



WSSC WATER

DELIVERING THE ESSENTIAL

FY2025
MONTHLY STATUS REPORT

AUGUST 2024



Interoffice Memorandum

TO: KISHIA L. POWELL
GENERAL MANAGER/CEO

FROM: MUNETSI TIMOTHY MUSARA, CPA
CHIEF FINANCIAL OFFICER

DocuSigned by:
Munetsi Musara
66EC2C787AA4449...

DATE: October 12, 2024

SUBJECT: MONTHLY STATUS REPORT – AUGUST 2024

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 August 31, 2024, for Fiscal Year 2025 (FY’25). Total operating fund revenues are at \$196.2 million, and net operating fund expenses are at \$133.8 million. The net revenues of \$62.4 million compares favorably with the fiscal year 2025 approved budget providing for net revenues of \$(2.7) million. The additional net revenues are the result of higher water consumption and lower expenditure realization except for Regional Sewage Disposal Charges which is over budget.

Highlights as of the August 2024 report as follows:

Revenues:

- Water and Sewer revenues – which make up 80.1 percent of total revenues are at 19.6 percent YTD versus a prorated target of 16.7 percent based on the first two months of the fiscal year.
- Other revenues which make up 19.9 percent of total revenues are at 18.7 percent of YTD versus a prorated target of 16.7 percent. (Page 3)
- Interest Income on cash balances is materially ahead of budget for the first two months, reflecting the increase in interest rates and its positive impact on interest earned. (Page 4)

Prior Year Comparison:

- Water and Sewer revenues were at 19.0 percent of actual revenues for FY’24 at the end of two months of the fiscal year.

KISHIA L. POWELL
MONTHLY STATUS REPORT -AUGUST
October 12, 2024
PAGE 2

- Other revenues were at 22.0 percent at the end of two months of the fiscal year.

Expenditures:

- Operating expenditures are at 11.5 percent budget year to date (YTD) versus a prorated target of 16.7 percent based on the first two months of the fiscal year.
- PAYGO and Debt Service Expenses are on budget.

Prior Year Comparison:

- Operating expenditures were at 12.1 percent of actual expenditures for FY'24 at the end of two months of the fiscal year.

Factors Impacting Revenues: Water and Sewer Consumption trends.

- Water consumption is higher for the first two months of the fiscal year, (147.6 MGD in FY'25 versus 1241.9 MGD in FY'24) Sewer usage is higher (122.7 MGD versus 116.9 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 102 to 1,736 through August FY'25, from a similar period in FY24. The current filled complement is well below the approved work years of 1963. The recruitment process continues to reflect the competitive labor environment. (Page 15)

System Development Charge:

- The available account balance at the end of August FY'25 is \$60.6 million.

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'24 ACTUAL	FY'25 APPROVED BUDGET	FY'24 ACTUAL THRU 8/31/23	FY'25 ACTUAL THRU 8/31/24	PROJECTED THRU 6/30/25
<u>REVENUES</u>					
Water Consumption and Sewer Use Charges	\$801,723	\$801,204	\$148,647	\$157,235	\$801,204
Use of Accumulated Net Revenue	20,000	0	0	0	0
All Other Revenues	176,637	208,116	32,272	38,991	208,116
TOTAL REVENUES	998,360	1,009,320	180,919	196,226	1,009,320
<u>EXPENSES</u>					
Operating Expenses	533,257	603,753	66,822	69,341	603,753
PAYGO	32,506	50,601	2,160	8,386	50,601
Debt Service Expense	343,480	365,449	53,989	57,366	365,449
GROSS EXPENSES	909,243	1,019,803	122,971	135,093	1,019,803
Less: Reconstruction Debt Service & Misc Offset	20,000	0	0	0	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(962)	(962)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(451)	(333)	(2,000)
NET EXPENSES	921,471	1,012,031	121,558	133,798	1,012,031
NET REVENUE (LOSS) FOR YEAR	\$76,889	(\$2,711)	\$59,361	\$62,428	(\$2,711)

CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES AND EXPENDITURES

(In Thousands)

	FY'24 ACTUAL	FY'25 APPROVED BUDGET	FY'24 ACTUAL THRU 8/31/23	FY'25 ACTUAL THRU 8/31/24	PROJECTED THRU 6/30/25
REVENUES					
Water Consumption Charges	\$356,194	\$360,111	\$67,600	\$72,583	\$360,111
Sewer Use Charges	445,529	441,093	81,047	84,652	441,093
Account Maintenance Fees	37,846	59,964	6,244	10,846	59,964
Infrastructure Investment Fee	46,610	74,839	7,788	13,330	74,839
Front Foot Benefit & House Connection Assessments	5,685	2,823	1,018	878	2,823
Plumbing & Inspection Fees	20,975	21,356	3,433	3,604	21,356
Interest Income	28,296	8,860	4,357	4,180	8,860
Rockville Sewer Use	4,507	3,300	857	744	3,300
Use of Accumulated Net Revenue	20,000	0	0	0	0
Miscellaneous	32,718	36,974	8,575	5,409	36,974
TOTAL REVENUES	998,360	1,009,320	180,919	196,226	1,009,320
EXPENSES					
Salaries & Wages	141,282	158,996	22,023	25,935	158,996
Heat, Light & Power	22,079	27,278	3,305	4,103	27,278
Regional Sewage Disposal	79,822	76,908	15,842	13,061	76,908
All Other	290,074	340,571	25,652	26,242	340,571
PAYGO	32,506	50,601	2,160	8,386	50,601
Debt Service	343,480	365,449	53,989	57,366	365,449
GROSS EXPENSES	909,243	1,019,803	122,971	135,093	1,019,803
Less: Reconstruction Debt Service & Misc Offset	20,000	0	0	0	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(962)	(962)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(451)	(333)	(2,000)
NET EXPENSES	921,471	1,012,031	121,558	133,798	1,012,031
NET REVENUE (LOSS) FOR YEAR	\$76,889	<u>(\$2,711)</u>	<u>\$59,361</u>	<u>\$62,428</u>	(\$2,711)
ACCUMULATED NET REVENUE - JULY 1	312,785				389,448
Use of Fund Balance	0				0
ACCUMULATED NET REVENUE - JUNE 30	<u>\$389,674</u>				<u>\$386,737</u>

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'24 ACTUAL</u>	<u>FY'25 APPROVED BUDGET</u>	<u>FY'24 ACTUAL THRU 8/31/23</u>	<u>FY'25 ACTUAL THRU 8/31/24</u>	<u>PROJECTED THRU 6/30/25</u>
REVENUES					
Water Consumption & Sewer Use Charges	\$801,723	\$801,204	\$148,647	\$157,235	\$801,204
Use of Accumulated Net Revenue	20,000	0	0	0	0
All Other Revenues	170,551	205,083	31,199	37,885	205,083
TOTAL REVENUES	<u>992,274</u>	<u>1,006,287</u>	<u>179,846</u>	<u>195,120</u>	<u>1,006,287</u>
EXPENSES					
Operating Expenses	531,376	601,490	66,600	69,082	601,490
PAYGO	32,506	50,601	2,160	8,386	50,601
Debt Service Expense	338,326	361,968	53,116	56,711	361,968
GROSS EXPENSES	<u>902,208</u>	<u>1,014,059</u>	<u>121,876</u>	<u>134,179</u>	<u>1,014,059</u>
Less: Reconstruction Debt Service & Misc Offset	20,000	0	0	0	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(962)	(962)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(451)	(333)	(2,000)
NET EXPENSES	<u>914,436</u>	<u>1,006,287</u>	<u>120,463</u>	<u>132,884</u>	<u>1,006,287</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$77,838</u>	<u>\$0</u>	<u>\$59,383</u>	<u>\$62,236</u>	<u>\$0</u>
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	311,084				368,696
NET REVENUE (LOSS) FOR YEAR	77,838				0
USE OF ACCUMULATED NET REVENUE	(20,000)				0
ACCUMULATED NET REVENUE - END OF YEAR	<u>\$368,922</u>				<u>\$368,696</u>
WATER CONSUMPTION (MGD)	127.5	124.7	141.9	147.6	124.7

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

WATER OPERATING

(In Thousands)

	<u>FY'24 ACTUAL</u>	<u>FY'25 APPROVED BUDGET</u>	<u>FY'24 ACTUAL THRU 8/31/23</u>	<u>FY'25 ACTUAL THRU 8/31/24</u>	<u>PROJECTED THRU 6/30/25</u>
<u>REVENUES</u>					
Water Consumption Charges	\$356,194	\$360,111	67,600	\$72,583	\$360,111
Account Maintenance Fee	19,594	33,122	3,236	5,594	\$33,122
Infrastructure Investment Fee	23,957	41,059	3,997	6,834	\$41,059
Plumbing & Inspection Fees	12,317	12,406	2,013	2,100	\$12,406
Interest Income	10,456	3,285	1,453	1,783	\$3,285
Use of Accumulated Net Revenue	5,000	0	0	0	\$0
Miscellaneous	14,489	16,022	2,086	2,315	\$16,022
TOTAL REVENUES	<u>442,007</u>	<u>466,005</u>	<u>80,385</u>	<u>91,209</u>	<u>466,005</u>
<u>EXPENSES</u>					
Salaries & Wages	77,811	86,130	11,925	14,334	86,130
Heat, Light & Power	11,349	14,946	1,490	2,499	14,946
All Other	161,615	182,381	13,305	15,033	182,381
PAYGO	5,194	21,961	866	3,610	21,961
Debt Service	159,293	164,225	23,073	25,241	164,225
GROSS EXPENSES	<u>415,262</u>	<u>469,643</u>	<u>50,659</u>	<u>60,717</u>	<u>469,643</u>
Less: Reconstruction Debt Service & Misc Offset	5,000	0	0	0	0
Less: SDC Debt Service Offset	(2,731)	(2,731)	(455)	(455)	(2,731)
Less: Premium & Underwriter's Discount Transfers	(888)	(907)	(266)	(148)	(907)
NET EXPENSES	<u>416,643</u>	<u>466,005</u>	<u>49,938</u>	<u>60,114</u>	<u>466,005</u>
NET REVENUE (LOSS)	<u>\$25,364</u>	<u>-</u>	<u>\$30,447</u>	<u>\$31,095</u>	<u>\$0</u>
ACCUMULATED NET REVENUE - JULY 1	114,959				135,108 *
Use of Fund Balance	(5,000)				0
Fund Balance Transfer	0				0
ACCUMULATED NET REVENUE - JUNE 30	<u>\$135,323</u>				<u>\$135,108</u>

*Reflects a decrease in net revenues of \$215,000 resulting from prior year adjustments.

SEWER OPERATING

(In Thousands)

	FY'24 ACTUAL	FY'25 APPROVED BUDGET	FY'24 ACTUAL THRU 8/31/23	FY'25 ACTUAL THRU 8/31/24	PROJECTED THRU 6/30/25
REVENUES					
Sewer Use Charges	\$445,529	\$441,093	81,047	\$84,652	\$441,093
Account Maintenance Fee	18,252	26,842	3,008	5,252	\$26,842
Infrastructure Investment Fee	22,653	33,780	3,791	6,496	\$33,780
Rockville Sewer Use	4,507	3,300	857	744	\$3,300
Interest Income	17,540	5,575	2,893	2,193	\$5,575
Plumbing & Inspection Fees	8,658	8,950	1,420	1,504	\$8,950
Use of Accumulated Net Revenue	15,000	0	0	0	\$0
Miscellaneous	18,128	20,742	6,445	3,070	\$20,742
TOTAL REVENUES	550,267	540,282	99,461	103,911	540,282
EXPENSES					
Salaries & Wages	62,513	72,016	9,951	11,424	72,016
Heat, Light & Power	10,730	12,332	1,815	1,604	12,332
Regional Sewage Disposal	79,822	76,908	15,842	13,061	76,908
All Other	127,536	156,777	12,272	11,127	156,777
PAYGO	27,312	28,640	1,294	4,776	28,640
Debt Service	179,033	197,743	30,043	31,470	197,743
GROSS EXPENSES	486,946	544,416	71,217	73,462	544,416
Less: Reconstruction Debt Service Offset	15,000	0	0	0	0
Less: SDC Debt Service Offset	(3,041)	(3,041)	(507)	(507)	(3,041)
Less: Premium & Underwriter's Discount Transfers	(1,112)	(1,093)	(185)	(185)	(1,093)
NET EXPENSES	497,793	540,282	70,525	72,770	540,282
NET REVENUE (LOSS)	\$52,474	\$0	\$28,936	\$31,141	\$0
ACCUMULATED NET REVENUE - JULY 1	196,125				233,588 *
Use of Fund Balance	(15,000)				0
Fund Balance Transfer	0				0
ACCUMULATED NET REVENUE - JUNE 30	\$233,599				\$233,588

*Reflects a decrease in net revenues of \$11,000 resulting from prior year adjustments.

GENERAL BOND DEBT SERVICE FUND

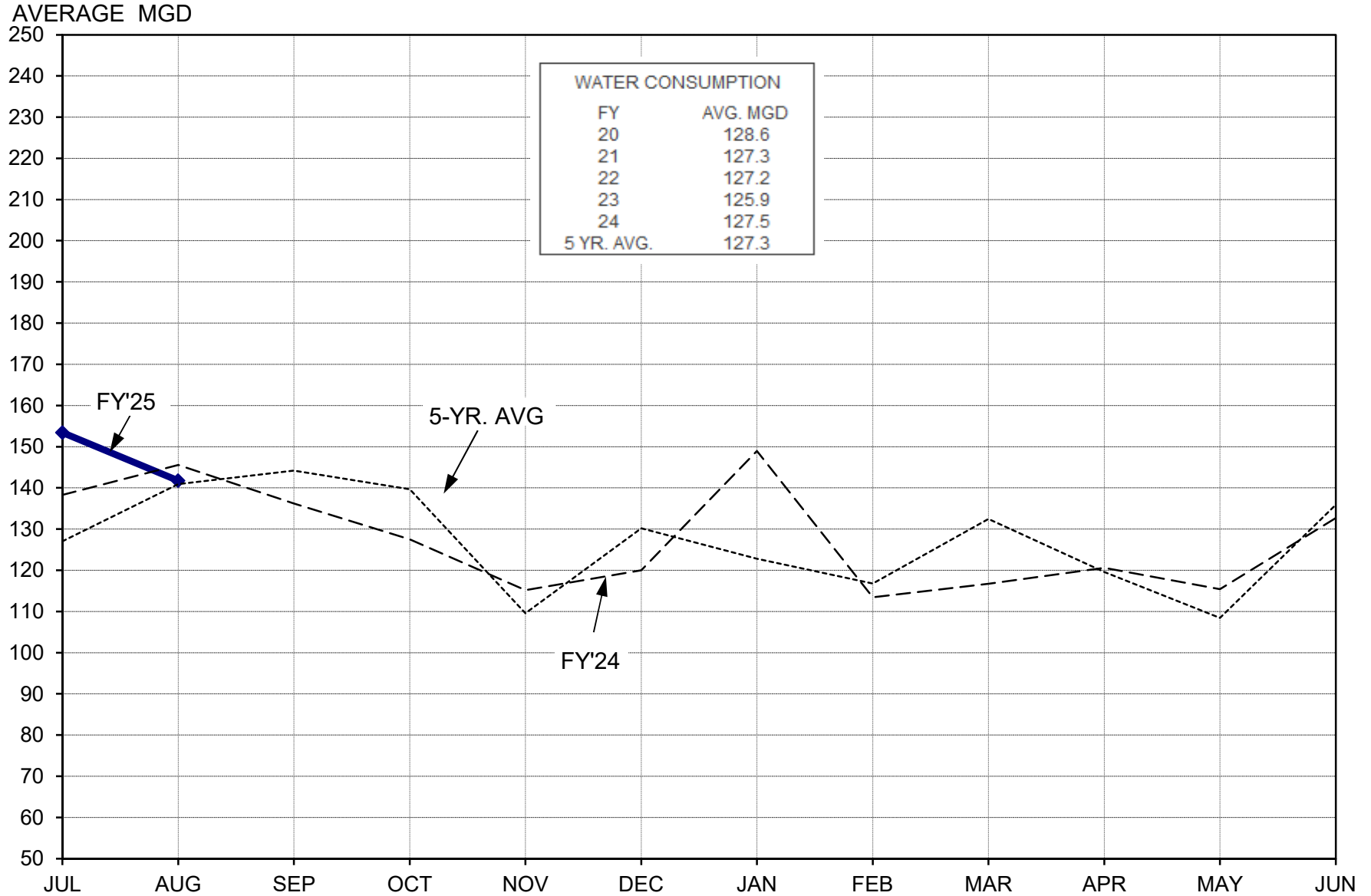
(In Thousands)

	<u>FY'24 ACTUAL</u>	<u>FY'25 APPROVED BUDGET</u>	<u>FY'24 ACTUAL THRU 8/31/23</u>	<u>FY'25 ACTUAL THRU 8/31/24</u>	<u>PROJECTED THRU 6/30/25</u>
<u>REVENUES</u>					
Front Foot Benefit & House Connection					
Assessments	\$5,685	\$2,823	\$1,018	\$878	\$2,823
Interest Income	300	0	11	204	\$0
Miscellaneous	101	210	44	24	\$210
Use of Accumulated Net Revenue	(20,000)	0	0	0	\$0
Reconstruction Debt Service Offset	20,000	0	0	0	\$0
TOTAL REVENUES	<u>6,086</u>	<u>3,033</u>	<u>1,073</u>	<u>1,106</u>	<u>3,033</u>
<u>EXPENSES</u>					
Salaries & Wages	958	850	147	177	850
All Other	923	1,413	75	82	1,413
Debt Service	5,154	3,481	873	655	3,481
GROSS EXPENSES	<u>7,035</u>	<u>5,744</u>	<u>1,095</u>	<u>914</u>	<u>5,744</u>
NET EXPENSES	<u>7,035</u>	<u>5,744</u>	<u>1,095</u>	<u>914</u>	<u>5,744</u>
NET REVENUE (LOSS)	(\$949)	<u>(\$2,711)</u>	<u>(\$22)</u>	<u>\$192</u>	(\$2,711)
ACCUMULATED NET REVENUE - JULY 1	1,701				20,752
Use of Fund Balance	20,000				0
ACCUMULATED NET REVENUE - JUNE 30	<u>\$20,752</u>				<u>\$18,041</u>

**FY'25
WATER CONSUMPTION**

<u>MONTH</u>	<u>MONTHLY AVERAGE (MGD)</u>	<u>FY'25 CUMULATIVE AVERAGE (MGD)</u>	<u>FY'24 CUMULATIVE AVERAGE (MGD)</u>
July	153.427	153.427	138.277
August	141.750	147.588	141.908
September			140.045
October			136.891
November			132.631
December			130.505
January			133.165
February			130.819
March			129.228
April			128.377
May			127.180
June			127.630

WATER CONSUMPTION



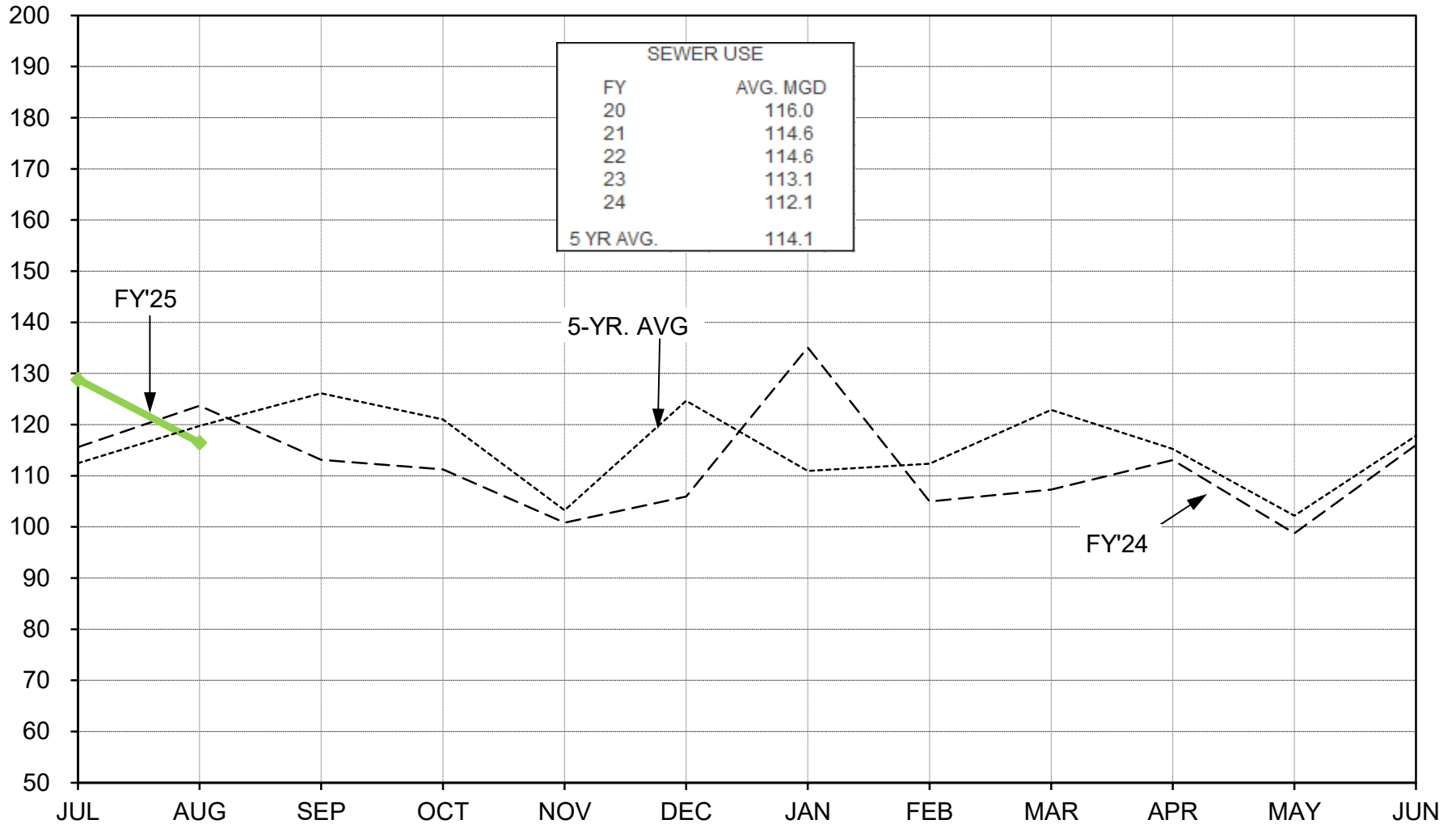
**FY'25
SEWER USE**

<u>MONTH</u>	<u>FY'25 MONTHLY AVERAGE (MGD)</u>	<u>FY'25 CUMULATIVE AVERAGE (MGD)</u>	<u>FY'24 CUMULATIVE AVERAGE (MGD)</u>
July	128.84	128.84	112.56
August	116.46	122.65	116.87
September			120.65
October			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)

AVERAGE MGD



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

(In Thousands)

	<u>FY'24 ACTUAL</u>	<u>FY'25 APPROVED BUDGET</u>	<u>FY'24 ACTUAL THRU 8/31/23</u>	<u>FY'25 ACTUAL THRU 8/31/24</u>	<u>PROJECTED THRU 6/30/25</u>
<u>GROSS FUNDS AVAILABLE</u>					
Bonds Issued and Cash on Hand	\$338,711	\$688,373			
Anticipated Contributions:					
Federal & State Grants	4,959	30,720			
System Development Charge	12,484	49,926			
Other	<u>22,227</u>	<u>22,248</u>			
Available for Current Construction	<u>378,381</u>	<u>791,267</u>			
<u>CAPITAL COSTS</u>					
Salaries & Wages	\$31,381	\$32,120	\$5,085	\$5,977	\$32,120
Contract Work	245,931	512,237	25,192	41,220	\$512,237
Consulting Engineers	33,838	83,705	784	1,696	\$83,705
All Other *	<u>99,011</u>	<u>163,205</u>	<u>6,144</u>	<u>15,337</u>	<u>\$163,205</u>
TOTAL COSTS	<u><u>\$410,161</u></u>	<u><u>\$791,267</u></u>	<u><u>\$37,205</u></u>	<u><u>\$64,230</u></u>	<u><u>\$791,267</u></u>

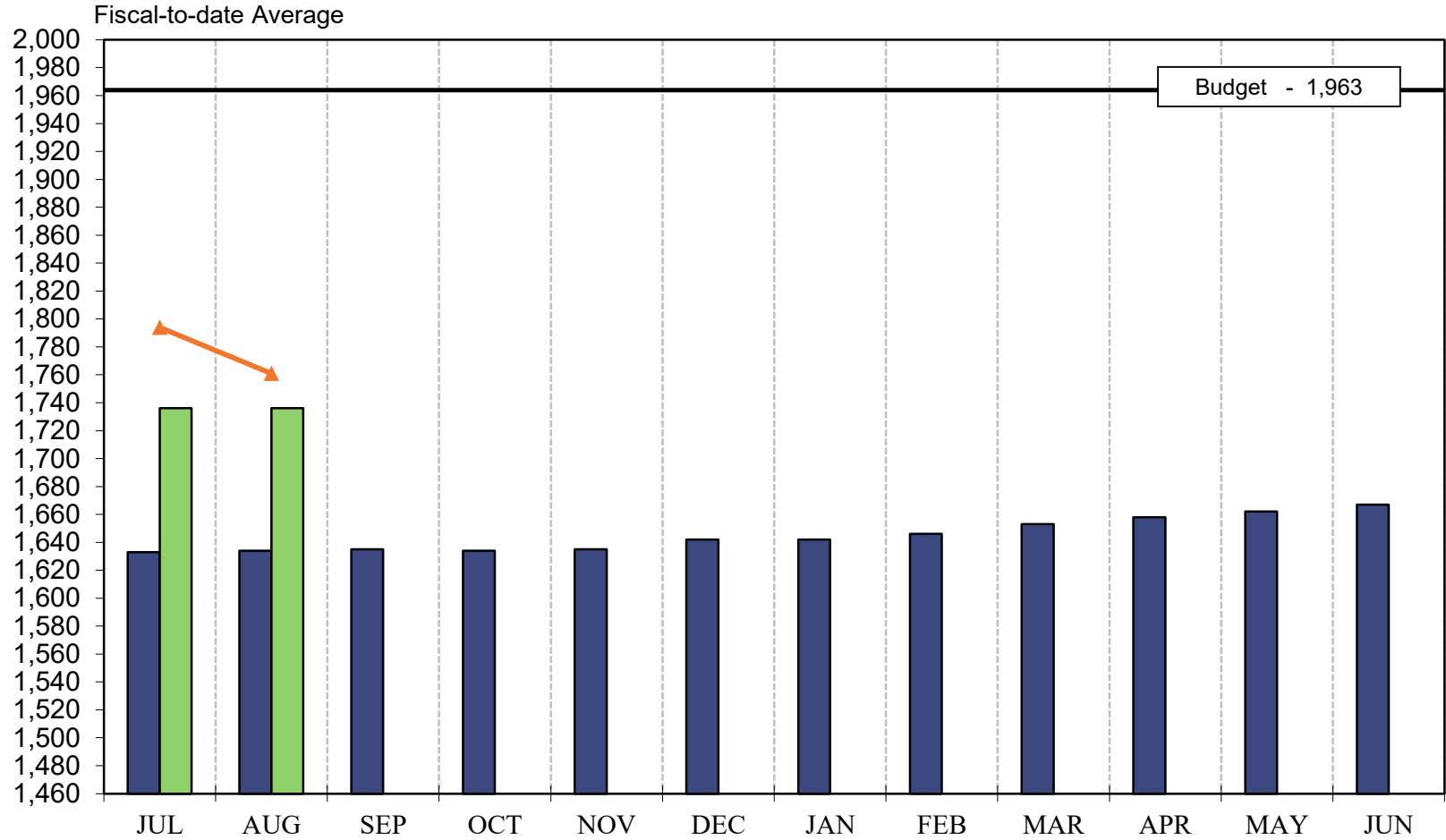
*Reflects prior year adjustments. No Bond Premium transfer in FY24-FY25

SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2024	\$68,377
 <u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	4,637
Interest Income	562
	73,576
 FUNDS AVAILABLE	 73,576
Less MOU Credit Reimbursement	(120)
 <u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(455)
Sewer Operating - Debt Service	(507)
 <u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	0
Sewer Disposal Bond	0
	0
Account Balance	72,494
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	(11,891)
	(11,891)
 AVAILABLE ACCOUNT BALANCE, AUGUST 31, 2024	 <u><u>\$60,603</u></u>

ACTUAL WORKYEARS



■ FY'24	1,633	1,634	1,635	1,634	1,635	1,642	1,642	1,646	1,653	1,658	1,662	1,667
■ FY'25	1,736	1,736	-	-	-	-	-	-	-	-	-	-
- On-board	1,794	1,761	-	-	-	-	-	-	-	-	-	-