



FY 2021
MONTHLY STATUS REPORT
JANUARY 2021



Interoffice Memorandum

TO: CARLA A. REID
GENERAL MANAGER/CEO

VIA: JOSEPH F. BEACH ^{DS} JFB
DEPUTY GENERAL MANAGER OF ADMINISTRATION

FROM: PATRICIA A. COLIHAN ^{DS} PC
CHIEF FINANCIAL OFFICER

DATE: MARCH 22, 2021

SUBJECT: MONTHLY STATUS REPORT – JANUARY 2021

Attached is the January Monthly Status Report on the budgetary and fiscal performance of the Commission. The report provides summary information delineating the Commission's current and projected financial status for Fiscal Year 2021 (FY'21). Beginning back in March 2020 we developed a Cost Savings Plan to address the impacts of the Covid-19 pandemic on our operations. This aggressive plan continues in FY'21 with planned expenditure reductions across all departments, debt related savings and adjustments, and the elimination of the PAYGO transfer for capital projects with a portion (\$10 million) preserved to support operating costs. Due to the uncertainty surrounding the duration and impact of the COVID-19 pandemic, we will continue to monitor our position and expect to modify our projections over the course of the fiscal year as new information becomes available. Although we are not making any changes to our projected financial results in this month's report, we are currently reevaluating some of our earlier assumptions and anticipate a significant change to our projected revenues in future reports due to continued duration of the pandemic and moratorium on turn-offs.

In the September report we lowered our revenue projections for interest income and water consumption and sewer use revenues. The projected sewer use revenue incorporates the reduction of \$12 million to recognize the previously identified need to re-baseline sewer use revenues due to historical trends. To address the projected revenue shortfall, the Cost Savings

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Plan remains in force across all departments, and includes the reduced PAYGO amount, a reduction in debt service expense, which is reflective of the restrained capital spending in FY'20 and anticipated lower spending in FY'21, and other adjustments. Due to the anticipated reduction in our revenue projections we are currently working on identifying areas for additional cost savings.

The pandemic continues to impact our ability to execute our capital program. We are currently re-assessing our capital project spending projections and expect to make additional reductions in the upcoming report. Slower spending on bond funded projects may allow us to delay future bond sales, contributing to debt service savings in the operating funds.

The accumulated net revenue at year end is projected to be \$158.8 million (see page 2 of the report), of which \$80.9 million is restricted for our working capital reserve. Due to the impacts of the Covid-19 pandemic, fund balance amounts previously planned for use in the FY'22 through FY'24 budgets have been eliminated.

Beginning with FY'21 we have shifted away from water production to water consumption and sewer use data by tier as the basis for our modeling and revenue projections. The additional data points are expected to result in greater insight and more accurate forecasts of water and sewer revenue. While fiscal to date water consumption at 127.9 MGD is 1.2% below the five-year average, water consumption and sewer use revenue is currently tracking at 4.5% below budget primarily due to more of the consumption occurring in the lower tiers (pages 3 & 4) and an increase to our allowance for uncollectible water and sewer receivables due to growth in past due accounts during the pandemic

Other highlights of the January 2021 report are as follows:

Revenues

- Total revenues (all funds) through January were \$460.5 million or 56% of total budgeted.
- Total revenues (all funds) are projected to be \$784.1 million; \$44.4 million less than budgeted.

Expenses

- Total net expenses (all funds) through January were \$411.5 million or 50% of total budgeted.
- Total net expenses (all funds) are projected to be \$767.6 million; \$63.3 million less than budgeted.

Water Consumption

- Water consumption through January averaged 127.9 MGD (page 4).

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Workyears

- Cumulative workyears through the end of January were 1,680 (page 5).

System Development Charge

- The available account balance through January was \$17.2 million. The account balance will be used during the year to fund water and sewer growth-related capital projects (page 13).

I recommend transmittal of the attached report to Prince George's and Montgomery Counties.

**OPERATING FUNDS
CONSOLIDATED STATEMENT OF REVENUES AND EXPENDITURES**

(In Thousands)

	FY'20 ACTUAL	FY'21 APPROVED BUDGET	FY'20 ACTUAL THRU 1/31/20	FY'21 ACTUAL THRU 1/31/21	PROJECTED THRU 6/30/21
REVENUES					
Water Consumption and Sewer Use Charges	\$618,158	\$689,210	\$384,527	\$387,976	\$658,200
Use of Accumulated Net Revenue	11,341	8,000	0	0	8,000
All Other Revenues	135,690	131,248	77,548	72,483	117,873
TOTAL REVENUES	765,189	828,458	462,075	460,459	784,073
EXPENSES					
Operating Expenses	473,862	493,046	254,951	247,820	484,605
PAYGO	0	31,016	7,754	0	0
Debt Service Expense	292,322	325,593	174,574	177,906	307,400
GROSS EXPENSES	766,184	849,655	437,279	425,726	792,005
Less: Reconstruction Debt Service Offset	(11,600)	(9,500)	(6,767)	(5,541)	(9,500)
Less: SDC Debt Service Offset	(6,695)	(5,772)	(3,905)	(3,367)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(7,904)	(3,500)	(1,691)	(5,338)	(9,151)
NET EXPENSES	739,985	830,883	424,916	411,480	767,582
NET REVENUE (LOSS) FOR YEAR	\$25,204	(\$2,425)	\$37,159	\$48,979	\$16,491

COMBINED WATER AND SEWER OPERATING FUNDS

(In Thousands)

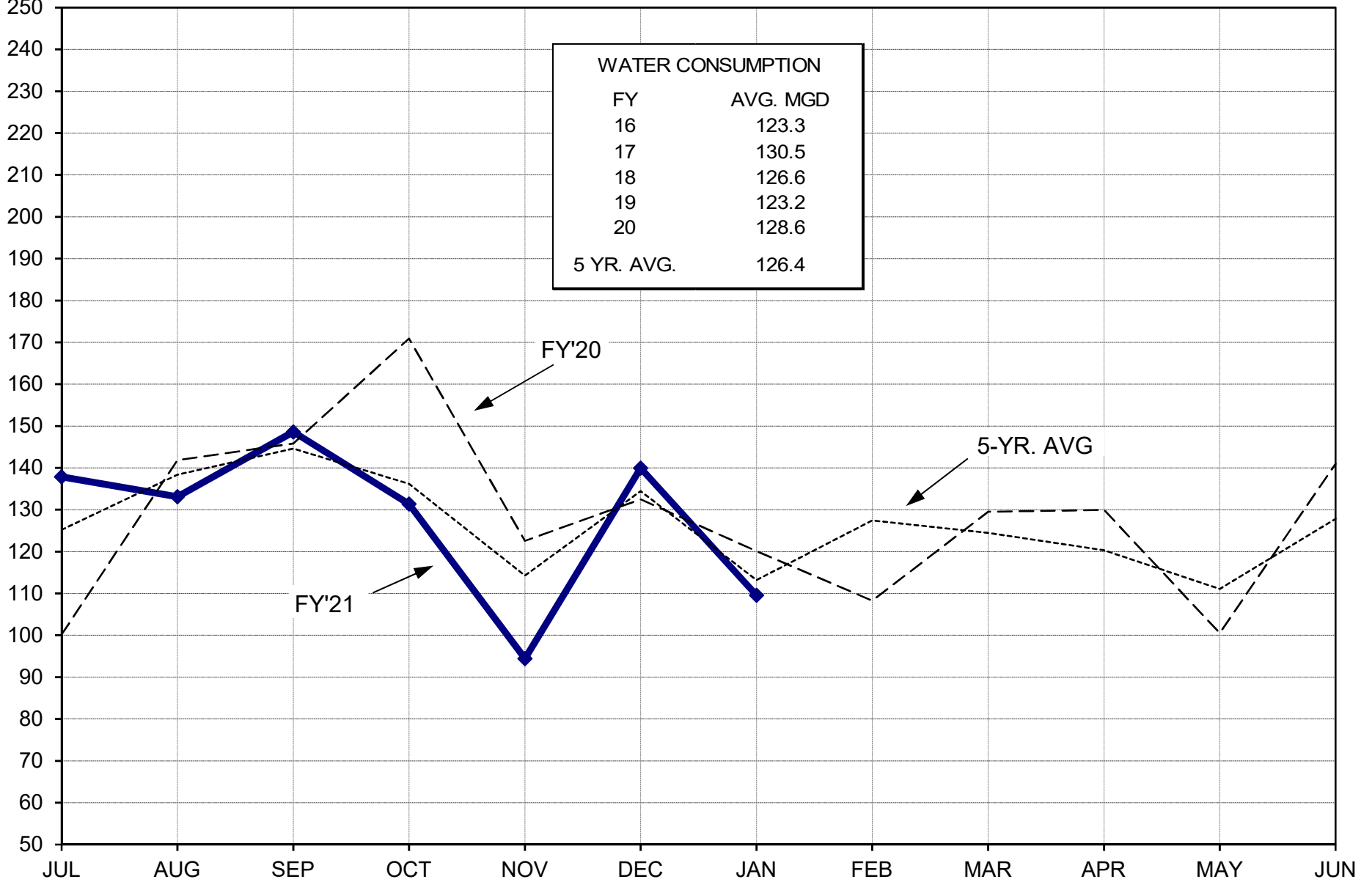
	<u>FY'20 ACTUAL</u>	<u>FY'21 APPROVED BUDGET</u>	<u>FY'20 ACTUAL THRU 1/31/20</u>	<u>FY'21 ACTUAL THRU 1/31/21</u>	<u>PROJECTED THRU 6/30/21</u>
REVENUES					
Water Consumption & Sewer Use Charges	\$618,158	\$689,210	\$384,527	\$387,976	\$658,200
Use of Accumulated Net Revenue	11,341	8,000	0	0	8,000
All Other Revenues	122,209	120,040	69,253	65,698	107,240
TOTAL REVENUES	<u>751,708</u>	<u>817,250</u>	<u>453,780</u>	<u>453,674</u>	<u>773,440</u>
EXPENSES					
Operating Expenses	472,147	491,141	254,054	246,879	482,700
PAYGO	0	31,016	7,754	0	0
Debt Service Expense	279,745	313,865	166,332	170,809	295,400
GROSS EXPENSES	<u>751,892</u>	<u>836,022</u>	<u>428,140</u>	<u>417,688</u>	<u>778,100</u>
Less: Reconstruction Debt Service Offset	(11,600)	(9,500)	(6,767)	(5,541)	(9,500)
Less: SDC Debt Service Offset	(6,695)	(5,772)	(3,905)	(3,367)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(7,904)	(3,500)	(1,691)	(5,338)	(9,151)
NET EXPENSES	<u>725,693</u>	<u>817,250</u>	<u>415,777</u>	<u>403,442</u>	<u>753,677</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$26,015</u>	<u>\$0</u>	<u>\$38,003</u>	<u>\$50,232</u>	<u>\$19,763</u>
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	132,931				147,049
NET REVENUE (LOSS) FOR YEAR	26,015				19,763
USE OF ACCUMULATED NET REVENUE	(11,341)				(8,000)
ACCUMULATED NET REVENUE - END OF YEAR	<u>\$147,605</u>				<u>\$158,812</u> *
WATER CONSUMPTION (MGD)	128.6	122.1	133.4	127.9	122.1

* Includes Working Capital Reserve of \$80.9 million.

NOTE: Refer to Pages 8 and 9 for details of Water and Sewer Operating Funds.

WATER CONSUMPTION

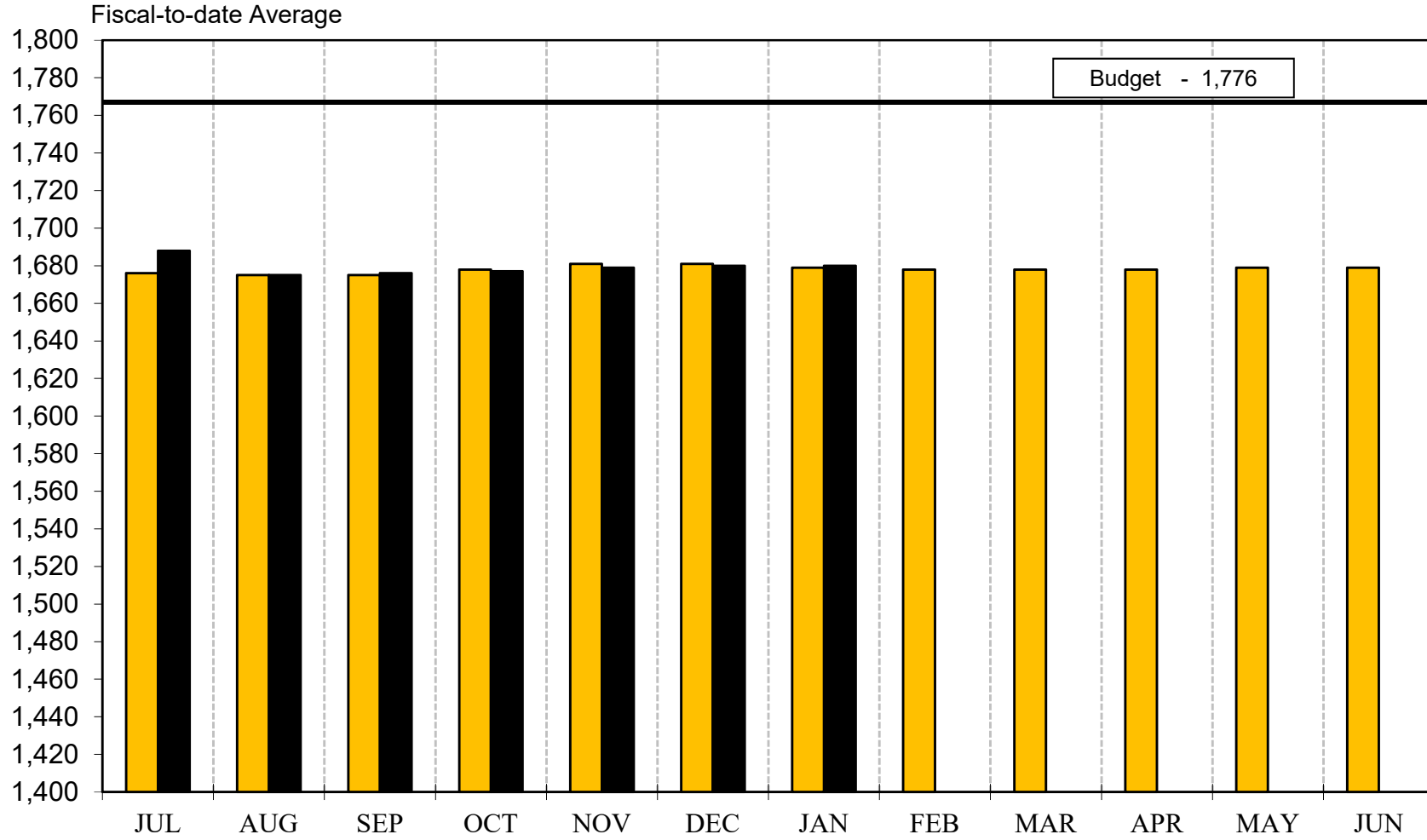
AVERAGE MGD



**FY'21
WATER CONSUMPTION**

<u>MONTH</u>	<u>MONTHLY AVERAGE (MGD)</u>	<u>FY'21 CUMULATIVE AVERAGE (MGD)</u>	<u>FY'20 CUMULATIVE AVERAGE (MGD)</u>
July	137.879	137.879	100.173
August	133.079	135.479	121.024
September	148.602	139.758	129.285
October	131.358	137.641	139.689
November	94.436	129.170	136.267
December	139.932	130.983	135.637
January	109.541	127.891	133.419
February			130.276
March			130.194
April			130.172
May			127.475
June			128.601

ACTUAL WORKYEARS



 FY'20	1,676	1,675	1,675	1,678	1,681	1,681	1,679	1,678	1,678	1,678	1,679	1,679
 FY'21	1,688	1,675	1,676	1,677	1,679	1,680	1,680	-	-	-	-	-

STATEMENT OF CAPITAL FUNDS INCOME AND EXPENDITURES
CAPITAL FUNDS TOTAL

(In Thousands)

	<u>FY'20 ACTUAL</u>	<u>FY'21 APPROVED BUDGET</u>	<u>FY'20 ACTUAL THRU 1/31/20</u>	<u>FY'21 ACTUAL THRU 1/31/21</u>	<u>PROJECTED THRU 6/30/21</u>
<u>GROSS FUNDS AVAILABLE</u>					
Bonds Issued and Cash on Hand	\$289,097	\$562,675			
Anticipated Contributions:					
Federal & State Grants	1,589	23,000			
System Development Charge	14,077	9,530			
Other	12,451	10,177			
Available for Current Construction	<u>317,214</u>	<u>605,382</u>			
<u>CAPITAL COSTS</u>					
Salaries & Wages	\$26,388	\$27,826	\$15,776	\$14,955	\$27,826
Contract Work	211,404	353,066	103,637	108,398	275,000
Consulting Engineers	44,478	77,182	18,325	15,582	50,000
All Other *	112,115	147,308	55,735	59,060	125,000
TOTAL COSTS	<u><u>\$394,385</u></u>	<u><u>\$605,382</u></u>	<u><u>\$193,473</u></u>	<u><u>\$197,995</u></u>	<u><u>\$477,826</u></u>

*Reflects the transfer of \$4.2 million of Bond Premium to the Water & Sewer Operating funds.

CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES AND EXPENDITURES

(In Thousands)

	FY'20 ACTUAL	FY'21 APPROVED BUDGET	FY'20 ACTUAL THRU 1/31/20	FY'21 ACTUAL THRU 1/31/21	PROJECTED THRU 6/30/21
REVENUES					
Water Consumption Charges	\$271,173	\$295,512	\$170,237	\$170,958	\$287,500
Sewer Use Charges	346,985	393,698	214,290	217,018	370,700
Account Maintenance Fees	35,922	32,360	18,526	19,086	30,800
Infrastructure Investment Fee	42,781	39,410	22,557	23,510	37,600
Front Foot Benefit & House Connection Assessments	12,824	10,378	7,828	6,660	10,378
Plumbing & Inspection Fees	14,425	14,470	8,744	9,758	14,490
Interest Income	5,364	10,600	3,498	343	575
Rockville Sewer Use	3,147	3,000	1,752	1,802	3,000
Use of Accumulated Net Revenue	11,341	8,000	0	0	8,000
Miscellaneous	21,227	21,030	14,643	11,324	21,030
TOTAL REVENUES	765,189	828,458	462,075	460,459	784,073
EXPENSES					
Salaries & Wages	132,574	128,370	79,819	76,897	126,244
Heat, Light & Power	15,534	20,423	9,021	10,510	19,400
Regional Sewage Disposal	56,414	58,000	30,989	32,581	58,000
All Other	269,340	286,253	135,122	127,832	280,961
PAYGO	0	31,016	7,754	0	0
Debt Service	292,322	325,593	174,574	177,906	307,400
GROSS EXPENSES	766,184	849,655	437,279	425,726	792,005
Less: Reconstruction Debt Service Offset	(11,600)	(9,500)	(6,767)	(5,541)	(9,500)
Less: SDC Debt Service Offset	(6,695)	(5,772)	(3,905)	(3,367)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(7,904)	(3,500)	(1,691)	(5,338)	(9,151)
NET EXPENSES	739,985	830,883	424,916	411,480	767,582
NET REVENUE (LOSS) FOR YEAR	25,204	(\$2,425)	\$37,159	\$48,979	16,491
ACCUMULATED NET REVENUE - JULY 1	167,160				168,867
Use of Fund Balance	(22,941)				(17,500)
ACCUMULATED NET REVENUE - JUNE 30	\$169,423				\$167,858

Note: Details of the Water and Sewer Operating Funds and General Bond Debt Service Fund are on pages 8, 9 & 12, respectively.

WATER OPERATING

(In Thousands)

	FY'20 ACTUAL	FY'21 APPROVED BUDGET	FY'20 ACTUAL THRU 1/31/20	FY'21 ACTUAL THRU 1/31/21	PROJECTED THRU 6/30/21
<u>REVENUES</u>					
Water Consumption Charges	\$271,173	\$295,512	\$170,237	\$170,958	\$287,500
Account Maintenance Fee	18,912	16,503	9,792	10,077	15,700
Infrastructure Investment Fee	22,373	20,099	11,816	12,328	19,200
Plumbing & Inspection Fees	8,296	8,380	5,003	5,574	8,400
Interest Income	(181)	1,000	(580)	64	50
Use of Accumulated Net Revenue	5,784	4,080	0	0	4,080
Miscellaneous	9,816	10,500	6,628	4,929	10,500
TOTAL REVENUES	336,173	356,074	202,896	203,930	345,430
<u>EXPENSES</u>					
Salaries & Wages	72,619	69,910	43,751	41,786	68,700
Heat, Light & Power	8,654	11,671	5,216	6,079	11,100
All Other	133,623	140,636	67,902	64,486	136,900
PAYGO	0	9,969	3,380	0	0
Debt Service	123,575	133,004	73,240	76,232	125,200
GROSS EXPENSES	338,471	365,190	193,489	188,583	341,900
Less: Reconstruction Debt Service Offset	(4,000)	(4,845)	(2,333)	(2,826)	(4,845)
Less: SDC Debt Service Offset	(3,475)	(2,731)	(2,027)	(1,593)	(2,731)
Less: Premium & Underwriter's Discount Transfers	(1,337)	(1,540)	(779)	(898)	(1,540)
NET EXPENSES	329,659	356,074	188,350	183,266	332,784
NET REVENUE (LOSS)	6,514	\$0	\$14,546	\$20,664	12,646
ACCUMULATED NET REVENUE - JULY 1	14,669				34,392 *
Use of Fund Balance	(5,784)				(4,080)
Fund Balance Transfer	19,070				0
ACCUMULATED NET REVENUE - JUNE 30	\$34,469				\$42,958

*Reflects a decrease in net revenues of \$77,000 resulting from prior year adjustments.

SEWER OPERATING

(In Thousands)

	FY'20 ACTUAL	FY'21 APPROVED BUDGET	FY'20 ACTUAL THRU 1/31/20	FY'21 ACTUAL THRU 1/31/21	PROJECTED THRU 6/30/21
<u>REVENUES</u>					
Sewer Use Charges	\$346,985	\$393,698	\$214,290	\$217,018	\$370,700
Account Maintenance Fee	17,010	15,857	8,734	9,009	15,100
Infrastructure Investment Fee	20,408	19,311	10,741	11,182	18,400
Rockville Sewer Use	3,147	3,000	1,752	1,802	3,000
Interest Income	5,062	9,000	3,758	265	500
Plumbing & Inspection Fees	6,129	6,090	3,741	4,184	6,090
Use of Accumulated Net Revenue	5,557	3,920	0	0	3,920
Miscellaneous	11,237	10,300	7,868	6,284	10,300
TOTAL REVENUES	415,535	461,176	250,884	249,744	428,010
<u>EXPENSES</u>					
Salaries & Wages	59,092	57,816	35,584	34,582	56,900
Heat, Light & Power	6,880	8,752	3,805	4,431	8,300
Regional Sewage Disposal	56,414	58,000	30,989	32,581	58,000
All Other	134,865	144,356	66,807	62,934	142,800
PAYGO	0	21,047	4,374	0	0
Debt Service	156,170	180,861	93,092	94,577	170,200
GROSS EXPENSES	413,421	470,832	234,651	229,105	436,200
Less: Reconstruction Debt Service Offset	(7,600)	(4,655)	(4,434)	(2,715)	(4,655)
Less: SDC Debt Service Offset	(3,220)	(3,041)	(1,878)	(1,774)	(3,041)
Less: Premium & Underwriter's Discount Transfers	(6,567)	(1,960)	(912)	(4,440)	(7,611)
NET EXPENSES	396,034	461,176	227,427	220,176	420,893
NET REVENUE (LOSS)	19,501	\$0	\$23,457	\$29,568	7,117
ACCUMULATED NET REVENUE - JULY 1	118,262				112,657 *
Use of Fund Balance	(5,557)				(3,920)
Fund Balance Transfer	(19,070)				0
ACCUMULATED NET REVENUE - JUNE 30	\$113,136				\$115,854

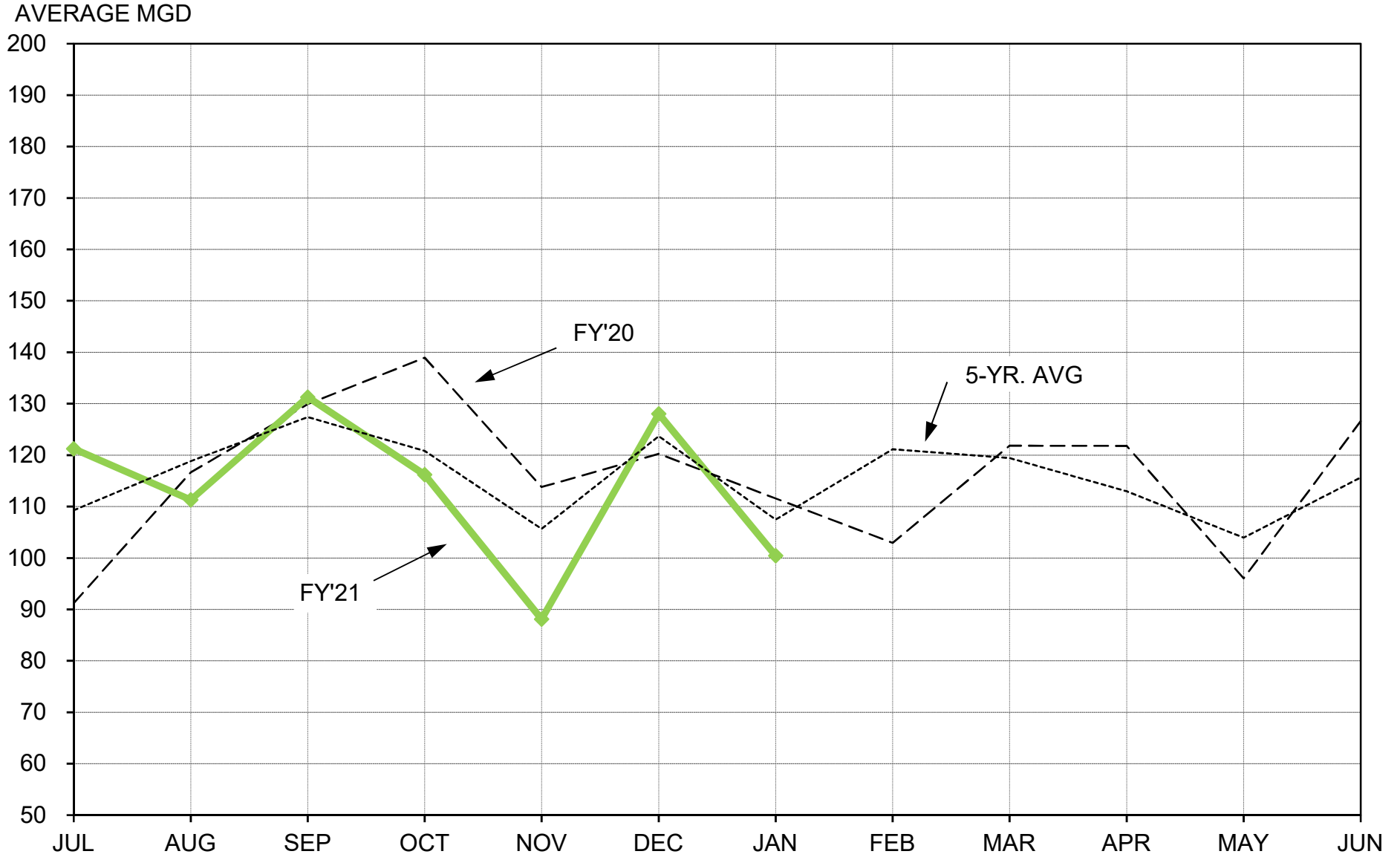
*Reflects a decrease in net revenues of \$479,000 resulting from prior year adjustments.

**FY'21
SEWER USE**

<u>MONTH</u>	<u>FY'21 MONTHLY AVERAGE (MGD)</u>	<u>FY'21 CUMULATIVE AVERAGE (MGD)</u>	<u>FY'20 CUMULATIVE AVERAGE (MGD)</u>
July	121.25	121.25	91.21
August	111.30	116.27	103.93
September	131.27	121.16	112.59
October	116.18	119.91	119.18
November	88.10	113.67	118.10
December	128.02	116.09	118.46
January	100.44	113.83	117.48
February			115.66
March			116.35
April			116.89
May			115.00
June			115.96

SEWER USE

(INCLUDES BLUE PLAINS)



GENERAL BOND DEBT SERVICE FUND

(In Thousands)

	FY'20 ACTUAL	FY'21 APPROVED BUDGET	FY'20 ACTUAL THRU 1/31/20	FY'21 ACTUAL THRU 1/31/21	PROJECTED THRU 6/30/21
REVENUES					
Front Foot Benefit & House Connection					
Assessments	\$12,824	\$10,378	\$7,828	\$6,660	\$10,378
Interest Income	483	600	320	14	25
Miscellaneous	174	230	147	111	230
Use of Accumulated Net Revenue	11,600	9,500	6,767	5,541	9,500
Reconstruction Debt Service Offset	(11,600)	(9,500)	(6,767)	(5,541)	(9,500)
TOTAL REVENUES	13,481	11,208	8,295	6,785	10,633
EXPENSES					
Salaries & Wages	863	644	484	529	644
All Other	852	1,261	413	412	1,261
Debt Service	12,577	11,728	8,242	7,097	12,000
GROSS EXPENSES	14,292	13,633	9,139	8,038	13,905
NET EXPENSES	14,292	13,633	9,139	8,038	13,905
NET REVENUE (LOSS)	(811)	<u>(\$2,425)</u>	<u>(\$844)</u>	<u>(\$1,253)</u>	(3,272)
ACCUMULATED NET REVENUE - JULY 1	34,229				21,818
Use of Fund Balance	(11,600)				(9,500) *
ACCUMULATED NET REVENUE - JUNE 30	<u>\$21,818</u>				<u>\$9,046</u>

* Reflects transfer of \$9,500,000 for Reconstruction Debt Service from General Bond Debt Service Fund to Water & Sewer Operating Funds.

SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2020	\$13,730
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	19,272
Interest Income	<u>8</u>
FUNDS AVAILABLE	33,010
Less MOU Credit Reimbursement	(2,208)
<u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(1,593)
Sewer Operating - Debt Service	(1,774)
<u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	0
Sewer Disposal Bond	<u>0</u>
Account Balance	27,435
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	<u>(10,284)</u>
AVAILABLE ACCOUNT BALANCE, JANUARY 31, 2021	<u><u>\$17,151</u></u>

*Transfers to operating funds service debt issued in FY'16, FY'18 & FY'19 and are shown on pages 8 & 9 as SDC Debt Service Offset.

Certificate Of Completion

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Certificate Pages: 2	Initials: 2
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Time Zone: (UTC-05:00) Eastern Time (US & Canada)	14501 Sweitzer Lane
	Laurel, MD 20707
	Mark.Brackett@wsscwater.com
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
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Security Appliance Status: Connected	Pool: FedRamp	
Storage Appliance Status: Connected	Pool: WSSC Water	Location: DocuSign

Signer Events

Patricia Colihan
Patricia.Colihan@wsscwater.com
Chief Financial Officer
WSSC Water
Security Level: Email, Account Authentication (Optional)

Signature



Signature Adoption: Pre-selected Style
Using IP Address: 205.167.187.197


Timestamp

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Signed: 3/22/2021 3:00:15 PM
Freeform Signing

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Joseph F Beach
Joseph.Beach@wsscwater.com
Deputy Gen Mgr Admin
WSSC Water
Security Level: Email, Account Authentication (Optional)



Signature Adoption: Pre-selected Style
Using IP Address: 205.167.186.197

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Freeform Signing

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

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Envelope Summary Events	Status	Timestamps
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Payment Events	Status	Timestamps
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