



# WSSC WATER

DELIVERING THE ESSENTIAL

FY2024  
MONTHLY STATUS REPORT

MARCH 2024



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Interoffice Memorandum

TO: KISHIA L. POWELL  
GENERAL MANAGER/CEO

FROM: MUNETSI TIMOTHY MUSARA, CPA  
CHIEF FINANCIAL OFFICER

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*Munetsi Timothy Musara*  
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DATE: May 13, 2024

SUBJECT: MONTHLY STATUS REPORT – March 2024

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Attached is the March 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 March 31, 2024, for Fiscal Year 2024 (FY’24). Total operating fund revenues are at \$740.6 million, and net operating fund expenses are at \$635.2 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 March 2024 report as follows:

**Revenues:**

- Water and Sewer revenues – which make up 81.9 percent of total revenues are at 77.6 percent YTD versus a prorated target of 75.0 percent based on the first nine months of the fiscal year.
- Other revenues which make up 18.1 percent of total revenues are at 91.1 percent of YTD versus a prorated target of 75.0 percent. (Page 1)
- Interest Income on cash balances is materially ahead of budget for the first nine 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 76.4 percent of actual revenues for FY’23 at the end of nine months of the fiscal year.
- Other revenues were at 91.2 percent at the end of nine months of the fiscal year.

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**Expenditures:**

- Operating expenditures are at 65.2 percent budget year to date (YTD) versus a prorated target of 75.0 percent based on the first nine 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 FY'24. (Page 2)
- PAYGO and Debt Service Expenses are on budget.

**Prior Year Comparison:**

- Operating expenditures were at 67.4 percent of actual expenditures for FY'23 at the end of nine months of the fiscal year.

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

- Water consumption is higher for the first nine months of the fiscal year, (129.23 MGD in FY'24 versus 127.01 MGD in FY'23) Sewer usage is lower (113.18 MGD versus 114.15 MGD) for a similar prior period giving net overall revenues a stronger realization compared to the budget. (Pages 7 and 9)

**Work years:**

- The workforce saw an increase of 41 to 1,653 through March FY'24, from a similar period in FY23. 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 March FY'24 is \$60.8 million.

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

**COMBINED WATER AND SEWER OPERATING FUNDS**

(In Thousands)

	<u>FY'23 ACTUAL</u>	<u>FY'24 APPROVED BUDGET</u>	<u>FY'23 ACTUAL THRU 3/31/23</u>	<u>FY'24 ACTUAL THRU 3/31/24</u>	<u>PROJECTED THRU 6/30/24</u>
<b>REVENUES</b>					
Water Consumption & Sewer Use Charges	\$749,437	\$782,241	\$565,758	\$606,766	\$782,241
All Other Revenues	145,285	141,384	107,826	129,363	141,384
<b>TOTAL REVENUES</b>	<u>894,722</u>	<u>923,625</u>	<u>673,584</u>	<u>736,129</u>	<u>923,625</u>
<b>EXPENSES</b>					
Operating Expenses	491,485	551,885	339,449	359,811	551,885
PAYGO	29,211	44,000	21,909	32,726	44,000
Debt Service Expense	300,093	328,467	221,970	243,291	328,467
<b>GROSS EXPENSES</b>	<u>820,789</u>	<u>924,352</u>	<u>583,328</u>	<u>635,828</u>	<u>924,352</u>
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	(1,667)	0	(1,200)
Less: SDC Debt Service Offset	(5,772)	(5,772)	(4,329)	(4,329)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(4,503)	(2,000)	(3,377)	(1,500)	(2,000)
<b>NET EXPENSES</b>	<u>810,514</u>	<u>915,380</u>	<u>573,955</u>	<u>629,999</u>	<u>915,380</u>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<u>\$84,208</u>	<u>\$8,245</u>	<u>\$99,629</u>	<u>\$106,130</u>	<u>\$8,245</u>
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	230,540				312,190
NET REVENUE (LOSS) FOR YEAR	84,208				8,245
USE OF ACCUMULATED NET REVENUE	<u>0</u>				<u>0</u>
ACCUMULATED NET REVENUE - END OF YEAR	<u>\$314,748</u>				<u>\$320,435</u> *
WATER CONSUMPTION (MGD)	126.0	124.7	127.1	129.2	124.7

\* 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)

	<b>FY'23 ACTUAL</b>	<b>FY'24 APPROVED BUDGET</b>	<b>FY'23 ACTUAL THRU 3/31/23</b>	<b>FY'24 ACTUAL THRU 3/31/24</b>	<b>PROJECTED THRU 6/30/24</b>
<b>REVENUES</b>					
Water Consumption Charges	\$331,002	\$351,109	250,121 **	\$270,223	\$351,109
Account Maintenance Fee	18,078	18,388	13,523	14,681	\$18,388
Infrastructure Investment Fee	22,285	22,405	16,704	17,977	\$22,405
Plumbing & Inspection Fees	12,036	11,600	8,682	9,247	\$11,600
Interest Income	5,450	2,713	2,724	7,097	\$2,713
Miscellaneous	12,687	13,962	12,020	10,822	\$13,962
<b>TOTAL REVENUES</b>	<b>401,538</b>	<b>420,177</b>	<b>303,774</b>	<b>330,047</b>	<b>420,177</b>
<b>EXPENSES</b>					
Salaries & Wages	69,326	76,565	52,141	58,014	76,565
Heat, Light & Power	12,383	15,453	10,161	8,702	15,453
All Other	144,573	167,444	90,261	102,102	167,444
PAYGO	9,817	15,928	7,363	11,990	15,928
Debt Service	130,502	145,903	96,627	106,934	145,903
<b>GROSS EXPENSES</b>	<b>366,601</b>	<b>421,293</b>	<b>256,553</b>	<b>287,742</b>	<b>421,293</b>
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	(850)	0	(1,200)
Less: SDC Debt Service Offset	(2,731)	(2,731)	(2,048)	(2,048)	(2,731)
Less: Premium & Underwriter's Discount Transfers	(1,575)	(888)	(1,181)	(666)	(888)
<b>NET EXPENSES</b>	<b>362,295</b>	<b>416,474</b>	<b>252,474</b>	<b>285,028</b>	<b>416,474</b>
<b>NET REVENUE (LOSS)</b>	<b>\$39,243</b>	<b>3,703</b>	<b>\$51,300</b>	<b>\$45,019</b>	<b>\$3,703</b>
ACCUMULATED NET REVENUE - JULY 1	77,444				115,613 *
Use of Fund Balance	0				0
Fund Balance Transfer	0				0
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<b>\$116,687</b>				<b>\$119,316</b>

\*Reflects a decrease in net revenues of \$1,074,000 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)

	<b>FY'23 ACTUAL</b>	<b>FY'24 APPROVED BUDGET</b>	<b>FY'23 ACTUAL THRU 3/31/23</b>	<b>FY'24 ACTUAL THRU 3/31/24</b>	<b>PROJECTED THRU 6/30/24</b>
<b><u>REVENUES</u></b>					
Sewer Use Charges	\$418,435	\$431,132	315,637	\$336,543	\$431,132
Account Maintenance Fee	16,810	17,871	12,563	13,654	\$17,871
Infrastructure Investment Fee	20,984	21,776	15,702	16,984	\$21,776
Rockville Sewer Use	3,879	3,100	2,629	3,423	\$3,100
Interest Income	9,474	5,286	4,993	14,490	\$5,286
Plumbing & Inspection Fees	8,477	8,780	5,995	6,489	\$8,780
Miscellaneous	15,125	15,503	12,291	14,499	\$15,503
<b>TOTAL REVENUES</b>	<b>493,184</b>	<b>503,448</b>	<b>369,810</b>	<b>406,082</b>	<b>503,448</b>
<b><u>EXPENSES</u></b>					
Salaries & Wages	57,718	64,614	43,042	46,268	64,614
Heat, Light & Power	10,007	11,920	7,717	7,987	11,920
Regional Sewage Disposal	71,025	64,201	49,618	60,594	64,201
All Other	126,453	151,688	86,509	76,144	151,688
PAYGO	19,394	28,072	14,546	20,736	28,072
Debt Service	169,591	182,564	125,343	136,357	182,564
<b>GROSS EXPENSES</b>	<b>454,188</b>	<b>503,059</b>	<b>326,775</b>	<b>348,086</b>	<b>503,059</b>
Less: Reconstruction Debt Service Offset	0	0	(817)	0	0
Less: SDC Debt Service Offset	(3,041)	(3,041)	(2,281)	(2,281)	(3,041)
Less: Premium & Underwriter's Discount Transfers	(2,928)	(1,112)	(2,196)	(834)	(1,112)
<b>NET EXPENSES</b>	<b>448,219</b>	<b>498,906</b>	<b>321,481</b>	<b>344,971</b>	<b>498,906</b>
<b>NET REVENUE (LOSS)</b>	<b>\$44,965</b>	<b>\$4,542</b>	<b>\$48,329</b>	<b>\$61,111</b>	<b>\$4,542</b>
ACCUMULATED NET REVENUE - JULY 1	153,096				196,577 *
Use of Fund Balance	0				0
Fund Balance Transfer	0				0
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<b>\$198,061</b>				<b>\$201,119</b>

\*Reflects a decrease in net revenues of \$1,484,000 resulting from prior year adjustments.

**GENERAL BOND DEBT SERVICE FUND**

(In Thousands)

	<b>FY'23 ACTUAL</b>	<b>FY'24 APPROVED BUDGET</b>	<b>FY'23 ACTUAL THRU 3/31/23</b>	<b>FY'24 ACTUAL THRU 3/31/24</b>	<b>PROJECTED THRU 6/30/24</b>
<b><u>REVENUES</u></b>					
Front Foot Benefit & House Connection					
Assessments	\$6,998	\$5,321	\$5,325	\$4,201	\$5,321
Interest Income	256	0	142	169	\$0
Miscellaneous	203	190	195	71	\$190
Use of Accumulated Net Revenue	0	0	1,667	0	\$0
Reconstruction Debt Service Offset	0	0	(1,667)	0	\$0
<b>TOTAL REVENUES</b>	<b>7,457</b>	<b>5,511</b>	<b>5,662</b>	<b>4,441</b>	<b>5,511</b>
<b><u>EXPENSES</u></b>					
Salaries & Wages	874	748	666	715	748
All Other	826	1,348	548	611	1,348
Debt Service	7,465	4,734	5,426	3,907	4,734
<b>GROSS EXPENSES</b>	<b>9,165</b>	<b>6,830</b>	<b>6,640</b>	<b>5,233</b>	<b>6,830</b>
<b>NET EXPENSES</b>	<b>9,165</b>	<b>6,830</b>	<b>6,640</b>	<b>5,233</b>	<b>6,830</b>
<b>NET REVENUE (LOSS)</b>	<b>(\$1,708)</b>	<b>(\$1,319)</b>	<b>(\$978)</b>	<b>(\$792)</b>	<b>(\$1,319)</b>
ACCUMULATED NET REVENUE - JULY 1	3,409				1,701
Use of Fund Balance	0				0
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<b>\$1,701</b>				<b>\$382</b>

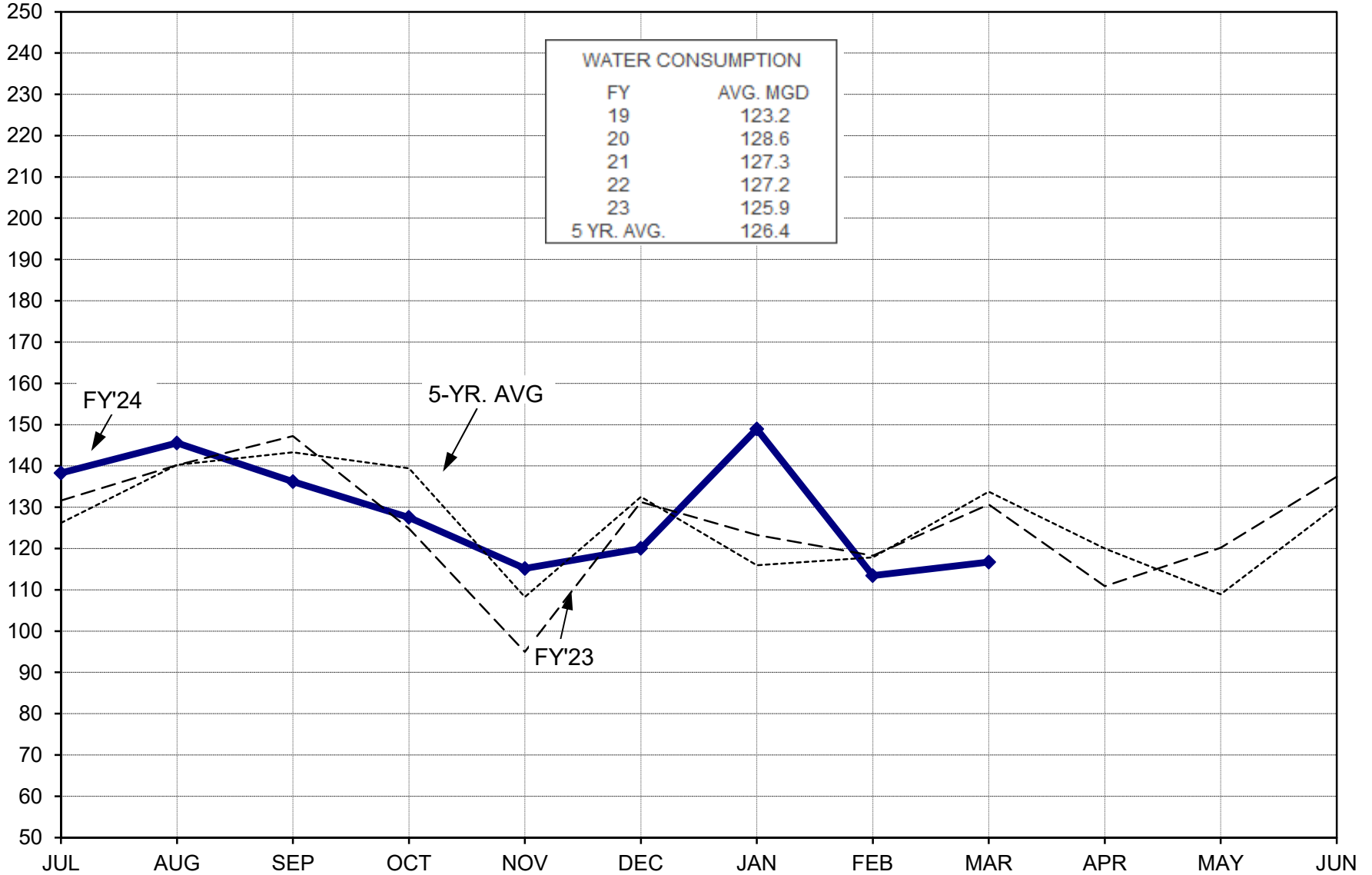
**FY'24  
WATER CONSUMPTION**

<b><u>MONTH</u></b>	<b><u>MONTHLY AVERAGE (MGD)</u></b>	<b><u>FY'24 CUMULATIVE AVERAGE (MGD)</u></b>	<b><u>FY'23 CUMULATIVE AVERAGE (MGD)</u></b>
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	115.164	132.631	127.872
December	120.014	130.505	128.448
January	148.951	133.165	127.703
February	113.427	130.819	126.614
March	116.704	129.228	127.074
April			125.475
May			124.984
June			126.003



# WATER CONSUMPTION

AVERAGE MGD



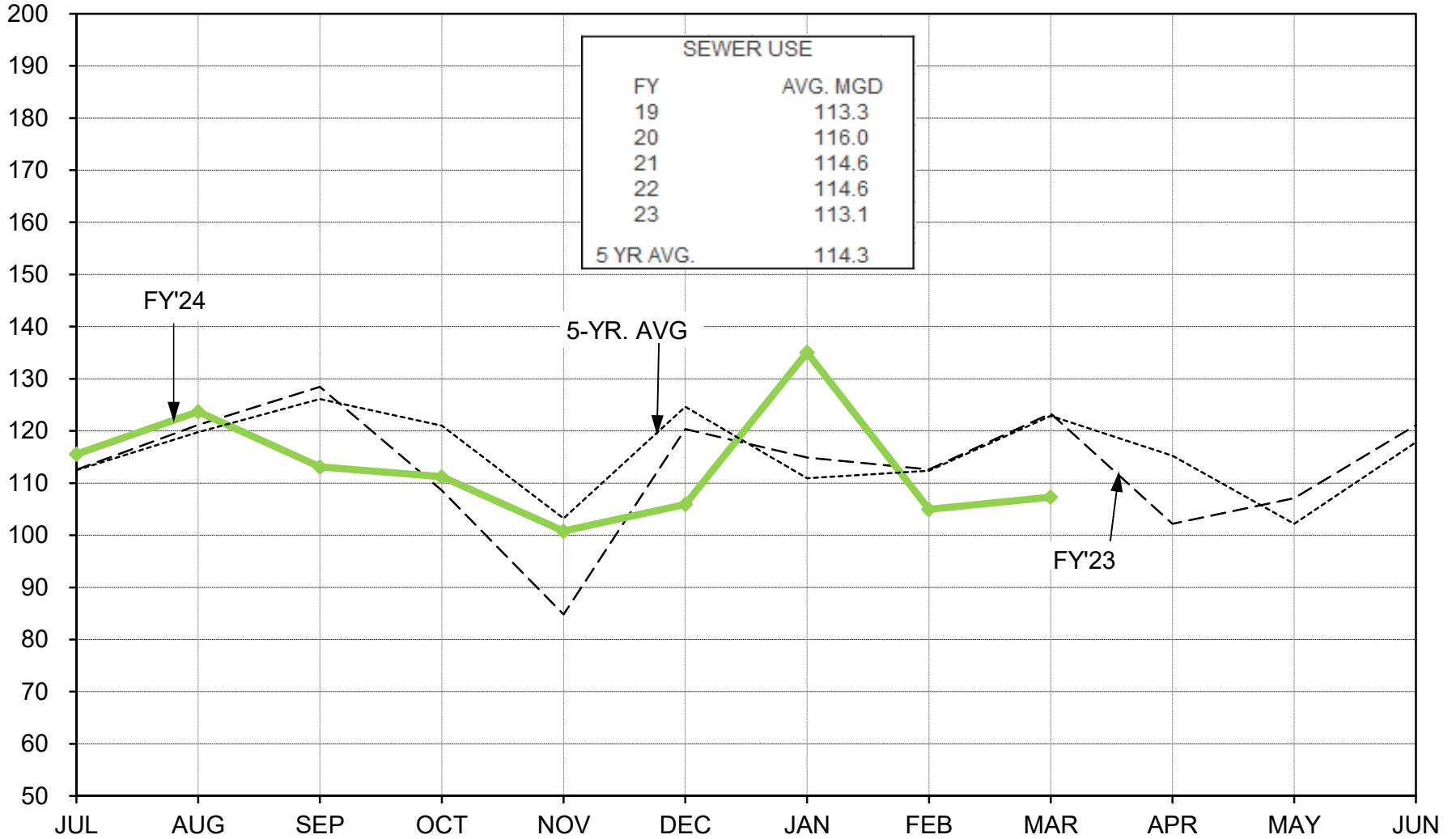
**FY'24  
SEWER USE**

<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	100.80	112.96	111.18
December	105.94	111.78	112.72
January	135.09	115.14	113.03
February	104.98	113.93	112.98
March	107.32	113.18	114.15
April			112.97
May			112.43
June			113.14

# SEWER USE

(INCLUDES BLUE PLAINS)

AVERAGE MGD



**STATEMENT OF CAPITAL FUNDS INCOME AND EXPENDITURES**  
**CAPITAL FUNDS TOTAL**

(In Thousands)

	<u>FY'23 ACTUAL</u>	<u>FY'24 APPROVED BUDGET</u>	<u>FY'23 ACTUAL THRU 3/31/23</u>	<u>FY'24 ACTUAL THRU 3/31/24</u>	<u>PROJECTED THRU 6/30/24</u>
<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	<u>39,369</u>	<u>21,628</u>			
Available for Current Construction	<u>469,496</u>	<u>683,069</u>			
<b><u>CAPITAL COSTS</u></b>					
Salaries & Wages	\$27,997	\$28,193	\$20,991	\$23,251	\$28,193
Contract Work	268,792	384,209	172,001	162,078	\$384,209
Consulting Engineers	43,531	84,116	23,019	16,298	\$84,116
All Other	<u>96,072</u>	<u>186,551</u>	<u>70,585</u>	<u>70,317</u>	<u>\$186,551</u>
<b>TOTAL COSTS</b>	<u><u>\$436,392</u></u>	<u><u>\$683,069</u></u>	<u><u>\$286,596</u></u>	<u><u>\$271,944</u></u>	<u><u>\$683,069</u></u>

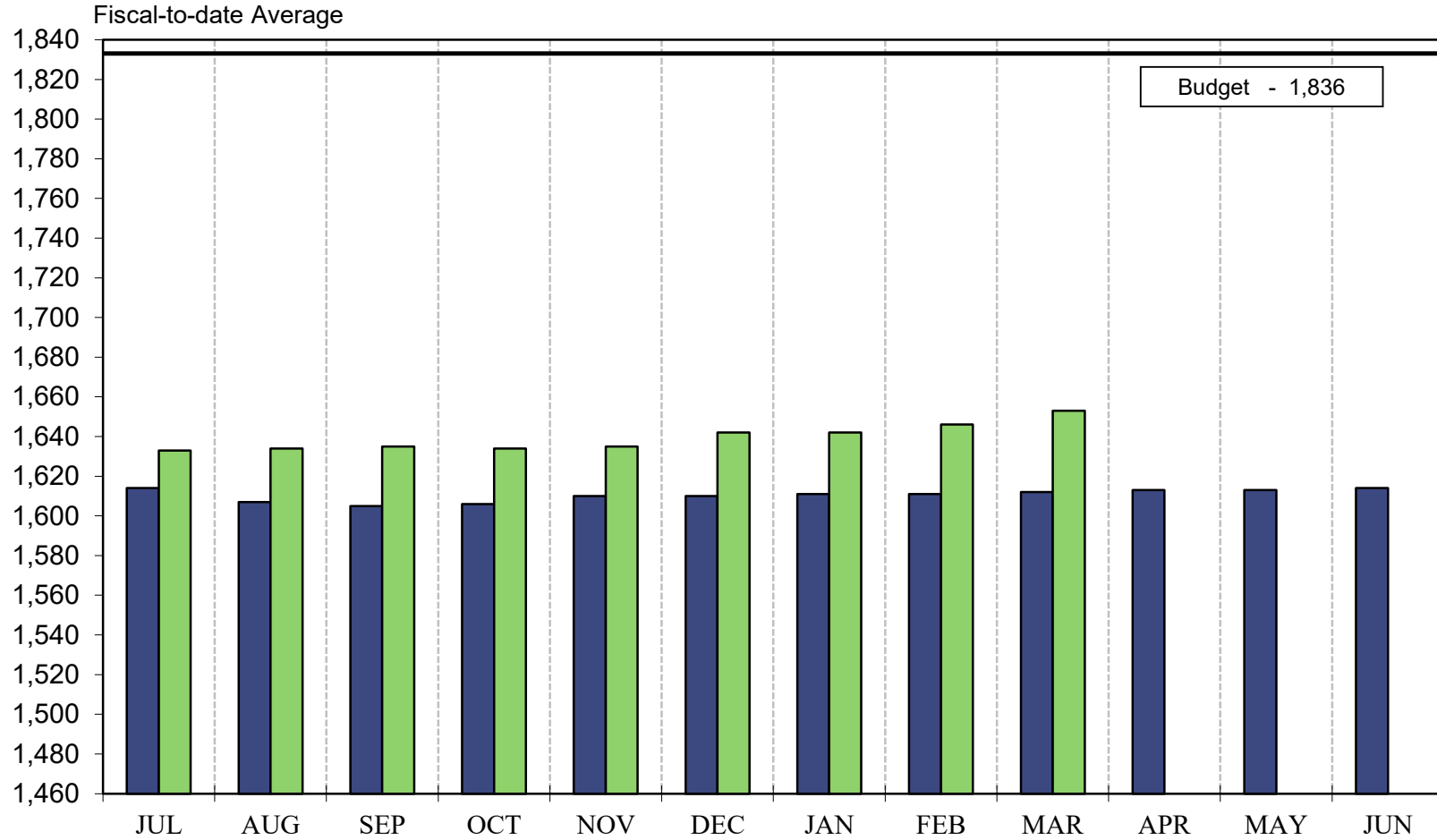
\*Reflects the transfer of \$2.5 million of Bond Premium to the Water & Sewer Operating funds and prior year adjustments.

**SYSTEM DEVELOPMENT CHARGE ACCOUNT**

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2023	\$60,093
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	18,605
Interest Income	<u>0</u>
FUNDS AVAILABLE	78,698
Less MOU Credit Reimbursement	(1,905)
<u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(2,048)
Sewer Operating - Debt Service	(2,281)
<u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	0
Sewer Disposal Bond	<u>0</u>
Account Balance	72,464
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	<u>(11,691)</u>
AVAILABLE ACCOUNT BALANCE, MARCH 31, 2024	<u><u>\$60,773</u></u>

# ACTUAL WORKYEARS



<span style="color: blue;">■</span> FY23	1,614	1,607	1,605	1,606	1,610	1,610	1,611	1,611	1,612	1,613	1,613	1,614
<span style="color: green;">■</span> FY24	1,633	1,634	1,635	1,634	1,635	1,642	1,642	1,646	1,653	-	-	-