



# WSSC WATER

DELIVERING THE ESSENTIAL

FY2024  
MONTHLY STATUS REPORT

MAY 2024



Interoffice Memorandum

TO: KISHIA L. POWELL  
GENERAL MANAGER/CEO

FROM: MUNETSI TIMOTHY MUSARA, CPA  
CHIEF FINANCIAL OFFICER

DocuSigned by:  
*Munetsi Timothy Musara*  
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DATE: July 22, 2024

SUBJECT: MONTHLY STATUS REPORT – May 2024

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Attached is the May 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 May 31, 2024, for Fiscal Year 2024 (FY’24). Total operating fund revenues are at \$900.3 million, and net operating fund expenses are at \$805.2 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 May 31, 2024, for Fiscal Year 2024 (FY’24) and anticipated revenues and expenses for the remaining month of the fiscal year, 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 except for Regional Sewage Disposal Charges which are projected to be \$15.0 over the approved budget.

Highlights as of the May 2024 report as follows:

**Revenues:**

- Water and Sewer revenues – which make up 81.6 percent of total revenues are at 93.9 percent YTD versus a prorated target of 91.7 percent based on the first eleven months of the fiscal year.
- Other revenues which make up 18.4 percent of total revenues are at 112.7 percent of YTD versus a prorated target of 91.7 percent. (Page 3)
- Interest Income on cash balances is materially ahead of budget for the first eleven 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 92.3 percent of actual revenues for FY'23 at the end of eleven months of the fiscal year.
- Other revenues were at 113.3 percent at the end of eleven months of the fiscal year.

**Expenditures:**

- Operating expenditures are at 81.9 percent budget year to date (YTD) versus a prorated target of 91.7 percent based on the first eleven months of the fiscal year.
- PAYGO and Debt Service Expenses are on budget.

**Prior Year Comparison:**

- Operating expenditures were at 84.0 percent of actual expenditures for FY'23 at the end of eleven months of the fiscal year.

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

- Water consumption is higher for the first eleven months of the fiscal year, (127.2 MGD in FY'24 versus 125.0 MGD in FY'23) Sewer usage is marginally lower (111.8 MGD versus 112.4 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 49 to 1,662 through May 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 May FY'24 is \$64.2 million.

Expenditure and revenue activities for other funds are consistent with projections based on the first eleven 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 5/31/23</u>	<u>FY'24 ACTUAL THRU 5/31/24</u>	<u>PROJECTED THRU 6/30/24</u>
<b>REVENUES</b>					
Water Consumption and Sewer Use Charges	\$749,437	\$782,241	\$683,382	\$734,715	\$793,538
All Other Revenues	152,742	146,895	141,047	165,547	180,498
<b>TOTAL REVENUES</b>	<u>902,179</u>	<u>929,136</u>	<u>824,429</u>	<u>900,262</u>	<u>974,036</u>
<b>EXPENSES</b>					
Operating Expenses	493,185	553,981	424,330	453,588	538,322
PAYGO	29,211	44,000	26,777	39,731	44,000
Debt Service Expense	307,558	333,201	280,137	318,970	324,225
<b>GROSS EXPENSES</b>	<u>829,954</u>	<u>931,182</u>	<u>731,244</u>	<u>812,289</u>	<u>906,547</u>
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	0	0	18,800
Less: SDC Debt Service Offset	(5,772)	(5,772)	(5,291)	(5,291)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(4,503)	(2,000)	(4,127)	(1,833)	(2,000)
<b>NET EXPENSES</b>	<u>819,679</u>	<u>922,210</u>	<u>721,826</u>	<u>805,165</u>	<u>917,575</u>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<u><u>\$82,500</u></u>	<u><u>\$6,926</u></u>	<u><u>\$102,603</u></u>	<u><u>\$95,097</u></u>	<u><u>\$56,461</u></u>

## CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES AND EXPENDITURES

(In Thousands)

	FY'23 ACTUAL	FY'24 APPROVED BUDGET	FY'23 ACTUAL THRU 5/31/23	FY'24 ACTUAL THRU 5/31/24	PROJECTED THRU 6/30/24
<b>REVENUES</b>					
Water Consumption Charges	\$331,002	\$351,109	\$301,243	\$326,313	\$350,961
Sewer Use Charges	418,435	431,132	382,139	408,402	442,577
Account Maintenance Fees	34,888	36,259	31,888	34,686	37,780
Infrastructure Investment Fee	43,269	44,181	39,562	42,742	46,541
Front Foot Benefit & House Connection Assessments	6,998	5,321	6,249	4,965	5,347
Plumbing & Inspection Fees	20,513	20,380	18,174	19,349	20,824
Interest Income	15,180	7,999	12,886	29,063	32,616
Rockville Sewer Use	3,879	3,100	3,486	4,168	4,447
Miscellaneous	28,015	29,655	28,802	30,574	32,943
<b>TOTAL REVENUES</b>	902,179	929,136	824,429	900,262	974,036
<b>EXPENSES</b>					
Salaries & Wages	127,918	141,927	116,676	129,648	141,641
Heat, Light & Power	22,390	27,373	21,214	20,344	25,617
Regional Sewage Disposal	71,025	64,201	64,250	73,884	79,201
All Other	271,852	320,480	222,190	229,712	291,863
PAYGO	29,211	44,000	26,777	39,731	44,000
Debt Service	307,558	333,201	280,137	318,970	324,225
<b>GROSS EXPENSES</b>	829,954	931,182	731,244	812,289	906,547
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	0	0	18,800
Less: SDC Debt Service Offset	(5,772)	(5,772)	(5,291)	(5,291)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(4,503)	(2,000)	(4,127)	(1,833)	(2,000)
<b>NET EXPENSES</b>	819,679	922,210	721,826	805,165	917,575
NET REVENUE (LOSS) FOR YEAR	\$82,500	\$6,926	\$102,603	\$95,097	\$56,461
ACCUMULATED NET REVENUE - JULY 1	233,949				313,241
Use of Fund Balance	0				20,000
ACCUMULATED NET REVENUE - JUNE 30	\$316,449				\$389,702

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)

	<u>FY'23 ACTUAL</u>	<u>FY'24 APPROVED BUDGET</u>	<u>FY'23 ACTUAL THRU 5/31/23</u>	<u>FY'24 ACTUAL THRU 5/31/24</u>	<u>PROJECTED THRU 6/30/24</u>
<b>REVENUES</b>					
Water Consumption & Sewer Use Charges	\$749,437	\$782,241	\$683,382	\$734,715	\$793,538
All Other Revenues	145,285	141,384	134,387	160,149	174,677
<b>TOTAL REVENUES</b>	<u>894,722</u>	<u>923,625</u>	<u>817,769</u>	<u>894,864</u>	<u>968,215</u>
<b>EXPENSES</b>					
Operating Expenses	491,485	551,885	422,833	451,940	536,364
PAYGO	29,211	44,000	26,777	39,731	44,000
Debt Service Expense	300,093	328,467	273,427	311,991	319,113
<b>GROSS EXPENSES</b>	<u>820,789</u>	<u>924,352</u>	<u>723,037</u>	<u>803,662</u>	<u>899,477</u>
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	0	0	18,800
Less: SDC Debt Service Offset	(5,772)	(5,772)	(5,291)	(5,291)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(4,503)	(2,000)	(4,127)	(1,833)	(2,000)
<b>NET EXPENSES</b>	<u>810,514</u>	<u>915,380</u>	<u>713,619</u>	<u>796,538</u>	<u>910,505</u>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<u>\$84,208</u>	<u>\$8,245</u>	<u>\$104,150</u>	<u>\$98,326</u>	<u>\$57,710</u>
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	230,540				311,540
NET REVENUE (LOSS) FOR YEAR	84,208				57,710
USE OF ACCUMULATED NET REVENUE	<u>0</u>				<u>0</u>
ACCUMULATED NET REVENUE - END OF YEAR	<u>\$314,748</u>				<u>\$369,250</u> *
WATER CONSUMPTION (MGD)	126.0	124.7	125.0	127.2	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)

	<u>FY'23 ACTUAL</u>	<u>FY'24 APPROVED BUDGET</u>	<u>FY'23 ACTUAL THRU 5/31/23</u>	<u>FY'24 ACTUAL THRU 5/31/24</u>	<u>PROJECTED THRU 6/30/24</u>
<b>REVENUES</b>					
Water Consumption Charges	\$331,002	\$351,109	301,243 **	\$326,313	350,961
Account Maintenance Fee	18,078	18,388	16,526	17,957	19,586
Infrastructure Investment Fee	22,285	22,405	20,373	21,964	23,944
Plumbing & Inspection Fees	12,036	11,600	10,697	11,333	12,281
Interest Income	5,450	2,713	4,490	10,482	12,108
Miscellaneous	12,687	13,962	14,092	13,309	14,311
<b>TOTAL REVENUES</b>	<u>401,538</u>	<u>420,177</u>	<u>367,421</u>	<u>401,358</u>	<u>433,191</u>
<b>EXPENSES</b>					
Salaries & Wages	69,326	76,565	63,354	71,452	78,178
Heat, Light & Power	12,383	15,453	11,841	10,297	13,177
All Other	144,573	167,444	113,257	129,252	165,139
PAYGO	9,817	15,928	8,999	14,492	15,928
Debt Service	130,502	145,903	118,866	140,584	140,636
<b>GROSS EXPENSES</b>	<u>366,601</u>	<u>421,293</u>	<u>316,317</u>	<u>366,077</u>	<u>413,056</u>
Less: Reconstruction Debt Service & Misc Offset	0	(1,200)	0	0	3,800
Less: SDC Debt Service Offset	(2,731)	(2,731)	(2,503)	(2,503)	(2,731)
Less: Premium & Underwriter's Discount Transfers	(1,575)	(888)	(1,443)	(814)	(888)
<b>NET EXPENSES</b>	<u>362,295</u>	<u>416,474</u>	<u>312,371</u>	<u>362,760</u>	<u>413,237</u>
<b>NET REVENUE (LOSS)</b>	<u>\$39,243</u>	<u>3,703</u>	<u>\$55,050</u>	<u>\$38,598</u>	<u>\$19,954</u>
ACCUMULATED NET REVENUE - JULY 1	77,444				115,141 *
Use of Fund Balance	0				0
Fund Balance Transfer	0				0
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<u>\$116,687</u>				<u>\$135,095</u>

\*Reflects a decrease in net revenues of \$1,546,000 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 5/31/23</b>	<b>FY'24 ACTUAL THRU 5/31/24</b>	<b>PROJECTED THRU 6/30/24</b>
<b>REVENUES</b>					
Sewer Use Charges	\$418,435	\$431,132	382,139	\$408,402	442,577
Account Maintenance Fee	16,810	17,871	15,362	16,729	18,194
Infrastructure Investment Fee	20,984	21,776	19,189	20,778	22,597
Rockville Sewer Use	3,879	3,100	3,486	4,168	4,447
Interest Income	9,474	5,286	8,232	18,272	20,129
Plumbing & Inspection Fees	8,477	8,780	7,477	8,016	8,543
Miscellaneous	15,125	15,503	14,463	17,141	18,537
<b>TOTAL REVENUES</b>	<b>493,184</b>	<b>503,448</b>	<b>450,348</b>	<b>493,506</b>	<b>535,024</b>
<b>EXPENSES</b>					
Salaries & Wages	57,718	64,614	52,518	57,305	62,489
Heat, Light & Power	10,007	11,920	9,373	10,047	12,441
Regional Sewage Disposal	71,025	64,201	64,250	73,884	79,201
All Other	126,453	151,688	108,240	99,703	125,740
PAYGO	19,394	28,072	17,778	25,239	28,072
Debt Service	169,591	182,564	154,561	171,407	178,478
<b>GROSS EXPENSES</b>	<b>454,188</b>	<b>503,059</b>	<b>406,720</b>	<b>437,585</b>	<b>486,421</b>
Less: Reconstruction Debt Service Offset	0	0	0	0	15,000
Less: SDC Debt Service Offset	(3,041)	(3,041)	(2,788)	(2,788)	(3,041)
Less: Premium & Underwriter's Discount Transfers	(2,928)	(1,112)	(2,684)	(1,019)	(1,112)
<b>NET EXPENSES</b>	<b>448,219</b>	<b>498,906</b>	<b>401,248</b>	<b>433,778</b>	<b>497,268</b>
<b>NET REVENUE (LOSS)</b>	<b>\$44,965</b>	<b>\$4,542</b>	<b>\$49,100</b>	<b>\$59,728</b>	<b>\$37,756</b>
ACCUMULATED NET REVENUE - JULY 1	153,096				196,399 *
Use of Fund Balance	0				0
Fund Balance Transfer	0				0
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<b>\$198,061</b>				<b>\$234,155</b>

\*Reflects a decrease in net revenues of \$1,662,000 resulting from prior year adjustments.



**GENERAL BOND DEBT SERVICE FUND**

(In Thousands)

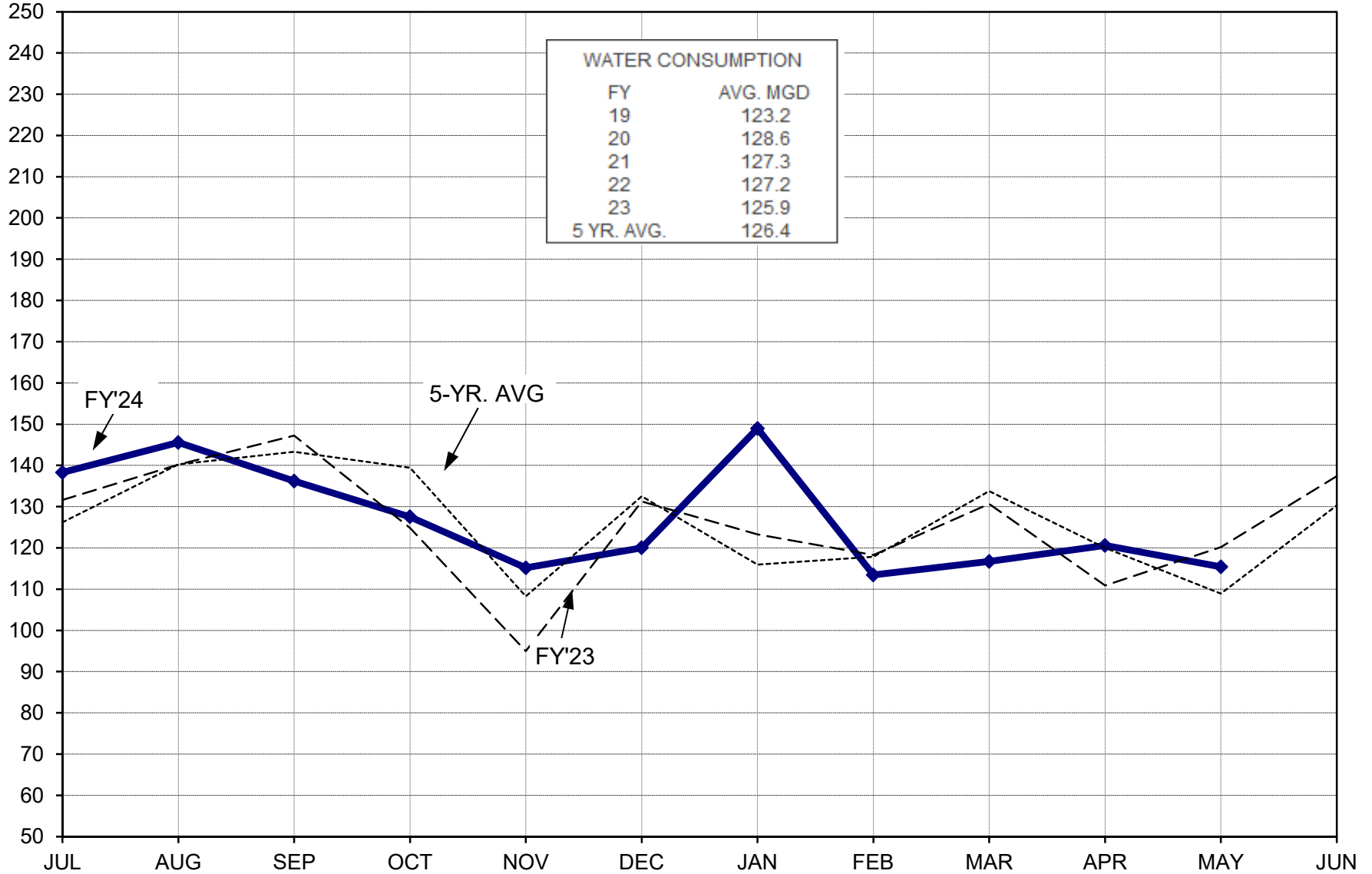
	<u>FY'23 ACTUAL</u>	<u>FY'24 APPROVED BUDGET</u>	<u>FY'23 ACTUAL THRU 5/31/23</u>	<u>FY'24 ACTUAL THRU 5/31/24</u>	<u>PROJECTED THRU 6/30/24</u>
<b>REVENUES</b>					
Front Foot Benefit & House Connection					
Assessments	\$6,998	\$5,321	\$6,249	\$4,965	5,347
Interest Income	256	0	164	309	379
Miscellaneous	203	190	247	124	95
Use of Accumulated Net Revenue	0	0	0	0	(\$20,000)
Reconstruction Debt Service Offset	0	0	0	0	20,000
<b>TOTAL REVENUES</b>	<u>7,457</u>	<u>5,511</u>	<u>6,660</u>	<u>5,398</u>	<u>5,821</u>
<b>EXPENSES</b>					
Salaries & Wages	874	748	804	891	974
All Other	826	1,348	693	757	984
Debt Service	7,465	4,734	6,710	6,979	5,112
<b>GROSS EXPENSES</b>	<u>9,165</u>	<u>6,830</u>	<u>8,207</u>	<u>8,627</u>	<u>7,070</u>
<b>NET EXPENSES</b>	<u>9,165</u>	<u>6,830</u>	<u>8,207</u>	<u>8,627</u>	<u>7,070</u>
<b>NET REVENUE (LOSS)</b>	(\$1,708)	<u>(\$1,319)</u>	<u>(\$1,547)</u>	<u>(\$3,229)</u>	(\$1,249)
ACCUMULATED NET REVENUE - JULY 1	3,409				1,701
Use of Fund Balance	0				20,000
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<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	115.407	127.180	124.984
June			126.003

# WATER CONSUMPTION

AVERAGE MGD



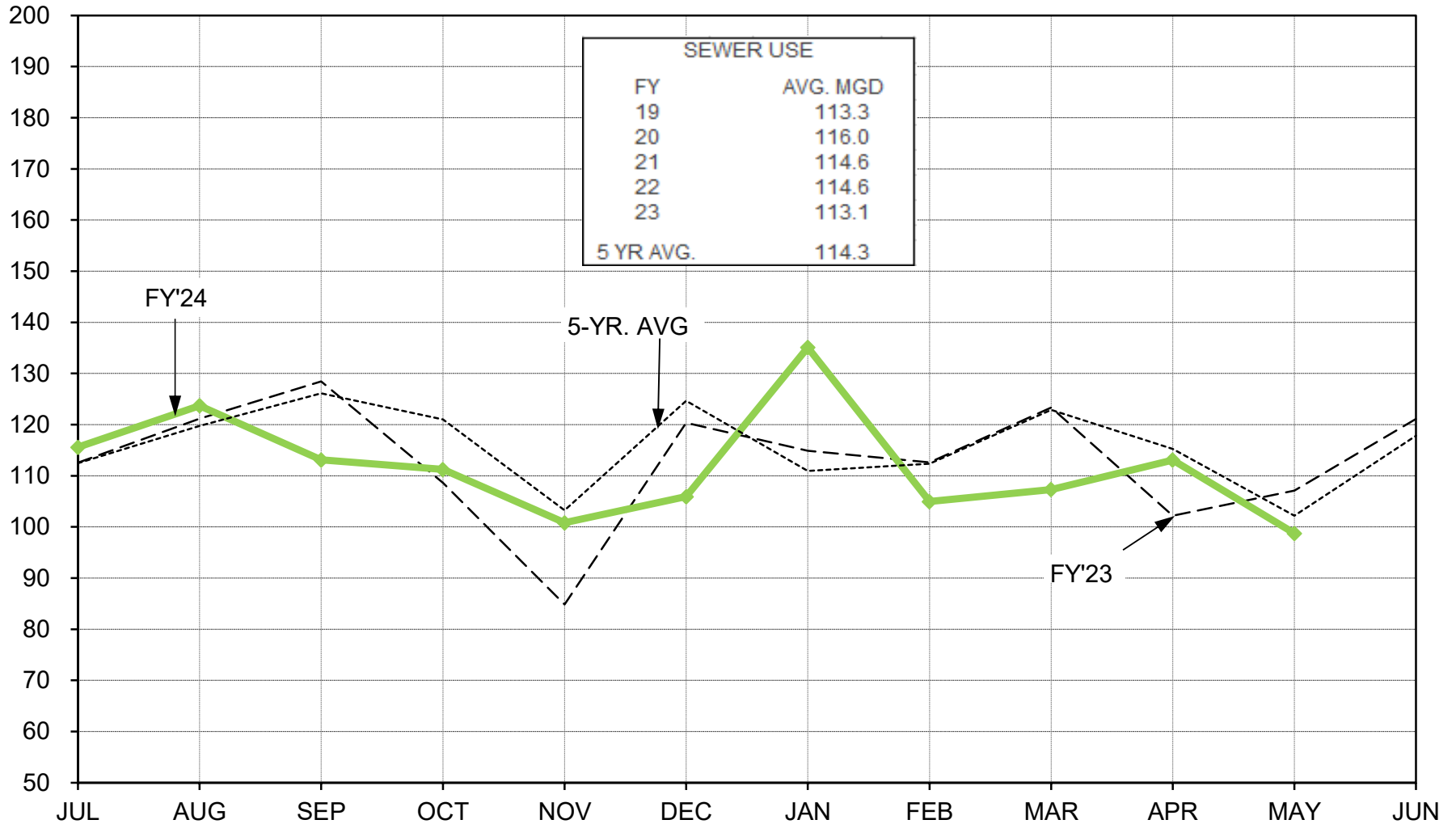
**FY'24  
SEWER USE**

<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	98.75	111.84	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 5/31/23</u>	<u>FY'24 ACTUAL THRU 5/31/24</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	\$25,722	\$29,049	\$30,031
Contract Work	268,792	384,209	226,400	201,230	\$236,709
Consulting Engineers	43,531	84,116	28,855	21,516	\$39,971
All Other	<u>96,072</u>	<u>186,551</u>	<u>88,147</u>	<u>85,245</u>	<u>\$145,162</u>
<b>TOTAL COSTS</b>	<u><u>\$436,392</u></u>	<u><u>\$683,069</u></u>	<u><u>\$369,124</u></u>	<u><u>\$337,040</u></u>	<u><u>\$451,873</u></u>

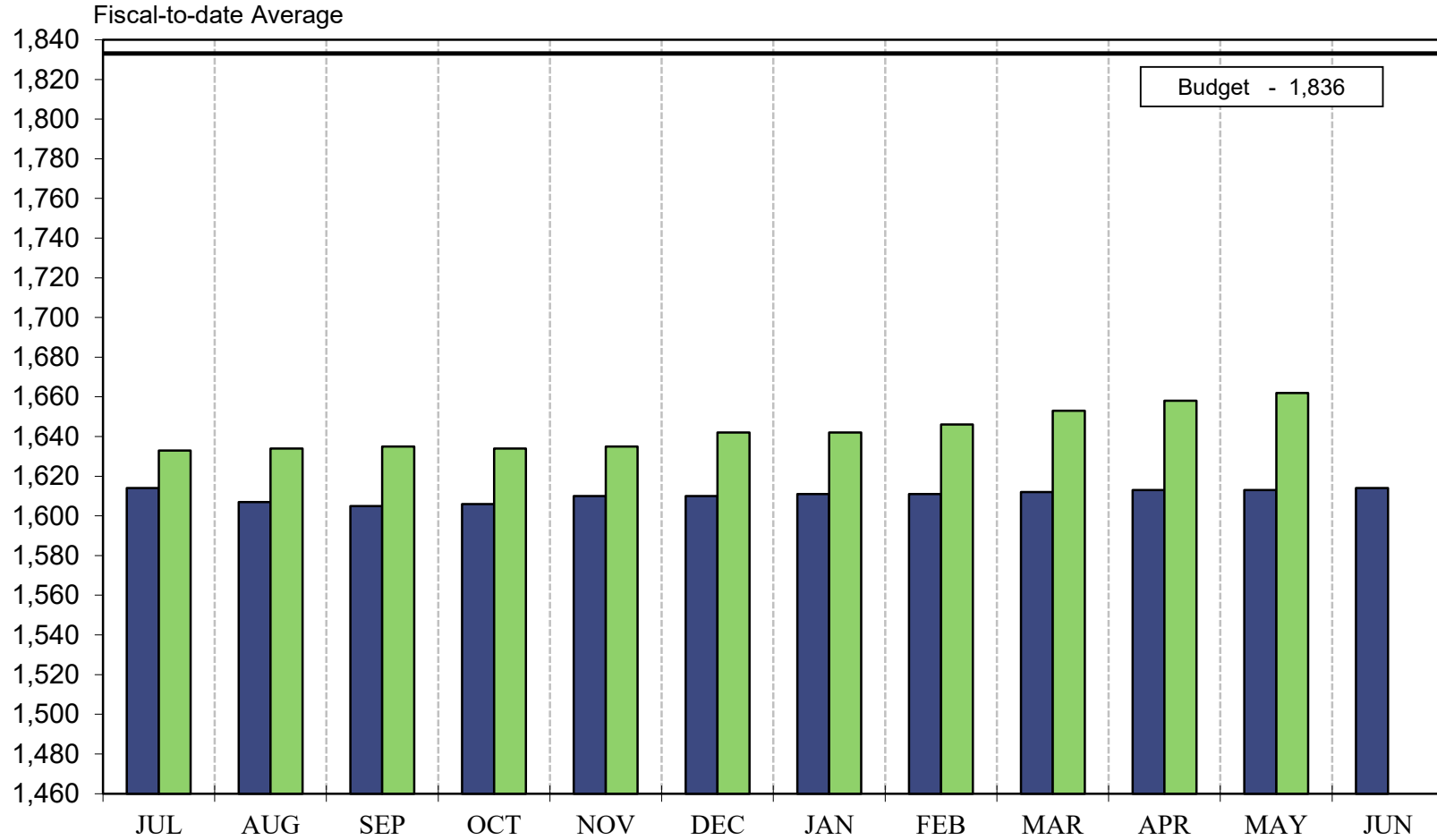
\*Reflects the transfer of \$2.5 million of Bond Premium to the Water & Sewer Operating funds and prior year adjustments.

## SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2023	\$60,093
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	23,572
Interest Income	0
	0
FUNDS AVAILABLE	83,665
Less MOU Credit Reimbursement	(2,239)
<u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(2,503)
Sewer Operating - Debt Service	(2,788)
<u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	0
Sewer Disposal Bond	0
	0
Account Balance	76,135
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	(11,891)
	(11,891)
AVAILABLE ACCOUNT BALANCE, MAY 31, 2024	\$64,244

# ACTUAL WORKYEARS



<span style="color: #1f375d;">■</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: #92d050;">■</span> FY24	1,633	1,634	1,635	1,634	1,635	1,642	1,642	1,646	1,653	1,658	1,662	-