



WSSC WATER

DELIVERING THE ESSENTIAL

FY2024
MONTHLY STATUS REPORT

APRIL 2024



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: July 11, 2024

SUBJECT: MONTHLY STATUS REPORT – April 2024

Attached is the April 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 April 30, 2024, for Fiscal Year 2024 (FY’24). Total operating fund revenues are at \$818.4 million, and net operating fund expenses are at \$714.0 million. WSSC Water projects a net revenue for the fiscal year 2024 ending June 2024 to be \$56.5 million. The net revenue projection is based on actual expenditures through April 30, 2024, for Fiscal Year 2024 (FY’24) and anticipated revenues and expenses for the remaining two months of the fiscal year, May and June. The projected net revenues of \$56.5 million compares favorably with the fiscal year 2024 approved budget providing for net revenues of \$6.9 million. The additional net revenues are the result of higher water consumption and lower expenditure realization with the exception of Regional Sewage Disposal Charges which are projected to be \$15.0 over the approved budget.

Highlights as of the April 2024 report as follows:

Revenues:

- Water and Sewer revenues – which make up 81.5 percent of total revenues are at 85.5 percent YTD versus a prorated target of 83.3 percent based on the first ten months of the fiscal year.
- Other revenues which make up 18.3 percent of total revenues are at 101.7 percent of YTD versus a prorated target of 83.3 percent. (Page 3)
- Interest Income on cash balances is materially ahead of budget for the first ten months, reflecting the increase in interest rates and its positive impact on interest earned. (Page 4)

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Prior Year Comparison:

- Water and Sewer revenues were at 84.2 percent of actual revenues for FY'23 at the end of ten months of the fiscal year.
- Other revenues were at 102.2 percent at the end of ten months of the fiscal year.

Expenditures:

- Operating expenditures are at 73.7 percent budget year to date (YTD) versus a prorated target of 83.3 percent based on the first ten months of the fiscal year.
- PAYGO and Debt Service Expenses are on budget.

Prior Year Comparison:

- Operating expenditures were at 74.9 percent of actual expenditures for FY'23 at the end of ten months of the fiscal year.

Factors Impacting Revenues: Water and Sewer Consumption trends.

- Water consumption is higher for the first ten months of the fiscal year, (128.4 MGD in FY'24 versus 125.5 MGD in FY'23) Sewer usage is higher (113.17 MGD versus 113.0 MGD) for a similar prior period giving net overall revenues a stronger realization compared to the budget. (Pages 9 and 11)

Work years:

- The workforce saw an increase of 45 to 1,658 through April 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 15)

System Development Charge:

- The available account balance at the end of April FY'24 is \$62.8 million.

Expenditure and revenue activities for other funds are consistent with projections based on the first ten 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)

	FY'23 ACTUAL	FY'24 APPROVED BUDGET	FY'23 ACTUAL THRU 4/30/23	FY'24 ACTUAL THRU 4/30/24	PROJECTED THRU 6/30/24
REVENUES					
Water Consumption and Sewer Use Charges	\$749,437	\$782,241	\$623,749	\$668,948	\$793,538
All Other Revenues	152,742	146,895	127,265	149,404	180,498
TOTAL REVENUES	902,179	929,136	751,014	818,352	974,036
EXPENSES					
Operating Expenses	493,185	553,981	378,090	408,273	538,322
PAYGO	29,211	44,000	24,343	36,392	44,000
Debt Service Expense	307,558	333,201	253,816	275,789	324,225
GROSS EXPENSES	829,954	931,182	656,249	720,454	906,547
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	(1,667)	0	18,800
Less: SDC Debt Service Offset	(5,772)	(5,772)	(4,810)	(4,810)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(4,503)	(2,000)	(3,753)	(1,667)	(2,000)
NET EXPENSES	819,679	922,210	646,019	713,977	917,575
NET REVENUE (LOSS) FOR YEAR	\$82,500	\$6,926	\$104,995	\$104,375	\$56,461

CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES AND EXPENDITURES

(In Thousands)

	FY'23 ACTUAL	FY'24 APPROVED BUDGET	FY'23 ACTUAL THRU 4/30/23	FY'24 ACTUAL THRU 4/30/24	PROJECTED THRU 6/30/24
REVENUES					
Water Consumption Charges	\$331,002	\$351,109	\$275,156	\$297,149	\$350,961
Sewer Use Charges	418,435	431,132	348,593	371,799	442,577
Account Maintenance Fees	34,888	36,259	28,935	31,440	37,780
Infrastructure Investment Fee	43,269	44,181	35,904	38,765	46,541
Front Foot Benefit & House Connection Assessments	6,998	5,321	5,787	4,583	5,347
Plumbing & Inspection Fees	20,513	20,380	16,373	17,394	20,824
Interest Income	15,180	7,999	10,326	25,332	32,616
Rockville Sewer Use	3,879	3,100	3,022	3,763	4,447
Miscellaneous	28,015	29,655	26,918	28,127	32,943
TOTAL REVENUES	902,179	929,136	751,014	818,352	974,036
EXPENSES					
Salaries & Wages	127,918	141,927	105,548	117,045	141,641
Heat, Light & Power	22,390	27,373	19,490	18,584	25,617
Regional Sewage Disposal	71,025	64,201	56,277	66,532	79,201
All Other	271,852	320,480	196,775	206,112	291,863
PAYGO	29,211	44,000	24,343	36,392	44,000
Debt Service	307,558	333,201	253,816	275,789	324,225
GROSS EXPENSES	829,954	931,182	656,249	720,454	906,547
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	(1,667)	0	18,800
Less: SDC Debt Service Offset	(5,772)	(5,772)	(4,810)	(4,810)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(4,503)	(2,000)	(3,753)	(1,667)	(2,000)
NET EXPENSES	819,679	922,210	646,019	713,977	917,575
NET REVENUE (LOSS) FOR YEAR	\$82,500	\$6,926	\$104,995	\$104,375	\$56,461
ACCUMULATED NET REVENUE - JULY 1	233,949				313,741
Use of Fund Balance	0				20,000
ACCUMULATED NET REVENUE - JUNE 30	\$316,449				\$390,202

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

COMBINED WATER AND SEWER OPERATING FUNDS

(In Thousands)

	FY'23 ACTUAL	FY'24 APPROVED BUDGET	FY'23 ACTUAL THRU 4/30/23	FY'24 ACTUAL THRU 4/30/24	PROJECTED THRU 6/30/24
REVENUES					
Water Consumption & Sewer Use Charges	\$749,437	\$782,241	\$623,749	\$668,948	\$793,538
All Other Revenues	145,285	141,384	121,115	144,503	174,677
TOTAL REVENUES	894,722	923,625	744,864	813,451	968,215
EXPENSES					
Operating Expenses	491,485	551,885	376,731	406,773	536,364
PAYGO	29,211	44,000	24,343	36,392	44,000
Debt Service Expense	300,093	328,467	247,748	271,441	319,113
GROSS EXPENSES	820,789	924,352	648,822	714,606	899,477
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	(1,667)	0	18,800
Less: SDC Debt Service Offset	(5,772)	(5,772)	(4,810)	(4,810)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(4,503)	(2,000)	(3,753)	(1,667)	(2,000)
NET EXPENSES	810,514	915,380	638,592	708,129	910,505
NET REVENUE (LOSS) FOR YEAR	\$84,208	\$8,245	\$106,272	\$105,322	\$57,710
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	230,540				312,040
NET REVENUE (LOSS) FOR YEAR	84,208				57,710
USE OF ACCUMULATED NET REVENUE	0				0
ACCUMULATED NET REVENUE - END OF YEAR	\$314,748				\$369,750 *
WATER CONSUMPTION (MGD)	126.0	124.7	125.5	128.4	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)

	<u>FY'23 ACTUAL</u>	<u>FY'24 APPROVED BUDGET</u>	<u>FY'23 ACTUAL THRU 4/30/23</u>	<u>FY'24 ACTUAL THRU 4/30/24</u>	<u>PROJECTED THRU 6/30/24</u>
REVENUES					
Water Consumption Charges	\$331,002	\$351,109	275,156 **	\$297,149	350,961
Account Maintenance Fee	18,078	18,388	15,002	16,292	19,586
Infrastructure Investment Fee	22,285	22,405	18,496	19,934	23,944
Plumbing & Inspection Fees	12,036	11,600	9,671	10,235	12,281
Interest Income	5,450	2,713	3,590	8,732	12,108
Miscellaneous	12,687	13,962	13,020	11,977	14,311
TOTAL REVENUES	<u>401,538</u>	<u>420,177</u>	<u>334,935</u>	<u>364,319</u>	<u>433,191</u>
EXPENSES					
Salaries & Wages	69,326	76,565	57,324	64,602	78,178
Heat, Light & Power	12,383	15,453	10,956	9,559	13,177
All Other	144,573	167,444	100,656	116,620	165,139
PAYGO	9,817	15,928	8,181	13,318	15,928
Debt Service	130,502	145,903	107,824	119,626	140,636
GROSS EXPENSES	<u>366,601</u>	<u>421,293</u>	<u>284,941</u>	<u>323,725</u>	<u>413,056</u>
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	(850)	0	3,800
Less: SDC Debt Service Offset	(2,731)	(2,731)	(2,276)	(2,276)	(2,731)
Less: Premium & Underwriter's Discount Transfers	(1,575)	(888)	(1,313)	(740)	(888)
NET EXPENSES	<u>362,295</u>	<u>416,474</u>	<u>280,502</u>	<u>320,709</u>	<u>413,237</u>
NET REVENUE (LOSS)	<u>\$39,243</u>	<u>3,703</u>	<u>\$54,433</u>	<u>\$43,610</u>	<u>\$19,954</u>
ACCUMULATED NET REVENUE - JULY 1	77,444				115,505 *
Use of Fund Balance	0				0
Fund Balance Transfer	0				0
ACCUMULATED NET REVENUE - JUNE 30	<u>\$116,687</u>				<u>\$135,459</u>

*Reflects a decrease in net revenues of \$1,182,000 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 4/30/23	FY'24 ACTUAL THRU 4/30/24	PROJECTED THRU 6/30/24
REVENUES					
Sewer Use Charges	\$418,435	\$431,132	348,593	\$371,799	442,577
Account Maintenance Fee	16,810	17,871	13,933	15,148	18,194
Infrastructure Investment Fee	20,984	21,776	17,408	18,831	22,597
Rockville Sewer Use	3,879	3,100	3,022	3,763	4,447
Interest Income	9,474	5,286	6,583	16,361	20,129
Plumbing & Inspection Fees	8,477	8,780	6,702	7,159	8,543
Miscellaneous	15,125	15,503	13,688	16,071	18,537
TOTAL REVENUES	493,184	503,448	409,929	449,132	535,024
EXPENSES					
Salaries & Wages	57,718	64,614	47,492	51,638	62,489
Heat, Light & Power	10,007	11,920	8,534	9,025	12,441
Regional Sewage Disposal	71,025	64,201	56,277	66,532	79,201
All Other	126,453	151,688	95,492	88,797	125,740
PAYGO	19,394	28,072	16,162	23,074	28,072
Debt Service	169,591	182,564	139,924	151,815	178,478
GROSS EXPENSES	454,188	503,059	363,881	390,881	486,421
Less: Reconstruction Debt Service Offset	0	0	(817)	0	15,000
Less: SDC Debt Service Offset	(3,041)	(3,041)	(2,534)	(2,534)	(3,041)
Less: Premium & Underwriter's Discount Transfers	(2,928)	(1,112)	(2,440)	(927)	(1,112)
NET EXPENSES	448,219	498,906	358,090	387,420	497,268
NET REVENUE (LOSS)	\$44,965	\$4,542	\$51,839	\$61,712	\$37,756
ACCUMULATED NET REVENUE - JULY 1	153,096				196,535 *
Use of Fund Balance	0				0
Fund Balance Transfer	0				0
ACCUMULATED NET REVENUE - JUNE 30	\$198,061				\$234,291

*Reflects a decrease in net revenues of \$1,526,000 resulting from prior year adjustments.

GENERAL BOND DEBT SERVICE FUND

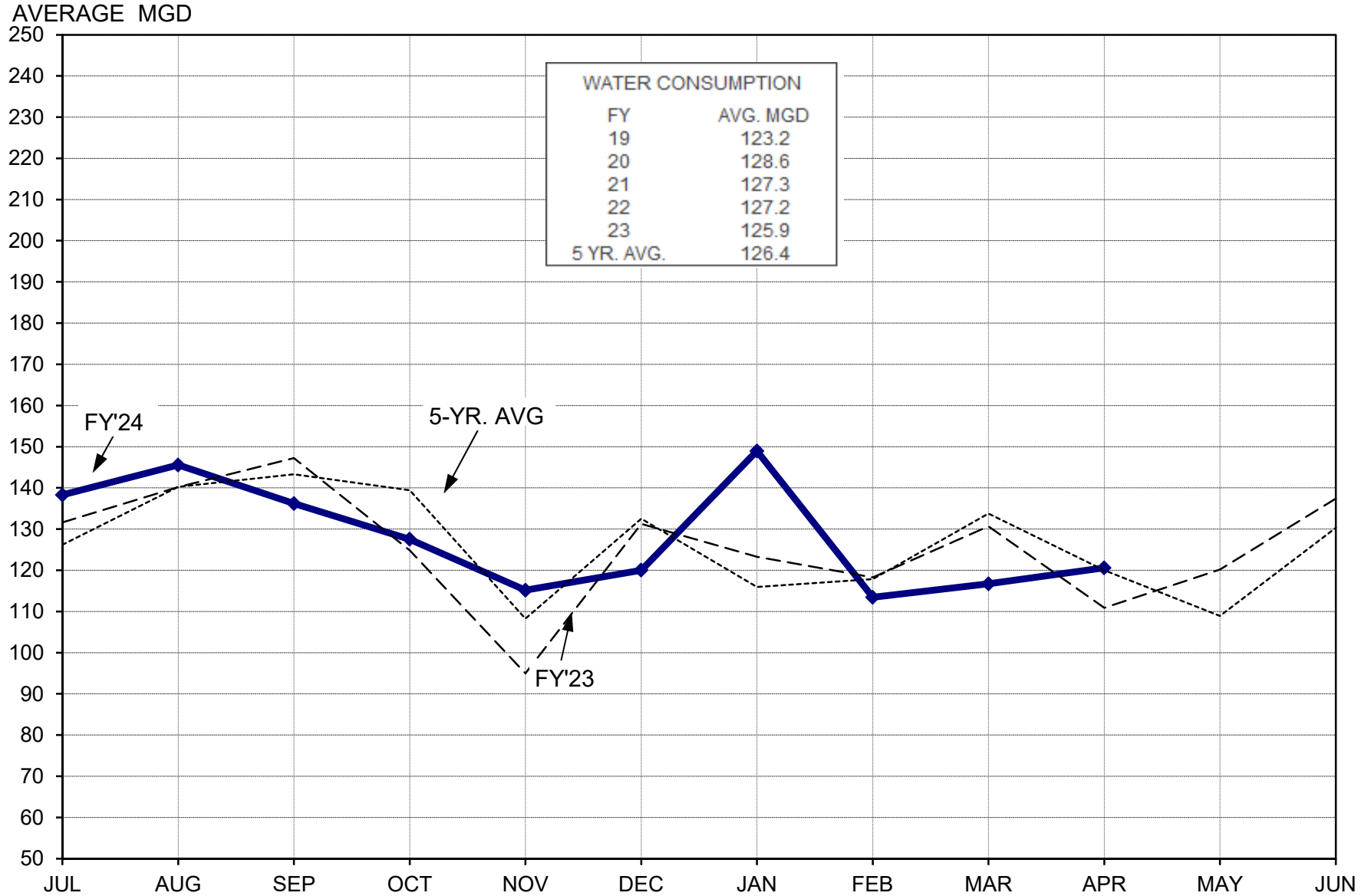
(In Thousands)

	<u>FY'23 ACTUAL</u>	<u>FY'24 APPROVED BUDGET</u>	<u>FY'23 ACTUAL THRU 4/30/23</u>	<u>FY'24 ACTUAL THRU 4/30/24</u>	<u>PROJECTED THRU 6/30/24</u>
<u>REVENUES</u>					
Front Foot Benefit & House Connection					
Assessments	\$6,998	\$5,321	\$5,787	\$4,583	5,347
Interest Income	256	0	153	239	379
Miscellaneous	203	190	210	79	95
Use of Accumulated Net Revenue	0	0	1,667	0	(\$20,000)
Reconstruction Debt Service Offset	0	0	(1,667)	0	20,000
TOTAL REVENUES	<u>7,457</u>	<u>5,511</u>	<u>6,150</u>	<u>4,901</u>	<u>5,821</u>
<u>EXPENSES</u>					
Salaries & Wages	874	748	732	805	974
All Other	826	1,348	627	695	984
Debt Service	7,465	4,734	6,068	4,348	5,112
GROSS EXPENSES	<u>9,165</u>	<u>6,830</u>	<u>7,427</u>	<u>5,848</u>	<u>7,070</u>
NET EXPENSES	<u>9,165</u>	<u>6,830</u>	<u>7,427</u>	<u>5,848</u>	<u>7,070</u>
NET REVENUE (LOSS)	(\$1,708)	<u>(\$1,319)</u>	<u>(\$1,277)</u>	<u>(\$947)</u>	(\$1,249)
ACCUMULATED NET REVENUE - JULY 1	3,409				1,701
Use of Fund Balance	0				20,000
ACCUMULATED NET REVENUE - JUNE 30	<u>\$1,701</u>				<u>\$20,452</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	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	120.576	128.377	125.475
May			124.984
June			126.003

WATER CONSUMPTION



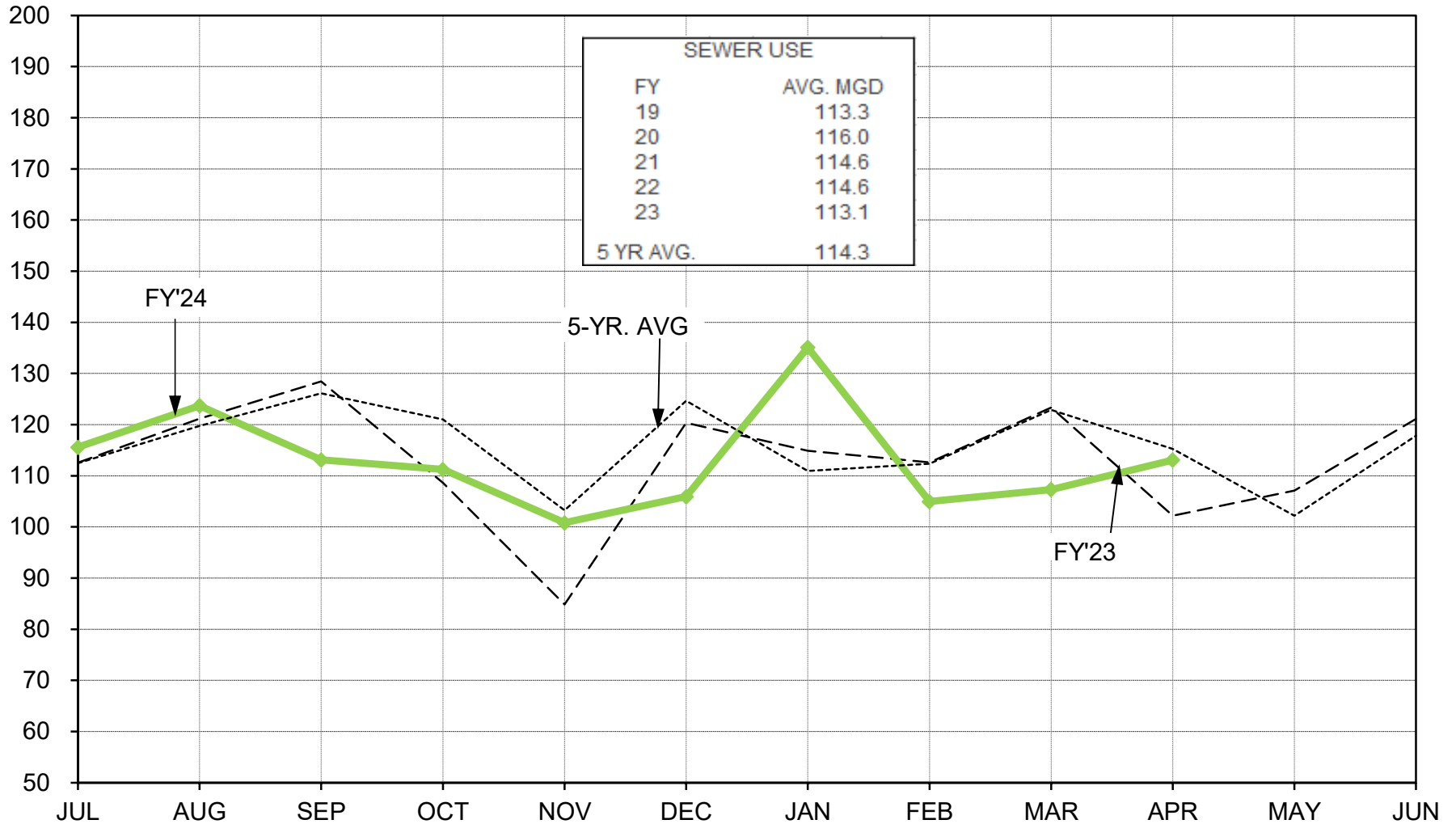
**FY'24
SEWER USE**

<u>MONTH</u>	<u>FY'24 MONTHLY AVERAGE (MGD)</u>	<u>FY'24 CUMULATIVE AVERAGE (MGD)</u>	<u>FY'23 CUMULATIVE AVERAGE (MGD)</u>
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	113.08	113.17	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 4/30/23</u>	<u>FY'24 ACTUAL THRU 4/30/24</u>	<u>PROJECTED THRU 6/30/24</u>
<u>GROSS FUNDS AVAILABLE</u>					
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>			
<u>CAPITAL COSTS</u>					
Salaries & Wages	\$27,997	\$28,193	\$23,222	\$25,994	\$30,031
Contract Work	268,792	384,209	204,991	184,015	\$236,709
Consulting Engineers	43,531	84,116	25,682	18,627	\$39,971
All Other	<u>96,072</u>	<u>186,551</u>	<u>73,615</u>	<u>77,825</u>	<u>\$145,162</u>
TOTAL COSTS	<u><u>\$436,392</u></u>	<u><u>\$683,069</u></u>	<u><u>\$327,510</u></u>	<u><u>\$306,461</u></u>	<u><u>\$451,873</u></u>

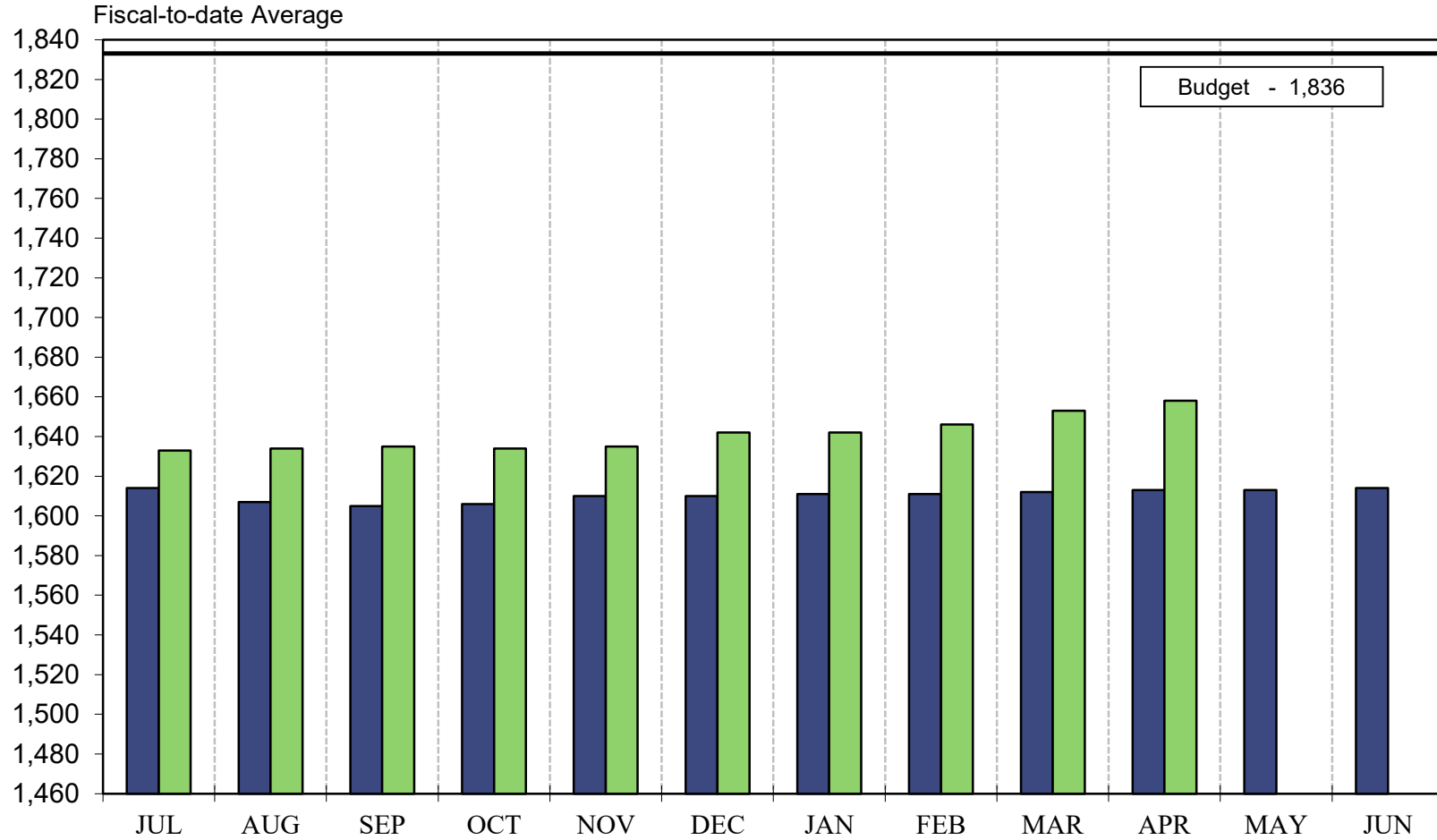
*Reflects the transfer of \$2.5 million of Bond Premium to the Water & Sewer Operating funds and prior year adjustments.

SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2023	\$60,093
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	20,780
Interest Income	<u>0</u>
FUNDS AVAILABLE	80,873
Less MOU Credit Reimbursement	(1,909)
<u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(2,276)
Sewer Operating - Debt Service	(2,534)
<u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	0
Sewer Disposal Bond	<u>0</u>
Account Balance	74,154
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	<u>(11,349)</u>
AVAILABLE ACCOUNT BALANCE, APRIL 30, 2024	<u><u>\$62,805</u></u>

ACTUAL WORKYEARS



■ 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
■ FY24	1,633	1,634	1,635	1,634	1,635	1,642	1,642	1,646	1,653	1,658	-	-