss experience change, or should a catastrophic loss occur in excess of applicable insurance coverage, funds for such loss or losses would have to be obtained from ad valorem taxation or other sources of revenue since a self-insurance fund has not been established.

General liability and workers' compensation claim activity consisted of the following at June 30 (in thousands):

	2026	2025
Claim liability - beginning of year	$ 8,419	$ 6,928
Claims estimate adjustments	(2,410)	1,491
Claim liability - end of year	$ 6,009	$ 8,419

This liability is included in the accounts payable and accrued liabilities in the SNP.

Q. NOTES TO THE FIDUCARY FINANCIAL STATEMENTS OF PENSION AND OPEB

Statements of Fiduciary Net Position for Pension and OPEB

The Statements of Fiduciary Net Position for pension and OPEB as of December 31, 2025 are provided below (in thousands):

	Pension	OPEB	Total
ASSETS			
Cash and cash equivalents (Note P)	$ 2,050	$ 58	$ 2,109
Collateral received under securities lending agreements (Note P)	52,323	-	52,323
Investment at fair value (Note P):			
Mutual funds	541,274	283,131	824,405
Commingled funds	169,435	-	169,435
U.S. Government and agency bonds	103,656	-	103,656
Corporate bonds	49,503	-	49,503
Common stock	76,425	-	76,425
Investment contracts with insurance company	78,901	-	78,901
Limited partnership units	20	-	20
Total Investments	1,019,213	283,131	1,302,344
Dividends and accrued interest receivable	1,313	-	1,313
Contributions receivable from employees	414	-	414
Total Assets	1,075,313	283,190	1,358,503
LIABILITIES			
Payable for collateral received under securities lending agreements (Note P)	52,323	-	52,323
Benefits payable and accrued expenses	1,912	-	1,912
Total Liabilities	54,235	-	54,235
NET POSITION			
Restricted for pension and OPEB	$ 1,021,078	$ 283,190	$ 1,304,268

Q. NOTES TO THE FIDUCARY FINANCIAL STATEMENTS OF PENSION AND OPEB (continued)

The Statements of Fiduciary Net Position for pension and OPEB as of December 31, 2024 are provided below (in thousands):

	Pension	OPEB	Total
ASSETS			
Cash and cash equivalents (Note P)	$ 9,308	$ 45	$ 9,353
Collateral received under securities lending agreements (Note P)	41,926	-	41,926
Investment at fair value (Note P):			
Mutual funds	475,709	239,947	715,656
Commingled funds	167,949	-	167,949
U.S. Government and agency bonds	103,570	-	103,570
Corporate bonds	38,996	-	38,996
Common stock	67,867	-	67,867
Investment contracts with insurance company	77,386	-	77,386
Limited partnership units	20	-	20
Total Investments	931,497	239,947	1,171,444
Dividends and accrued interest receivable	1,246	-	1,246
Contributions receivable from employees	405	-	405
Total Assets	984,382	239,992	1,224,374
LIABILITIES			
Payable for collateral received under securities lending agreements (Note P)	41,926	-	41,926
Benefits payable and accrued expenses	1,730	-	1,730
Total Liabilities	43,656	-	43,656
NET POSITION			
Restricted for pension and OPEB	$ 940,726	$ 239,992	$ 1,180,718

Q. NOTES TO THE FIDUCARY FINANCIAL STATEMENTS OF PENSION AND OPEB (continued)

Statements of Changes in Fiduciary Net Position for Pension and OPEB

The Statements of Changes in Fiduciary Net Position for pension and OPEB as of December 31, 2025 are provided below (in thousands):

	Pension	OPEB	Total
ADDITIONS			
Investment Income:			
Net appreciation in the fair value of plan investments	$ 100,143	$ 20,696	$ 120,840
Dividends and interest	26,801	17,140	43,941
	126,945	37,836	164,781
Less investment expenses	(3,645)	(65)	(3,710)
Net investment income	123,300	37,771	161,071
Contributions:			
WSSC Water Contributions	33,314	5,426	38,740
Employee Contributions	6,691	-	6,691
WSSC Water on-behalf contributory	-	15,547	15,547
Retiree Contributions	-	5,207	5,207
Total Contributions	40,005	26,180	66,185
Total Additions	163,305	63,951	227,256
DEDUCTIONS			
Benefit payments to retirees and refund	81,036	20,754	101,790
Administrative expense	1,917	-	1,917
Total Deductions	82,953	20,754	103,707
INCREASE IN NET POSITION	80,353	43,197	123,550
NET POSITION RESTRICTED FOR PENSION AND OPEB BEGINNING OF YEAR	940,726	239,992	1,180,718
NET POSITION RESTRICTED FOR PENSION AND OPEB END OF YEAR	$ 1,021,078	$ 283,190	$ 1,304,268

Q. NOTES TO THE FIDUCARY FINANCIAL STATEMENTS OF PENSION AND OPEB (continued)

The Statements of Changes in Fiduciary Net Position for pension and OPEB as of December 31, 2024 are provided below (in thousands):

	Pension	OPEB	Total
ADDITIONS			
Investment Income:			
Net appreciation in the fair value of plan investments	$ 66,540	$ 14,597	$ 81,137
Dividends and interest	24,019	10,547	34,566
	90,559	25,144	115,703
Less investment expenses	(4,127)	(65)	(4,192)
Net investment income	86,432	25,079	111,511
Contributions:			
WSSC Water Contributions	27,637	5,425	33,062
Employee Contributions	5,660	-	5,660
WSSC Water on-behalf contributory	-	12,405	12,405
Retiree Contributions	-	4,920	4,920
Total Contributions	33,297	22,750	56,047
Total Additions	119,729	47,829	167,558
DEDUCTIONS			
Benefit payments to retirees and refund	80,240	17,325	97,565
Administrative expense	1,702	-	1,702
Total Deductions	81,942	17,325	99,267
INCREASE IN NET POSITION	37,787	30,504	68,291
NET POSITION RESTRICTED FOR PENSION AND OPEB BEGINNING OF YEAR	902,939	209,488	1,112,427
NET POSITION RESTRICTED FOR PENSION AND OPEB END OF YEAR	$ 940,726	$ 239,992	$ 1,180,718

Cash and Cash Equivalents (in thousands)

Both Pension and OPEB plans consider all cash and highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents for the Pension Plan consisted of short-term investments funds of $2,050 and $9,308 as of December 31, 2025 and 2024 respectively. The cash and cash equivalents for the OPEB Plan were $58 and $45 as if December 31, 2025 and 2024 respectively.

Security Lending (in thousands)

The Board of Trustees permits the (Pension) Plan to lend its securities to broker-dealers and other entities (the “Borrowers”) for collateral that will be returned for the same securities in the future. The Plan’s custodian is the agent in lending the Plan’s securities for collateral of 102 percent for domestic securities and 105 percent for international securities. The custodian receives cash, securities or irrevocable bank letters of credit as collateral. All securities loans can be terminated on demand by either the Plan or the Borrowers. Cash collateral

Q. NOTES TO THE FIDUCARY FINANCIAL STATEMENTS OF PENSION AND OPEB (continued)

received from the Borrowers is invested by the lending agent, as an agent for the Plan, in a short-term investment pool in the name of the Plan, with guidelines approved by the Board. Such investments are considered a collateralized investment pool. The relationship between the maturities of the investment pool and the Plan's loans is affected by the maturities of securities made by other plan entities that invest cash collateral in the investment pool, and which the Plan cannot determine. The Plan records a liability for the return of the cash collateral shown as collateral held for securities lending in the Statements of Plan Net Position. The Board does not restrict the amount of loans the lending agent may make on its behalf. The agent indemnifies the Plan by agreeing to purchase replacement securities, or return the cash collateral thereof, in the event a Borrower fails to return loaned securities or pay distributions thereon.

As of December 31, 2025, and 2024, the fair value of securities on loan was $51.1 million and $41.0 million, respectively. Cash received as collateral and the related liability of $52,3 million and $41,9 million as of December 31, 2025 and 2024 are shown on the Statements of Plan Net Position. Securities received as collateral are not reported as assets since the Plan does not have the ability to pledge or sell the collateral securities.

Securities lending revenues and expenses both amounting to $2,4 million for December 31, 2025 and $2.9 million and $3.0 million each for December 31, 2024, have been classified with investment income and investment expenses, respectively, in the accompanying financial statements.

The following represents the balances relating to the securities lending transactions as of December 31 (in thousands):

	2025		2024	
	Fair Value of Underlying Securities	Cash Collateral Investment Value	Fair Value of Underlying Securities	Cash Collateral Investment Value
Securities Loaned for Cash Collateral				
Corporate Bonds	$ 10,747	$ 11,051	$ 14,056	$ 14,387
Common Stock	1,008	1,040	310	317
U. S. Government & Agency Bonds	39,337	40,232	26,598	27,222
Total	$ 51,092	$ 52,323	$ 40,964	$ 41,926

The plan is fully indemnified by its custodial bank against any losses incurred as a result of Borrower default.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2025 and 2024, there were no funds held by a counterparty that was acting as the Plan's agent in securities lending transactions.

Investments

The Plans categorize fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The valuation technique uses a three-level hierarchy of inputs to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Q. NOTES TO THE FIDUCARY FINANCIAL STATEMENTS OF PENSION AND OPEB (continued)

These classifications are summarized as follows:

- *Level 1 Inputs*: Quoted prices (unadjusted) for identical assets or liabilities in active markets that a reporting entity can access at the measurement date.
- *Level 2 Inputs*: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- *Level 3 Inputs*: Unobservable inputs for an asset or liability.

The (Pension) Plan holds investment contracts with Empower/Prudential Financial. The fair value of these contracts is determined based on the fair value of the underlying pooled assets and is an estimate only and not the result of a precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year. It does not constitute an offer by Empower/Prudential Financial or a final experience adjustment.

For the OPEB Plan, in the event that inputs used to measure the fair value of an asset or liability fall into different levels in the fair value hierarchy, the overall level of the fair value hierarchy in its entirety is determined based on the lowest level input that is significant to the entire valuation. These levels are not necessarily an indication of risk but are based upon the pricing transparency of the investment.

Fair value of certain investments that do not have a readily determinable fair value is established using net assets value (or its equivalent) as a practical expedient. These investments are not categorized according to the fair value hierarchy.

Net appreciation (depreciation) in the fair value of investments reflected in the Statement of Changes in Fiduciary Net Position includes realized gains and losses on investments that were sold during the year and unrealized appreciation (depreciation) in the fair value of investments.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Q. NOTES TO THE FIDUCARY FINANCIAL STATEMENTS OF PENSION AND OPEB (continued)

The Plans have the following fair value measurements as of December 31, 2025 and 2024 (in thousands):

	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Balance as of December 31, 2025
Investments by fair value level:				
Fixed Income Securities:				
Government and Agency Bonds				
Domestic Bonds	$ -	$ 103,656	$ -	$ 103,656
Corporate Bonds and Securities				
Domestic Bonds and Securities	-	43,342	-	43,342
International Bonds and Securities	-	6,161	-	6,161
US Common Stock:				
U.S. Stock	72,882	-	-	72,882
International Stock	-	3,543	-	3,543
Mutual Funds:				
U.S. Equity Funds	631,644	-	-	631,644
Non-U.S. Equity Funds	-	192,761	-	192,761
Unlimited partnership units	-	20	-	20
	$ 704,526	$ 349,483	$ -	1,054,009
Investments carried at the net asset value (NAV):				
Commingled funds				169,434
Stable Value funds				78,901
				$ 1,302,344

Q. NOTES TO THE FIDUCARY FINANCIAL STATEMENTS OF PENSION AND OPEB (continued)

	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Balance as of December 31, 2024
Investments by fair value level:				
Fixed Income Securities:				
Government and Agency Bonds				
Domestic Bonds	$ -	$ 103,383	$ -	$ 103,383
International Bonds		187		187
Corporate Bonds and Securities				
Domestic Bonds and Securities	-	31,565	-	31,565
International Bonds and Securities	-	7,431	-	7,431
US Common Stock:				
U.S. Stock	66,233	-	-	66,233
International Stock	-	1,634	-	1,634
Mutual Funds:				
U.S. Equity Funds	563,786	-	-	563,786
Non-U.S. Equity Funds	-	151,870	-	151,870
Unlimited partnership units	-	20	-	20
	$ 630,019	$ 296,090	$ -	926,109
Investments carried at the net asset value (NAV):				
Commingled funds				167,949
Stable Value funds				77,386
				$ 1,171,444

WSSC Water pays the administrative expenses of the pension Plan, other than investment management and consulting fees. WSSC Water is reimbursed by the Plan for the paid administrative expenses. As of December 31, 2025, and 2024, the Plan reimbursed WSSC Water $1,917 and $1,702, respectively, for paid administrative expenses.

Financial Statements

The financial statements for pension and OPEB plans are issued separately.

WASHINGTON SUBURBAN SANITARY COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SCHEDULE A-1

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 15,330,975	$ 13,108,249	$ 11,749,472	$ 11,802,308	$ 12,356,027	$ 12,537,197	$ 11,958,124	$ 11,557,550	$ 10,744,773	$ 10,576,413
Interest on total pension liability	78,036,508	75,607,816	73,906,894	70,850,182	69,865,901	67,260,129	66,286,257	65,379,327	63,199,825	61,935,402
Effect of plan changes	-	-	-	-	-	-	-	-	-	-
Effect of assumption changes or inputs	-	-	-	-	-	22,472,183	-	-	-	-
Differences between expected and actual experience	19,244,093	24,388,121	16,169,087	36,881,868	3,463,213	2,389,307	(1,762,139)	16,447,791	3,474,382	(10,448,960)
Benefit payments, including refunds	(81,035,729)	(80,240,350)	(77,575,414)	(74,111,603)	(68,130,068)	(66,403,809)	(63,732,796)	(61,533,446)	(58,642,039)	(57,554,539)
Net change in total pension liability	31,575,847	32,863,836	24,250,039	45,422,755	17,555,073	38,255,007	12,749,446	31,851,222	18,776,941	4,508,316
Total pension liability, beginning of the year	1,139,308,860	1,106,445,024	1,082,194,985	1,036,772,230	1,019,217,157	980,962,150	968,212,704	936,361,482	917,584,541	913,076,225
Total pension liability, end of the year	1,170,884,707	1,139,308,860	1,106,445,024	1,082,194,985	1,036,772,230	1,019,217,157	980,962,150	968,212,704	936,361,482	917,584,541
Plan Fiduciary Net Pension										
Employer contributions*	33,313,879	27,636,781	27,623,278	27,437,417	38,242,914	16,412,238	26,524,110	25,479,895	24,193,214	22,606,529
Member contributions	6,691,383	5,660,021	5,000,633	4,913,386	4,680,969	4,928,727	4,945,638	4,150,303	5,290,757	4,213,793
Investment income, net of investment expenses	123,300,016	86,432,441	121,707,781	(140,513,619)	140,452,522	82,671,915	151,804,808	(60,337,268)	118,185,475	61,852,141
Benefit payments, including refunds	(81,035,729)	(80,240,350)	(77,575,414)	(74,111,603)	(68,130,068)	(66,403,809)	(63,732,796)	(61,533,446)	(58,642,039)	(57,554,539)
Administrative expenses	(1,916,545)	(1,701,970)	(2,412,611)	(1,221,424)	(759,672)	(692,384)	(438,993)	-	-	-
Net change in plan fiduciary net position	80,353,004	37,786,923	74,343,667	(183,495,843)	114,486,665	36,916,687	119,102,767	(92,240,516)	89,027,407	31,117,924
Plan fiduciary net position, beginning of year	940,725,708	902,938,785	828,595,118	1,012,090,961	897,604,296	860,687,609	741,584,842	833,825,358	744,797,951	713,680,027
Plan fiduciary net position, end of year	1,021,078,712	940,725,708	902,938,785	828,595,118	1,012,090,961	897,604,296	860,687,609	741,584,842	833,825,358	744,797,951
Net pension liability, beginning of year	198,583,152	203,506,239	253,599,867	24,681,269	121,612,861	120,274,541	226,627,862	102,536,124	172,786,590	199,396,198
Net pension liability, end of year	$ 149,805,995	$ 198,583,152	$ 203,506,239	$ 253,599,867	$ 24,681,269	$ 121,612,861	$ 120,274,541	$ 226,627,862	$ 102,536,124	$ 172,786,590
Plan fiduciary net position as a percentage of total pension liability	87.2%	82.6%	81.6%	76.6%	97.6%	88.1%	87.7%	76.6%	89.0%	81.2%
Covered payroll	$ 197,123,544	$ 163,531,249	$ 163,451,349	$ 162,351,580	$ 157,298,504	$ 156,959,534	$ 156,947,396	$ 150,768,609	$ 143,155,101	$ 133,766,444
Plan's net pension liability as a percentage of covered payroll	76.0%	121.4%	124.5%	156.2%	15.7%	77.5%	76.6%	150.3%	71.6%	129.2%

This schedule is presented to illustrate the requirement to show information for 10 years. The Plan presents information for available years and additional years will be displayed as they become available.

*CY2020 Employer contribution only represents 60% the fiscal year contribution which is to be made over 10 months.
*CY2021 Employer contribution represents 40% the FY21 fiscal year contribution and 100% of FY22 fiscal year contribution.

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit changes: - There have been no changes in benefit assumptions since the implementation of GASB 67 and 68.

Changes in assumptions - There were several changes in actuarial assumptions since the prior year, including rates of mortality, retirement, and termination; as well as inflation, salary increases, and investment return.

WASHINGTON SUBURBAN SANITARY COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
SCHEDULE A-2

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2016	$ 18,393,733	$ 22,606,529	$ (4,212,796)	$ 133,766,444	16.9%
2017	18,591,764	24,193,214	(5,601,450)	143,155,112	16.9%
2018	18,232,265	25,479,895	(7,247,630)	150,768,609	16.9%
2019	21,183,914	26,524,110	(5,340,196)	156,947,396	16.9%
2020*	21,718,200	16,412,238	5,305,962	156,959,534	10.5%
2021*	26,140,256	38,242,914	(12,102,658)	157,298,504	24.3%
2022	23,112,103	27,437,417	(4,325,314)	162,351,580	16.9%
2023	25,596,030	27,623,278	(2,027,248)	163,451,349	16.9%
2024	27,996,550	27,636,781	359,769	163,531,249	16.9%
2025	33,156,180	33,313,879	(157,699)	197,123,544	16.9%

Notes to Schedule of Contributions:

Valuation date:

Actuarially determined contribution rates are calculated as of July 1st of the fiscal year in which the contributions are reported. WSSC's policy is to complete an actuarial study at least once every two years.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (funding valuation uses a fixed rate of contribution)
Inflation/Cost of Living Increase	2.50%
Salary increases	2.75 to 7.50 % including inflation
Investment rate of return	7.0% net of pension plan investment expenses, including inflation
Retirement age	Table of rates by age and eligibility
Mortality	Mortality rates were based on the Pub-2010(B) Tables for Males or Females, projected on a generational using Scale SSA. A 109% adjustment factor is applied to mortality rates. The actuarial assumptions used in the June valuation were based on the results of the actuarial analysis covering 2015 through 2020. There were no changes in actuarial assumptions since the prior year.

*CY2020 Employer contribution only represents 60% the fiscal year contribution which is to be made over 10 months.
*CY 2021 Actual Contribution includes $10,920,960 CY2020 remaining amount.

WASHINGTON SUBURBAN SANITARY COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
SCHEDULE A-3

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability										
Service cost	$ 3,440,394	$ 3,340,188	$ 3,242,901	$ 3,148,448	$ 3,056,746	$ 2,967,715	$ 2,881,277	$ 2,797,356	$ 2,715,880	$ 2,852,227
Interest on total OPEB liability	17,499,865	17,042,495	17,915,710	17,232,009	18,405,760	17,725,182	17,269,181	16,658,625	16,104,693	15,302,770
Effect of plan changes	-	-	-	-	-	-	-	-	-	-
Effect of assumption changes or inputs	-	-	-	-	5,613,063	-	-	-	-	-
Differences between expected and actual experience	14,871,833	-	(22,476,011)	-	(32,317,251)	-	(3,009,670)	-	4,927,026	-
Benefit payments, including refunds	(15,546,535)	(12,404,679)	(10,142,354)	(11,254,342)	(11,969,356)	(10,179,669)	(11,228,441)	(10,420,568)	(11,586,194)	(11,348,096)
Net change in total OPEB liability	20,265,557	7,978,004	(11,459,754)	9,126,115	(17,211,038)	10,513,228	5,912,347	9,035,413	12,161,405	6,806,901
Total OPEB liability, beginning of the year	254,199,472	246,221,468	257,681,222	248,555,107	265,766,145	255,252,917	249,340,570	240,305,157	228,143,752	221,336,851
Total OPEB liability, end of the year	274,465,029	254,199,472	246,221,468	257,681,222	248,555,107	265,766,145	255,252,917	249,340,570	240,305,157	228,143,752
Plan Fiduciary Net Pension										
Employer contributions, including benefits paid	20,972,535	17,830,177	15,567,852	16,673,142	19,555,681	13,430,956	16,647,253	20,420,568	21,586,194	21,348,096
Member contributions	5,207,319	4,920,559	4,878,627	4,775,444	4,687,415	4,547,856	4,487,388	4,339,559	4,168,418	3,967,312
Investment income, net of investment expenses	37,771,111	25,078,997	26,239,393	(38,927,858)	23,224,511	26,745,868	25,343,322	(8,690,017)	14,247,468	8,362,666
Benefit payments, including refunds	(20,753,854)	(17,325,238)	(15,020,981)	(16,029,786)	(16,656,771)	(14,727,525)	(15,715,829)	(14,760,127)	(15,754,612)	(15,315,408)
Administrative expenses	-	-	-	-	-	-	(50,000)	(43,750)	(20,000)	-
Net change in plan fiduciary net position	43,197,111	30,504,495	31,664,891	(33,509,058)	30,810,836	29,997,155	30,712,134	1,266,233	24,227,468	18,362,666
Plan fiduciary net position, beginning of year	239,992,390	209,487,895	177,823,004	211,332,062	180,521,226	150,524,071	119,811,937	118,545,704	94,318,236	75,955,570
Plan fiduciary net position, end of year	283,189,501	239,992,390	209,487,895	177,823,004	211,332,062	180,521,226	150,524,071	119,811,937	118,545,704	94,318,236
Net OPEB liability, beginning of year	14,207,082	36,733,573	79,858,218	37,223,045	85,244,919	104,728,846	129,528,633	121,759,453	133,825,516	145,381,281
Net OPEB liability, end of year	$ (8,724,472)	$ 14,207,082	$ 36,733,573	$ 79,858,218	$ 37,223,045	$ 85,244,919	$ 104,728,846	$ 129,528,633	$ 121,759,453	$ 133,825,516
Plan fiduciary net position as a percentage of total OPEB liability	103.2%	94.4%	85.1%	69.0%	85.0%	67.9%	59.0%	48.1%	49.3%	41.3%
Covered employee payroll	175,389,573	$ 143,711,194	$ 123,487,611	$ 118,239,104	$ 132,434,758	$ 135,906,251	$ 138,548,098	$ 132,955,474	$ 124,331,306	$ 122,144,339
Net OPEB liability as a percentage of covered employee payroll	-5.0%	9.9%	29.7%	67.5%	28.1%	62.7%	75.6%	97.4%	97.9%	109.6%

This schedule is presented to illustrate the requirement to show information for 10 years. The OPEB Plan presents information for available years and additional years will be displayed as they become available.

WASHINGTON SUBURBAN SANITARY COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
SCHEDULE A-4

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2016	$ 14,960,787	$ 21,348,096	$ (6,387,309)	$ 122,144,339	17.5%
2017	14,960,787	21,586,194	(6,625,407)	124,331,306	17.4%
2018	14,004,405	20,420,568	(6,416,163)	132,955,474	15.4%
2019	14,094,584	16,647,253	(2,552,669)	138,548,098	12.0%
2020	13,157,686	13,430,956	(273,270)	135,906,251	9.9%
2021	13,150,740	19,555,681	(6,404,941)	132,434,758	14.8%
2022	7,567,555	16,673,142	(9,105,587)	118,239,104	14.1%
2023	7,858,891	15,567,852	(7,708,961)	123,487,611	12.6%
2024	7,967,962	17,830,177	(9,862,215)	143,711,194	12.4%
2025	8,645,926	20,972,535	(12,326,609)	175,389,573	12.0%

Notes to Schedule of Contributions:

Valuation date:

Actuarially determined contribution rates are calculated as of July 1st of the fiscal year in which the contributions are reported. WSSC's policy is to complete an actuarial study at least once every two years.

Methods and assumptions used to determine contribution rates:

Inflation	2.50%
Salary Increase	3% (for Entry Age cost method)
Investment rate of return	7%, net of investment expense and including inflation
Asset valuations methodology	Assets are based on market value
Retirement age	Table of rates by age and eligibility
Mortality	Mortality rates were based on the Pub2010G (below headcount-weighted Mortality Table for Males or Females, projected generationally using Scale SSA. The Pub2010G Disabled tables were used for the valuation of disabled lives, projected generationally using Scale SSA. A109% is applied female rates. The actuarial assumptions used in the July 1, valuation were based on the results of the actuarial analysis in 2021, covering 2015 through 2020. There were no changes in actuarial assumptions during 2025.

Healthcare cost trend rates	UHC POS (Pre-65)	UHC EPO/HMO (Pre-65)	Medicare Plus/Supplement
2025	5.50%	5.50%	4.00%
2026	5.25%	5.25%	4.00%
2027	5.00%	5.00%	4.00%
2028	4.75%	4.75%	4.00%
2029	4.50%	4.50%	4.00%
2030	4.25%	4.25%	4.00%
2031+	4.00%	4.25%	4.00%

WASHINGTON SUBURBAN SANITARY COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF INVESTMENT RETURNS - PENSION
SCHEDULE A-5

Year Ended December 31	Net Money-Weighted Rate of Return (%)
2016	9.5 %
2017	16.2 %
2018	(7.4) %
2019	20.9 %
2020	9.9 %
2021	15.9 %
2022	(14.2) %
2023	15.1 %
2024	9.8 %
2025	13.4 %

This schedule is presented to illustrate the requirement to show information for 10 years.

WASHINGTON SUBURBAN SANITARY COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF INVESTMENT RETURNS - OPEB
SCHEDULE A-6

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	15.60%	11.84%	14.57%	-18.20%	12.60%	17.60%	20.8%	-7.1%	14.5%	10.4%

APPENDIX B

SELECTED INFORMATION RESPECTING MONTGOMERY COUNTY AND PRINCE GEORGE'S COUNTY

MONTGOMERY COUNTY

This Annual Information Statement ("AIS"), dated January 16, 2026, is prepared by Montgomery County, Maryland ("the County"), to provide, as of this date, certain general information concerning the County and its operations. Included is information on 1) County Officials, 2) Statistical Highlights, 3) County Organization and Services, 4) Demographic and Economic Information and 5) Selected Budget and Financial Information.

The information presented in this AIS document is based on the most recent available information unless otherwise specified. This information was obtained from the County and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and the publication of this Statement shall not, under any circumstances create any implication that there is no change in the affairs of the County or in any other information contained herein, since the date hereof. The distribution of this AIS document by the County does not in any way imply that the County has obligated itself to update the information herein or any information referenced herein.

The presentation of information is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or operations of the County. No representation is made that past experiences, as might be shown by such financial and other information, will necessarily continue or be repeated in the future. Any statements in this document involving matters of opinion, expectation, or estimates, whether or not expressly so stated, are set forth as such and are not representations of fact, and no representation is made that any of the estimates will be realized.

This AIS document should be read together with the County's FY25 Annual Comprehensive Financial Report (ACFR), the FY25 Popular Annual Financial Report (PAFR) and the FY25 Debt Service Book which are located at the following links:

- FY25 Annual Comprehensive Financial Report (ACFR)
  https://www.montgomerycountymd.gov/Finance/Resources/Files/data/financial/acfr/FY2025_ACFR.pdf
- FY25 Popular Annual Financial Report (PAFR)
  https://www.montgomerycountymd.gov/Finance/Resources/Files/data/financial/pafr/FY2025_PAFR.pdf
- FY25 Debt Service Book
  https://www.montgomerycountymd.gov/Finance/Resources/Files/FY2025%20Debt%20Service%20Book.pdf

Questions regarding information in the AIS should be directed to Michael Coveyou, Director of Finance, Montgomery County, Maryland, 101 Monroe Street, Isiah "Ike" Leggett Executive Office Building (LEOB), 15th Floor, Rockville, Maryland 20850, Telephone: (240) 777-8860.

STATISTICAL HIGHLIGHTS

Debt as of June 30, 2025 (including 2025, Series A, GO Bonds issued in November 2025)

General Obligation Bonds and BANs Outstanding (Net Direct Debt)	$3.48 billion
Total Assessed Value	$233.47 billion
Ratio of Net Direct Debt to Assessed Value	1.49%
Direct Debt (incl. Revenue Bonds)	$3.66 billion
Direct Debt to Assessed Value	1.57%
Net Direct & Overlapping Debt	$3.58 billion
Ratio of Net Direct & Overlapping Debt to Assessed Value	1.54%

Budgets

Approved FY26 Operating Budget	$7.6 billion
Approved FY25-30 Capital Improvements Program (Excludes WSSC Water)	$6.0 billion

FY25 Major Revenues and June 30, 2025 Fund Balances

Total General Fund Revenues	$4.5 billion
Income Tax	$2.2 billion
Property Tax (General Fund)	$1.6 billion
Transfer and Recordation Tax (General Fund)	$156.2 million
Other Taxes	$269.8 million
Revenue Stabilization Fund Balance (RSF)	$686.0 million
General Fund Balance (includes RSF)	$1.3 billion

Demographics*

Population 2024	1,082,273
Households 2024	389,161
Median Age 2025 (est.)	41 years old
Montgomery County Public School Pre-K-12 FY25 Enrollment	159,182

Employment*

Private Sector 2024	367,114
Public Sector 2024	95,184
Unemployment Rate 2024	2.7%
Personal Income 2024	$110.6 billion
Per Capita Income 2024	$102,230
Average Household Income 2024	$284,300

General Obligation Bond Ratings 2025

Moody's Investors Service, Inc.	Aaa
S&P Global Ratings	AAA
Fitch Ratings	AAA

*Provided in calendar years.

COUNTY ORGANIZATION AND SERVICES

Montgomery County, Maryland (County) is a charter government under the constitution and general laws of the State of Maryland (State). The Charter provided for separate legislative and executive branches with legislative responsibility vested in an elected eleven-member County Council and executive responsibility vested in an elected County Executive. The Montgomery County Charter requires the County to be divided into seven Council districts for the purpose of electing seven district members and four at-large members of the Council. This requirement was effective for the 2022 election, and the County Council now consists of eleven members, including seven district members and four at-large member.

The Executive Branch implements and enforces Montgomery County's laws and provides executive direction to the government. There are over 30 executive branch departments and agencies that help to deliver services to county residents. The County provides its residents with services in areas of general government, public safety, public works and transportation, health and human services, education, culture and recreation, community development and housing and the environment.

For the sole purpose of providing more detailed information on Executive Branch departments, County Agencies, and Legislative Branches, including an Organizational Chart, the reader may view the County's website at the following link:
https://montgomerycountymd.gov/government/aboutCountyGovernment.html

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DEMOGRAPHIC AND ECONOMIC INFORMATION

The population of the County, according to the Bureau of the Census, was 1,082,273 for calendar year 2024. The County's total personal income reached $110.6 billion in 2024, with per capita income of $102,230, estimated based on County projections. Estimated average household income was $284,300 in 2024. The estimated median age for County residents for 2025 was 41 years old.

The County's economic structure reveals a diversified economy with a strong service sector. According to U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, the private sector employed 367,114 for 2024, nearly 80% of the workforce. Montgomery County is home to 32 federal facilities including the National Institutes of Health, the National Institute of Standards and Technology, and the Food and Drug Administration. Total employment of 95,184 was reported in the public sector in 2024. The unemployment rate was reported at 2.7% for 2024, according to the Bureau of Labor Statistics.

The County promotes new investments throughout the County, including its Central Business Districts in Silver Spring, Wheaton, Bethesda, and Friendship Heights, which are centers for major business activities and medium density to high-density residential development in close proximity to existing Metrorail stations. The County has two active special taxing districts: West Germantown and White Flint. In these special districts, the County has provided financing, refinancing, or reimbursement for the cost of infrastructure improvements necessary for the development of land in areas of the County with high priority for new development or redevelopment. The County is considering the establishment of its first Tax Increment Finance (TIF) Development District to support the development of the 280- acre VIVA White Oak project, a planned mixed-use development that will include residential, retail/restaurants, commercial uses, as well as biomedical/biotech labs, offices, and research and development facilities, with a focus on the life sciences and BioHealth industries.

The County also fosters partnerships with academia, the federal research community, and various levels of government to pursue innovative projects. In 2023, the University of Maryland Institute for Health Computing (IHC) opened its preliminary campus location in North Bethesda, a transformative partnership with the University of Maryland Medical System (UMMS), Montgomery County, and collaborators from the Universities at Shady Grove and the University of Maryland, Baltimore County to leverage recent advances in artificial intelligence and machine learning to create a premier learning health care system. The IHC will be an anchor tenant at the redevelopment of the North Bethesda Metro site. Furthermore, the County engages in public-private partnership projects to revitalize the County's town centers and provide strategic redevelopment opportunities throughout the County.

The County provides additional support to existing and prospective businesses, including assistance with permit expediting and targeted programs and services to assist small businesses in navigating the County's processes. To encourage business attraction and growth, Montgomery County Government offers eleven separate Economic Development Fund (EDF) incentive programs. These programs support a variety of economic development goals for the County including providing financial assistance to private employers who will either retain jobs in the County or create new jobs through the expansion or relocation of commercial offices to the County. Businesses in specific industries seeking financial support may qualify for assistance through one of the eleven EDF programs. For the sole purpose of obtaining more information about the EDF, please visit the website: https://www.montgomerycountymd.gov/bonds/economic_development.html

As the economic development organization for the County, Montgomery County Economic Development Corporation (MCEDC) is responsible for business attraction, retention and growth efforts in key targeted industry sectors within the County, marketing the County nationally and internationally as a business location, and providing support for innovative entrepreneurs. It also facilitates international business opportunities for County companies and proactively pursues foreign direct investments to the County.

Existing and prospective new businesses also receive an array of professional assistance from MCEDC, including site selection (information on a variety of available office, research & development, and industrial space in the County), provision of socioeconomic statistics and other data, make business support connections, training, recruitment and employment assistance through WorkSource Montgomery, and other targeted services to meet the needs of small and minority-owned businesses. For the sole purpose of obtaining more information about the

MCEDC, please visit the website: https://thinkmoco.com/

Federal policies involving taxation, appropriations, borrowing, trade, immigration, education, environmental matters and other topics can shift, sometimes dramatically, from one presidential administration or Congress to another. From time to time, such shifts may be followed by material increases or decreases in the levels of federal funding directly affecting federal agencies and authorities and indirectly affecting state and local recipients of such funding. Recently, the current presidential administration has proposed policy shifts that involve, among other things, proposed delays or cuts in grants and appropriations, reductions in the federal workforce, and elimination of certain federal agencies and departments. Federal government employee reductions may impact residents of the County. In this regard, the County is actively putting in place programming and resources to assist residents and businesses located within the County in light of federal workforce reductions. The County may have some exposure to potential federal funding freezes or cuts, which could reduce operating revenues and/or increase County expenditures in connection with the County's response to such potential federal funding freezes or cuts. However, the County has the tools and resources to allow it to address the effects of any such cuts. In 2025, the County collaborated with MCEDC and other partners to provide support services to displaced Federal workers and launched the Mobilize Montgomery website to consolidate the services available.

Additional demographic and economic information can also be found on the County's website.

SELECTED BUDGET AND FINANCIAL INFORMATION

Legal Framework for Budgeting

As required by the County Charter, the County Executive submits to the County Council, not later than January 15, a comprehensive six-year Capital Improvements Program (CIP) in each even numbered year, and a Capital Budget each year. In addition, the County Executive, not later than March 15 of each year, submits an annual Operating Budget and six-year Public Services Program (PSP) including fiscal policy.

The CIP includes a statement of the objectives of capital programs and the relationship of capital programs to the County's long-range development plans; recommends capital projects and a construction schedule; and provides an estimate of costs, a statement of anticipated revenue sources, and an estimate of the impact of the program on County revenues and the operating budget. The CIP, to the extent authorized by law, includes all capital projects and programs of all agencies for which the County sets tax rates or approves budgets or programs.

The six-year PSP shows projections of revenues and expenditures for all functions, recommends revenue and expenditure policies for the program, and analyzes the impact of tax and expenditure patterns on public programs and the economy of the County.

As part of the six-year CIP and PSP programs, the County Executive includes the proposed capital and operating budgets containing recommended levels of expenditures and sources of revenue for the ensuing fiscal year. In addition, a summary is submitted containing an analysis of the fiscal implications for the County of all available budgets of all agencies for which the County Council sets tax rates, makes levies, and approves programs or budgets. These other agencies include the Montgomery County Public Schools (MCPS), Montgomery College, the Maryland-National Capital Park and Planning Commission (M-NCPPC, a bi-county agency), the Housing Opportunities Commission of Montgomery County (HOC), the Montgomery County Revenue Authority, the Washington Suburban Sanitary Commission (WSSC, a bi-county agency), the Washington Suburban Transit Commission (a bi-county agency), and the 19 independent Fire and Rescue Corporations.

The County Council must hold public hearings on the proposed budgets and six-year programs commencing not earlier than 21 days following their receipt. The County Council may add to, delete from, increase or decrease any appropriation item in the operating or capital budget. The Council also approves the budget, as amended, and appropriates the funds not later than June 1 of the year in which it is submitted. By June 30 of each year the County Council approves the tax levies deemed necessary to finance the budgets for the ensuing fiscal year beginning July 1. Section 305 of the County Charter was amended by the November 2020 General Election to prohibit the County Council from adopting a tax rate on real property that exceeds the ad valorem weighted tax rate on real property approved the previous year unless all current Councilmembers vote affirmatively for the increase.

On May 22, 2025, the County Council approved the FY26 operating budget comprising the County Government, MCPS, Montgomery College, and M-NCPPC aggregating $7.6 billion. This budgetary level represents an increase of 7.0 percent over the adopted budget for FY25.

The County Council approved the FY26 Capital Budget and the Amended FY25-30 CIP for the County government and the required agencies, except for WSSC, aggregating $6.0 billion for the Amended FY25-30 program. The Council approved a CIP for WSSC totaling $1.8 billion for FY25-30. WSSC is governed by State Law and is the only agency for which the County Council adopts an annual CIP.

More information on the County's Operating and CIP programs can be found in the Office of Management and Budget section of the County's website: https://www.montgomerycountymd.gov/omb/.

Reporting Entity

Montgomery County seeks to continually maintain best practices in its financial reporting operation. As required by accounting principles generally accepted in the United States of America (GAAP), the County's financial statements present the primary government and component units for which the primary government is considered financially accountable. The reporting entity includes the fiscal activities of Montgomery County Government, as the primary government, and Montgomery County Public Schools, Montgomery College, Montgomery County Revenue Authority (MCRA), Housing Opportunities Commission of Montgomery County (HOC), and the Bethesda Urban Partnership, Inc. (BUP), as component units. Not included within the reporting entity are the Montgomery County portion of Maryland-National Capital Park and Planning Commission, Washington Suburban Sanitary Commission, Washington Suburban Transit Commission, Washington Metropolitan Area Transit Authority, Metropolitan Washington Council of Governments (COG), and the Northeast Maryland Waste Disposal Authority (NEMWDA). M-NCPPC, WSSC, WSTC, WMATA and NEMWDA are considered joint ventures. COG is a jointly governed organization. Disclosure of the County's participation in these joint entities is presented as a footnote to the County's financial statements included in its Basic Financial Statements.

General Fund Revenues, Expenditures and Balances

Total revenues for the General Fund were $4.5 billion for FY25. The largest revenue sources were income taxes ($2.2 billion), property taxes ($1.6 billion) and transfer and recordation taxes ($156.2 million - General Fund portion). Other tax revenue sources – consisting of fuel/energy, telephone, hotel/motel and other taxes totaled $269.8 million in FY25. General Fund expenditures in FY25 approximated $4.0 billion and the year-end General Fund Balance was $1.3 billion (including the Revenue Stabilization Fund).

Revenue Stabilization Fund

The Revenue Stabilization Fund (RSF) is used to account for the accumulation of resources at a targeted reserve level sufficient to address unexpected increases to expenditures or decreases in revenues and expenditures. By an affirmative vote of 7 Councilmembers, the Council, after holding a public hearing, reviewing relevant economic indicators, and seeking the recommendation of the Executive, may transfer any amount from the RSF to the General Fund to support appropriations which have become unfunded. For financial reporting purposes this fund is included within the General Fund. For a statement of changes in the RSF balance, which amounted to $686.0 million at June 30, 2025, see the FY25 ACFR – Note II (A).

For the General Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance, see Exhibits A-3 and A-5 of the FY25 ACFR. Information on fund balance classifications is presented in Note 1- Summary of Significant Accounting Policies.

Property Tax Assessable Base

The County levies real and personal property taxes on all taxable property within its boundaries. The real property is valued at market value and assessed on a triennial basis by the State of Maryland Department of Assessments and Taxation (SDAT) with an assessment at the end of the three-year cycle at a percentage of market value. The estimated total combined taxable assessment base for real property and personal property for 2025 was reported at $233.5 billion based on data from July 2025.

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Debt Summary

The Montgomery County Government, Montgomery County Revenue Authority (MCRA), HOC, municipalities, and its bi-county shared state agencies (M-NCPPC and WSSC), are authorized by State law and/or County Charter to issue debt to finance capital projects. Consistent with County fiscal policy, the County issues debt to finance a major portion of the construction of long-lived additions or improvements to the County's publicly owned infrastructure. The County's budget and fiscal plan for these improvements is known as the CIP. Bonds are repaid to bondholders with a series of principal and interest payments over a period of years, known as debt service. In this manner, the initial high cost of capital improvements is absorbed over time and assigned to current and future citizens benefiting from the facilities. Due to various Federal, State, and local tax policies, interest rates on the County's bonds are generally lower than in the private sector.

The County continues to maintain its status as a top-rated issuer of municipal securities, with the highest credit ratings possible for a local government. For its general obligation bonds, the County is a 'Triple AAA' rated County and received ratings in 2025 of Aaa from Moody's Investors Services, Inc., AAA from S&P Global Ratings, and AAA from Fitch Ratings. The County's general obligation bonds have been consistently awarded the highest credit rating from Moody's Investors Services, Inc. and S&P Global Ratings since 1973 and 1976, respectively, and from Fitch Ratings since 1991. Montgomery County is one of only 15 'Triple A' rated counties in the nation with a population greater than one million.

In addition to the issuance of general obligation or revenue bonds, the County initially finances the cost of long-term capital assets with short-term paper known as Bond Anticipation Notes (BANs)/Commercial Paper, which the County intends to retire with the proceeds of long-term bonds.

The various components of the County's debt described above are categorized as either direct or overlapping. Direct debt is the total bonded debt of the County and constitutes the direct obligations of the County that impact its taxpayers. Components of Montgomery County direct debt include general obligation bonds, BANs/commercial paper, and revenue bonds issued by the County.

Overlapping debt includes all borrowings of other County agencies, incorporated municipalities, and special taxing or development districts, which may impact those County tax- or ratepayers who are residents of those municipalities or special districts. More broadly, overlapping debt illustrates the degree to which the total economy is being asked to support long-term fixed commitments for governmental facilities.

Certain direct and overlapping debt is additionally classified as Self-Supporting Debt. Such debt is issued for projects that produce sufficient revenues to retire debt. The debt is not supported by the taxing power of the governmental entity issuing them. The County's Net Direct and Overlapping Debt is derived by subtracting Direct Self-Supporting Debt from the Total Direct and Overlapping Debt. As of June 30, 2025 (including the 2025, Series A GO Bonds issued in November 2025), Direct Debt, Net Direct and Overlapping Debt, and General Obligation Bonds and BANs outstanding approximated $3.66 billion, $3.58 billion, and $3.48 billion respectively.

A detailed statement is displayed in the Official Statement for the General Obligation Consolidated Public Improvement Bonds of 2025, Series A at the following link: https://www.montgomerycountymd.gov/BONDS/Resources/Files/Montgomery_County_2025_Series_A_OS.pdf.

Additionally, the County from time to time enters into other long-term obligations including variable rate demand obligations, lease revenue bonds, certificates of participation, taxable limited obligation certificates, special obligation bonds, notes payable, equipment notes and other obligations.

Debt Affordability

Once committed, debt service represents a major continuing claim on County resources that must be kept to affordable levels within the annual operating requirements of the County in order to avoid excessive pressure on operating budgets. To assure such affordable levels, the County's general obligation debt is subject to the following tests: 1) the self-imposed, but Charter-required, spending affordability guidelines, and 2) the State Law-mandated Legal Debt Limit.

Spending Affordability Guidelines

The County Council annually adopts Spending Affordability Guidelines (SAG) for the capital budget. The guidelines provide for the total amount of general obligation debt issued by the County and M-NCPPC that may be planned for expenditure in the subsequent two fiscal years and for the six-year CIP. Consideration of the guidelines is based on several economic and financial factors, or criteria for debt affordability. These criteria are described in the County's Fiscal Policy and provide a foundation for judgments about the County's capacity to issue debt and its ability to retire the debt over time.

More information on the County's Fiscal Policy and Spending Affordability Guidelines can be found in the Fiscal Policy section of the Approved, Amended FY26 Capital Budget and FY25-30 Capital Improvement Plan publication, at: https://www.montgomerycountymd.gov/OMB/Resources/Files/omb/pdfs/fy26/cip_pdf/FY26_Approved_CIP.pdf

Legal Debt Limit

The Annotated Code of Maryland, Local Government, Section 10-203, authorizes borrowing of funds and issuance of bonds up to a maximum of the sum of six percent of the assessed valuation of all real property and 15 percent of the assessed valuation of all personal property within the County. Local Government Article, Section 10-203 provides that obligations having a maturity not in excess of 12 months shall not be subject to, or be included in, computing the County's legal debt limitation. However, the County includes its commercial paper bond anticipation notes (BANs) in such calculations because it intends to repay such notes with the proceeds of long-term debt to be issued in the near future. The 2025 legal debt limit is $14.4 billion, and the legal debt margin is $10.8 billion or 75% of the legal debt limit. The County's legal debt limit computation is displayed in Table 20 within the Statistical Section of the FY25 ACFR.

For details on the County's debt including amortization schedules, see the following documents:

- The FY25 Debt Service Book
- The FY25 ACFR including Notes to Financial Statements - Note III-G and Note IV-C

Subsequent Events to Fiscal Year 2025

On November 20, 2025 the County issued Consolidated Public Improvement Bonds of 2025, Series A in the amount of $280,000,000. The General Obligation Bonds will be used to (i) refinance all commercial paper bond anticipation notes, the proceeds of which financed certain capital projects in the County and (ii) finance and refinance the acquisition, construction and equipping of certain capital public projects. On December 1, 2025, the County redeemed the outstanding balance of $2,975,000 of the Montgomery County, Maryland Lease Revenue Project and Refunding Bonds (Metrorail Garage Projects – Series 2011) plus accrued interest up to December 1, 2025.

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Risk Management and Self Insurance Funds

The County self-insures coverages such as Workers' Compensation, Commercial General Liability, Automobile Liability, Professional/Public Official Liability, certain property, and other selected risks which require mitigation.

An Inter-Agency Insurance Panel comprised of the County and participating member Agencies, and chaired by the County's Finance Director, provides overall direction, formulates insurance policy, reviews claims, and evaluates the effectiveness of the loss control program. Claims against the agencies are handled under a contract with a third-party claim administrator. Legal services are provided by the Office of the County Attorney.

The County Finance Department, Division of Risk Management, ('Risk Management') operates the Self-Insurance Program for the County and other participating agencies: MCPS, Montgomery College, M-NCPPC, MCRA, HOC, Rockville Housing Enterprises, Villages of Drummond and Friendship Heights, the Bethesda Urban Partnership, and the County's Fire and Rescue Services and the various independent fire corporations. The City of Gaithersburg, Town of Somerset, Chevy Chase Village, and the Town of Garrett Park participate for workers' compensation coverage only.

In addition to the self-insured coverage, Risk Management coordinates the purchase of commercial insurance for coverages such as All Risk Property Insurance, Excess Liability Insurance, Boiler and Machinery, Public Official and Employee Bonds, Fiduciary Liability, and others. The net position as of June 30, 2025 for the operations of the program was reported at $46.8 million.

The County is also self-insured for unemployment claims resulting from separations of service and maintains a minimum premium funding arrangement for employee health insurance. The FY25 operations for these two benefit programs are not reflected above.

For more information on the County's Risk Management Program, claims and self-insurance fund balances, see Section A of Note IV, and Exhibits D-1 through D-4 of the FY25 ACFR.

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Climate Change

Montgomery County is focused on mitigating the impacts of climate change on the County to make the County more resilient. Some of the climate related issues that impact the County include increased flooding, hotter weather, drought and more extreme storms. In 2017, the County Council passed the Emergency Climate Mobilization Resolution (the "Resolution"), which set the County's Greenhouse Gas ("GHG") reduction goals at 80% of the 2005 GHG levels by 2027 and 100% elimination by 2035. The Resolution required the County Executive to advise on specific methods for accelerating GHG reduction.

In June 2021, the County released its Climate Action Plan ("CAP") which includes 86 actions across seven sectors (clean energy, transportation, buildings, climate adaptation, carbon sequestration, climate governance and public engagement. The CAP is implemented through the annual operating and capital budgets, with progress reported in the Climate Action Plan Annual Report. In Fiscal Year 2025, the County continued implementation of the CAP. Actions included transitioning the County fleet and buses to electric vehicles; installing EV charging stations in County parking facilities; planting trees; and supporting the weatherization and electrification of low-income homes. Additional efforts addressed climate resilience and adaptation for County residents and assets through development of a Comprehensive Flood Management Plan and increased participation in the Alert Montgomery system. The Fiscal Year 2026 budgets support continued CAP implementation.

For the sole purpose of obtaining more information about the Climate Action Plan, please visit the website: https://www.montgomerycountymd.gov/climate/

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County Employee Retirement Plans

The Montgomery County Employee Retirement Plans (Plans) are offered to Montgomery County employees as well as participating agencies who meet the eligibility requirements to participate based on employment status and other factors. The County maintains a defined benefit plan, a defined contribution plan, a cash balance plan and a deferred compensation plan. The Board of Investment Trustees (the "Board") is responsible for the investment management of the Plans' assets. The Board consists of thirteen members appointed by the County Executive and confirmed by the County Council.

Employee's Retirement System – Defined Benefit Plan

The Employees' Retirement System (the "System") is a cost-sharing, multiple employer defined benefit pension plan established in 1965. Eight other agencies and political subdivisions have elected to participate. The System is closed to employees hired on or after October 1, 1994, except public safety bargaining unit employees and Guaranteed Retirement Income Plan (GRIP) participants. The System is a contributory plan with covered employees contributing a percentage of their base annual salary, depending on their group classification. The County and each other Participating Employer contribute the remaining amounts necessary to fund the System on an actuarial basis. As of June 30, 2025, the funded ratio was 95.6% and the net assets totaled $5,109.7 million.

In Fiscal Year 2009 the County established the GRIP, a cash balance plan that is part of the System. During FY10, eligible County employees who were members of the Retirement Savings Plan (the "RSP" described below) were granted the option to elect to participate in the GRIP and to transfer their RSP member account balance to the GRIP and cease being a member of the RSP. As of June 30, 2025, 7,125 active members, 7,013 retirees and beneficiaries receiving benefits, and 796 terminated plan members entitled to but not yet receiving benefits were participating in the System.

Deferred Retirement Option Plans (the "DROP"), established in FY00, allow any employee who is a member of a specified membership group or bargaining unit, and who meets certain eligibility requirements, to elect to retire but continue to work for the County for a specified time period, during which pension payments are deferred. When the member's participation in the DROP ends, the member must stop working for the County, draw a pension based on the member's credited service and earnings as of the date that the member began to participate in the DROP and receive the value of the DROP payoff. As of June 30, 2025, the balance of amounts held by the System pursuant to DROP was $36.7 million.

Retirement Savings Plan – Defined Contribution Plan

The Retirement Savings Plan (RSP) is a cost-sharing, multiple employer- defined contribution plan established in 1994. The RSP covers all non-public safety and certain public safety employees not represented by a collective bargaining agreement and hired on or after October 1, 1994 unless they elect to participate in the GRIP. Eligible employees covered by the Employees' Retirement System may make an irrevocable decision to transfer to the RSP. As of June 30, 2025, 3,338 active members and 1,234 inactive plan members were participating in the RSP with total assets of $883.8 million. The Board establishes for the RSP members a diversified slate of mutual and commingled investment funds from which participants may select their investment options.

Deferred Compensation Plan

The Deferred Compensation Plan (DCP) was established pursuant to Section 457 of the Internal Revenue Code of 1986, as amended. All County non-represented employees, those County represented employees who elected to participate and employees who were retired at the time of transfer, continue to participate in the DCP. As of June 30, 2025, the DCP had $707.8 million in assets. The Board establishes for the DCP a diversified slate of mutual and commingled investment funds from which participants may select their investment options.

More information on the County's Employee Retirement Plans, see the County Employee Retirement Plans Annual Comprehensive Financial Report which can be found at:
https://www.montgomerycountymd.gov/mcerp/trustees.html/reports/reports.html

Other Post-Employment Benefits (OPEB)

The County administers a cost-sharing multiple-employer defined benefit healthcare plan which provides postemployment benefits such as medical, life, dental, vision, and prescription coverage to retirees and eligible dependents. Effective July 1, 2011, the County Council enacted legislation to change the name of the plan to the Consolidated Retiree Health Benefits Trust due to the addition of the assets of County-funded agency retiree benefits plans for Montgomery County Public Schools and Montgomery College. The County established a Board of Trustees (the 'Board') for the Trust to be responsible for the investment management of the Trust's assets for the exclusive benefit of the members. The Board consists of nineteen members appointed by the County Executive and confirmed by the County Council.

The County plan is a contributory plan in which the County and the plan members contribute, based on an actuarial valuation, certain amounts toward the current cost of healthcare benefits. As of June 30, 2025, the most recent actuarial valuation, plan membership consisted of 7,817 retirees and beneficiaries receiving benefits and 10,749 active plan members. During FY25, the County and other contributing entities contributed $76.9 million for current premiums, claims, and administrative expenses. As of June 30, 2025, the plan had an actuarial accrued liability of $1,264.3 million and net position of $942.2 million resulting in a funded ratio of 74.52%.

More information on the County's OPEB Plans and Consolidated Retiree Health Benefits Trust, see the Actuarial Valuation Report and Financial Statements which can be found at:
https://www.montgomerycountymd.gov/mcerp/trustees.html/reports/reports.html

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PRINCE GEORGE'S COUNTY

Overview

The County is a body corporate and politic and a political subdivision of the State of Maryland. Services provided or paid for by the County from local, State and federal sources include police, fire and emergency services; programs for the aging; public works; stormwater management; and court and correctional services. The County also is responsible for adoption and maintenance of building codes and regulation of licenses and permits; collection of taxes and revenues; maintenance of public records; conducting elections; and collection and disposal of refuse.

Health care, elementary, secondary and community college education and library services are provided by other entities and are partially financed by the County. Public transit, planning, parks, recreation, water, sewer and public housing are provided by related entities. Public assistance is provided by the State of Maryland. Hospital services are provided by a nonprofit corporation under a lease arrangement with the County. For accounting purposes, certain of these governmental entities are included in the County's financial statements. See Appendix A, Notes to Financial Statements, Note 1.

County residents enjoy a diversity of leisure options, including a park system encompassing almost 29,000 acres of parkland and open space. Leisure facilities and services provided by the Maryland-National Capital Park and Planning Commission (the "M-NCPPC") include a sports and concert facility (Show Place Arena); a 10,000 seat AA Minor League Baseball stadium (Bowie Baysox); community centers; recreational buildings; aquatic facilities; ice rinks; golf courses; an equestrian center; tennis courts; a performing arts and cultural center; and a gymnastic center.

Prince George's County is centrally located, minutes to downtown Washington, D.C., adjacent to Northern Virginia, 25 minutes from historic Annapolis, and 45 minutes from Baltimore's Inner Harbor. Many of the region's most exciting attractions are located right in Prince George's County, Maryland. The County is home to the MGM National Harbor, a 23-story resort featuring premier amenities including a casino, world-class spa and salon, a 3,000-seat entertainment theater, high-end branded retail, meeting space, and restaurants from renowned local and national chefs. Other recreational facilities include an 87,052-seat National Football League stadium (Northwest Stadium – home of the Washington Commanders).; a 240,000 square foot Olympic-quality recreational Sports and Learning Complex; National Harbor on the Potomac; the Gaylord National Resort and Convention Center; the NASA Goddard Space Flight Center; The Capital Wheel; the National Wildlife Visitor Center; and the Clarice Smith Performing Arts Center. The County also has numerous high-quality mixed-used developments such as the Brickyards, Carrollton Station, Towne Centre at Laurel and Woodmore Towne Centre at Glenarden. The County is home to six universities and colleges, including the flagship campus of the University System of Maryland. Prince Georgians enjoy an excellent road system and some of the most affordable housing in the Washington area as well as convenient access to three major airports and the Port of Baltimore.

County Government – Structure and Services

The County operates under the Prince George's County Charter, which was adopted in November 1970. The powers of the County are provided in the County Charter and in the Constitution and the laws of the State of Maryland, including Title 10 of the Local Government Article. Under the County Charter, the County is composed of an executive and a legislative branch.

The executive branch implements and enforces the laws and administers the day-to-day business of the County. It consists of a County Executive (who is elected by the qualified voters of the entire County) and all other officers, agents and employees under the County Executive's supervision and authority, including the Chief Administrative Officer, who is responsible for the day-to-day administration of the County. The County Executive is elected for a four-year term by qualified voters of the County and is limited by the County Charter to two consecutive four-year terms in office.

The legislative branch of the County currently consists of nine district Council Members and two At-Large Council Members. County Council members are elected for four-year terms by qualified voters of the County and

are limited by the County Charter to two consecutive four-year terms in office as district members and not more than two consecutive terms as at-large members.

Each member of the County Council has one vote. Six votes generally are required to pass legislation and an affirmative vote of two-thirds of the members of the full Council is needed to enact emergency bills and to override a veto by the County Executive. The County Council customarily elects from among its members a Chairman and a Vice-Chairman to serve one-year terms.

The court system for the County was established by and is operated under the authority of the State. District and Circuit Court judges are appointed by the Governor, but Circuit Court judges must thereafter run for election. Other State court officials are directly elected for various terms.

Population

Between 2010 and 2024, the population in the County increased by 11.95%. The County's growth was greater than the population growth in Maryland (8.5%) and the United States (10.2%) between 2010 and 2024.

Population Estimates

1990 – 2024

Year	County	State of Maryland	United States
2024	966,629	6,245,314	340,003,797
2020	967,215	6,181,629	331,449,281
2010	863,420	5,773,552	308,745,538
1990	729,268	4,781,468	248,709,873
Percent Change (2020-2024)	-0.1%	1.0%	2.6%
2025 (Est.)	970,330	6,265,347	341,784,857

Source: United States Census Bureau, Department of Commerce (as of March 2026)

Income

In 2024, aggregate personal income in the County totaled $57.7 billion and per capita personal income was $59,684 according to the U.S. Bureau of Economic Analysis. The compound growth rate of the County's per capita personal income between 2014 and 2024 was 3.0%. This percentage was lower than in the United States (4.5%) and the State of Maryland (3.7%).

The County's median household income in 2024 was $101,798 compared to $86,994 in 2020, an increase of 19% in the 5-year period. Jurisdictional comparisons are shown below:

Median Household Income

2020 and 2024

Metro Jurisdiction	Median Household Income 2020	2024	% Change
State of Maryland	$87,063	$103,678	19%
Washington Metro Area:			
Prince George's County	**86,994**	**101,798**	**17.0%**
Calvert County	112,696	133,922	18.8%
Charles County	103,678	122,816	18.5%
Frederick County	100,685	122,002	21.2%
Montgomery County	111,812	132,450	18.5%
Baltimore Metro Area:			
Anne Arundel County	103,225	124,911	21.0%
Baltimore City	52,164	62,177	19.2%
Baltimore County	78,724	91,768	16.6%
Carroll County	99,569	118,211	18.7%
Harford County	94,003	112,265	19.4%
Howard County	124,042	149,763	20.7%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (as of March 2026)

Employment

A comparison between the employment distribution of the County and the State of Maryland is shown in the following chart.

Comparative Distributions of Non-Agricultural Employment by Industry

2019 - 2024

Industry	Prince George's County (2019)		Prince George's County (2024)		Maryland (2024)	
	Sectoral Employment	% of Total	Sectoral Employment	% of Total	Sectoral Employment	% of Total
State and Local Government Employment	63,397	20%	67,133	20%	368,598	13%
Federal Government Employment	26,785	8%	30,717	9%	161,701	6%
Private Employment	231,986	72%	231,626	70%	2,238,248	81%
Natural Resources and Mining	102	0%	318	0%	7,590	0%
Construction	28,337	9%	29,081	9%	164,323	6%
Manufacturing	7,665	2%	6,659	2%	112,981	4%
Trade, Transportation and Utilities	60,415	19%	59,209	18%	467,627	17%
Information	2,948	1%	2,105	1%	34,384	1%
Financial Activities	11,704	4%	11,092	3%	126,591	5%
Professional and Business Services	40,108	12%	41,228	13%	484,708	18%
Education and Health Services	35,435	11%	37,205	11%	474,543	17%
Leisure and Hospitality	36,157	11%	35,227	11%	272,367	10%
Other Services	9,116	3%	9,494	3%	93,008	3%
Unclassified	0	0%	0	0%	0	0%
Total	322,168	100%	329,476	100%	2,768,547	100%

Note: Numbers may not sum due to rounding.

Source: Maryland Department of Labor - County Industry Series (as of March 2026).

Between 2015 and 2024, the unemployment rate for the County generally remained close to the State of Maryland's unemployment rate and at or below that of the United States, other than in 2021, as shown in the following table.

Labor Market Characteristics
2015-2024

Year	County Residents	Unemployment Rate (%)		
	Civilian Labor Force	Prince George's County	State of Maryland	United States
2015	511,699	5.1	5.0	5.7
2016	517,569	4.3	4.3	4.8
2017	521,671	4.1	4.0	4.7
2018	519,459	3.9	3.8	4.0
2019	509,419	3.6	3.4	4.0
2020	516,613	7.8	6.5	3.6
2021	519,040	6.8	5.3	6.4
2022	521,374	3.5	3.2	4.0
2023	532,344	2.2	3.0	4.1
2024	537,532	3.3	3.1	4.1

Source: U.S. Department of Labor, Bureau of Labor Statistics. (as of March 2026)

The County's diverse economic structure is shown in the following table reflecting the largest private and public sector employers in the County.

Prince George's County Major Employers

2023 - 2024

Employer	Product or Service	Number of Employees
LARGEST PRIVATE SECTOR EMPLOYERS		
MGM National Harbor	Casino Gaming	3,254
MedStar Health	Medical Services	2,416
University of Maryland Capital Region Health	Health Services/Nursing Homes	2,350
Giant Food	Supermarket	2,197
Gaylord National Resort Convention Center	Hotels and Conventions	2,000
Kaiser Permente	Medical Services	1,843
CBMC Capital	Building Maintenance	1,800
Doctor's Community Hospital	Medical Services	1,787
LARGEST PUBLIC SECTOR EMPLOYERS		
University System of Maryland[1]	Higher Education	15,257
NASA/Goddard Space Flight Center	Space Satellite Design and Tracking	14,683
Joint Base Andrews Naval Air Facility Washington	Defense Installation (civilian and military employees)	13,125
WMATA	Public Transportation	5,093
U.S. Census Bureau	Federal Demographic Research	4,559
U.S. Dept. of Agriculture	Federal Government	3,322
National Oceanic and Atmospheric Administration	Weather Analysis and Reporting	3,227
National Maritime Intelligence-Integration Office	Federal Maritime Intelligence Analysis	3,000
Prince George's Community College	Education	2,175

Note: Excludes post offices, state and local government, national retail and food service; includes higher education.

[1]Includes University of Maryland College Park, University of Maryland Global Campus and Bowie State University

Source: Maryland Department of Commerce (as of March 2026), Prince George's County Economic Development Corporation

Retail Sales

The Maryland sales and use tax rate is 6% on all taxable sales other than certain vehicle rentals and sales of mobile homes. Beginning July 1, 2011, the tax rate for alcoholic beverages, including mixtures, increased from 6% to 9%. Most sales of food by substantial grocery or market businesses are not subject to the sales tax. Other exemptions include medicine, energy for residential use, manufacturing machinery and equipment, and certain agricultural equipment and supplies.

Housing

The composition of the County's housing market is displayed in the following table. Between 2020 and 2024, total housing units increased by 10.81% (an increase of approximately 38,275 units). During this time period, single family homes increased by 11.65% and multi-family homes increased by 13.16%.

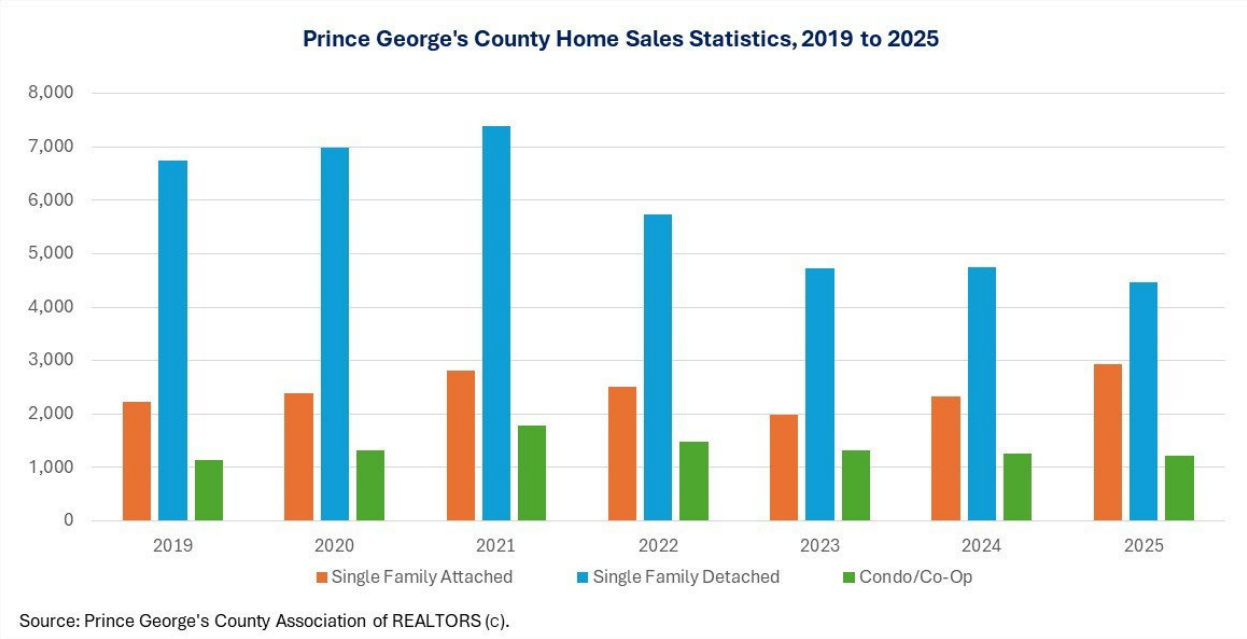
Housing Units by Type of Structure

	2020	2021	2022	2023	2024
Single Family					
Number of Units	216,139	233,609	238,475	240,200	241,318
Percent of Market	68.5%	67.5%	68.7%	68.3%	68.2%
Multi-Family					
Number of Units	99,495	112,518	108,732	111,260	112,591
Percent of Market	31.5%	32.5%	31.3%	31.7%	31.8%
Total Units	315,634	346,127	347,207	351,460	353,909

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates (as of March 2025)

Note: Included mobile homes in Single Family figures.

According to data from the Prince George's County Association of REALTORS®, single-family detached homes have comprised the majority of residential home sales in the County in recent years, although their share has declined since 2021. Over the 2019 through 2025 period, single-family detached homes accounted for approximately 60% of total home sales, with the remaining share consisting of single-family attached homes, condominiums, and cooperative units.



According to the State Department of Assessments and Taxation, median residential sales of owner-occupied properties in the County increased by .4% from fiscal year 2024 to fiscal year 2025. The median sales price of these properties also increased during the same time period from $455,000 in fiscal year 2024 to $460,490 in fiscal year 2025.

Median Residential Sales

Improved, Owner-Occupied Properties

Fiscal Year	Number of Transactions	Annual Growth Rate	Median Sales Price	Annual Growth Rate
2025	6,991	0.4%	$ 460,490	1.2%
2024	6,961	-12.7%	455,000	5.8%
2023	7,971	-31.7%	430,000	4.9%
2022	11,677	3.9%	410,000	7.3%
2021	11,242	30.5%	382,270	7.7%
2020	8,617	-6.3%	355,000	7.6%
2019	9,200	5.0%	330,000	3.3%
2018	8,766	10.9%	319,393	5.6%
2017	7,904	15.4%	302,313	5.0%
2016	6,851	32.0%	288,000	3.2%
2015	5,192	13.9%	279,189	9.5%

Source: Maryland Department of Assessments and Taxation (as of March 2026)

The following table shows the number of owner-occupied residences distributed within certain housing value ranges. During 2024, the majority of residences were valued between $300,000 and $499,999.

Estimated Market Value of Owner-Occupied Residential Property

	2023		2024		Increase (Decrease)
Value Range	Number of Residences	Share of Residences	Number of Residences	Share of Residences	Number of Residences
Less than $50,000	5,680	2.6%	6,923	3.2%	1,243
$50,000 to $99,999	2,594	1.2%	2,619	1.2%	25
$100,000 to $149,999	3,544	1.6%	3,116	1.4%	(428)
$150,000 to $199,999	5,134	2.4%	4,469	2.1%	(665)
$200,000 to $299,999	29,213	13.6%	21,983	10.1%	(7,230)
$300,000 to $499,999	111,017	51.7%	112,295	51.8%	1,278
$500,000 to $999,999	54,597	25.4%	61,665	28.5%	7,068
$1,000,000 or more	3,030	1.4%	3,622	1.7%	592
Total Owner-Occupied Units	214,809		216,692		1,883

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates (as of March 2026).

Note: Due to rounding, percentages may not total 100 percent.

Commercial and Industrial Growth

A summary of building permit activity, including residential as well as commercial and industrial (non-residential) projects is provided in the following table.

Between 2016 and 2025, the value of new residential construction within the County averaged approximately $388.8 million annually. Non-residential construction averaged approximately $507.3 million annually. The value of new residential construction within the County in 2025 was $185.6 million as compared to $628.1 million in 2024. The value of new non-residential construction within the County in 2025 was $96.6 million as compared to $532.7 million in 2024.

	Residential			Commercial			Total		
Calendar Year	Permits Issued	Total Valuation ($K)	Average Valuation ($K)	Permits Issued	Total Valuation ($K)	Average Valuation ($K)	Total Permits Issued	Total Valuation ($K)	Average Valuation ($K)
2016[(1)]	1,745	801,888	460	203	199,938	985	1,948	1,001,826	514
2017	1,831	312,176	170	215	363,286	1,690	2,046	675,462	330
2018	1,405	358,368	255	145	291,947	2,013	1,550	650,315	420
2019	2,148	368,742	172	130	398,242	3,063	2,278	766,984	337
2020	2,112	342,820	162	180	532,297	2,957	2,292	875,117	382
2021	1,501	263,368	175	144	548,087	3,806	1,645	811,455	493
2022	1,858	322,569	174	188	1,404,450	7,470	2,046	1,727,019	844
2023	1,586	304,480	192	146	705,664	4,833	1,732	1,010,143	583
2024	2,215	628,110	284	141	532,727	3,778	2,356	1,160,837	493
2025	777	185,605	239	15	96,608	6,441	792	282,213	356
Total CY 16-25	17,178	3,888,125	2,283	1,507	5,073,246	37,037	18,685	8,961,371	4,752
Average Annual	1,718	$388,812	$228	151	$507,325	$3,704	1,869	$896,137	$475

[(1)]Recovery in residential market and increased construction of larger, more expensive homes and apartments

Source: Prince George's County Department of Permitting, Inspections and Enforcement (Updated March 2026)

Economic Development Strategy

The M-NCPPC, along with its consultants, the Jacob France Institute at the University of Baltimore's Merrick School of Business and Economy Partners, LLC, updated the County's 2022 strategic plan with the 2024 Economic Development Strategic Action Plan. The plan continues to focus on high-growth industry sectors including Healthcare and Life Sciences, Business Services, ICE (Information, Communications and Electronics), and the federal government, with additional emphasis on fostering innovation, partnerships, and placemaking.

There are sixteen federal agencies located in the County, many focused on research and development. These agencies attract technology companies as partners and contractors. Major institutions such as NASA Goddard Space Flight Center, USDA Beltsville Agricultural Research Center, USDA-APHIS, the Army Research Laboratory, the Institute for Defense Analyses, the Internal Revenue Service, and the U.S. Census Bureau Supercomputer Center support the County's technology ecosystem. The University of Maryland's Discovery District continues to expand with facilities supporting research, innovation, and national security-related technology tenants.

The University of Maryland and Bowie State University provide industry-driven curricula aligned with workforce needs in cybersecurity, software development, and information technology, supported by hands-on learning and research opportunities.

The County continues to advance a diversified economic development strategy anchored by federal institutions, transit-oriented mixed-use development, healthcare expansion, logistics infrastructure, and innovation-driven assets. These investments strengthen the County's commercial tax base, expand employment opportunities, and position the County for sustained long-term growth. Below is additional information about certain significant retail, commercial, and/or entertainment projects that are pending or have been completed recently:

Federal and Institutional Development

- Bureau of Labor Statistics headquarters relocation to the Suitland Federal Center (approximately 1,800 employees). Opened in 2024.

- General Services Administration development in Clinton for U.S. Secret Service facilities, including warehouse and office space. Opened in 2024.

- WMATA's Maryland headquarters near New Carrollton Metro Station, a 371,800 square foot office

facility. Opened in 2023.

Mixed-Use and Transit-Oriented Development

- Towne Square at Suitland Federal Center – $500 million mixed-use development including residential, retail, public space, and hotel components. This project has completed residential phase one. Phases two and three are expected to be completed by 2028.

- The U.S. Bureau of Engraving and Printing is constructing a new $1.4 billion, 104-acre currency production facility at the Beltsville Agricultural Research Center in the County. The project, aimed at replacing the outdated D.C. facility, began construction in 2024, with full production expected by 2027.

- Westphalia Town Center – large-scale mixed-use development expected to include approximately 15,000 residential units along with retail, office, and hotel uses. A large portion of the townhomes are complete. The retail portion is expected to be completed by 2027. The light industrial portion is expected to be completed by 2028.

- Carillon Development (Largo Metro area) – nearly $1 billion mixed-use project including residential, hotel, retail, and medical office space. This project is expected to be completed by 2029.

- Metro City at Addison Road Metro Station – $400 million mixed-use project with residential and retail components. Phase one will break ground in the 4th quarter of 2026. Phase two is expected to begin by 2027.

- National View (Forest Heights) – $400 million mixed-use development with residential, hotel, retail, and community amenities. This project is expected to be completed by 2029.

- Riverfront at West Hyattsville Metro Station – redevelopment of a former industrial site into a mixed-use community with residential, retail, and medical office uses. The Riverfront at West Hyattsville Metro has a total of 781 condo and townhouse units which were completed in 2021.

- Hampton Park – This 24.5-acre mixed-use project is located adjacent to the Capital Beltway along Central Avenue near the site of the new University of Maryland Capital Region Medical Center. The redevelopment project is expected to consist of a hotel, multifamily units, retail, and the new home of the 115,000 square feet Prince George's County Health and Human Services office complex.

- Aster College Park is an active mixed-use development including residential units, retail, and structured parking completed in 2022.

- Atworth at College Park Metro Station is an active transit-oriented development 451-unit mixed-use affordable housing development adjacent to major transit connections. It opened in 2024.

- The Promise mixed-use development will deliver 1,000 market rate multi-family units, 164 workforce and affordable multi-family units, 264 senior multi-family units and 40,000 SF of retail in the fall of 2028.

Economic Development and Innovation Assets

- Konterra Town Center East – 488-acre development with capacity for approximately two million square feet of commercial space and 2,000 residential units, supported by new transportation infrastructure. The Konterra Business Campus, on Route 1, and the Villages at Wellington, Wilshire and Bentley Park, which are all residential communities are developed. The current phase of development will bring 219 town houses and 500 apartments to Fashion Place, a road leading into the town center from Konterra Drive and is expected to be completed in 2029.

- Discovery District (University of Maryland) is an active 150+ acre research park that has been in active development since 2017. Over $2 billion in development has occurred, including corporate offices, research facilities, retail, housing, and hotel uses.

- Innovation Station Business Incubator is an active co-working and business incubation facility supporting entrepreneurs, small businesses, and international firms that opened in 2018.

Healthcare and Life Sciences

- University of Maryland Capital Region Medical Center – is an active $543 million teaching hospital with specialized care centers which opened in 2021.

- Kaiser Permanente expansions – multiple administrative, IT, and medical office developments across the County, including Largo and Bowie.

- Children's National Medical Center – is an active 60,000 square foot pediatric medical facility in Glenarden which opened in 2020.

- University of Maryland Laurel Regional Medical Campus – new emergency room and physician office building which opened in 2023.

- National Harbor II – Class A medical office buildings with healthcare tenants which opened in 2022.

Industrial, Logistics, and Distribution

- Target Perishable Distribution and Return Center (Upper Marlboro) – is a $490 million expansion which has created approximately 850 jobs since opening in 2023.

- Amazon last-mile distribution centers – operates six facilities totaling approximately 974,000 square feet and over 1,300 employees.

- National Capital Business Park – 300-acre industrial campus expected to deliver 5.2 million square feet of space and over 3,000 jobs. Over 1 million square feet have been delivered, the remainder are expected before end of 2027.

- Elion Logistic Park final mile industrial park is planned to deliver a total of 3.1 million square feet of development on eight buildings on 283-acre site in Brandywine, Maryland by 2028.

Retail and Commercial Development

- Livingston Square Shopping Center (Fort Washington) – a grocery-anchored retail center with retail tenants was redeveloped in 2022.

- Lidl grocery store expansion – multiple locations established throughout the County, which has seven active stores, with the most recent location opening in Largo in 2026.

Economic Development Program Initiatives

- The Sphere National Harbor Project, announced January 19, 2026, is envisioned to be a 6,000-seat immersive entertainment venue located at the existing National Harbor site along the Potomac River. It is being developed by Sphere Entertainment Co. in partnership with Peterson Companies and is anticipated to break ground in 2027.

- The EDI Fund. This began in 2012 with a $50 million, one-time, appropriation to support the expansion of

the County's commercial tax base, job retention and attraction, support for small and local businesses, promotion of development and redevelopment opportunities, transit-oriented development and growth of key industry sectors. The EDI Fund has a fiscal year appropriation of $7-11 million annually.

- "Choose Prince George's" Initiative. Retention, expansion of existing companies, and growth in jobs in the County remain the highest priority of this initiative. Concurrent with that goal is continued growth of the County's commercial tax base and an increase in the percentage of County residents who both live and work in the County. The emphasis is on connecting with companies located in the County and creating strong communication links. The business engagement strategy includes identifying hurdles and challenges facing County businesses, providing assistance to address those issues, providing high-quality, individual business services customized for companies' changing needs, and creating dynamic group interactions among targeted business and industry clusters to build on common denominators, create synergies, and foster growth.

- Enterprise Zone. The County's Enterprise Zone continues to provide incentives for new investment and job creation in targeted areas of the County. The existing Enterprise Zone is approximately 9,385 acres. The focus areas within the Enterprise Zone have been reduced from 430 acres to 389 acres.

- Revitalization Initiative. The initiative focuses on redeveloping older shopping centers to a higher standard, with a major emphasis on those inside the Beltway identified in a 2017 retail study as needing improvement, redevelopment, and/or revitalization. The County has prioritized 27 centers with the goal of enhancing retail diversity and quality, as well as improving safety and façades. Efforts include working with property owners to determine optimal uses, which may involve redevelopment or repurposing, and connecting potential investors and new owners to these sites.

- Opportunity Zones. The Tax Cuts and Jobs Act of 2017 established an economic and community development program called Opportunity Zones designed to encourage long-term investments in low-income urban and rural communities nationwide. The program provides a federal tax incentive for reinvesting capital gains into "Opportunity Funds," which are specialized vehicles dedicated to investing in low-income areas called Opportunity Zones. The County has 25 census tracks approved by the IRS for the Opportunity Zone designation. To date, five development projects in the County with a combined total project cost of $900 million are using $205 million of Opportunity Zone funds and an additional nine projects with a combined total project cost of $1.2 billion plan to use $198 million of Opportunity Zone funds.

- New Carrollton Metro Station. The County is supporting the transformation of 49 transit-oriented acres into a mixed-use and income employment center and residential community. There are plans for 1,500 residential units, 1.1 million square feet of offices, 150,000 square feet of retail and a 200-key hotel including 8,430 temporary jobs during construction, and 4,175 permanent jobs at full build out. The Margaux apartment project, which was completed in late 2023, has 291 residential units and is supported by the Amazon Housing Equity Fund ($25.4 million). The new development is estimated to increase revenue by $465 million over 30 years. $100 million in local, state, and federal funds were secured.

- Transit-Oriented Development ("TOD"). The County kicked off the TOD initiative in March 2014 to focus attention on attracting commercial and residential development at five of the County's 15 Metro Stations (Largo, New Carrollton, Prince George's Plaza, Branch Avenue, and Suitland). These high priority TOD locations are receiving needed public infrastructure improvements. The development projects are being fast-tracked through regulatory approval processes and given priority consideration for County incentives. Each of the five high-priority TOD locations receives market branding, and the County government has taken a leadership role in working with local, state, regional and federal partners to implement the initiative.

- Purple Line Light Rail Transit System. In April 2016, the State of Maryland approved a $5.6 billion contract to build and operate for 30 years a new light rail transit system that will connect New Carrollton in Prince George's County to Bethesda in Montgomery County – two counties with 32 percent of the State's

population, both of which border Washington DC. The construction of the 16.2-mile light rail line with 21 passenger stations began in August 2017. In January 2022, the Maryland Board of Public Works approved a new contract for the completion of construction and for the operation of the transit system for 40 years at a total cost of $9.3 billion. The system is expected to be fully operational in 2028.

- Purple Line – Beacon Heights Development. The County is advancing a transit-oriented development project in the Beacon Heights area along the Purple Line corridor, which is expected to include mixed-income residential units, senior housing, and ground-floor retail space. The project is currently in the pre-development phase, and a developer has been selected to advance the project. The timing of site disposition and construction is subject to ongoing negotiations and market conditions.

- The Green Energy Loan Program. In 2018, FSC First launched this initiative to provide loan guarantees to participating banks to advance public and private investment in clean energy and other innovative green technologies in Prince George's County. It offers multiple benefits to a broad range of stakeholders including building owners, municipalities, mortgage holders, lenders and energy efficiency/renewable energy contractors. The program can provide loan guarantees up to $250,000 for a term of up to 20 years.

- Data Center Industry Initiative. The State and County passed legislation in order to make the County more competitive for attracting data centers. The state bill waives the sales tax for data centers. The County legislation waives all or part of personal property taxes, and expedites the County's approval and permitting processes by making data centers a by-right use in several commercial, industrial and rural-residential zones. The overall goal is to create a 90-day by-right review and approval process.

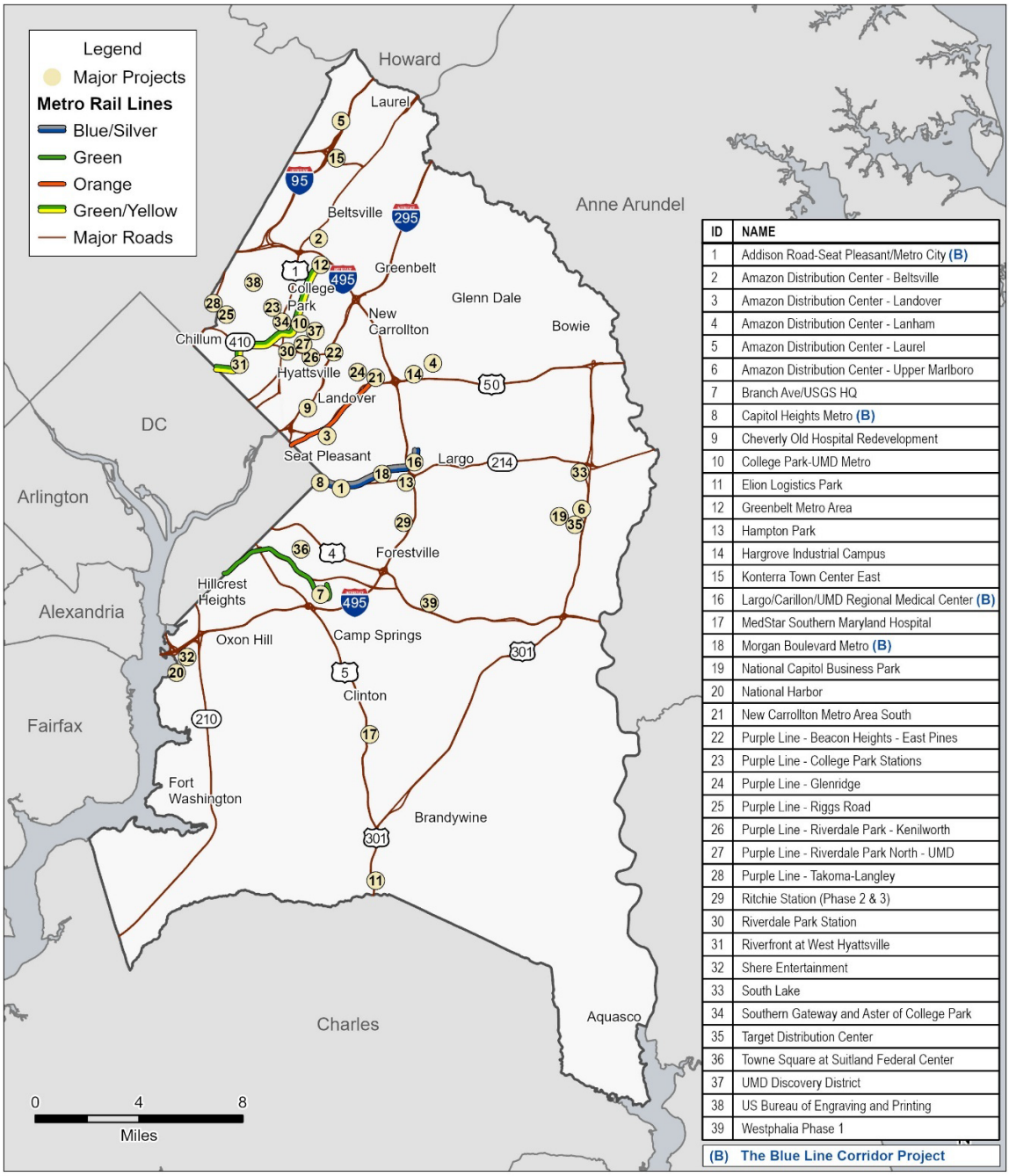
- The Blue Line Corridor. A new long-term economic development project to create a sports and entertainment destination for the County, Washington Metropolitan Region, and the state of Maryland. Encompassing four Metrorail stations along the WMATA blue line corridor from Downtown Largo to the County's boarder with Washington, DC in Capitol Heights, the plan is for a 5 mile long dense, multi-modal, amenity-rich sports and entertainment destination. In April 2022, the State of Maryland approved $400 million in funding through the Maryland Stadium Authority to begin work on several of the projects planned along the Blue Line Corridor to include an amphitheater, a library/cultural center, a sports fieldhouse, a market hall, and a civic plaza. This project will support development around the Capital Heights, Addison Road, and Morgan Boulevard Metro stations in addition to Largo and MD-214. The Blue Line Corridor will become a major economic engine for the County by catalyzing development, creating jobs, and incentivizing the development of a sports and entertainment-branded corridor. Activity has started on 210 Park (156 units plus retail) and Park Place at Addison Rd (193 units and retail). A Metro City mixed-use project will break ground in the fall of 2026 (Condo, Multi-family, Sr. living, assisted living, retail, and medical on 40 acres).

- Cheverly Hospital Site. Over $22 million in state funding has been secured for predevelopment and site work, with demolition and remediation currently underway. The 26-acre former Prince George's Hospital site, located inside the Beltway, is connected to trails and bike paths and is within 2.6 miles of the Landover Metro Station (Orange and Blue Lines) and 3.8 miles of the Cheverly Metro Station (Orange Line). The Urban Atlantic Master Plan proposes a mix of residential and commercial uses centered around an activated community square, including approximately 110,000 square feet of hotel, office, food hall, grocer, and neighborhood-serving retail. The plan also includes approximately 1,300 residential units, including multifamily rental, senior housing, condominiums, and townhomes.

- Residences at Glenarden Hills. Phases one and two of the development project at the Residences at Glenarden Hills were completed and included 169 new senior and family units as well as a community center. Phase three, which included an additional 158 residential units (138 affordable units and 20 market rate units), has been completed and is operational. Phase four will include 97 for-sale townhomes (20 of which will be income restricted), with groundbreaking anticipated in 2026 following completion of key site-readiness and utility coordination items.

Major Economic Development Projects

Several projects, reflecting a range of commercial development in the County, are listed in the following map.



ID	NAME
1	Addison Road-Seat Pleasant/Metro City (B)
2	Amazon Distribution Center - Beltsville
3	Amazon Distribution Center - Landover
4	Amazon Distribution Center - Lanham
5	Amazon Distribution Center - Laurel
6	Amazon Distribution Center - Upper Marlboro
7	Branch Ave/USGS HQ
8	Capitol Heights Metro (B)
9	Cheverly Old Hospital Redevelopment
10	College Park-UMD Metro
11	Elion Logistics Park
12	Greenbelt Metro Area
13	Hampton Park
14	Hargrove Industrial Campus
15	Konterra Town Center East
16	Largo/Carillon/UMD Regional Medical Center (B)
17	MedStar Southern Maryland Hospital
18	Morgan Boulevard Metro (B)
19	National Capitol Business Park
20	National Harbor
21	New Carrollton Metro Area South
22	Purple Line - Beacon Heights - East Pines
23	Purple Line - College Park Stations
24	Purple Line - Glenridge
25	Purple Line - Riggs Road
26	Purple Line - Riverdale Park - Kenilworth
27	Purple Line - Riverdale Park North - UMD
28	Purple Line - Takoma-Langley
29	Ritchie Station (Phase 2 & 3)
30	Riverdale Park Station
31	Riverfront at West Hyattsville
32	Shere Entertainment
33	South Lake
34	Southern Gateway and Aster of College Park
35	Target Distribution Center
36	Towne Square at Suitland Federal Center
37	UMD Discovery District
38	US Bureau of Engraving and Printing
39	Westphalia Phase 1

(B) The Blue Line Corridor Project

M-NCPPC

Prince George's County 2026
Major Economic Development Projects

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Planning Department
Job #4672

Summary: Map showing the location of major economic developments in Prince George's County, Maryland in 2026.

For any assistance with this map, please contact the Information Management Division at ppd-gis@ppd.mncppc.org or 301-952-3918.

Transportation

The County is located near three major airports: Baltimore Washington International Thurgood Marshall Airport; Washington Dulles International Airport; and Ronald Reagan Washington National Airport. Interstate 95 provides the County with access to the nation's eastern seaboard, including the major commercial centers in Baltimore, Philadelphia and New York City. Interstate 495 (the Capital Beltway) circles Washington, D.C. and provides access both to that city and to nearby suburban jurisdictions. Other major highways in the County include the Baltimore-Washington Parkway (Route MD 295), U.S. Route 50 (access to Maryland's eastern shore) and U.S. Route 3/301 (access to Baltimore and Virginia). The Washington Metropolitan Area Transit Authority ("WMATA") Metrorail system operates a 128-mile subway system. The system serves Washington, D.C. and nearby suburban areas, including five lines and 15 stations that serve the County. WMATA's local bus system has more than 70 routes serving County residents. The County supplements WMATA's bus service with "TheBus."

The County is served by CSX Transportation, Norfolk Southern Railway, Amtrak Metroliner passenger service (including a station at New Carrollton on Amtrak's Northeast Corridor service and the 16 mile/21 station Purple Line light rail transit system under construction, connecting Prince George's and Montgomery counties), and the MARC (Maryland Area Regional Commuter) rail system which has two lines that run through the County, both of which provide service between Baltimore City (and surrounding areas) and Washington, D.C.'s Union Station, with 9 stations in the County. More than 90 freight lines serve the County. Most of the County lines lie within the Washington commercial zone as defined by the Interstate Commerce Commission.

Utilities

Baltimore Gas & Electric Company ("BGE"), Potomac Electric Power Company ("PEPCO"), and Southern Maryland Electric Cooperative, Inc. ("SMECO") provide the County with electricity services. County residents have the option of choosing their electric supplier. Natural gas is supplied by Washington Gas or BGE; however, County residents have the option of buying natural gas directly from natural gas suppliers. BGE and PEPCO are both subsidiaries of Exelon Corporation. Washington Suburban Sanitary Commission provides the water supply to the entire County and wastewater treatment services for part of the County. The District of Columbia Water and Sewer Authority also provides wastewater treatment services for parts of the County. Storm drainage for the County is provided by the County Department of the Environment.

Property Taxes

The County levies real and personal property taxes on all taxable property within its boundaries. Taxes are due in full on July 1 and become delinquent on the following October 1 with the exception of those taxes owed by (1) small business owners for which annual property taxes do not exceed $100,000 who qualify for a semi-annual payment plan (effective July 1, 2012); and (2) and homeowners living in their properties who qualify for a semi-annual payment plan. Semi-annual taxpayers must pay one-half of the annual taxes by September 30 and the remaining one-half in a second installment by December 31 of the fiscal year. No discount is allowed for early payment. Interest at the rate of 2/3% per month and a penalty of 1% per month are charged after September 30 (December 31 for the second semi-annual payment), except that tax bills issued after September 30 may be paid within 30 days without interest or penalty. Tax sales to recover delinquent real property taxes are held on the second Monday in May in the fiscal year taxes are due and payable. Legal action may be taken to enforce payment of both real and personal property taxes.

An independent state agency, SDAT, assesses all real property and tangible personal property in Maryland. Real property is reassessed on a three-year cycle by reviewing one-third of all property in Prince George's County every year for the purpose of property taxation by State and local governmental units. Prior to 2001, real property had been valued at market value and assessed in each year at 40% of phased-in market value. Beginning in 2001, property tax rates are applied to 100%, instead of 40%, of the value of real property.

By law, the annual taxable assessment growth of owner-occupied residential property, for which a one-time application is submitted and approved by the State, is capped at the lesser of the percentage of increase in the Consumer Price Index ("CPI") for the previous 12 months or 5% of the prior year's taxable assessment. The cap for fiscal year 2026 is set at 3%, based on the CPI. State law also provides that certain owner-occupants of residential

property may receive certain property tax credits based on various criteria including their income and net worth. The County is reimbursed by the State for some of these tax credits. Certain real estate developments inside the Capital Beltway within census tracts where the median household income does not exceed 100% of the median household income for the County based on census numbers (Revitalization Tax Credit Districts) are eligible to receive tax credits. This provides tax incentives for revitalization projects, with a long-term goal of enhancing the communities and preserving the tax base.

Tangible personal property and commercial and manufacturing businesses are assessed annually at fair market value with no inflation allowance, based upon annual reports filed with SDAT. Public utility property is assessed at fair market value determined by reference to both income and property values, with the exception that power-generating personal property has been subject to a phased-in partial assessment due to the State's electricity deregulation. The County grants some personal property tax credits for research and development property, designed to stimulate economic development. The following tables set forth the growth rate of the assessed and estimated actual value of real and personal property in the County.

Assessed and Estimated Actual Value of Taxable Property
($ millions)

	Real Property		Other Property		Total	
Fiscal Year	Assessed Value	Estimated Actual Value	Business Personal Property[(1)]	Public Utilities	Assessed Value	Estimated Actual Value
2025	$ 128,514.4	$ 137,216.3	$ 1,624.0	$ 2,057.6	$ 132,196.1	$140,898.0
2024	120,202.4	129,262.4	1,625.1	1,959.3	123,786.7	132,846.7
2023	113,329.3	118,053.0	1,768.2	1,874.8	116,972.3	121,695.9
2022	108,035.7	112,696.8	1,645.1	1,751.9	111,432.7	116,093.8
2021	103,232.7	108,467.1	1,843.2	1,671.5	106,747.4	111,981.9

Source: Maryland State Department of Assessments and Taxation, 2025 ACFR

Real and Personal Property Taxes

(Levies and Collections)

Fiscal Year	Assessed Value ($ millions)	Tax Rate per $100 Assessed Value	Taxes Levied for the Fiscal Year	Collected During Fiscal Year	Percent Collected as of June 30
2025	$ 132,196.1	1.00	$ 1,394,032,570	$ 1,385,109,689	99.4
2024	123,786.7	1.00	1,307,256,231	1,294,643,861	99.0
2023	149,758.3	1.00	1,236,107,051	1,226,748,965	99.2
2022	111,432.7	1.00	1,176,039,174	1,169,406,182	99.4
2021	106,747.4	1.00	1,129,751,534	1,120,945,649	99.2

Source: Office of Finance

The following table provides a breakdown of the property tax rate into its component parts. The "General" rate is the only listed component that is subject to the limitations of Section 812. Pursuant to Section 812, the County shall not levy "a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979." Section 812 further provides that "the County may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if

the real property tax rate does not exceed two dollars and forty cents ($2.40) for each One Hundred Dollars ($100.00) of assessed value." In 2012, the Maryland Senate passed Senate Bill 848 that provides for the property tax rate to be set higher than the rate authorized under the County Charter. Any additional revenue generated as a result of the higher property tax rate is for the sole purpose of funding the approved budget of the local school board. The fiscal year 2016 Budget set the County's nominal real property rate at $1.00/$100 of assessed value. The "Stormwater Management" component pays debt service on bonds issued to provide funds for, and other expenses pertaining to, stormwater management facilities. The Washington Suburban Transit Commission ("WSTC") component pays for the County's contribution to WSTC and other related mass transit costs. The Maryland State and the M-NCPPC components identify taxes collected by the County on behalf of those entities.

FY 2026 Property Tax Rates in Dollars / $100 of Assessed Value

PRINCE GEORGE'S COUNTY		OVERLAPPING TAXING ENTITIES		
General	Stormwater Management	WSTC	Maryland State	M-NCPPC
$1.00	$0.012	$0.026	$0.112	$0.294

Source: Office of Finance

Property Tax Levies

($ thousands)

	PRINCE GEORGE'S COUNTY		OVERLAPPING TAXING ENTITIES		
Fiscal Year	General	Stormwater Management	WSTC	Maryland State	M-NCPPC
2026[(1)]	1,270,143	68,447	37,723	152,314	410,180
2025	1,200,454	64,641	35,504	142,597	385,894
2024	1,133,790	60,823	33,357	133,660	362,449
2023	1,075,436	57,794	31,638	126,119	343,701
2022	1,014,234	54,939	30,065	120,554	326,498
2018	862,251	45,217	24,694	97,052	267,930
2017	820,635	42,232	23,176	91,154	251,324
2016	781,337	39,442	21,789	85,751	236,074

[(1)] As of February 28, 2026

Source: Office of Finance, Treasury

The top 10 principal taxpayers within the County in fiscal year 2025 were as follows:

Principal Taxpayers
June 30, 2025

Taxpayer	Real Property Assessment	Personal Property Assessment	Total Assessment
NATIONAL HARBOR GRAND LLC	$ 1,095,000,000	$ -	$ 1,095,000,000
POTOMAC ELECTRIC POWER COMPANY	8,229,600	954,610,730	962,840,330
GAYLORD NATIONAL LLC	646,414,600	-	646,414,600
WASHINGTON GAS LIGHT COMPANY	9,806,000	430,975,130	440,781,130
EMPIRIAN VILLAGE OF MD LLC	333,880,500	1,080,300	334,960,800
BALTIMORE GAS & ELECTRIC CO	129,600	304,683,300	304,812,900
GREENBELT HOMES INC	301,388,800	179,170	301,567,970
SSC MARYLAND APARTMENTS LLC	246,036,100	1,100,430	247,136,530
COLLEGE PARK ASSET LLC	226,671,600	1,265,600	227,937,200
VERIZON-MARYLAND LLC	-	199,925,420	199,925,420
	$ 2,867,556,800	**$ 1,893,820,080**	**$ 4,761,376,880**
Percentage of Total Assessable Base (Principal Taxpayers):	4.5%	2.9%	7.4%

Statutory Debt Limit

Pursuant to the Express Powers Act, the statutory debt limit of the County is the sum of 6% of the assessable base of all real property of the County plus 15% of the County's assessable base of personal property and operating real property described in Section 8-109(c) of the Tax-Property Article. State law authorizes certain exclusions from such calculation. Obligations issued by the Revenue Authority are excluded from the County's statutory limit. The current debt limit of the County is shown in the following table.

Statutory Debt Limit
June 30, 2025

County General Obligation Bonds	$ 2,648,865,000
Maryland Water Quality Loan	139,076,884
Maryland Development Debt	-
Maryland CDA Infrastructure Financing Bonds	-
Total Debt of the County	$ 2,787,941,884
Less: Portion of Debt Excludable by State Law:	
County General Obligation Bonds for:	
Mass Transit Facilities	$ 719,797
Stormwater Facilities	438,733,460
Solid Waste Projects	86,228,674
School Facilities Surcharge-Supported	334,175,652
School Facility Supported by Telecommunication Tax	2,754,294
Maryland Water Quality Loan	139,076,884
Maryland Development Debt	-
Maryland CDA Infrastructure Financing Bonds	-
Total Excludable Debt	$ 1,001,688,761
County Debt Subject to Statutory Debt Limitation	$ 1,786,253,123
Assessable Base of Real Property Taxation (FY2024)	$ 137,216,338,490
Assessable Base of Personal Property and Operating Real Property Taxation (FY2025)	3,681,629,270
Debt Limit (a total of 6% of Real Property Assessable Base and 15% of Assessable Base of Personal Property) (FY2024)	8,785,224,700
Less: County Debt Subject to Debt Limitation	1,786,253,123
County Debt Margin	$ 6,998,971,577

Source: Office of Finance.

Short-Term and Long-Term Debt

The County has no short-term debt.

Tax-Supported General Fund Debt

Net tax-supported General Fund debt is gross debt less (i) gross debt payable primarily from user charges or other identified debt-supporting revenue streams; and (ii) gross debt reimbursable from the State of Maryland. Net tax-supported General Fund debt represents a less conservative treatment of the estimated direct exposure to the County's property tax base than gross debt.

The debt service payments on the debt issued by overlapping entities of the County and the towns and cities within the County are made in their entirety from distinct and separately chargeable revenue sources and are treated as self-supporting except those payments which are made from the County General Fund revenue sources. The debt issued by the WSSC for water, sewer and general construction is paid from separate charges and benefit assessments and the debt issued for stormwater drainage is paid from a separate and unlimited ad valorem tax. The debt issued by the M-NCPPC for facilities located in the County is paid from a separate unlimited ad valorem tax levied by the M-NCPPC. The debt service payments on certain revenue bonds issued by the Revenue Authority are paid from the lease payments by the State of Maryland and the County. Since the lease payments made by the County are paid from the County General Fund revenue sources, the debt service allocable to the County leases is not self-supporting; however, the lease payments made by the State of Maryland are treated as self-supporting. Debt issued by the towns and cities within the County is supported by the revenue sources of the respective towns and cities.

The following schedules show (1) gross direct debt, net direct tax-supported General Fund debt, overlapping and underlying debt of the County and various entities incurred for capital purposes and outstanding; (2) a schedule of net tax supported debt service requirements paid from the County General Fund sources; and (3) the rapidity of net tax-supported General Fund principal payments in 5, 10, 15 and 21 years, as of June 30, 2025.

Direct, Overlapping and Underlying Debt Statement

($ millions)

June 30, 2025

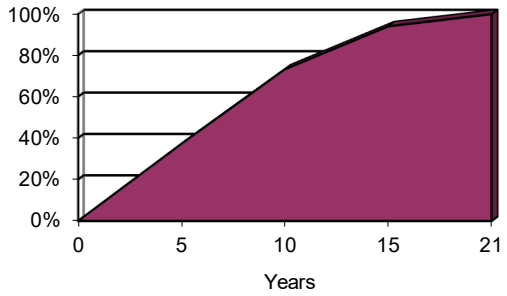
	Gross Debt Principal Amount	Self-Supporting Debt	Net Tax-Supported General Fund Debt Principal Amount
Direct Debt			
County General Obligation Bonds:			
General Purpose	$ 1,786.3	-	1,786.3
Mass Transit	0.7	0.7	-
Stormwater Management	438.7	438.7	-
Solid Waste Management	86.2	86.2	-
School Facilities Surcharge-Supported	334.2	334.2	-
School Facilities Supported by Telecommunication Tax	2.8	2.8	-
Maryland Water Quality Loan	139.1	139.1	-
Maryland CDA Development Debt	-	-	-
Maryland CDA Infrastructure Financing Bonds	-	-	-
Total Direct Debt	2,787.9	1,001.7	1,786.3
Overlapping and Underlying Debt			
Washington Suburban Sanitary Commission	1,377.7	1,377.7	-
Maryland-National Capital Park and Planning Commission	124.0	124.0	-
Industrial Development Authority of Prince George's County Lease Revenue Bonds	-	-	-
Underlying Towns and Cities Within County	90.2	90.2	-
Total Overlapping and Underlying Debt	1,591.9	1,591.9	-
Total Direct, Overlapping Debt and Underlying Debt	4,379.8	2,593.6	1,786.3

Source: Office of Finance

The following illustration excludes self-supporting County general obligation bonds and State bonds.

Rapidity of Net Tax-Supported Bond Principal Payments from General Fund

June 30, 2025



Years	Principal Retired ($ millions)	Percent
5	$721.2	40.4%
10	1352.9	75.7%
15	1695.0	94.9%
21	1786.2	100.0%

Source: Office of Finance

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate, dated as of _____, 2026 (the "Disclosure Certificate"), is executed and delivered by the Washington Suburban Sanitary Commission (the "Commission") in connection with the issuance and delivery of its $_____ Consolidated Public Improvement Bonds of 2026 Series B (the "Construction Bonds"), the $_____ Consolidated Public Improvement Bonds of 2026 Series B (Second Series) (Green Bonds) (the "Second Series" or "Green Bonds") and $_____ Consolidated Public Improvement Refunding Bonds of 2026 (the "Refunding Bonds" and, together with the Construction Bonds and the Green Bonds, collectively, the "Bonds"). The Commission hereby covenants and agrees as follows:

SECTION 1. *Purpose of the Disclosure Certificate.* This Disclosure Certificate is being executed and delivered by the Commission for the benefit of the holders from time to time of the Bonds and the beneficial owners from time to time of the Bonds and in order to assist the Underwriter (defined below) in complying with the Rule (defined below).

SECTION 2. *Definitions.* In addition to the definitions set forth above, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Commission pursuant to, and as described in, Sections 4 and 5 of this Disclosure Certificate.

"Disclosure Representative" shall mean the Chief Financial Officer of the Commission or her designee, or such other person as the Commission shall designate from time to time.

"Dissemination Agent" shall mean the Commission or any Dissemination Agent designated in writing by the Commission.

"EMMA" means the Electronic Municipal Market Access system maintained by the MSRB for purposes of the Rule.

"Financial Obligation" means (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to MSRB under the Rule.

"Listed Events" shall mean any of the events listed in Section 6(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, and its successors.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Underwriter" shall mean the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering or sale of the Bonds.

SECTION 3. *Scope of Agreement.*

(a) The disclosure obligations under this Disclosure Certificate relate solely to the Bonds. Such disclosure obligations are not applicable to any other securities issued or to be issued by the Commission.

(b) The Commission is the only "obligated person" with respect to the Bonds within the meaning of the Rule.

SECTION 4. *Provision of Annual Reports.* The Commission shall, not later than March 31 after the end of the fiscal year, commencing with the fiscal year ending June 30, 2026, provide to the MSRB in an electronic format and accompanied by identifying information as prescribed by the MSRB an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Certificate. In each case, the Annual Report may be submitted as a single

document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Certificate; provided that the audited financial statements of the Commission may be submitted separately from the balance of the Annual Report.

If the Commission is unable to provide the annual financial information and operating data within the applicable time periods specified herein, the Commission shall send in a timely manner a notice of such failure to the MSRB.

SECTION 5. *Content of Annual Reports.* The Commission's Annual Report shall contain or incorporate by reference the following:

- Comprehensive audited financial statements for the immediately preceding fiscal year, prepared in accordance with generally accepted accounting principles, unless the audited financial statements are not available on or before the date of such filing, in which event said audited financial statements will be promptly provided when and if available and the Commission will provide unaudited financial statements as part of the Annual Report; and

- The information provided in the Official Statement prepared and delivered by the Commission with respect to the Bonds, under the headings "Washington Suburban Sanitary District - Employees' Retirement Plan," "-Leases and Agreements," "Bonded Indebtedness of the District," "Summary of District Ad Valorem Taxes and Other Charges and Revenues Therefrom," "Capital Improvements Program," and "Water and Sewerage Facilities, Service Centers and Statistics," and updated as of a date no earlier than the last day of the immediately-preceding fiscal year.

SECTION 6. *Reporting of Significant Events.*

(a) In a timely manner, not in excess of 10 business days, the Commission will provide to the MSRB notice of the occurrence of any of the following events with respect to the Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of holders of the Bonds, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Commission;

(xiii) the consummation of a merger, consolidation, or acquisition involving the Commission or the sale of all or substantially all of the assets of the Commission, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the Commission, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Commission, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Commission, any of which reflects financial difficulties.

The Commission hereby acknowledges that certain of the above-enumerated events do not, and are not ever expected to, apply to the Bonds. Nevertheless, the Commission intends to provide the Underwriter with complete assistance in complying with the Rule. Therefore, the Commission covenants to provide notice of all of the above-enumerated events should they occur.

SECTION 7. *Termination of Reporting Obligation.* The Commission's obligations under this Disclosure Certificate shall terminate when there are no longer any Bonds outstanding.

SECTION 8. *Dissemination Agent.* The Commission may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. *Amendment; Waiver.* Notwithstanding any other provision of this Disclosure Certificate, the Commission may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) said amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Commission, or type of business conducted by the Commission;

(b) said provision, as amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the initial offering of the Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) said amendment or waiver does not materially impair the interests of holders of the Bonds, as determined either by nationally recognized bond counsel or by an approving vote of the holders of 25% of the outstanding aggregate principal amount of the Bonds.

The reasons for any amendment and the impact of the change, if any, in the type of operating data or financial information being provided will be explained in information provided with the Annual Report containing the amended operating data or financial information.

SECTION 10. *Additional Information.* Nothing in this Disclosure Certificate shall be deemed to prevent the Commission from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Commission chooses to include any information in any Annual Report or notice of occurrences of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Commission shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. *Default.* Failure to comply with this Disclosure Certificate shall not be deemed to be a default or an event of default with respect to the Bonds.

SECTION 12. *Filing with EMMA.* Unless otherwise required by the MSRB, all filings with the MSRB shall be made with EMMA and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 13. *Beneficiaries.* This Disclosure Certificate shall inure solely to the benefit of the Commission, the Dissemination Agent (if any), the Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. *Limitation of Forum.* Any suit or other proceedings seeking redress with regard to any claimed failure by the Commission to perform its obligations under this Disclosure Certificate must be filed in the Circuit Court of Montgomery County, Maryland or the Circuit Court of Prince George's County, Maryland.

SECTION 15. *Law of Maryland*. This Disclosure Certificate and any claims made with respect to performance by the Commission of its obligations under this Disclosure Certificate shall be subject to and be construed according to the laws of the State of Maryland (without regard to provisions on conflict of laws) or federal laws.

WASHINGTON SUBURBAN
SANITARY COMMISSION

By: _____
Munetsi Timothy Musara
Chief Financial Officer

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Washington Suburban Sanitary Commission
Laurel, Maryland

Ladies and Gentlemen:

In connection with the issuance and sale of $_____ Washington Suburban Sanitary District, Maryland Consolidated Public Improvement Bonds of 2026 Series B (the "Construction Bonds"), $_____ Washington Suburban Sanitary District, Maryland Consolidated Public Improvement Bonds of 2026 Series B (Second Series) (Green Bonds) (the "Green Bonds") and $_____ Consolidated Public Improvement Refunding Bonds of 2026 (the "Refunding Bonds" and, together with the Construction Bonds and the Green Bonds, collectively, the "Bonds") dated _____, 2026, maturing annually on June 1 in the years 20__through 20__, inclusive, in the amounts set forth therein and bearing interest, payable semi-annually on June 1 and December 1 in each year, beginning June 1, 2027, we have examined:

(i) Titles 16 through 25 of Division II of the Public Utilities Article of the Annotated Code of Maryland, as amended (herein sometimes called the "Act");

(ii) Resolution No. 2026-2461, adopted by the Washington Suburban Sanitary Commission (the "Commission") on July 15, 2026 (the "New Money Resolution");

(iii) Resolution No. 2026-2462, adopted by the Washington Suburban Sanitary Commission (the "Commission") on July 15, 2026, 2026 (the "Refunding Resolution" and, together with the New Money Resolution, the "Resolution");

(iv) the form of Bonds;

(v) relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"); and

(vi) other proofs submitted to us relative to the issuance and sale of the Bonds.

The terms of the Bonds are contained in the Resolution and the Bonds.

We have made no investigation of, and are rendering no opinion regarding, the title to real or personal property.

In rendering this opinion, we have relied without independent investigation on certifications provided by the Commission with respect to certain material facts within the knowledge of the Commission relevant to the tax-exempt status of interest on the Bonds. We have not examined any documents or other information concerning the business or financial resources of the Washington Suburban Sanitary District, Montgomery County, Maryland, or Prince George's County, Maryland and we express no opinion as to the accuracy or completeness of any information that may have been relied upon by holders of the Bonds in making their decision to purchase the Bonds.

Based upon the foregoing, we are of the opinion that, under existing statutes, regulations and decisions:

(a) The Commission is a validly created and existing public corporation of the State of Maryland.

(b) The Bonds are valid and legally binding general obligations of the Washington Suburban Sanitary District, all the assessable property within which is subject to the levy of an *ad valorem* tax, without limitation of rate or amount, to pay the Bonds and the interest thereon.

(c) Interest on the Bonds is exempt from taxation by the State of Maryland and its counties and municipalities; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the interest on the Bonds.

(d) Assuming compliance with the covenants referred to herein, interest on the Bonds will be excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Code, there are certain restrictions that must be met subsequent to the delivery of the Bonds in order for interest on the Bonds to remain excludable from gross income for federal income tax purposes, including restrictions that must be complied with throughout the term of the Bonds. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made), (ii) other requirements applicable to the investment of the proceeds of the Bonds, and (iii) other requirements applicable to the use of the proceeds of the Bonds and the facilities financed or refinanced with the proceeds of the Bonds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The Commission has made certain covenants regarding actions necessary to maintain the exemption of interest on the Bonds from federal income taxation. It is our opinion that, assuming compliance with such covenants, the interest on the Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

(e) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. Interest on the Bonds will be part of adjusted financial statement income, fifteen percent of which is included in the computation of the corporate alternative minimum tax imposed on applicable corporations. Interest income on the Bonds will be subject to the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States of America.

We express no opinion herein concerning any law other than the law of the State of Maryland and the federal law of the United States of America applicable to the issuance of tax-exempt bonds.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

APPENDIX E

Book-Entry System

General. The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of each series of the Bonds in principal amount equal to the aggregate principal amount of the Bonds of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Commission or the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC, DTC's nominee, the Bond Registrar and Paying Agent or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission or its Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Book-Entry Only System — Miscellaneous. The information in the Section "Book-Entry Only System — General" has been obtained from DTC. The Commission takes no responsibility for the accuracy or completeness thereof. The Commission will have no responsibility or obligations to DTC Participants or the persons for whom they act as nominees with respect to the payments to or the providing of notice to the DTC Participants, or the Indirect Participants, or Beneficial Owners. The Commission cannot and does not give any assurance that DTC Participants or others will distribute principal and interest payments paid to DTC or its nominees, as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

Discontinuation of Book-Entry Only System. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Commission. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The Commission may also decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

In the event that the Book-Entry Only System is discontinued, the Bonds in fully certificated form will be issued as fully registered Bonds without coupons in the denomination of $5,000 each or any integral multiple thereof. Such Bonds will be transferable only upon the registration books kept at the principal office of the Bond Registrar and Paying Agent, by the registered owner thereof in person, or by an attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer in the form attached thereto and satisfactory to the Bond Registrar and Paying Agent, and duly executed by the registered owner or a duly authorized attorney. Within a reasonable time of such surrender, the Commission shall cause to be issued in the name of the transferee a new registered Bond or Bonds of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond surrendered and maturing on the same date and bearing interest at the same rate. The new Bond or Bonds shall be delivered to the transferee only after due authentication by an authorized officer of the Bond Registrar and Paying Agent. The Commission may deem and treat the person in whose name a Bond is registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal or redemption price thereof and interest due thereon and for all other purposes.

In the event that the Book-Entry Only System is discontinued, the Bonds may be transferred or exchanged at the principal office of the Bond Registrar and Paying Agent. Upon any such transfer or exchange, the Commission shall execute and the Bond Registrar and Paying Agent shall authenticate and deliver a new registered Bond or Bonds without coupons of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond exchanged or transferred, and maturing on the same date and bearing interest at the same rate. In each case, the Bond Registrar and Paying Agent may require payment by any holder of Bonds requesting exchange or transfer of Bonds of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect to such exchange or transfer, but otherwise no charge shall be made to the holder of Bonds for such exchange or transfer.

The Bond Registrar and Paying Agent shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or portion thereof for redemption as previously described; provided, however, that the foregoing limitation shall not apply to that portion of a Bond in excess of $5,000 which is not being called for redemption.

NEITHER THE COMMISSION NOR THE BOND REGISTRAR AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER; OR (5) THE SELECTION BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF BONDS.

OFFICIAL NOTICE OF SALE

$386,375,000*
WASHINGTON SUBURBAN SANITARY DISTRICT, MARYLAND
(MONTGOMERY AND PRINCE GEORGE'S COUNTIES, MARYLAND)

$357,395,000*	**$28,980,000***
Consolidated Public Improvement Bonds of 2026 Series B	**Consolidated Public Improvement Bonds of 2026 Series B (Second Series) (Green Bonds)**

Dated Date of Delivery

Electronic bids, via BiDCOMP/Parity Competitive Bidding System ("***PARITY***") only, will be received until **10:15 A.M., prevailing Eastern time**, on **December 3, 2026**, by the Chief Financial Officer or other officer of the Washington Suburban Sanitary Commission (the "**Commission**") designated by the Commission (either such officer being the "**Designated Officer**"), for the above-referenced bonds (the "**Bonds**") of the Washington Suburban Sanitary District (the "**District**").

Terms of the Bonds

The Bonds shall be dated the date of their delivery (expected to be on or about December 17, 2026). The $357,395,000* Consolidated Public Improvement Bonds of 2026 Series B (the "**Construction Bonds**") of the District will mature serially on June 1, in the following years and principal amounts:

Consolidated Public Improvement Bonds of 2026 Series B

Year of Maturity	Principal Amount*	Year of Maturity	Principal Amount*
2027	$ 4,365,000	2042	$11,195,000
2028	5,655,000	2043	11,755,000
2029	5,935,000	2044	12,345,000
2030	6,235,000	2045	12,965,000
2031	6,545,000	2046	13,610,000
2032	6,875,000	2047	14,290,000
2033	7,220,000	2048	15,005,000
2034	7,580,000	2049	15,755,000
2035	7,955,000	2050	16,540,000
2036	8,355,000	2051	17,370,000
2037	8,775,000	2052	18,285,000
2038	9,210,000	2053	19,240,000
2039	9,670,000	2054	20,250,000
2040	10,155,000	2055	21,265,000
2041	10,665,000	2056	22,330,000

*Preliminary, subject to change.

The $28,980,000* Consolidated Public Improvement Bonds 2026 Series B (Second Series) (Green Bonds) (the "**Second Series**" or "**Green Bonds**") of the District will mature serially on June 1, in the following years and principal amounts:

Green Bonds

Year of Maturity	Principal Amount*	Year of Maturity	Principal Amount*
2027	$355,000	2042	$ 910,000
2028	460,000	2043	955,000
2029	480,000	2044	1,000,000
2030	505,000	2045	1,050,000
2031	530,000	2046	1,105,000
2032	555,000	2047	1,160,000
2033	585,000	2048	1,215,000
2034	615,000	2049	1,280,000
2035	645,000	2050	1,340,000
2036	675,000	2051	1,410,000
2037	710,000	2052	1,485,000
2038	745,000	2053	1,560,000
2039	785,000	2054	1,640,000
2040	825,000	2055	1,725,000
2041	865,000	2056	1,810,000

Combined Group for Bidding Purposes

The Commission is selling its Construction Bonds and Green Bonds on a combined basis (the "Combined Bidding Group") for bidding purposes. However, each series of bonds will have their own distinct CUSIP numbers by series and maturity.

Year of Maturity	Principal Amount*	Year of Maturity	Principal Amount*
2027	$ 4,720,000	2042	$12,105,000
2028	6,115,000	2043	12,710,000
2029	6,415,000	2044	13,345,000
2030	6,740,000	2045	14,015,000
2031	7,075,000	2046	14,715,000
2032	7,430,000	2047	15,450,000
2033	7,805,000	2048	16,220,000
2034	8,195,000	2049	17,035,000
2035	8,600,000	2050	17,880,000
2036	9,030,000	2051	18,780,000
2037	9,485,000	2052	19,770,000
2038	9,955,000	2053	20,800,000
2039	10,455,000	2054	21,890,000
2040	10,980,000	2055	22,990,000
2041	11,530,000	2056	24,140,000

*Preliminary, subject to change.

The Bonds are to be issued for the purpose of providing funds for certain construction programs of the District, as more fully set forth in the Preliminary Official Statement related to the Bonds (the "**Preliminary Official Statement**"). All such Bonds are to be issued under and in full compliance with the Constitution and laws of the State of Maryland, including the Public Utilities Article of the Annotated Code of Maryland, as amended.

The Bonds will be issued in denominations of $5,000 or any integral multiple thereof as fully registered bonds (without physical coupons). Payment of the semi-annual interest on each Bond shall be made on June 1 and December 1, beginning June 1, 2027, and shall be made by the Bond Registrar, The Bank of New York Mellon Trust Company, N.A.,

Pittsburgh, Pennsylvania, on each interest payment date to the person appearing on the registration books of the District as the registered owner of such Bond at the close of business on the record date, which shall be the date fifteen (15) days prior to such interest payment date, by check or draft mailed to such person; payment of the principal of each Bond shall be made to the registered owner thereof upon the presentation and surrender of such Bond, as the same shall become due and payable, to the Bond Registrar at the office of its affiliate, The Bank of New York Mellon, in New York, New York or Dallas, Texas, and the transfer or exchange of any Bond may be registered upon said books upon surrender of the Bond to the Bond Registrar.

Optional Redemption

The Bonds which mature on or after June 1, 2037 are callable for redemption prior to their respective maturities, at the option of the Commission, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2036, at the principal amount of the Bonds to be redeemed, with interest thereon accrued to the date fixed for redemption, without premium.

Book-Entry System

One bond representing each maturity of the Bonds will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), as registered owner of the Bonds and each such bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates representing each maturity with DTC.

Bid Parameters

THE COMMISSION IS SELLING THE CONSTRUCTION BONDS AND THE GREEN BONDS ON A COMBINED BASIS. No bid less than 100% of par of the Combined Bidding Group, no oral bid, and no bid for less than all of the Combined Bidding Group described in this Notice will be considered. The Bonds are expected to be awarded no later than 4:00 p.m. prevailing Eastern time on December 3, 2026. At the deadline stated above for receiving bids, the bidding process will close and each bid shall constitute an irrevocable offer to purchase the Bonds on the terms provided in the bid and this Official Notice of Sale.

The Bonds will mature serially on June 1 from 2027 to 2056. EACH BIDDER MUST SPECIFY IN ITS BID A SINGLE INTEREST RATE FOR EACH MATURITY OF THE COMBINED BIDDING GROUP APPLICABLE TO BOTH SERIES OF BONDS. No single maturity of the Bonds shall bear more than one rate of interest which rate shall be uniform for the life of the maturity of the Bonds. Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of 1% per annum. Any number of rates may be named provided that (a) the lowest rate of interest for all maturities may not be less than 5.00% per annum, (b) the highest rate of interest for all maturities may not exceed 5.50% per annum. In addition, all maturities may not have a price less than 98%. No Term bonds are permitted.

Basis of Award

As promptly as reasonably possible after the bids are received, the Designated Officer will notify the bidder to whom the Bonds will be awarded, if and when such verbal award is made. Following the verbal award the winning bidder will provide the Designated Officer of the initial offering prices to the public of each maturity of the Bonds (the "**Initial Offering Prices**"). Such Initial Offering Prices, among other things, will be used by the Commission to calculate the final aggregate principal amount of the Bonds and the final principal amount of each annual payment on the Bonds (the "**Final Aggregate Principal Amount**" and the "**Final Annual Principal Amount**," respectively; collectively, the "**Final Amounts**"). The Final Amounts will be communicated to the successful bidder as soon as possible and will not reduce the amount of the Bonds by more than the premium amount of the bid. The dollar amount bid by the successful bidder for the Combined Bidding Group will be adjusted proportionally to reflect any reduction in the Revised Amounts (defined herein) of the Bonds in determining the Final Amounts. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount or premium, if any, but will not change the coupon rates and the initial public offering prices specified by the successful bidder for the Combined Bidding Group. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL OFFERING PRICES AS A RESULT OF ANY CHANGES MADE WITHIN THESE LIMITS.

The award, if made, will be made as promptly as possible after the bids are opened to the bidder naming the **LOWEST TRUE INTEREST COST FOR THE COMBINED BIDDING GROUP.** The lowest true interest cost will be determined with respect to each proposal by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments to the date of the Bonds and to the price bid for the Combined Bidding Group. Where the proposals of two or more bidders result in the same lowest true interest cost, the Bonds may be apportioned between such bidders, but if this shall not be acceptable to the Commission, the Designated Officer shall have the right to award all of such bonds to one bidder. **THE RIGHT IS RESERVED TO THE DESIGNATED OFFICER TO REJECT ANY OR ALL PROPOSALS AND TO WAIVE ANY IRREGULARITIES IN ANY OF THE PROPOSALS.** The judgment of the Designated Officer shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Notice of Sale.

Issue Price Determination

The Commission expects and intends that the bid for the Bonds will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Bonds from at least three underwriters who have established industry reputations for underwriting new issuances of municipal bonds (a "**Qualified Competitive Bid**"). **By the submission of their bid, each bidder is representing to the Commission that they have an established industry reputation for underwriting new issuances of municipal bonds**. The Designated Officer will advise the successful bidder as promptly as possible after the bids are received whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a "**Nonqualified Competitive Bid**").

If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are received, the Designated Officer will notify the successful bidder, and such bidder, upon such notice, shall provide the Designated Officer of the reasonably expected Initial Offering Price to the public of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the Commission information to establish the Initial Offering Prices for each maturity of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel to the Commission, on or before the date of issuance of the Bonds, substantially in the form set forth in Appendix G-1 to the Preliminary Official Statement, with appropriate completions, amendments and attachments.

If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the Designated Officer will notify the successful bidder, and such bidder, upon such notice, shall provide the Designated Officer of the initial sale price or Initial Offering Price to the public, as applicable, of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the Commission information and assurances to establish the initial sale price or the Initial Offering price to the public, as applicable, for each maturity of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel in substantially the form set forth in Appendix G-2 to the Preliminary Official Statement, with appropriate completions, omissions and attachments. **It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the Initial Offering Prices for certain maturities of the Bonds for up to 5 business days after the sale date, as further specified in the form of such certification.**

Electronic Bids

Bids will only be received electronically via ***PARITY***, in the manner described below, until 10:15 a.m., prevailing Eastern time, on December 3, 2026. Bids must be submitted electronically via ***PARITY*** pursuant to this Notice until 10:15 a.m., prevailing Eastern time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in ***PARITY*** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about ***PARITY***, potential bidders may contact the ***PARITY*** Help Desk at 212-849-5067.

Disclaimer

Each prospective bidder shall be solely responsible to register to bid via ***PARITY*** as described above. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access ***PARITY*** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Commission nor ***PARITY*** shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to ***PARITY*** to any qualified prospective bidder, and neither the Commission nor ***PARITY*** shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by ***PARITY***. The Commission is using ***PARITY*** as a communication mechanism, and not as the Commission's agent, to conduct the electronic bidding for the Bonds. The Commission is not bound by any advice and determination of ***PARITY*** to the effect that any particular bid complies with the terms of this

Notice of Sale and in particular the "**Bid Parameters**" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their submission of bids via ***PARITY*** are the sole responsibility of the bidders; and the Commission is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, such bidder should telephone ***PARITY*** New Issues Desk at 212-849-5067 and notify the Commission's Financial Advisor, Public Resources Advisory Group, Inc. by telephone at 212-566-7800.

Bidding Procedures

Electronic bids must be submitted for the purchase of the Combined Bidding Group (all or none) via ***PARITY***. Bids will be communicated electronically to the Commission at 10:15 a.m., prevailing Eastern time, on December 3, 2026. Prior to that time, an eligible prospective bidder may (1) input the proposed terms of its bid via ***PARITY***, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via ***PARITY*** to the Commission, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the bidding process, the time as maintained on ***PARITY*** shall constitute the official time.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than via ***PARITY***. No bid will be received after the time for receiving such bids specified above.

Minority Business Enterprise Participation

THE COMMISSION STRONGLY ENCOURAGES EACH BIDDER FOR THE BONDS TO MAKE A GOOD FAITH EFFORT TO INCLUDE MINORITY BUSINESS ENTERPRISES IN THE SYNDICATE PURCHASING THE BONDS. THE SUCCESSFUL BIDDER WILL BE REQUESTED TO PROVIDE A LIST OF SYNDICATE MEMBERS WHICH IDENTIFIES THE MINORITY BUSINESS MEMBERS AND INDICATES THEIR PERCENTAGE OF PARTICIPATION.

Good Faith Deposit

After receipt of bids is closed and prior to the award, the apparent successful bidder indicated on ***PARITY*** must submit a good faith deposit of $3,863,750 to the Commission by wire transfer as instructed by the Commission or its financial advisor no later than 4:00 p.m. on the day of the award. The award to the apparent successful bidder is contingent upon receipt of the good faith deposit, and the Bonds will not be awarded to such bidder until the Commission has confirmation of receipt of the good faith deposit. If the good faith deposit is not received in the time allotted, the bid of the apparent successful bidder may be rejected. No interest will be allowed on any good faith deposit. In the event the successful bidder shall fail to comply with the terms of its bid, the good faith deposit may be retained as and for full liquidated damages.

Approving Legal Opinion; Closing Papers

The approving legal opinion of McKennon Shelton & Henn LLP, Bond Counsel, will be furnished to purchasers without cost upon request. There will also be furnished the usual closing papers and, in addition, a certificate signed by appropriate officers of the Commission, certifying that there is no litigation pending or, to the knowledge of the signers of such certificate, threatened affecting the validity of the Bonds and that on the date of the Official Statement (defined below) and at the time of delivery of the Bonds the statements and information contained in the Official Statement which are made and provided by the Commission are and will be true, correct and complete in all material respects and the Official Statement does not and will not omit any statement or information which is required to be stated therein or necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading or incomplete in any material respect.

Preliminary Official Statement; Continuing Disclosure

The Commission has deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain information permitted to be omitted by said Rule. The Commission agrees to deliver to the successful bidder for its receipt no later than seven business days after the date of sale of the Bonds, such quantities of the final official statement (the "**Official Statement**") as the successful bidder shall request; provided, that the Commission shall deliver an electronic copy of such Official Statement without charge to the successful bidder.

The Commission has made certain covenants for the benefit of the holders from time to time of the Bonds to provide certain continuing disclosure, in order to assist bidders for the Bonds in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. Such covenants are described in the Preliminary Official Statement.

Procedures for Principal Amount Changes and Other Changes to Notice of Sale

The preliminary aggregate principal amount of the Bonds and the preliminary principal amount of each annual payment on the Bonds as set forth in this Notice of Sale (the "**Preliminary Aggregate Principal Amount**" and the "**Preliminary Annual Principal Amount**", respectively; collectively the "**Preliminary Amounts**") and the resulting principal amounts of Combined Bidding Group may be revised before the receipt and opening of the bids for their purchase. Any such revisions made prior to the opening of the bids (the "**Revised Aggregate Principal Amount**," "**Revised Annual Principal Amount**, and the **Revised Combined Bidding Group**," respectively; collectively, the "**Revised Amounts**") **WILL BE MADE AVAILABLE ON THE BiDCOMP/PARITY/WWW.I-DEALPROSPECTUS.COM SYSTEM OR PUBLISHED ON LSEG DATA & ANALYTICS (www.lseg.com) NOT LATER THAN 9:30 A.M. (PREVAILING EASTERN TIME) ON THE ANNOUNCED DATE FOR RECEIPT OF BIDS.** In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and select a winning bidder.

The Commission may revise this Notice of Sale by written notice available to prospective bidders by publishing notice of any revisions via BiDCOMP/Parity/www.i-dealprospectus.com or LSEG at or before the time for submission of bids. Any bid submitted shall be in accordance with, and incorporate by reference, this Notice of Sale including any revisions made pursuant to this paragraph.

Furthermore, after final computation of the bids, the Commission, in its sole discretion, reserves the right to increase or decrease any maturity amount of the Bonds to provide for approximately level annual debt service payments when combined with the Commission's Consolidated Public Improvement Refunding Bonds of 2026, with all calculations to be rounded to the nearest $5,000.

In the event of any such adjustment, no rebidding or recalculation of the bid submitted will be required or permitted. The Bonds of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yields as specified in the bid of the successful bidder and the total purchase price of the Bonds will be adjusted accordingly. However, the award will be made to the bidder whose bid produces the lowest true interest cost ("TIC"), calculated as specified in the section entitled "Basis of Award" herein, solely on the basis of the Bonds offered pursuant to the Bid Amounts, without taking into account any adjustment in the amount of the Bonds set forth in the Bid Amounts.

THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. IN READJUSTING THE PRINCIPAL AMOUNT OF THE BONDS FOLLOWING THE AWARD, THE COMISSION WILL HOLD CONSTANT THE BIDDER'S GROSS SPREAD PER $1,000 OF BONDS AS INDICATED IN THE ORIGINAL BID.

Delivery

The Bonds will be delivered on or about December 17, 2026, through the facilities of DTC in the City of New York, New York, against payment therefor in federal or other immediately available funds.

Change of Sale Date

The Commission reserves the right to change the date established for the receipt of bids at any time before the bids are open. In the event of a change, the new date and time of sale will be announced via BiDCOMP/Parity/www.i-dealprospectus.com or LSEG at least 12 hours prior to the time proposals are to be submitted. On any such alternative sale date, bidders may submit bids for the purchase of the Bonds in conformity with the provisions of this Notice of Sale, except for any changes to this Notice of Sale, the change of the date of sale and the changes described in the next sentence. If the date fixed for receipt of bids is changed, the expected date of delivery of Bonds also may be changed; if the sale is changed to a later date, then the date of the Bonds, the dates of the semiannual interest payments and annual principal payments, and the optional redemption dates also may be changed. Such changes, if any, will be announced via BiDCOMP/Parity/www.i-dealprospectus.com or LSEG at the time any alternative sale date is announced.

The Right to Reject any or all Bids or Revise Notice of Sale is Reserved.

The Commission reserves the right, on the date established for the receipt of bids, to reject any and all bids.

Miscellaneous

CUSIP identification numbers will be applied for by the Commission's Financial Advisor for each series of bonds. **EACH SERIES OF BONDS WILL HAVE SEPARATE AND DISTINCT CUSIP NUMBERS BY MATURITY.** The Commission will assume no obligation for the assignment or printing of such numbers on the Bonds or the correctness of such numbers, and neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale.

Copies of the Official Statement and the Notice of Sale for Bonds may be obtained from the undersigned at Washington Suburban Sanitary Commission, 14501 Sweitzer Lane, Laurel, Maryland 20707 (301-206-7083) or Public Resources Advisory Group, Inc., 39 Broadway, Suite 1115, New York, New York 10006 (212-566-7800).

WASHINGTON SUBURBAN SANITARY

COMMISSION

By: **/s/** Munetsi Timothy Musara

Munetsi Timothy Musara, Chief Financial Officer

OFFICIAL NOTICE OF SALE

**$88,315,000*
WASHINGTON SUBURBAN SANITARY
DISTRICT, MARYLAND
(MONTGOMERY AND PRINCE GEORGE'S COUNTIES, MARYLAND)
Consolidated Public Improvement Refunding Bonds of 2026**

Dated Date of Delivery

Electronic bids, via BiDCOMP/Parity Competitive Bidding System ("***PARITY***") only, will be received until **10:45 A.M., prevailing Eastern time**, on **December 3, 2026**, by the Chief Financial Officer or other officer of the Washington Suburban Sanitary Commission (the "**Commission**") designated by the Commission (either such officer being the "**Designated Officer**"), for the above-referenced bonds (the "**Bonds**") of the Washington Suburban Sanitary District (the "**District**").

Terms of the Bonds

The Bonds shall be dated the date of their delivery (expected to be on or about December 17, 2026). The Bonds will mature serially on June 1, in the following years and principal amounts:

Year of Maturity	Principal Amount*
2032	$10,845,000
2033	11,390,000
2034	11,955,000
2035	12,560,000
2036	13,185,000
2037	13,845,000
2038	14,535,000

The Bonds are to be issued for the purpose of providing funds for the refunding of certain bonds of the District, as more fully set forth in the Preliminary Official Statement related to the Bonds (the "**Preliminary Official Statement**"). All such Bonds are to be issued under and in full compliance with the Constitution and laws of the State of Maryland, including the Public Utilities Article of the Annotated Code of Maryland, as amended.

The Bonds will be issued in denominations of $5,000 or any integral multiple thereof as fully registered bonds (without physical coupons). Payment of the semi-annual interest on each Bond shall be made on June 1 and December 1, beginning June 1, 2027, and shall be made by the Bond Registrar, The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania, on each interest payment date to the person appearing on the registration books of the District as the registered owner of such Bond at the close of business on the record date, which shall be the date fifteen (15) days prior to such interest payment date, by check or draft mailed to such person; payment of the principal of each Bond shall be made to the registered owner thereof upon the presentation and surrender of such Bond, as the same shall become due and payable, to the Bond Registrar at the office of its affiliate, The Bank of New York Mellon, in New York, New York or Dallas, Texas, and the transfer or exchange of any Bond may be registered upon said books upon surrender of the Bond to the Bond Registrar.

*Preliminary, subject to change.

Optional Redemption

The Bonds which mature on or after June 1, 2037 are callable for redemption prior to their respective maturities, at the option of the Commission, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2036, at the principal amount of the Bonds to be redeemed, with interest thereon accrued to the date fixed for redemption, without premium.

Book-Entry System

One bond representing each maturity of the Bonds will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), as registered owner of the Bonds and each such bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates representing each maturity with DTC.

Bid Parameters

No bid less than 100% of par of the Bonds, no oral bid, and no bid for less than all of the Bonds described in this Notice will be considered. The Bonds are expected to be awarded no later than 4:00 p.m. prevailing Eastern time on December 3, 2026. At the deadline stated above for receiving bids, the bidding process will close and each bid shall constitute an irrevocable offer to purchase the Bonds on the terms provided in the bid and this Official Notice of Sale.

The Bonds will mature serially on June 1 from 2032 to 2038. EACH BIDDER MUST SPECIFY IN ITS BID A SINGLE INTEREST RATE FOR EACH MATURITY OF THE BONDS. No single maturity of the Bonds shall bear more than one rate of interest which rate shall be uniform for the life of the maturity of the Bonds. Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of 1% per annum. Any number of rates may be named provided that (a) the lowest rate of interest for all maturities may not be less than 5.00% per annum, and (b) the highest rate of interest for all maturities may not exceed 5.00% per annum. No Term bonds are permitted.

Basis of Award

As promptly as reasonably possible after the bids are received, the Designated Officer will notify the bidder to whom the Bonds will be awarded, if and when such verbal award is made. Following the verbal award the winning bidder will provide the Designated Officer of the initial offering prices to the public of each maturity of the Bonds (the "**Initial Offering Prices**"). Such Initial Offering Prices, among other things, will be used by the Commission to calculate the final aggregate principal amount of the Bonds and the final principal amount of each annual payment on the Bonds (the "**Final Aggregate Principal Amount**" and the "**Final Annual Principal Amount**," respectively; collectively, the "**Final Amounts**"). The Final Amounts will be communicated to the successful bidder as soon as possible and will not reduce the amount of the Bonds by more than the premium amount of the bid. The dollar amount bid by the successful bidder will be adjusted proportionally to reflect any reduction in the Revised Amounts (defined herein) of the Bonds in determining the Final Amounts. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount or premium, if any, but will not change the coupon rates and the initial public offering prices specified by the successful bidder. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL OFFERING PRICES AS A RESULT OF ANY CHANGES MADE WITHIN THESE LIMITS.

The award, if made, will be made as promptly as possible after the bids are opened to the bidder naming the **LOWEST TRUE INTEREST COST FOR THE BONDS.** The lowest true interest cost will be determined with respect to each proposal by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments to the date of the Bonds and to the price bid. Where the proposals of two or more bidders result in the same lowest true interest cost, the Bonds may be apportioned between such bidders, but if this shall not be acceptable to the Commission, the Designated Officer shall have the right to award all of such bonds to one bidder. **THE RIGHT IS RESERVED TO THE DESIGNATED OFFICER TO REJECT ANY OR ALL PROPOSALS AND TO WAIVE ANY IRREGULARITIES IN ANY OF THE PROPOSALS.** The judgment of the Designated Officer shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Notice of Sale.

Issue Price Determination

The Commission expects and intends that the bid for the Bonds will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Bonds from at least three underwriters who have established industry reputations for underwriting new issuances of municipal bonds (a "**Qualified Competitive Bid**"). **By the submission of their bid, each bidder is representing to the Commission that they have an established industry reputation for underwriting new issuances of municipal bonds**. The Designated Officer will advise the successful bidder as promptly as possible after the bids are received whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a "**Nonqualified Competitive Bid**").

If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are received, the Designated Officer will notify the successful bidder, and such bidder, upon such notice, shall provide the Designated Officer of the reasonably expected Initial Offering Price to the public of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the Commission information to establish the Initial Offering Prices for each maturity of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel to the Commission, on or before the date of issuance of the Bonds, substantially in the form set forth in Appendix G-1 to the Preliminary Official Statement, with appropriate completions, amendments and attachments.

If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the Designated Officer will notify the successful bidder, and such bidder, upon such notice, shall provide the Designated Officer of the initial sale price or Initial Offering Price to the public, as applicable, of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the Commission information and assurances to establish the initial sale price or the Initial Offering price to the public, as applicable, for each maturity of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel in substantially the form set forth in Appendix G-2 to the Preliminary Official Statement, with appropriate completions, omissions and attachments. **It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the Initial Offering Prices for certain maturities of the Bonds for up to 5 business days after the sale date, as further specified in the form of such certification.**

Electronic Bids

Bids will only be received electronically via ***PARITY***, in the manner described below, until 10:45 a.m., prevailing Eastern time, on December 3, 2026. Bids must be submitted electronically via ***PARITY*** pursuant to this Notice until 10:45 a.m., prevailing Eastern time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in ***PARITY*** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about ***PARITY***, potential bidders may contact the ***PARITY*** Help Desk at 212-849-5067.

Disclaimer

Each prospective bidder shall be solely responsible to register to bid via ***PARITY*** as described above. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access ***PARITY*** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Commission nor ***PARITY*** shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to ***PARITY*** to any qualified prospective bidder, and neither the Commission nor ***PARITY*** shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by ***PARITY***. The Commission is using ***PARITY*** as a communication mechanism, and not as the Commission's agent, to conduct the electronic bidding for the Bonds. The Commission is not bound by any advice and determination of ***PARITY*** to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "**Bid Parameters**" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their submission of bids via ***PARITY*** are the sole responsibility of the bidders; and the Commission is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, such bidder should telephone ***PARITY*** New Issues Desk at 212-849-5067 and notify the Commission's Financial Advisor, Public Resources Advisory Group, Inc. by telephone at 212-566-7800.

Bidding Procedures

Electronic bids must be submitted for the purchase of the Bonds (all or none) via ***PARITY***. Bids will be communicated electronically to the Commission at 10:45 a.m., prevailing Eastern time, on December 3, 2026. Prior to that

time, an eligible prospective bidder may (1) input the proposed terms of its bid via ***PARITY***, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via ***PARITY*** to the Commission, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the bidding process, the time as maintained on ***PARITY*** shall constitute the official time.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than via ***PARITY***. No bid will be received after the time for receiving such bids specified above.

Minority Business Enterprise Participation

THE COMMISSION STRONGLY ENCOURAGES EACH BIDDER FOR THE BONDS TO MAKE A GOOD FAITH EFFORT TO INCLUDE MINORITY BUSINESS ENTERPRISES IN THE SYNDICATE PURCHASING THE BONDS. THE SUCCESSFUL BIDDER WILL BE REQUESTED TO PROVIDE A LIST OF SYNDICATE MEMBERS WHICH IDENTIFIES THE MINORITY BUSINESS MEMBERS AND INDICATES THEIR PERCENTAGE OF PARTICIPATION.

Good Faith Deposit

After receipt of bids is closed and prior to the award, the apparent successful bidder indicated on ***PARITY*** must submit a good faith deposit of $883,150 to the Commission by wire transfer as instructed by the Commission or its financial advisor no later than 4:00 p.m. on the day of the award. The award to the apparent successful bidder is contingent upon receipt of the good faith deposit, and the Bonds will not be awarded to such bidder until the Commission has confirmation of receipt of the good faith deposit. If the good faith deposit is not received in the time allotted, the bid of the apparent successful bidder may be rejected. No interest will be allowed on any good faith deposit. In the event the successful bidder shall fail to comply with the terms of its bid, the good faith deposit may be retained as and for full liquidated damages.

Approving Legal Opinion; Closing Papers

The approving legal opinion of McKennon Shelton & Henn LLP, Bond Counsel, will be furnished to purchasers without cost upon request. There will also be furnished the usual closing papers and, in addition, a certificate signed by appropriate officers of the Commission, certifying that there is no litigation pending or, to the knowledge of the signers of such certificate, threatened affecting the validity of the Bonds and that on the date of the Official Statement (defined below) and at the time of delivery of the Bonds the statements and information contained in the Official Statement which are made and provided by the Commission are and will be true, correct and complete in all material respects and the Official Statement does not and will not omit any statement or information which is required to be stated therein or necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading or incomplete in any material respect.

Preliminary Official Statement; Continuing Disclosure

The Commission has deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain information permitted to be omitted by said Rule. The Commission agrees to deliver to the successful bidder for its receipt no later than seven business days after the date of sale of the Bonds, such quantities of the final official statement (the "**Official Statement**") as the successful bidder shall request; provided, that the Commission shall deliver an electronic copy of such Official Statement without charge to the successful bidder.

The Commission has made certain covenants for the benefit of the holders from time to time of the Bonds to provide certain continuing disclosure, in order to assist bidders for the Bonds in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. Such covenants are described in the Preliminary Official Statement.

Procedures for Principal Amount Changes and Other Changes to Notice of Sale

The preliminary aggregate principal amount of the Bonds and the preliminary principal amount of each annual payment on the Bonds as set forth in this Notice of Sale (the "**Preliminary Aggregate Principal Amount**" and the "**Preliminary Annual Principal Amount**", respectively; collectively the "**Preliminary Amounts**") may be revised before the receipt and opening of the bids for their purchase. Any such revisions made prior to the opening of the bids (the

"**Revised Aggregate Principal Amount**" and the "**Revised Annual Principal Amount**, respectively; collectively, the "**Revised Amounts**") **WILL BE MADE AVAILABLE ON THE BiDCOMP/PARITY/WWW.I-DEALPROSPECTUS.COM SYSTEM OR PUBLISHED ON LSEG DATA & ANALYTICS (www.lseg.com) NOT LATER THAN 9:30 A.M. (PREVAILING EASTERN TIME) ON THE ANNOUNCED DATE FOR RECEIPT OF BIDS.** In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and select a winning bidder.

The Commission may revise this Notice of Sale by written notice available to prospective bidders by publishing notice of any revisions via BiDCOMP/Parity/www.i-dealprospectus.com or LSEG at or before the time for submission of bids. Any bid submitted shall be in accordance with, and incorporate by reference, this Notice of Sale including any revisions made pursuant to this paragraph.

Furthermore, after final computation of the bids, the Commission, in its sole discretion, reserves the right to increase or decrease any maturity amount of the Bonds to provide for approximately level annual debt service payments when combined with the Commission's Consolidated Public Improvement Bonds of 2026 Series B and Consolidated Public Improvement Bonds of 2026 Series B (Second Series), with all calculations to be rounded to the nearest $5,000.

In the event of any such adjustment, no rebidding or recalculation of the bid submitted will be required or permitted. The Bonds of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yields as specified in the bid of the successful bidder and the total purchase price of the Bonds will be adjusted accordingly. However, the award will be made to the bidder whose bid produces the lowest true interest cost ("TIC"), calculated as specified in the section entitled "Basis of Award" herein, solely on the basis of the Bonds offered pursuant to the Bid Amounts, without taking into account any adjustment in the amount of the Bonds set forth in the Bid Amounts.

THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. IN READJUSTING THE PRINCIPAL AMOUNT OF THE BONDS FOLLOWING THE AWARD, THE COMISSION WILL HOLD CONSTANT THE BIDDER'S GROSS SPREAD PER $1,000 OF BONDS AS INDICATED IN THE ORIGINAL BID.

Delivery

The Bonds will be delivered on or about December 17, 2026, through the facilities of DTC in the City of New York, New York, against payment therefor in federal or other immediately available funds.

Change of Sale Date

The Commission reserves the right to change the date established for the receipt of bids at any time before the bids are open. In the event of a change, the new date and time of sale will be announced via BiDCOMP/Parity/www.i-dealprospectus.com or LSEG at least 12 hours prior to the time proposals are to be submitted. On any such alternative sale date, bidders may submit bids for the purchase of the Bonds in conformity with the provisions of this Notice of Sale, except for any changes to this Notice of Sale, the change of the date of sale and the changes described in the next sentence. If the date fixed for receipt of bids is changed, the expected date of delivery of Bonds also may be changed; if the sale is changed to a later date, then the date of the Bonds, the dates of the semiannual interest payments and annual principal payments, and the optional redemption dates also may be changed. Such changes, if any, will be announced via BiDCOMP/Parity/www.i-dealprospectus.com or LSEG at the time any alternative sale date is announced.

The Right to Reject any or all Bids or Revise Notice of Sale is Reserved.

The Commission reserves the right, on the date established for the receipt of bids, to reject any and all bids.

Miscellaneous

CUSIP identification numbers will be applied for by the Commission's Financial Advisor for each series of bonds. **EACH SERIES OF BONDS WILL HAVE SEPARATE AND DISTINCT CUSIP NUMBERS BY MATURITY.** The Commission will assume no obligation for the assignment or printing of such numbers on the Bonds or the correctness of such numbers, and neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute

cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale.

Copies of the Official Statement and the Notice of Sale for Bonds may be obtained from the undersigned at Washington Suburban Sanitary Commission, 14501 Sweitzer Lane, Laurel, Maryland 20707 (301-206-7083) or Public Resources Advisory Group, Inc., 39 Broadway, Suite 1115, New York, New York 10006 (212-566-7800).

WASHINGTON SUBURBAN SANITARY

COMMISSION

By: **/s/** Munetsi Timothy Musara

Munetsi Timothy Musara, Chief Financial Officer

APPENDIX G-1

FORM OF ISSUE PRICE CERTIFICATE FOR
QUALIFIED COMPETITIVE BID

WASHINGTON SUBURBAN SANITARY DISTRICT, MARYLAND
(MONTGOMERY AND PRINCE GEORGE'S COUNTIES, MARYLAND)

$_____ Consolidated Public Improvement Bonds of 2026 Series B
$_____ Consolidated Public Improvement Bonds of 2026 Series B (Second Series) (Green Bonds)
$_____ Consolidated Public Improvement Refunding Bonds of 2026

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF WINNING BIDDER] ("[SHORT FORM NAME OF WINNING BIDDER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price***.

(a) As of the Sale Date, the reasonably expected initial offering prices of each series of the Bonds to the Public by [SHORT FORM NAME OF WINNING BIDDER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of each series of the Bonds used by [SHORT FORM NAME OF WINNING BIDDER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT FORM NAME OF WINNING BIDDER] to purchase the Bonds.

(b) [SHORT FORM NAME OF WINNING BIDDER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT FORM NAME OF WINNING BIDDER] constituted a firm bid to purchase the Bonds.

2. ***Defined Terms***.

(a) *Issuer* means Washington Suburban Sanitary Commission.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is _____, 2026.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a

member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Section 148 Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McKennon Shelton & Henn LLP, as Bond Counsel to the Issuer in connection with rendering their opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that they may give to the Issuer from time to time relating to the Bonds.

[NAME OF WINNING BIDDER],
By: _____
Title: _____
_____

Dated: _____, 2026

SCHEDULE A

Expected Initial Offering Prices of the Bonds

[Insert]

SCHEDULE B
Copy of Bid

[See Attached]

APPENDIX G-2

FORM OF ISSUE PRICE CERTIFICATE FOR
NONQUALIFIED COMPETITIVE BID

$_____
WASHINGTON SUBURBAN SANITARY DISTRICT, MARYLAND
(MONTGOMERY AND PRINCE GEORGE'S COUNTIES, MARYLAND)

$_____ Consolidated Public Improvement Bonds of 2026 Series B
$_____ Consolidated Public Improvement Bonds of 2026 Series B (Second Series) (Green Bonds)
$_____ Consolidated Public Improvement Refunding Bonds of 2026

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF THE WINNING BIDDER] ("[SHORT FORM NAME OF WINNING BIDDER]"), [on behalf of itself and [NAMES OF MEMBERS OF THE UNDERWRITING SYNDICATE] (together, the "Underwriting Group"),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the General Rule Maturities***. As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which 10% of such Maturity was sold by [SHORT FORM NAME OF WINNING BIDDER] [the Underwriting Group] to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT FORM NAME OF WINNING BIDDER] [the members of the Underwriting Group] offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, [SHORT FORM NAME OF WINNING BIDDER] [the members of the Underwriting Group] [has] [have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it] [they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to the foregoing, no Underwriter has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of each series of the Bonds shown in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of each series of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT FORM NAME of WINNING BIDDER] [the Underwriters] [has] [have] sold at least

10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means Washington Suburban Sanitary Commission.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a participant of the Underwriting Group or a related party to a participant of the Underwriting Group. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2026.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Section 148 Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McKennon Shelton & Henn LLP, as Bond Counsel to the Issuer, in connection with rendering their opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that they may give to the Issuer from time to time relating to the Bonds.

[NAME OF WINNING BIDDER], as
[_____]

By: _____
Title: _____

Dated: _____, 2026

SCHEDULE A

Sale Prices of the General Rule Maturities

[Insert]

Initial Offering Prices of the Hold-The-Offering-Price Maturities

[Insert]

SCHEDULE B

Pricing Wire or Equivalent Communication

[See Attached]

APPENDIX H

Description of Refunded Bonds*

Consolidated Public Improvement Bonds of 2016 (Second Series)
(To be redeemed on or about December 17, 2026)

Maturity Date (June 1)	Par Amount	Coupon	Call Date*	CUSIP[1]
2032	$12,120,000	4.00%	12/17/2026	940157L57
2033	12,605,000	4.00	12/17/2026	940157L65
2034	13,105,000	5.00	12/17/2026	940157L73
2035	13,765,000	5.00	12/17/2026	940157L81
2036	14,450,000	5.00	12/17/2026	940157L99
2037	15,175,000	5.00	12/17/2026	940157M23
2038	15,930,000	5.00	12/17/2026	940157M31

*Preliminary, subject to change.

**SUBJECT TO MARKET CONDITIONS AT THE TIME OF SALE, THE SERIES, MATURITIES AND PRINCIPAL AMOUNTS OF REFUNDED BONDS TO BE REFUNDED MAY CHANGE AND THE COMMISSION MAY DETERMINE TO REFUND ALL, SOME OR NONE OF THE REFUNDED BONDS LISTED IN THIS APPENDIX. THERE CAN BE NO ASSURANCE THAT ANY OF THE REFUNDED BONDS LISTED IN THIS APPENDIX WILL BE REFUNDED.

[1]The CUSIP numbers are included solely for convenience. No representation is made by the Commission as to the correctness of the CUSIP numbers either as printed on the Refunded Bonds or as contained in this Appendix.