



# WSSC WATER

DELIVERING THE ESSENTIAL

FY2024  
MONTHLY STATUS REPORT

OCTOBER 2023



---

Interoffice Memorandum

TO: KISHIA L. POWELL  
GENERAL MANAGER/CEO

FROM: MUNETSI TIMOTHY MUSARA, CPA  
CHIEF FINANCIAL OFFICER

DATE: January 22, 2024

SUBJECT: MONTHLY STATUS REPORT – October 2023

---

DocuSigned by:  
*Munetsi Timothy Musara*  
66EC2C787AA4449...

Attached is the October Monthly Status Report on the budgetary and fiscal performance of WSSC Water. The report provides summary information delineating WSSC Water's financial status as of October 31, 2023, for Fiscal Year 2024 (FY'24). Total operating fund revenues are at \$349.5 million, and net operating fund expenses are at \$263.5 million. Revenues are trending favorably compared to a prorated projection for the fiscal year as detailed below. Expenses adjusted for Regional Sewer Disposal charges are projected to be above budget.

Highlights as of the October 2023 report as follows:

**Revenues:**

- Water and Sewer revenues – which make up 84 percent of total revenues are at 37 percent YTD versus a prorated target of 33 percent based on the first four months of the fiscal year.
- Other revenues which make up 16 percent of total revenues are at 41 percent of YTD versus a prorated target of 33 percent. (Page 1)
- Interest Income on cash balances is materially ahead of budget for the first four months, reflecting the increase in interest rates and its positive impact on interest earned. (Page 2)

**Prior Year Comparison:**

- Water and Sewer revenues were at 35 percent of actual revenues for fiscal year 2023 at the end of four months of the fiscal year.
- Other revenues were at 33 percent at the end of four months of the fiscal year.

KISHIA L. POWELL  
MONTHLY STATUS REPORT -OCTOBER  
January 22, 2024  
PAGE 2

**Expenditures:**

- Operating expenditures are at 26 percent budget year to date (YTD) versus a prorated target of 33 percent based on the first four months of the fiscal year.
- WSSC Water expenses tend to be more skewed to the latter half of the fiscal year.
- A material development in the operating expense category are charges for Regional Sewage Disposal, budgeted at \$64.2 and projected to be at \$74.0 million. If this projection is realized, the additional \$9.8 million will negate the projected \$7.0 million in budgeted surplus for fiscal year 2024. (Page 2)
- PAYGO and Debt Service Expenses are on budget.

**Prior Year Comparison:**

- Operating expenditures were at 27 percent of actual expenditures for fiscal year 2023 at the end of four months of the fiscal year.

**Factors Impacting Revenues: Water and Sewer Consumption trends**

- Water and Sewer consumption were materially higher for the first two months of the fiscal year, (Water consumption at 142 MGD in FY2024 versus 136 MGD in FY2023, Sewer usage 120 MGD versus 117 MGD for a similar prior period) giving revenues a stronger realization compared to the budget. (Pages 9 and 11)
- However, the trend in cumulative average water consumption has reverted to fiscal year 2023 levels in October, with sewer consumption falling slightly below fiscal year 2023 levels.
- Therefore, as the fiscal year progresses, the marginal increase in revenues above budget may moderate.

**Work years:**

- The workforce saw an increase of 28 to 1634 through October FY2024, from a similar period in FY2023. The current filled complement is well below the approved work years of 1836. The recruitment process continues to reflect the competitive labor environment. (Page 13)

**System Development Charge:**

- The available account balance at the end of October FY'24 is \$53.7 million.

Expenditure and revenue activities for other funds are consistent with projections based on the first four months of the fiscal year. I recommend transmittal of the attached report to Prince George's and Montgomery Counties.

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

(In Thousands)

	<u>FY'23 ACTUAL</u>	<u>FY'24 APPROVED BUDGET</u>	<u>FY'23 ACTUAL THRU 10/31/22</u>	<u>FY'24 ACTUAL THRU 10/31/23</u>	<u>PROJECTED THRU 6/30/24</u>
<b>REVENUES</b>					
Water Consumption and Sewer Use Charges	\$749,437	\$782,241	\$265,120	\$289,293	\$782,241
All Other Revenues	152,742	146,895	50,519	60,189	146,895
<b>TOTAL REVENUES</b>	<u>902,179</u>	<u>929,136</u>	<u>315,639</u>	<u>349,482</u>	<u>929,136</u>
<b>EXPENSES</b>					
Operating Expenses	493,185	553,981	132,564	140,816	553,981
PAYGO	29,211	44,000	9,737	14,638	44,000
Debt Service Expense	307,558	333,201	98,623	108,078	333,201
<b>GROSS EXPENSES</b>	<u>829,954</u>	<u>931,182</u>	<u>240,925</u>	<u>263,532</u>	<u>931,182</u>
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	(1,333)	0	(1,200)
Less: SDC Debt Service Offset	(5,772)	(5,772)	(1,924)	(1,924)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(4,503)	(2,000)	(901)	(667)	(2,000)
<b>NET EXPENSES</b>	<u>819,679</u>	<u>922,210</u>	<u>236,767</u>	<u>260,941</u>	<u>922,210</u>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<u>\$82,500</u>	<u>\$6,926</u>	<u>\$78,872</u>	<u>\$88,541</u>	<u>\$6,926</u>

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

(In Thousands)

	FY'23 ACTUAL	FY'24 APPROVED BUDGET	FY'23 ACTUAL THRU 10/31/22	FY'24 ACTUAL THRU 10/31/23	PROJECTED THRU 6/30/24
<b>REVENUES</b>					
Water Consumption Charges	\$331,002	\$351,109	\$119,573	\$131,318	\$351,109
Sewer Use Charges	418,435	431,132	145,547	157,975	431,132
Account Maintenance Fees	34,888	36,259	11,607	12,519	36,259
Infrastructure Investment Fee	43,269	44,181	14,421	15,541	44,181
Front Foot Benefit & House Connection Assessments	6,998	5,321	2,625	2,037	5,321
Plumbing & Inspection Fees	20,513	20,380	6,435	6,570	20,380
Interest Income	15,180	7,999	1,823	8,975	7,999
Rockville Sewer Use	3,879	3,100	1,107	1,590	3,100
Miscellaneous	28,015	29,655	12,501	12,957	29,655
<b>TOTAL REVENUES</b>	<b>902,179</b>	<b>929,136</b>	<b>315,639</b>	<b>349,482</b>	<b>929,136</b>
<b>EXPENSES</b>					
Salaries & Wages	127,918	141,927	41,792	33,416	141,927
Heat, Light & Power	22,390	27,373	7,614	6,629	27,373
Regional Sewage Disposal	71,025	64,201	20,113	28,440	64,201
All Other	271,852	320,480	63,045	72,331	320,480
PAYGO	29,211	44,000	9,737	14,638	44,000
Debt Service	307,558	333,201	98,623	108,078	333,201
<b>GROSS EXPENSES</b>	<b>829,954</b>	<b>931,182</b>	<b>240,925</b>	<b>263,532</b>	<b>931,182</b>
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	(1,333)	0	(1,200)
Less: SDC Debt Service Offset	(5,772)	(5,772)	(1,924)	(1,924)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(4,503)	(2,000)	(901)	(667)	(2,000)
<b>NET EXPENSES</b>	<b>819,679</b>	<b>922,210</b>	<b>236,767</b>	<b>260,941</b>	<b>922,210</b>
NET REVENUE (LOSS) FOR YEAR	\$82,500	\$6,926	\$78,872	\$88,541	\$6,926
ACCUMULATED NET REVENUE - JULY 1	233,949				316,098
Use of Fund Balance	0				0
ACCUMULATED NET REVENUE - JUNE 30	\$316,449				\$323,024

Note: Details of the Water and Sewer Operating Funds and General Bond Debt Service Fund are on pages 4, 5 &amp; 6, respectively.

## COMBINED WATER AND SEWER OPERATING FUNDS

(In Thousands)

	FY'23 ACTUAL	FY'24 APPROVED BUDGET	FY'23 ACTUAL THRU 10/31/22	FY'24 ACTUAL THRU 10/31/23	PROJECTED THRU 6/30/24
<b>REVENUES</b>					
Water Consumption & Sewer Use Charges	\$749,437	\$782,241	\$265,120	\$289,293	\$782,241
All Other Revenues	145,285	141,384	47,747	58,114	141,384
<b>TOTAL REVENUES</b>	<b>894,722</b>	<b>923,625</b>	<b>312,867</b>	<b>347,407</b>	<b>923,625</b>
<b>EXPENSES</b>					
Operating Expenses	491,485	551,885	132,028	140,290	551,885
PAYGO	29,211	44,000	9,737	14,638	44,000
Debt Service Expense	300,093	328,467	96,380	106,317	328,467
<b>GROSS EXPENSES</b>	<b>820,789</b>	<b>924,352</b>	<b>238,146</b>	<b>261,245</b>	<b>924,352</b>
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	(1,333)	0	(1,200)
Less: SDC Debt Service Offset	(5,772)	(5,772)	(1,924)	(1,924)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(4,503)	(2,000)	(901)	(667)	(2,000)
<b>NET EXPENSES</b>	<b>810,514</b>	<b>915,380</b>	<b>233,988</b>	<b>258,654</b>	<b>915,380</b>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<b>\$84,208</b>	<b>\$8,245</b>	<b>\$78,879</b>	<b>\$88,753</b>	<b>\$8,245</b>
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	230,540				314,397
NET REVENUE (LOSS) FOR YEAR	84,208				8,245
USE OF ACCUMULATED NET REVENUE	0				0
<b>ACCUMULATED NET REVENUE - END OF YEAR</b>	<b>\$314,748</b>				<b>\$322,642 *</b>
WATER CONSUMPTION (MGD)	126.0	124.5	135.9	136.9	124.5

\* Includes Working Capital Reserve of \$128.7 million.

NOTE: Refer to Pages 4 and 5 for details of Water and Sewer Operating Funds.

**WATER OPERATING**

(In Thousands)

	<u>FY'23 ACTUAL</u>	<u>FY'24 APPROVED BUDGET</u>	<u>FY'23 ACTUAL THRU 10/31/22</u>	<u>FY'24 ACTUAL THRU 10/31/23</u>	<u>PROJECTED THRU 6/30/24</u>
<b>REVENUES</b>					
Water Consumption Charges	\$331,002	\$351,109	119,573 **	\$131,318	\$351,109
Account Maintenance Fee	18,078	18,388	6,024	6,496	\$18,388
Infrastructure Investment Fee	22,285	22,405	7,434	7,995	\$22,405
Plumbing & Inspection Fees	12,036	11,600	3,800	3,896	\$11,600
Interest Income	5,450	2,713	629	2,902	\$2,713
Miscellaneous	12,687	13,962	6,901	3,719	\$13,962
<b>TOTAL REVENUES</b>	<u>401,538</u>	<u>420,177</u>	<u>144,361</u>	<u>156,326</u>	<u>420,177</u>
<b>EXPENSES</b>					
Salaries & Wages	69,326	76,565	22,596	18,202	76,565
Heat, Light & Power	12,383	15,453	4,272	3,384	15,453
All Other	144,573	167,444	32,438	41,358	167,444
PAYGO	9,817	15,928	3,272	5,293	15,928
Debt Service	130,502	145,903	41,864	46,200	145,903
<b>GROSS EXPENSES</b>	<u>366,601</u>	<u>421,293</u>	<u>104,443</u>	<u>114,437</u>	<u>421,293</u>
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	(680)	0	(1,200)
Less: SDC Debt Service Offset	(2,731)	(2,731)	(910)	(910)	(2,731)
Less: Premium & Underwriter's Discount Transfers	(1,575)	(888)	(525)	(296)	(888)
<b>NET EXPENSES</b>	<u>362,295</u>	<u>416,474</u>	<u>102,328</u>	<u>113,231</u>	<u>416,474</u>
<b>NET REVENUE (LOSS)</b>	<u>\$39,243</u>	<u>3,703</u>	<u>\$42,033</u>	<u>\$43,095</u>	<u>\$3,703</u>
ACCUMULATED NET REVENUE - JULY 1	77,444				116,527 *
Use of Fund Balance	0				0
Fund Balance Transfer	0				0
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<u>\$116,687</u>				<u>\$120,230</u>

\*Reflects a decrease in net revenues of \$160,000 resulting from prior year adjustments.

\*\*Prior year revenue is adjusted to reflect the revenue before the mid year reserve adjustment which was reversed at year end

**SEWER OPERATING**

(In Thousands)

	FY'23 ACTUAL	FY'24 APPROVED BUDGET	FY'23 ACTUAL THRU 10/31/22	FY'24 ACTUAL THRU 10/31/23	PROJECTED THRU 6/30/24
<b>REVENUES</b>					
Sewer Use Charges	\$418,435	\$431,132	145,547	\$157,975	\$431,132
Account Maintenance Fee	16,810	17,871	5,583	6,023	\$17,871
Infrastructure Investment Fee	20,984	21,776	6,987	7,546	\$21,776
Rockville Sewer Use	3,879	3,100	1,107	1,590	\$3,100
Interest Income	9,474	5,286	1,107	6,064	\$5,286
Plumbing & Inspection Fees	8,477	8,780	2,635	2,674	\$8,780
Miscellaneous	15,125	15,503	5,540	9,209	\$15,503
<b>TOTAL REVENUES</b>	<b>493,184</b>	<b>503,448</b>	<b>168,506</b>	<b>191,081</b>	<b>503,448</b>
<b>EXPENSES</b>					
Salaries & Wages	57,718	64,614	18,878	14,991	64,614
Heat, Light & Power	10,007	11,920	3,342	3,245	11,920
Regional Sewage Disposal	71,025	64,201	20,113	28,440	64,201
All Other	126,453	151,688	30,389	30,670	151,688
PAYGO	19,394	28,072	6,465	9,345	28,072
Debt Service	169,591	182,564	54,516	60,117	182,564
<b>GROSS EXPENSES</b>	<b>454,188</b>	<b>503,059</b>	<b>133,703</b>	<b>146,808</b>	<b>503,059</b>
Less: Reconstruction Debt Service Offset	0	0	(653)	0	0
Less: SDC Debt Service Offset	(3,041)	(3,041)	(1,014)	(1,014)	(3,041)
Less: Premium & Underwriter's Discount Transfers	(2,928)	(1,112)	(376)	(371)	(1,112)
<b>NET EXPENSES</b>	<b>448,219</b>	<b>498,906</b>	<b>131,660</b>	<b>145,423</b>	<b>498,906</b>
<b>NET REVENUE (LOSS)</b>	<b>\$44,965</b>	<b>\$4,542</b>	<b>\$36,846</b>	<b>\$45,658</b>	<b>\$4,542</b>
ACCUMULATED NET REVENUE - JULY 1	153,096				197,870 *
Use of Fund Balance	0				0
Fund Balance Transfer	0				0
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<b>\$198,061</b>				<b>\$202,412</b>

\*Reflects a decrease in net revenues of \$191,000 resulting from prior year adjustments.



**GENERAL BOND DEBT SERVICE FUND**

(In Thousands)

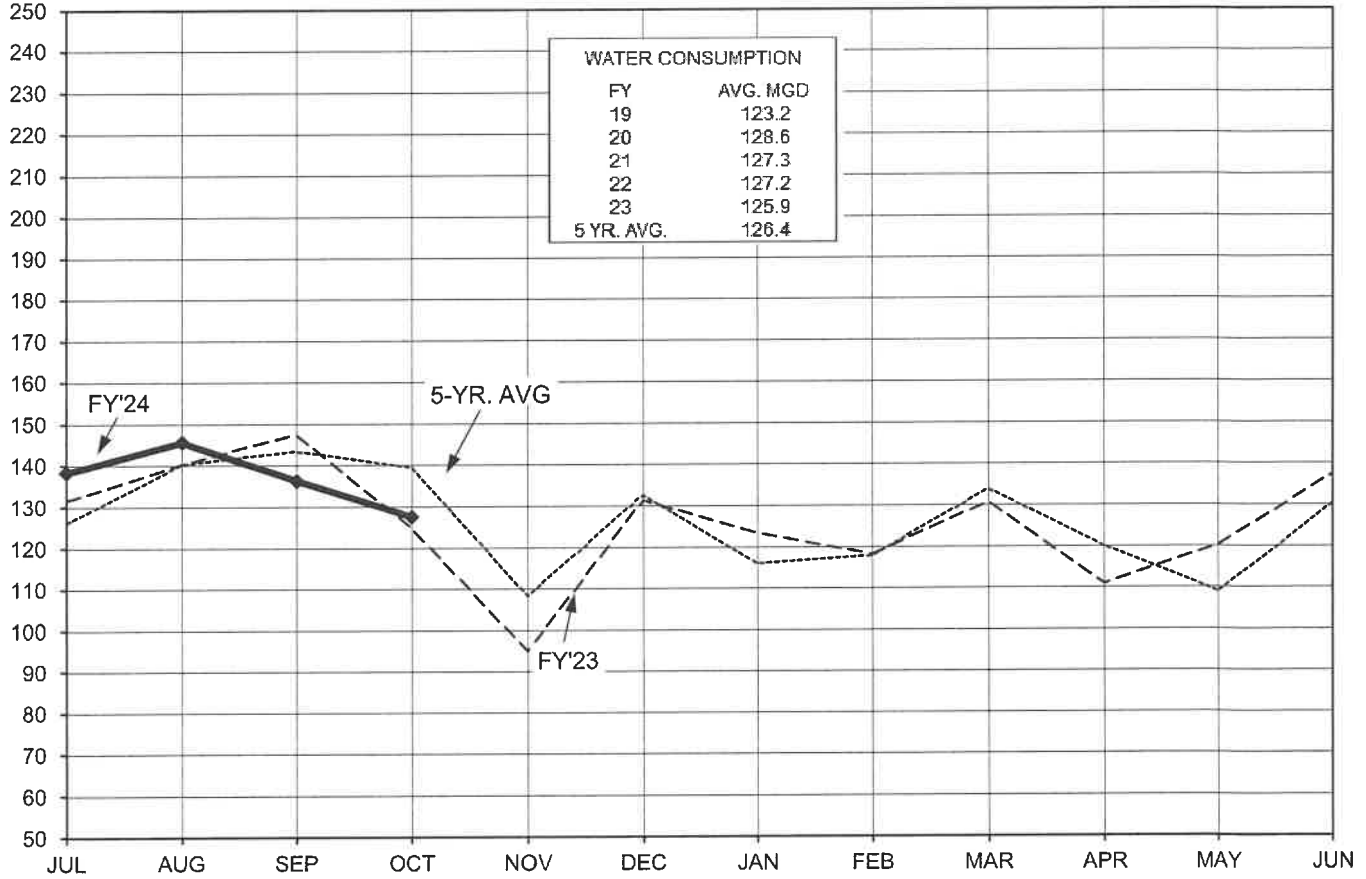
	<u>FY'23 ACTUAL</u>	<u>FY'24 APPROVED BUDGET</u>	<u>FY'23 ACTUAL THRU 10/31/22</u>	<u>FY'24 ACTUAL THRU 10/31/23</u>	<u>PROJECTED THRU 6/30/24</u>
<b>REVENUES</b>					
Front Foot Benefit & House Connection					
Assessments	\$6,998	\$5,321	\$2,625	\$2,037	\$5,321
Interest Income	256	0	87	9	\$0
Miscellaneous	203	190	60	29	\$190
Use of Accumulated Net Revenue	0	0	1,333	0	\$0
Reconstruction Debt Service Offset	0	0	(1,333)	0	\$0
<b>TOTAL REVENUES</b>	<u>7,457</u>	<u>5,511</u>	<u>2,772</u>	<u>2,075</u>	<u>5,511</u>
<b>EXPENSES</b>					
Salaries & Wages	874	748	318	223	748
All Other	826	1,348	218	303	1,348
Debt Service	7,465	4,734	2,243	1,761	4,734
<b>GROSS EXPENSES</b>	<u>9,165</u>	<u>6,830</u>	<u>2,779</u>	<u>2,287</u>	<u>6,830</u>
<b>NET EXPENSES</b>	<u>9,165</u>	<u>6,830</u>	<u>2,779</u>	<u>2,287</u>	<u>6,830</u>
NET REVENUE (LOSS)	(\$1,708)	<u>(\$1,319)</u>	<u>(\$7)</u>	<u>(\$212)</u>	(\$1,319)
ACCUMULATED NET REVENUE - JULY 1	3,409				1,701
Use of Fund Balance	0				0
ACCUMULATED NET REVENUE - JUNE 30	<u>\$1,701</u>				<u>\$382</u>

**FY'24  
WATER CONSUMPTION**

<u>MONTH</u>	<u>MONTHLY AVERAGE (MGD)</u>	<u>FY'24 CUMULATIVE AVERAGE (MGD)</u>	<u>FY'23 CUMULATIVE AVERAGE (MGD)</u>
July	138.277	138.277	131.637
August	145.538	141.908	135.933
September	136.197	140.045	139.629
October	127.528	136.891	135.900
November			127.872
December			128.448
January			127.703
February			126.614
March			127.074
April			125.475
May			124.984
June			126.003

# WATER CONSUMPTION

AVERAGE MGD

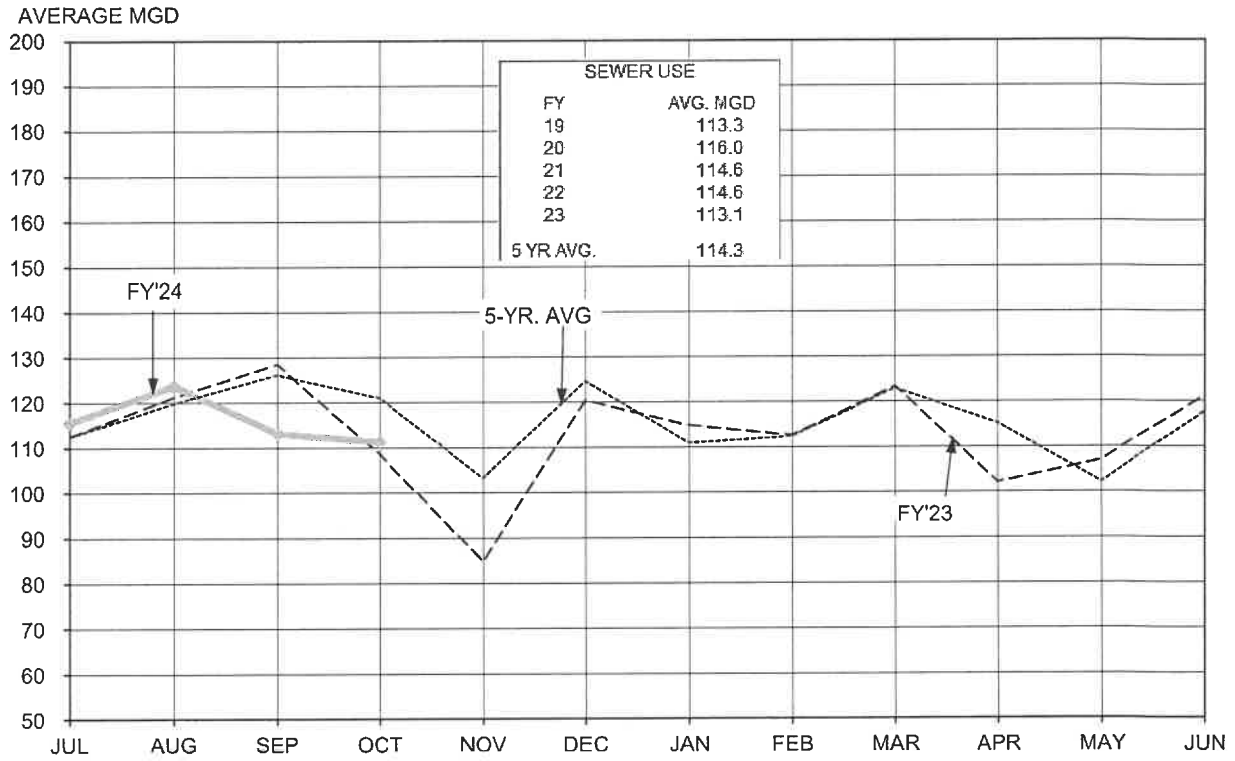


**FY'24  
SEWER USE**

<b><u>MONTH</u></b>	<b><u>FY'24 MONTHLY AVERAGE (MGD)</u></b>	<b><u>FY'24 CUMULATIVE AVERAGE (MGD)</u></b>	<b><u>FY'23 CUMULATIVE AVERAGE (MGD)</u></b>
July	115.57	115.57	112.56
August	123.70	119.64	116.87
September	113.12	117.51	120.65
October	111.23	115.93	117.61
November			111.18
December			112.72
January			113.03
February			112.98
March			114.15
April			112.97
May			112.43
June			113.14

# SEWER USE

(INCLUDES BLUE PLAINS)



**STATEMENT OF CAPITAL FUNDS INCOME AND EXPENDITURES**  
**CAPITAL FUNDS TOTAL**  
(In Thousands)

	FY'23 ACTUAL	FY'24 APPROVED BUDGET	FY'23 ACTUAL THRU 10/31/22	FY'24 ACTUAL THRU 10/31/23	PROJECTED THRU 6/30/24
<b><u>GROSS FUNDS AVAILABLE</u></b>					
Bonds Issued and Cash on Hand	\$414,795	\$599,354			
Anticipated Contributions:					
Federal & State Grants	5,697	25,142			
System Development Charge	9,635	36,945			
Other	39,369	21,628			
Available for Current Construction	<u>469,496</u>	<u>683,069</u>			
<b><u>CAPITAL COSTS</u></b>					
Salaries & Wages	\$27,997	\$28,193	\$9,379	\$7,741	\$28,193
Contract Work	268,792	384,209	78,011	69,999	\$384,209
Consulting Engineers	43,531	84,116	6,893	3,538	\$84,116
All Other	96,072	186,551	20,100	33,306	\$186,551
<b>TOTAL COSTS</b>	<u>\$436,392</u>	<u>\$683,069</u>	<u>\$114,383</u>	<u>\$114,584</u>	<u>\$683,069</u>

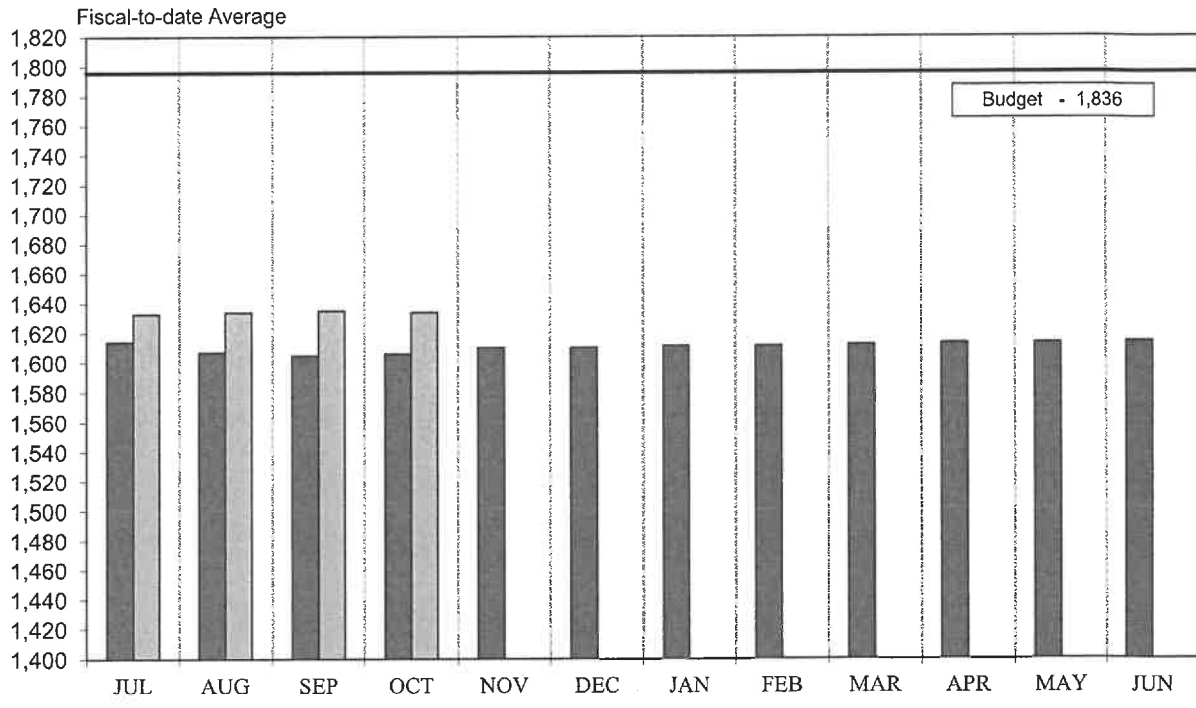
\*Reflects the transfer of \$2.5 million of Bond Premium to the Water & Sewer Operating funds and prior year adjustments.

**SYSTEM DEVELOPMENT CHARGE ACCOUNT**

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2023	\$60,093
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	6,017
Interest Income	<u>0</u>
FUNDS AVAILABLE	66,110
Less MOU Credit Reimbursement	0
<u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(910)
Sewer Operating - Debt Service	(1,014)
<u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	0
Sewer Disposal Bond	<u>0</u>
Account Balance	64,186
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	<u>(10,492)</u>
AVAILABLE ACCOUNT BALANCE, OCTOBER 31, 2023	<u><u>\$53,694</u></u>

# ACTUAL WORKYEARS



■ FY'23	1,614	1,607	1,605	1,606	1,610	1,610	1,611	1,611	1,612	1,613	1,613	1,614
■ FY'24	1,633	1,634	1,635	1,634	-	-	-	-	-	-	-	-