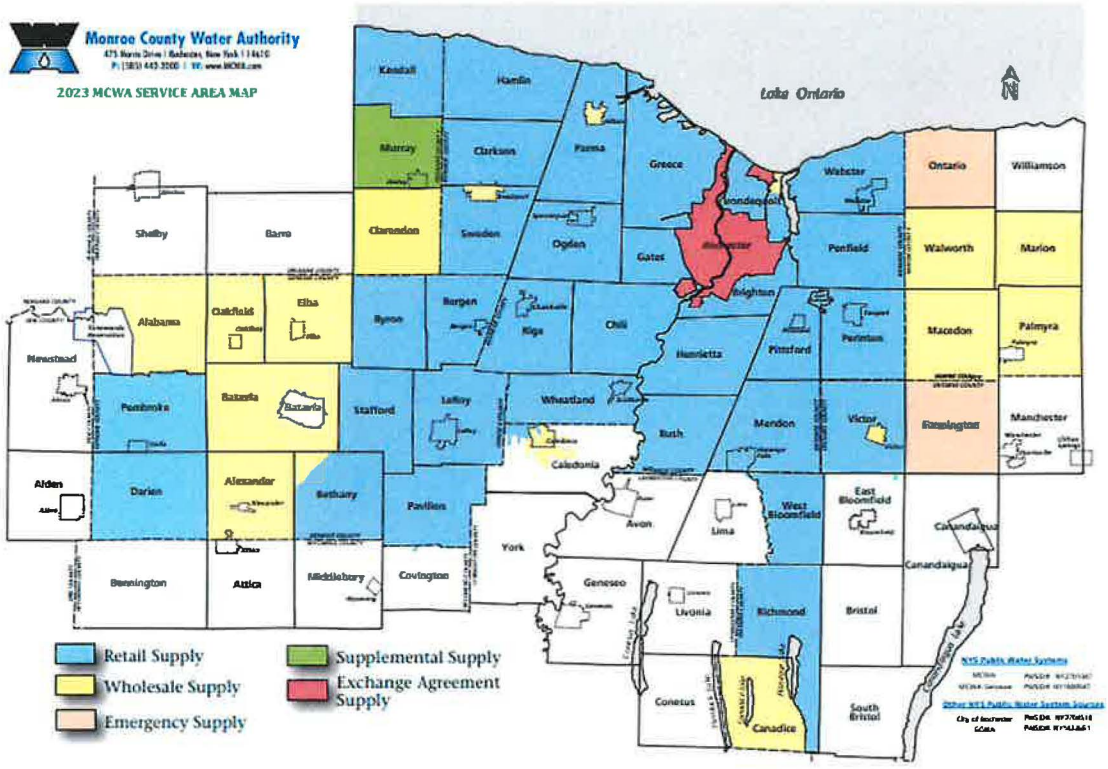
OPERATIONS OF THE MONROE COUNTY WATER AUTHORITY

BACKGROUND

The Monroe County Water Authority (the "Authority") services Monroe County and portions of each of the five surrounding counties. Our service area includes over 50 towns, villages, cities, and other water authorities. The Authority presently serves approximately 220,000 separate retail, wholesale, and other customer accounts. It also provides the City of Rochester with up to 26 million gallons per day (mgd) for distribution within its retail service area.



The Authority currently sets rates at levels sufficient to pay debt service on outstanding Authority obligations, to pay operating and maintenance expenses, and to make payments to the County under the existing lease and financing agreement between the Authority and the County.

WATER SUPPLY

The Authority's primary source of water is Lake Ontario. The water is treated at the Shoremont Water Treatment Plant (WTP) in the Town of Greece, and the 50 mgd Webster WTP in the Town of Webster. The Authority's other major source of water consists of water purchases from the City of Rochester pursuant to an existing exchange agreement. This water comes from Hemlock and Canadice Lakes in Livingston County south of Monroe County.

The Authority can also purchase water from the Town of Ontario, Wayne County, the City of Batavia, Genesee County, and the Erie County Water Authority. These sources are minor in relation to the overall water system and are for our convenience or pursuant to terms of agreements when the Authority became the provider of water.

The Authority provides water on a retail or wholesale basis. In retail areas the Authority supplies the water, maintains the distribution system, and bills the customer directly. In wholesale areas, a municipality or water district buys some or all of its water from the Authority, but maintains its own distribution and customer billing systems.

FACILITIES

The Shoremont and Webster Water Treatment Plants employ the direct filtration process using Lake Ontario as their source of supply. The main components of each plant are the raw water intake, pumping and transmission, chemical addition, rapid mixing, contact basins, filtration, residuals disposal, clearwell storage, and high lift pumping. The Authority also operates a small well supply to a plant in the Village of Corfu. With the exception of the Corfu plant, the entire water supply receives the same chemical process, coagulation, filtration, carbon absorption, and disinfection. The Corfu Water Plant uses carbon absorption, softening, and disinfection. Water is pumped from the treatment plants to storage facilities and customers in the water system service area through approximately 3,500 miles of transmission and distribution mains, ranging in diameter from 2-inch to 60-inch. The water system operates 47 pumping stations to provide the pressure to distribute water to storage facilities and customers. The system includes 2 reservoirs and 53 other storage facilities with an aggregate capacity of 140 million gallons. All service connections are metered, with the meters owned by the Authority.

As with most other water systems, our water usage also varies year to year depending on weather variations. Hot, dry summers tend to increase water usage, while colder and wetter summers tend to dampen or reduce water usage.

FINANCIAL HIGHLIGHTS

Water Authority Rates & Charges – The Authority sets its rates annually in concurrence with the adoption of its annual operating budget. The Authority is required by its Trust Indenture dated October 1, 1991 and Supplemental Indentures issued with and specific to each subsequent revenue bond issue (Trust Indentures) to set rates and fees sufficient to cover all its operating and capital expenses. The Authority raised rates in 2025 to achieve the projected revenues to cover total budgeted expenses.

Summary of Operating Revenues

	2025
Water Sales:	
Residential/Quarterly	$ 78,760,766
Large Commercial/Monthly	8,107,334
Water Districts/Wholesale	6,529,984
Total Water Sales	93,398,084
Other Water and Operating Revenue	10,018,359
Total Operating Revenue	$ 103,416,443

OPERATING EXPENSES

The Authority's expenses (excluding depreciation and amortization) are budgeted and tracked functionally by operating department. The Authority is functionally divided into: Administration; Production/Transmission; Engineering; Facilities, Fleet & Operations; and Finance & Business Services.

The following is a breakdown of the Authority's functional expenses by operating department (excluding depreciation and amortization):

Functional Expenses

	2025
Administration	$ 4,904,612
Production/Transmission	19,239,876
Engineering	6,239,007
Facilities, Fleet & Operations	18,555,099
Finance & Business Services	9,131,299
Total Functional Expenses	$ 58,069,893

LONG-TERM DEBT ADMINISTRATION

The Authority has six water revenue bond series outstanding totaling $120,475,000 as of December 31, 2025.

CREDIT RATINGS

The Authority is the recipient of very favorable credit ratings from both Moody's and Standard & Poor's. The Authority has an Aa1 rating assigned to its revenue bonds by Moody's Investors Service and an AA+ rating by Standard & Poor's. The Authority's bond ratings were last reviewed by Moody's Investors Service and Standard & Poor's in March of 2020. The Authority issues revenue bonds subject to its master Trust Indenture dated October 1, 1991 and Supplemental Indentures issued with and specific to each subsequent revenue bond issue.

Monroe County Water Authority
2025 Water System Accomplishments / Projects

Below is a summary of improvements made to the Monroe County Water Authority (MCWA) water system in 2025. This list includes both completed and ongoing projects, but does not include all bids and procurements completed.

Water Mains

- ✓ Substantially completed the construction of the 2024 Cement Lining Project. This project involved the cleaning and cement mortar lining of approximately 14,860 linear feet of 6-inch cast iron water main on various streets in the Towns of Greece and Pittsford.

- ✓ Substantially completed the construction of the 2024 Structural Lining Project. This project involved the cleaning and cured-in-place structural lining of approximately 11,500 linear feet of 6-inch, 8-inch and 10-inch water mains on Old Penfield Road in the Town of Penfield, Titus Ave. Extension in the Town of Irondequoit, Monroe Avenue in the Town of Pittsford, and Mt. Read Boulevard and Stone Road in the Town of Greece.

- ✓ Completed the construction of the Frisbee Hill Road Water Main Replacement Project. This project included the replacement of approximately 4,810 linear feet of 8-inch water main and approximately 53 water services on Frisbee Hill Drive in the Town of Greece.

- ✓ Completed the construction of the South Lake Street Water Main Replacement Project. This project included the replacement of approximately 2,510 linear feet of water main and appurtenances, including approximately 28 water services, on South Lake Street in the Town of Pavilion.

- ✓ Completed the design, easement acquisition, permitting and construction for the Elmgrove Road Water Main Replacement project. This project included the replacement of approximately 6,360 linear feet of 8-inch water main, 58 water services, and appurtenances on Elmgrove Road in the Town of Greece.

- ✓ Completed the design, permitting, easement acquisition, and construction of the Gates Water Main Replacements Project. This project consisted of the replacement of 2,345 linear feet of 6-inch water main, 1,745 linear feet of 8-inch water main, 60 water services and appurtenances on Calhoun Avenue, Park Avenue and Spencerport Road in the Town of Gates.

- ✓ Completed the design, easement acquisition, permitting and construction for the Penfield Road Water Main Replacement project. This project included the replacement of approximately 4,530 linear feet of 8-inch water main, 23 water services, and appurtenances on Penfield Road in the Town of Penfield.

- ✓ Completed the design, easement acquisition, permitting and construction for the Reeves Road Water Main Replacement project. This project included the replacement of approximately 4,340 linear feet of 8-inch water main, 26 water services, and appurtenances on Reeves Road and Tobin Road in the Town of Henrietta.

- ✓ Completed the design, easement acquisition, permitting and construction for the East River Road Water Main Replacement project. This project included the replacement of approximately 1,820 linear feet of 12-inch water main, 25 water services, and appurtenances on East River Road in the Town of Henrietta.

- ✓ Completed the design, easement acquisition, permitting and construction for the Island Cottage Road 12" water main connection project. This project included the installation of approximately 100 linear feet of 12" water main along Island Cottage Road in the Town of Greece.

- ✓ Completed the design, easement acquisition, permitting and construction for the Belvista Water Main connections project. This project included the installation of approximately 975 linear feet of 8" water main on Rodney Drive and Longsworth Drive in the Town of Penfield.

- ✓ Completed the design, easement acquisition, permitting, and substantially completed construction for the Brick Schoolhouse Water Main Replacement project. This project includes the replacement of approximately 5,285 linear feet of 8-inch water main, 44 water services, and appurtenances on Brick Schoolhouse Road in the Town of Hamlin.

- ✓ Completed the design, permitting and construction for the Reynolds Road Emergency Water Main Replacement project. This project included the replacement of approximately 405 linear feet of 8-inch water main and appurtenances on Reynolds Road in the Town of Webster.

- ✓ Developed contract documents, bid and awarded the 2025 Vacuum Excavation Contract. This project included the vacuum excavation of approximately 3,000 water services to identify the water service material as required to update the water service material inventory for compliance with current and pending regulatory requirements.

- ✓ Developed contract documents, bid and awarded the 2025 Water Service Replacement Contract. This project included the replacement of 300 lead or galvanized services within the Authority's service area.

- ✓ Completed design, permitting, and easement acquisition for the #2024 West Henrietta Road Water Main Replacement project. This project includes the replacement of approximately 1,900 linear feet of 12-inch water main and appurtenances throughout the property at #2024 West Henrietta Road on Golden Road in the Town of Brighton. Construction for this project is scheduled for 2026.

- ✓ Designed the Brooks Road Water Main Replacement project. This project includes the replacement of approximately 9,560 linear feet of 8-inch water main on Brooks Road in the Town of Henrietta. Construction for this project is anticipated to commence in 2026.

- ✓ Designed the Helendale Road Water Main Replacement project. This project includes the installation of approximately 4,385 linear feet of 6-inch water main and appurtenances on Helendale Road in the Town of Irondequoit. Construction for this project is anticipated to commence in 2026.

- ✓ Designed the 2026 Chili Water Mains Replacement project. This project includes the replacement of approximately 5,895 linear feet of 6-inchwater main on Laredo Drive, Sequoia Drive and Mercedes Drive in the Town of Chili. Construction for this project is anticipated for 2026.

Water Storage Facilities

- ✓ Developed Contract Documents, bid and completed the construction of the 2025 Water Storage Tank Demolition Contract. This project included the demolition of the Ogden and Canfield 0.2 million-gallon welded steel, water storage tanks in the Towns of Ogden and Pittsford.

- ✓ Completed design, permitting, and construction for the 2025 Tank Rehabilitation project. This project included repairing and recoating the exterior of the 3.0 million-gallon welded steel State Road ground water storage tank, overcoating the exterior of the 0.5 million-gallon welded steel Pembroke ground water storage tank, installing twenty-eight test patch coating systems and updating safety equipment at the East Lake Road, Eastview, Harek Road, and Willard Road concrete storage tanks, and the cleaning of the interior of the elevated welded steel water storage tanks at Churchville, West Brighton and South Avenue.

- ✓ Substantially Completed the construction of the Walker Road Water Storage Tank project. This project includes the construction of a new 1.63 million gallon precast, prestressed concrete water storage tank including site and piping improvements on Walker Road in the Town of Pavilion.

- ✓ Cleaned and inspected the following water storage facilities:
  - Betteridge Tank
  - Boughton Hill Tank (Contractor Cleaning and 4-year Warranty Inspection)
  - Brockport Tank
  - Churchville Tank
  - Cobblestone Tank (Contractor Cleaning and 4-year Warranty Inspection)
  - Gloria Drive Tank (Contractor Cleaning and 4-year Warranty Inspection)
  - Lee Road East Tank (2-year Warranty Inspection)
  - South Avenue Tank
  - Spencerport Tank
  - West Brighton Tank

Water Districts

At the request of Towns in the MCWA service area, we assist with their implementation of water district projects. In 2025 we:

- Provided support for the following completed and activated water district projects:
  - Byron - Water Improvement Benefits Area #1 — 150,000 lf & 224 services
  - Stafford – Water District #12 — 28,450 lf & 78 services
  - Total: 178,450 lf & 302 services

- Provided support for the following water district projects currently in construction:
  - Clarkson – Water Improvement Benefits Area #1 — 69,500 lf & 178 services
  - Total: 69,500 lf & 178 services

- Provided review comments for the following water district projects currently in design phase:
  - Pavilion - Water District #7 — 22,350 lf & 41 services
  - LeRoy - Water District #12 — 173,000 lf & 356 services
  - Pembroke - Water District #4 — 109,500 lf & 307 services
  - Pembroke - Water District #5 — 14,700 lf & 67 services
  - Total: 319,550 lf & 771 services

- Provided preliminary comments for the following proposed water district projects:
  - Parma – Water Improvement Benefits Area #1 — 30,000 lf & 90 services
  - Total: 30,000 lf & 90 services

Developer Main Extensions (DME's) and New Services

- Generated 22 Main Extension Agreements (MEA), and 21 were executed. Generated 14 WSIA and 9 were executed. Placed 42 projects in service this year compared to 31 in 2023/2024.

- Processed 35 initial and 43 revised DME application submissions this year compared to 55 initial and 55 revised in 2023/2024. Of the 35 DME initial application reviews, 26 were installed under a Water Service Installation Agreement (WSIA).

New Service Program

- Coordinated the creation of 697 new 1-inch service accounts:
  - 409 from DMEs,
  - 167 from water districts,
  - 20 from secondary source change-overs,
  - 99 from new construction.
  - 2 were generated by existing municipal accounts found by the Mapping Department.

Booster Pump Stations

- ✓ Completed design and permitting for the Industrial Street BPS flow reversal project. This project involves the construction of new 20-inch suction and discharge piping and valves to replace the existing piping and reverse the direction of pumped flow through the BPS. Construction to take place in the beginning of 2026. Project also includes the rehabilitation of the 400 hp motor for Pump No. 1 and the purchase of a new 400 horsepower (hp) variable frequency drive.

- ✓ Assisted Genesee County's consulting engineer with construction of improvements to the North Road BPS, Morgan Road BPS, Riga BPS, and Scottsville BPS, which is a component of the Genesee County Phase 2 Water Supply project to increase supply to Genesee County.

- ✓ Assisted Genesee County's consulting engineer with startup of the new Golden Road BPS Pump No. 1 in the Town of Chili, which is a component of the Genesee County Phase 2 Water Supply project to increase supply to Genesee County.

- ✓ Assisted Genesee County's consulting engineer with construction of improvements to the North Road BPS, Morgan Road BPS, Riga BPS, and Scottsville BPS, which is a component of the Genesee County Phase 2 Water Supply project to increase supply to Genesee County. Construction is anticipated to be completed by fall 2026.

- ✓ Completed construction of improvements to the Pavilion BPS including a new sodium hypochlorite storage and feed room and system; replacement of the existing heating, ventilating, and air conditioning (HVAC) unit; replacement of the existing electrical service; installation of a new electrical power generator and automatic transfer switch (ATS); and replacement of the existing roof.

- ✓ Continued design of electrical and HVAC improvements for the Lee Road BPS including replacement of the 35 kilovolt (kV) high voltage exterior switchgear and transformers; replacement of the motor control centers (MCCs); replacement of the 500 hp, 4160V motor for Pump No. 3; replacement of the 700 hp, 4160V motor and VFD for Pump No. 5; and replacement of the HVAC equipment. Completed design specifications and bidding for procurement of the new 35kV exterior metal-clad switchgear.

- ✓ Completed rehabilitation of the 300 hp Pump No. 2 at the Kreag Road BPS including replacement of pump bearings and mechanical seals.

- ✓ Completed replacement of the 50 hp VFDs for Pump Nos. 1 and 2 at the Mendon BPS.

- ✓ Completed replacement of the 150 hp VFD for Pump No. 1 at the Scribner Road BPS.

- ✓ Completed replacement of the 350 hp VFD for Pump No. 3 at the Kreag Road BPS.

- ✓ Completed replacement of the 25 hp motor for Pump No. 3 at the Lake Road BPS.

- ✓ Completed rehabilitation of the 50 hp motor for Pump No. 2 at the Churchville BPS.

- ✓ Completed installation of a new 500 hp VFD for Pump No. 2 at the Lee Road BPS.

- ✓ Completed replacement of the ATS for the electrical power generator at the LaSalle Parkway BPS.

- ✓ Completed construction of a new concrete foundation pad at the Twin Hills BPS for a 350 kilowatt (kW) emergency electrical generator to be relocated from the North Road BPS in spring 2026. Initiated design of electrical improvements necessary to connect the generator to the Twin Hills BPS.

- ✓ Initiated preliminary design for replacement of the Buffalo Road BPS with a new, larger, above-grade BPS at the same location.

- ✓ Completed inspection and preventative maintenance of the medium voltage (MV) 4160V switchgear and other electrical equipment at the Lee Road BPS and Echo Street BPS.

Treatment Plants

Shoremont Water Treatment Plant

- ✓ Completed construction of the West 1 Plant Improvements – Phase 3 project that consists of improvements to Filter Nos. 9 through 12 including replacement of backwash, surface wash, influent, and drain valves and actuators; replacement of effluent rate of flow controllers; installation of filter-to-waste piping; and electrical, instrumentation, and control improvements.

- ✓ Continued design of improvements to the Fluoride Chemical Storage and Feed System including rehabilitation of the bulk storage tank; replacement of feed system equipment; replacement and upgrade of the heating and ventilating system equipment; architectural modifications to the Fluoride Storage and Feed Room; and replacement and upgrade of the electrical, instrumentation, and control system equipment.

- ✓ Completed design and procurement of materials and equipment for a new fiber optic communication network for the supervisory control and data acquisition (SCADA) programmable logic controllers (PLCs) to improve redundancy and resiliency.

- ✓ Continued design of installation of new isolation valves for the 54-inch and 42-inch diameter raw water mains.

Webster Water Treatment Plant

- ✓ Continued design of improvements to the Fluoride Chemical Storage and Feed system including replacement of select feed system equipment, and replacement and upgrade of the ventilating system equipment.

- ✓ Completed construction of improvements to the Emergency Disinfection Gaseous Chlorine Storage and Feed System including demolition of the chlorinator equipment; installation of cylinder-mounted vacuum regulators for conversion to an all vacuum system; installation of new cylinder scales; replacement of rotometers, flowmeters, and injectors; and replacement of chlorine sensors.

- ✓ Completed construction for installation of a new dry-type scrubber for the Emergency Disinfection Gaseous Chlorine Storage and Feed System.

- ✓ Completed design for replacement of the electrical and control conduit and conductors in the Filter Gallery. Construction is anticipated to be completed by fall 2026.

- ✓ Completed construction of an extension to the fire protection system for conversion of an existing storage room to a document retention storage room.

- ✓ Completed construction for replacement of pump control valve supports for High Duty Pump Nos. 2, 3, and 4.

- ✓ Completed rehabilitation of the sodium permanganate feed system at the Lake Water Pump Station.

- ✓ Completed rehabilitation of the 1,000 hp motor for High Duty Pump No. 3.

- ✓ Completed repair of the 900 hp Pump No. 3 at the Lake Water Pump Station, which failed due to a broken coupler and shaft.

- ✓ Completed repairs and upgrades to the MV VFDs for High Duty Pump Nos. 2, 3, and 4.

- ✓ Completed design and bidding for replacement of the granular activated carbon (GAC) media for Filter Nos. 1 through 6. Construction is anticipated to be completed by April 2026.

Corfu Water Treatment Plant

- ✓ Completed replacement of the 15 hp VFDs for Well Pump Nos. 1 and 2.

Pressure Regulating Valves

- ✓ Initiated a project to automate the 3-inch PRV located at the west end of the 16-inch diameter North Greece Transmission Main to improve system operation and control. Construction is anticipated to be completed in spring 2026.

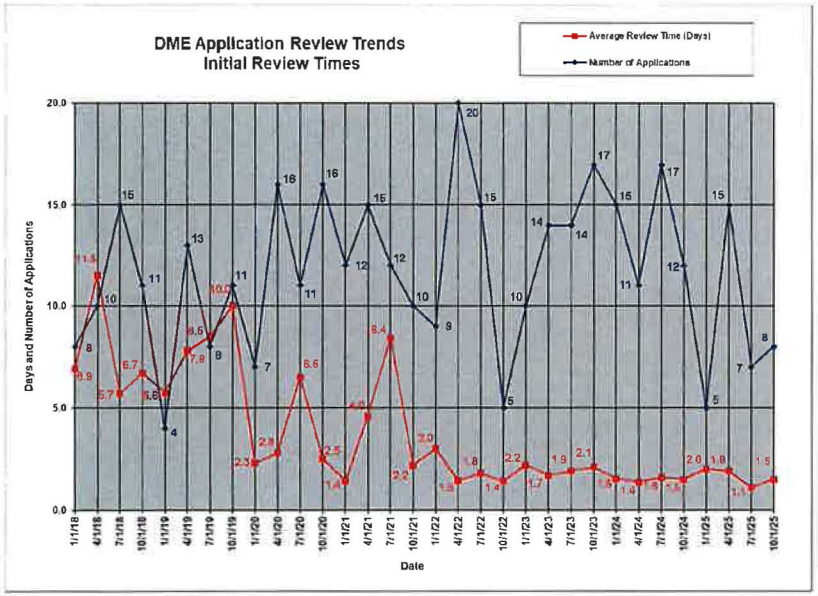
Other Facilities

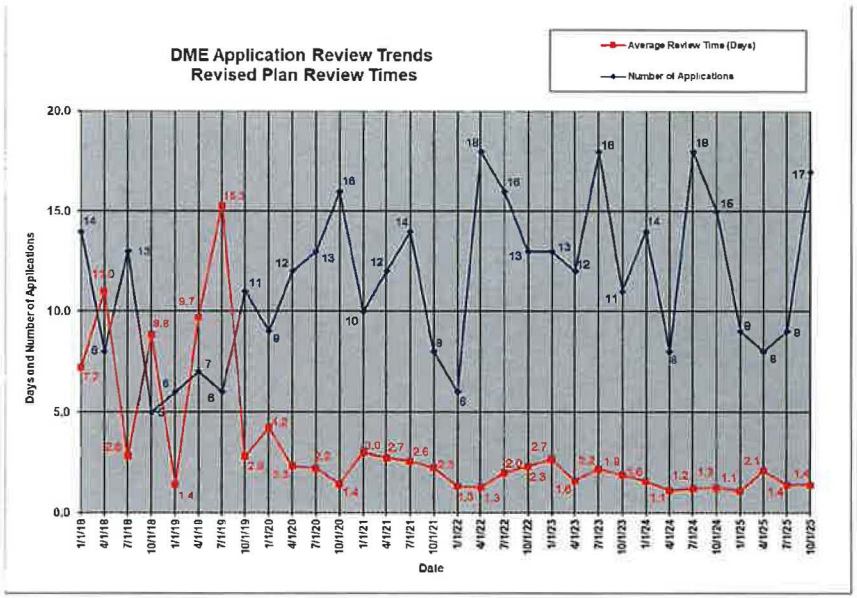
- ✓ Developed Contract Documents, bid and awarded the Walker Road Gas Well Abandonment project. The project will abandon the existing natural gas well located at the Walker Road property in Pavilion. Construction for this project is anticipated for 2026.

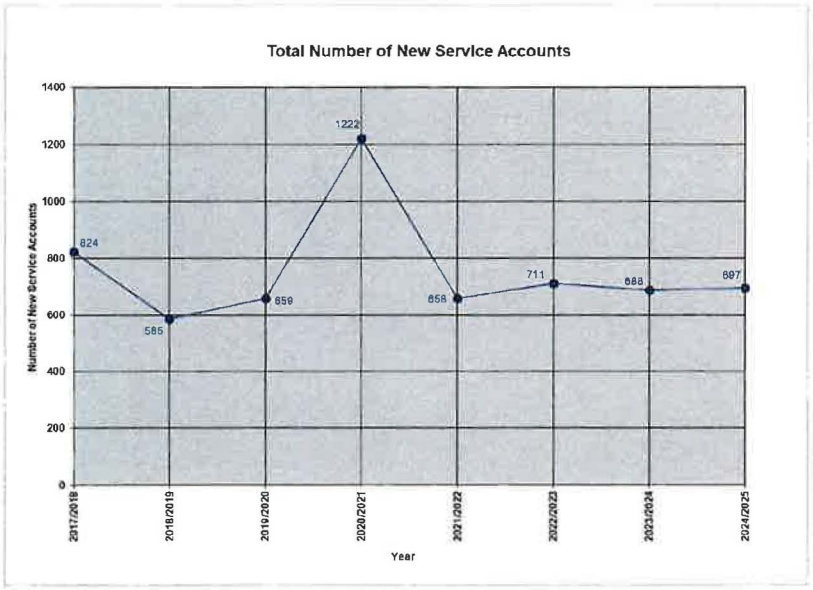
- ✓ Designed, bid and commenced the construction for the 2025 Roof Rehabilitation project. This project included furnishing and installing built-up roof overlay systems and appurtenances of approximately 2,450 square feet at Echo Street BPS, 2,950 square feet at Low Lift Pump Station #1 and 830 square feet at Wisconsin Street storage building. Construction will be completed in 2026.

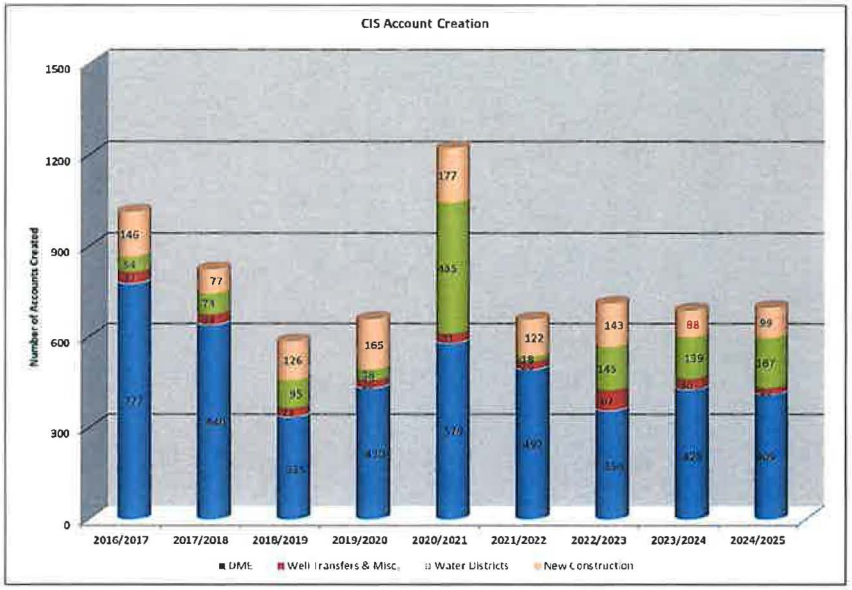
- ✓ Completed the lead pipe loop conditioning phase and initiated the pH control and corrosion inhibitor addition testing phase for the distribution system joint corrosion control treatment study with the City of Rochester Water Bureau.

- ✓ Completed installation of a new electric actuator on the outlet valve at the Temperance Hill Storage Tank to improve system operation and control.


DME Application Review Trends
Initial Review Times
Average Review Time (Days)
Number of Applications
Days and Number of Applications
Date


DME Application Review Trends
Revised Plan Review Times
Average Review Time (Days)
Number of Applications
Days and Number of Applications
Date


Total Number of New Service Accounts
Number of New Service Accounts
Year
2017/2018
2018/2019
2019/2020
2020/2021
2021/2022
2022/2023
2023/2024
2024/2025
824
585
659
1222
658
711
688
697


CIS Account Creation
Number of Accounts Created
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2017/2018
2018/2019
2019/2020
2020/2021
2021/2022
2022/2023
2023/2024
2024/2025
DME
Well Transfers & Misc.
Water Districts
New Construction