

WSSC STRATEGIC PLAN

MISSION

We are entrusted by our community to provide safe and reliable water, life's most precious resource, and return clean water to our environment, all in an ethical, sustainable, and financially responsible manner.

VISION

To be THE world-class water utility, where excellent products and services are always on tap.

STRATEGIC PRIORITIES



CORE VALUES

Accountability

Transparency

Excellence

Environmental Stewardship

Cost Effectiveness

GUIDING PRINCIPLES

Simplify

Focus

Connect



GM/CEO Carla Reid welcomes attendees to the
WSSC Water Symposium on May 1

General Manager's Report

June 2018

Protect Our People, Infrastructure, Systems, and Resources

Protecting Our Source Water

- ▶ National Drug Takeback Day

- Collected 29 lbs. of drugs

- ▶ Building Fish Habitats

- Built by 50 middle-school students
- Submerged in Patuxent River
- Creates habitats for fish to thrive



Improve Infrastructure

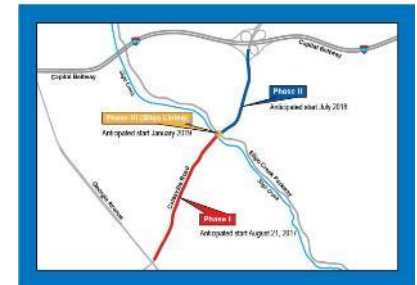
Pings Protect Pipes

- ▶ Successful media event to announce:
 - WSSC has longest active Acoustic Fiber Optic system in country
 - 102 miles of large water mains now protected
 - Alerted WSSC 20 times to major breaks
 - \$21 million investment has saved customers more than \$42 million



Storing and Restoring

- ▶ New Water Tanks Operational
 - Camp Springs
 - Collington
- ▶ Colesville Road Project
 - Greater Silver Spring Chamber of Commerce meeting
 - Members of business community commend project manager



"We love our friends from WSSC - especially Curtis [Pinder]! He is very approachable, always in communication, keeps us ahead of what is going on."

- Downtown Silver Spring Rotary Club

Achieve Business Process Excellence and Maintain Financial Stability

Getting Down to Business

- ▶ Tap into Business
 - Combined outreach events
 - Nearly 300 attendees



“...it was truly a world-class event.”
Antonio Jones, Delmock Technologies



- ▶ P2P Goes Live
 - One stop shop for procurement process
 - From ordering to paying



Counties Approve FY19 Budget

- ▶ County Councils approve FY19 budget
 - \$1.4 billion Operating and Capital budget focuses on replacing aging infrastructure
 - \$205.3 million for water and sewer
 - \$40.3 million for Bio-Energy
- ▶ Combined 4.5 percent water and sewer rate increase
 - +\$2.04 per month (\$6.12 per quarter) to the average residential customer bill



ACE 2018

- ▶ AWWA annual conference ACE18
- ▶ Several WSSC members attended and participated on panels
- ▶ WSSC Water Treatment Plants received the President's Award from the Partnership for Safe Water
- ▶ Tapping team represented Chesapeake section



Enhance Customer Experience and Community Engagement

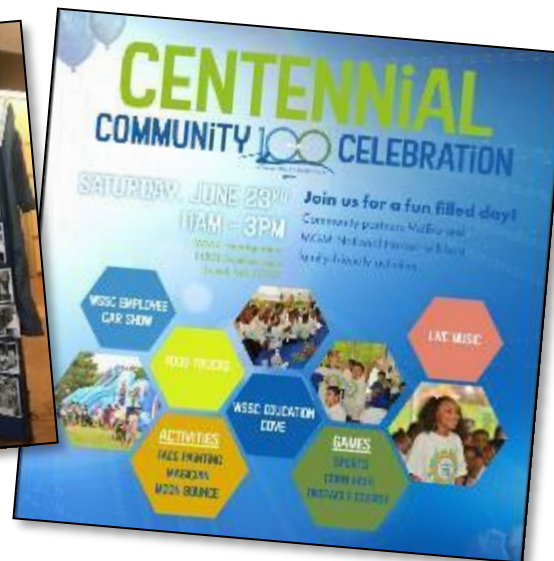
Informative & Innovative

- ▶ WSSC In Your Neighborhood Open Houses
 - April 10 & 24 and May 8



Innovative and Celebrating

- ▶ Water Symposium: A Century of Innovation
- ▶ Centennial Celebration
 - This weekend!



Environmental “Unsung Hero”

- ▶ WSSC Environmental Education Coordinator Named PGCPS “Unsung Hero”
- ▶ Facilitated 15 PGCPS “Sunfish and Students” programs
- ▶ School programs reach thousands!
 - 1500 PGCPS
 - 1300 MCPS



A Model of Engineering Marvel

- ▶ Tool for education on water distribution designed by
 - Engineering
 - Process Control
 - Community Outreach
 - Trade Shop
- ▶ Inaugural use for this week's H₂OEngineers program
- ▶ Will be stored at RGH for internal training and demonstrations



Hole in One for the Water Fund!

- ▶ WSSC's 65th Annual Manhole Open Gold Tournament in June
- ▶ Employees, retirees and friends raised \$10,000 for WSSC Water Fund
- ▶ Water Fund created in 1994 to help those in need pay their water/sewer bill



Inspire Employee Engagement

Celebrate Good Times

- ▶ Happy Birthday WSSC
- ▶ Come in Unity Meetings
- ▶ Earth Month Azalea Garden Clean up



Celebrating our Birthday

- ▶ Centennial Video Wins a “Telly”
 - “A Century of Service: 100-Year-Old Retiree George Campbell Looks Back”
- ▶ “Welcome Back” Retiree Celebration



Enhance Customer Experience & Community Engagement

HomeServe

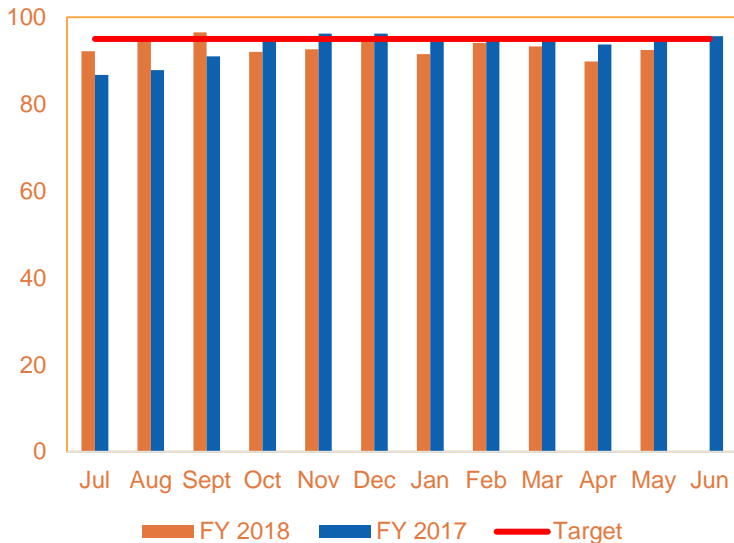
August 2016 – April 2018

| Product | Monthly Cost | Contracts | Completed Repairs | HomeServe's Repair Cost/Customer Savings | HomeServe's Estimated Revenue |
|--------------------------------|--------------|----------------|-------------------|--|-------------------------------|
| Water Service Line | \$3.99 | 72,414 | 1,351 | \$2,179,442 | \$4,249,881 |
| Sewer/Septic Line | \$5.49 | 36,532 | 1,161 | \$679,841 | \$2,328,358 |
| Bundle(WSL and SSL) | \$5.99 | 7,554 | 518 | \$520,320 | \$651,407 |
| Interior Plumbing and Drainage | \$9.99 | 16,137 | 2,744 | \$957,785 | \$1,558,670 |
| Total | | 132,637 | 5,774 | \$4,337,388 | \$8,788,315 |

IssueTrakr May 2018

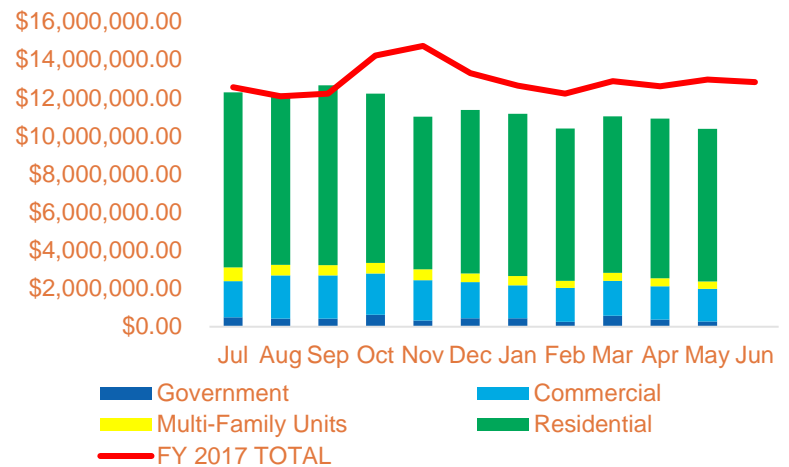


Percent of Calls Answered



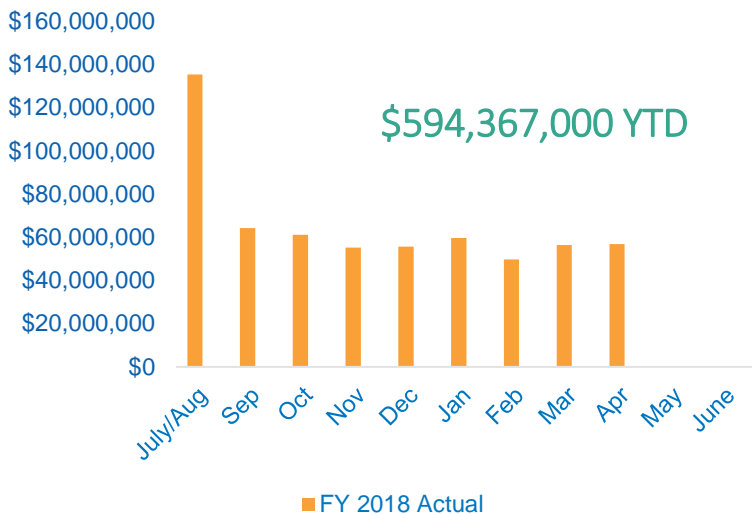
Delinquent Accounts

Accts. Considered Delinquent 17 Days After Due Date

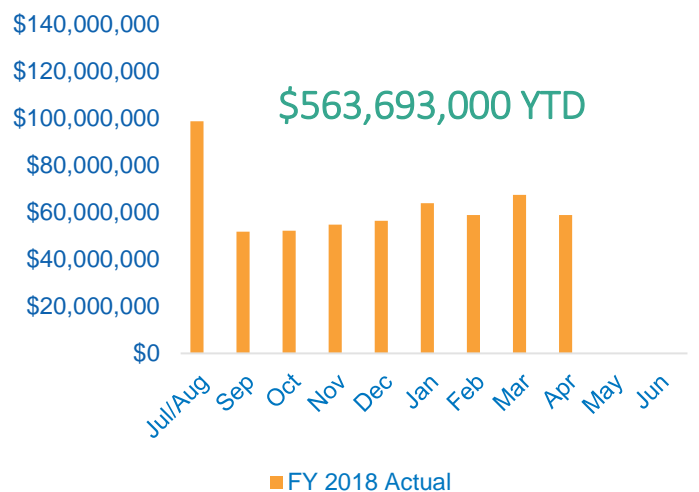


Achieve Business Process Excellence & Maintain Financial Stability

FY 2018 Total Operating Revenue

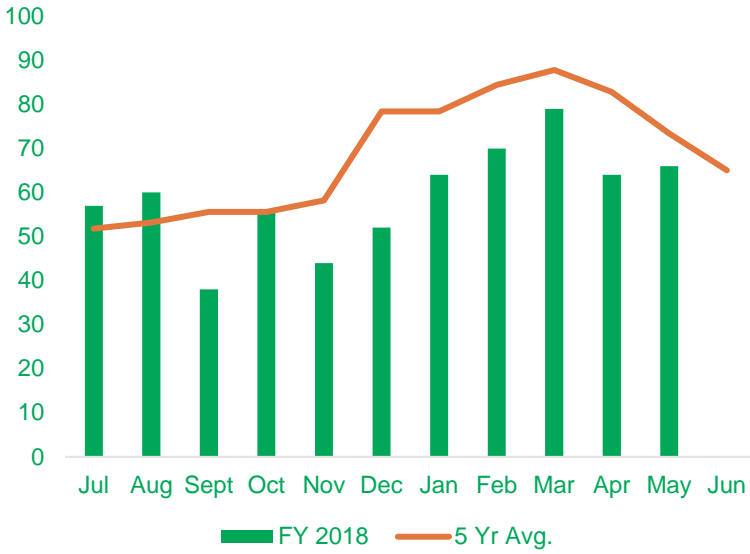


FY 2018 Net Operating Expenses

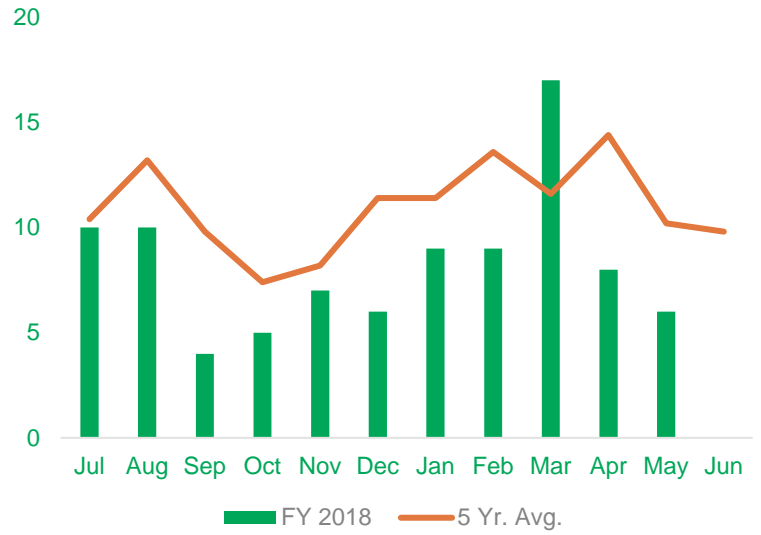


Improve Infrastructure

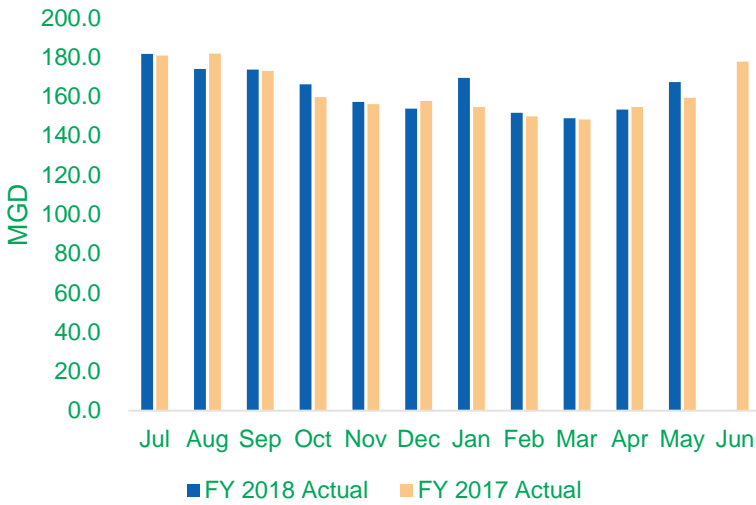
Basement Backups



Sanitary Sewer Overflows

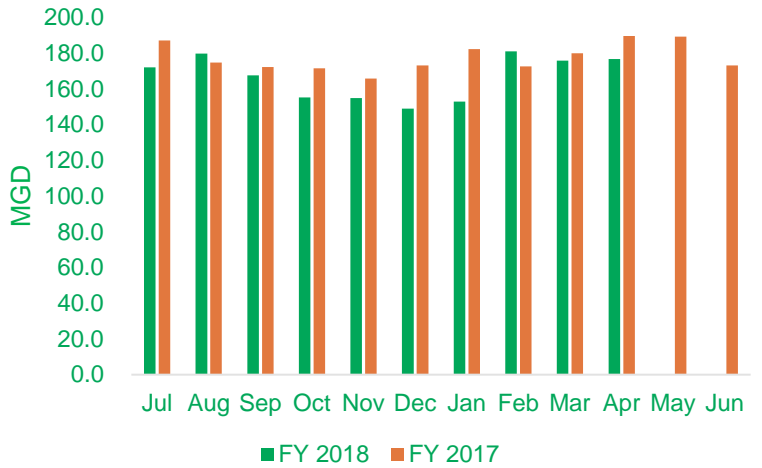


Water Production

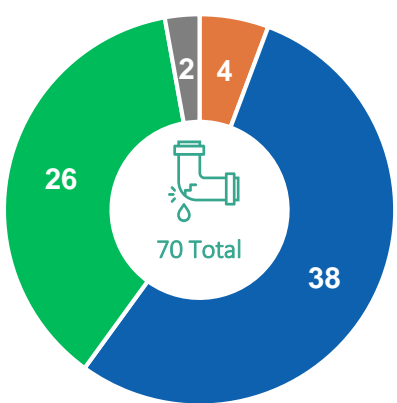


Wastewater Treatment

Includes Wastewater Treated at Blue Plains

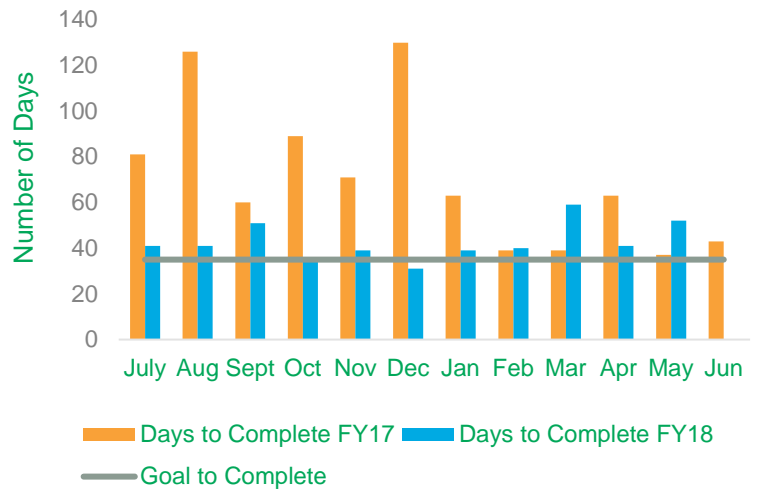


Water Main Breaks & Leaks by Pipe Age



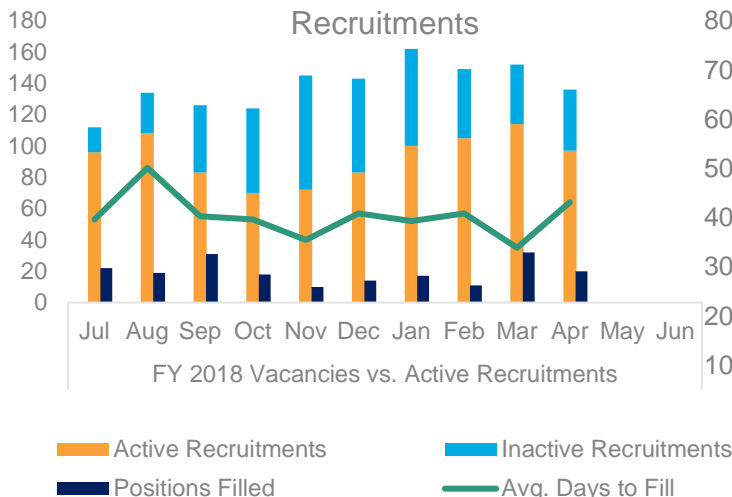
- Under 25 yrs
- 25-50 yrs
- Over 50 years
- Unknown

Permanent Paving Work Orders Average Completion Time



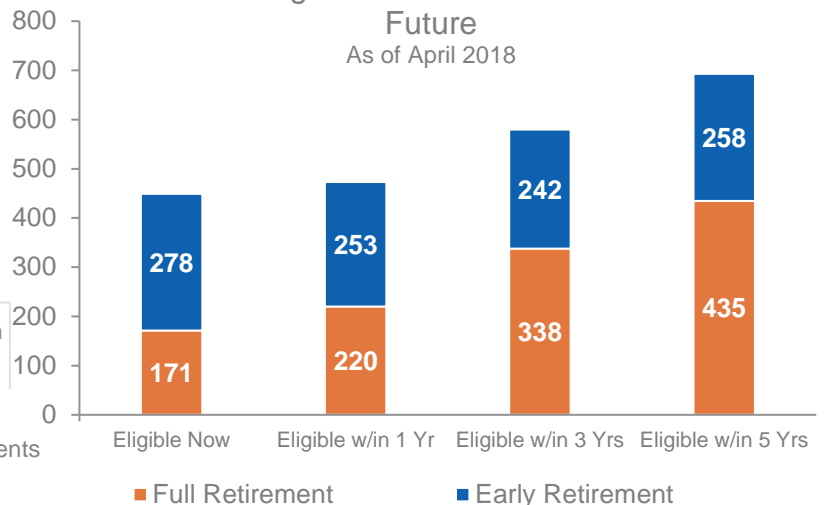
Employee Engagement

FY 2018 Vacancies vs. Active Recruitments



FY 2018 Eligible Retirements - Current and Future

As of April 2018





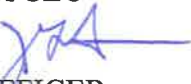
FY 2018
MONTHLY STATUS REPORT
APRIL 2018



Washington Suburban Sanitary Commission

Interoffice Memorandum

TO: CARLA A. REID
GENERAL MANAGER/CEO

FROM: JOSEPH F. BEACH 
CHIEF FINANCIAL OFFICER

DATE: JUNE 8, 2018

SUBJECT: MONTHLY STATUS REPORT – APRIL 2018

Attached is the April monthly Status Report on the budgetary and fiscal performance of the Commission. The report provides summary information delineating the Commission's current and projected financial status for Fiscal Year 2018 (FY'18). At this time, we are not changing our FY'18 projected financial results.

Fiscal to date water production, at 163.2 MGD, is 1.1% ahead of the five-year average and 0.8% ahead of last year's pace over the same period. Water production for the month of April, at 153.3 MGD, was 2.2 MGD below the five-year average for the month. Water and sewer revenue depends not only on the water produced and ultimately consumed, but also on the average billing rate. Historically, the average billing rate has represented the water and sewer revenue received per thousand gallons of water produced. Since WSSC's rate structure consists of 16 steps, changes in customer use patterns can also cause changes in the billing rate and thus in the total revenues derived. At this point in the fiscal year, the average end-of-year combined water and sewer billing rate is projected to remain equal to the budgeted level of \$10.038 per thousand gallons produced.

Water production remains slightly above the five-year average. We will continue to monitor our water production rates in the coming months to see if this positive trend continues. The projected accumulated net revenue at year end is \$165.0 million (see page 2 of the report), of which \$68.4 million is restricted for our working capital reserve, \$11.6 million is planned for use in the FY2019 budget, and \$36.3 million is projected to be used in the FY2020 through FY2024 budgets and to maintain the targeted 10% operating reserve.

Other highlights of the April 2018 report are as follows:

Revenues

- Total operating revenues through April are \$611.2 million, or 83% of the total budgeted.
- Total operating revenues (all funds) are projected to be \$736.8 million; equal to budgeted.

Expenses

- Total net operating expenses through April are \$579.2 million, or 79% of the total budgeted.
- Total net operating expenses (all funds) are projected to be \$733.5 million; equal to budgeted.

Water Production

- Water production through April averaged 163.2 MGD (page 4).

Workyears

- Cumulative workyears through the end of April were 1,624 (page 5).

System Development Charge

- The System Development Charge available account balance through April was (\$0.9) million due to an \$8.0 million reserve for MOU related reimbursements. We expect to end the year with a positive balance. The account balance is used during the year to fund water and sewer growth-related capital expenditures (page 13).

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'17 ACTUAL</u> | <u>FY'18 APPROVED BUDGET</u> | <u>FY'17 ACTUAL THRU 4/30/17</u> | <u>FY'18 ACTUAL THRU 4/30/18</u> | <u>PROJECTED THRU 6/30/18</u> |
|--|-------------------------|--------------------------------------|--|--|---------------------------------------|
| REVENUES | | | | | |
| Water Consumption and Sewer Use Charges | \$599,466 | \$600,902 | \$496,101 | \$501,071 | \$600,902 |
| All Other Revenues | 151,683 | 135,858 | 105,396 | 110,154 | 135,858 |
| TOTAL REVENUES | <u>751,149</u> | <u>736,760</u> | <u>601,497</u> | <u>611,225</u> | <u>736,760</u> |
| EXPENSES | | | | | |
| Operating Expenses | 433,121 | 470,020 | 340,214 | 362,135 | 470,020 |
| Debt Service Expense | 250,745 | 271,216 | 205,152 | 225,484 | 271,216 |
| GROSS EXPENSES | <u>683,866</u> | <u>741,236</u> | <u>545,366</u> | <u>587,619</u> | <u>741,236</u> |
| Less: Reconstruction Debt Service Offset | (9,800) | (7,700) | (8,166) | (6,417) | (7,700) |
| Less: SDC Debt Service Offset | (2,609) | 0 | (1,888) | (1,997) | 0 |
| Working Capital Reserve Transfer | 6,524 | 0 | 0 | 0 | 0 |
| NET EXPENSES | <u>677,981</u> | <u>733,536</u> | <u>535,312</u> | <u>579,205</u> | <u>733,536</u> |
| NET REVENUE (LOSS) FOR YEAR | <u>\$73,168</u> | <u>\$3,224</u> | <u>\$66,185</u> | <u>\$32,020</u> | <u>\$3,224</u> |

COMBINED WATER AND SEWER OPERATING FUNDS

(In Thousands)

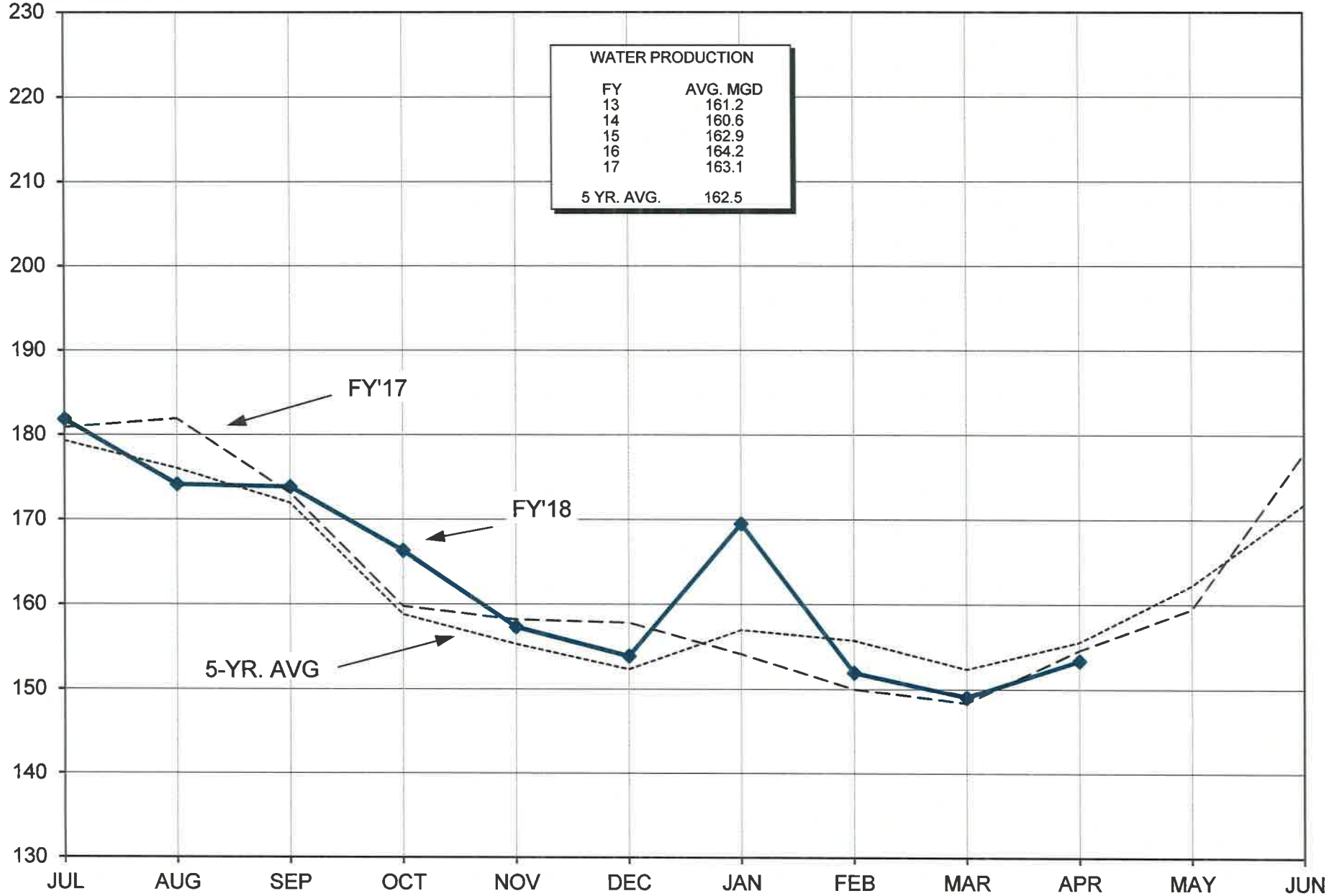
| | FY'17 ACTUAL | FY'18 APPROVED BUDGET | FY'17 ACTUAL THRU 4/30/17 | FY'18 ACTUAL THRU 4/30/18 | PROJECTED THRU 6/30/18 |
|--|------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------|
| REVENUES | | | | | |
| Water Consumption & Sewer Use Charges | \$599,466 | \$600,902 | \$496,101 | \$501,071 | \$600,902 |
| Use of Accumulated Net Revenue | 24,450 | 11,580 | 0 | 0 | 11,580 |
| All Other Revenues | 104,517 | 105,166 | 86,459 | 93,296 | 105,166 |
| TOTAL REVENUES | 728,433 | 717,648 | 582,560 | 594,367 | 717,648 |
| EXPENSES | | | | | |
| Operating Expenses | 410,079 | 438,084 | 321,106 | 350,957 | 438,084 |
| PAYGO | 21,495 | 30,193 | 17,912 | 10,065 | 30,193 |
| Debt Service Expense | 236,735 | 257,071 | 193,642 | 211,085 | 257,071 |
| GROSS EXPENSES | 668,309 | 725,348 | 532,660 | 572,107 | 725,348 |
| Less: Reconstruction Debt Service Offset | (9,800) | (7,700) | (8,166) | (6,417) | (7,700) |
| Less: SDC Debt Service Offset | (2,609) | 0 | (1,888) | (1,997) | 0 |
| Working Capital Reserve Transfer | 6,524 | 0 | 0 | 0 | 0 |
| NET EXPENSES | 662,424 | 717,648 | 522,606 | 563,693 | 717,648 |
| NET REVENUE (LOSS) FOR YEAR | \$66,009 | \$0 | \$59,954 | \$30,674 | \$0 |
| ACCUMULATED NET REVENUE - BEGINNING OF YEAR | 141,873 | | | | 176,562 |
| NET REVENUE (LOSS) FOR YEAR | 66,009 | | | | 0 |
| USE OF ACCUMULATED NET REVENUE | (17,926) | | | | (11,580) |
| ACCUMULATED NET REVENUE - END OF YEAR | \$189,956 | | | | \$164,982 * |
| WATER PRODUCED (MGD) | 163.1 | 164.0 | 162.0 | 163.2 | 164.0 |

* Includes Working Capital Reserve of \$68.4 million.

NOTE: Refer to Pages 8 and 9 for details of Water and Sewer Operating Funds.

WATER PRODUCED

AVERAGE MGD



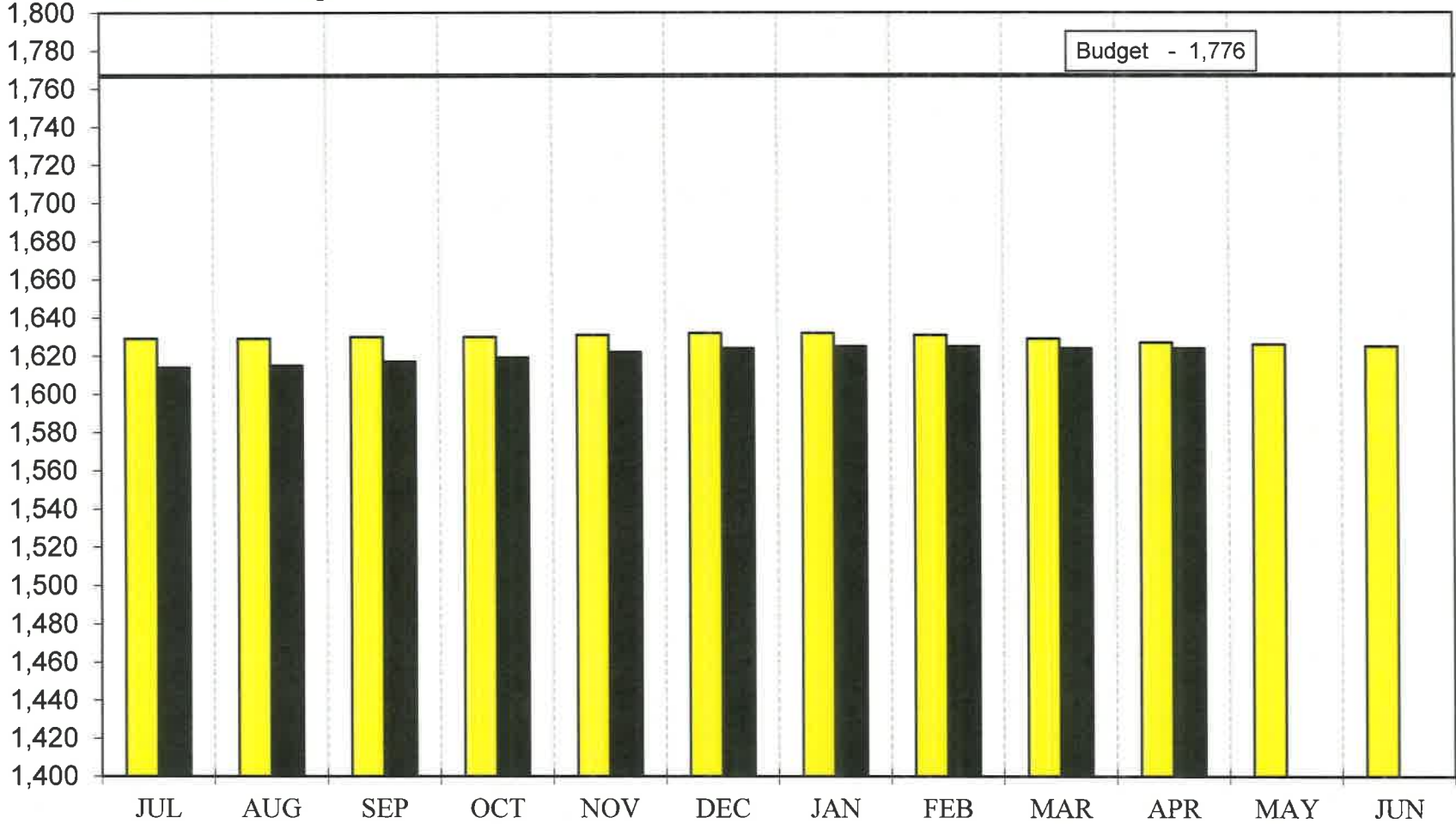
| WATER PRODUCTION | |
|------------------|----------|
| FY | AVG. MGD |
| 13 | 161.2 |
| 14 | 160.6 |
| 15 | 162.9 |
| 16 | 164.2 |
| 17 | 163.1 |
| 5 YR. AVG. | 162.5 |

**FY'18
WATER PRODUCED**

| <u>MONTH</u> | <u>MONTHLY TOTAL (MG)</u> | <u>MONTHLY AVERAGE (MGD)</u> | <u>FY'18 CUMULATIVE AVERAGE (MGD)</u> | <u>FY'17 CUMULATIVE AVERAGE (MGD)</u> |
|---------------------|--|---|--|--|
| July | 5,636.736 | 181.830 | 181.830 | 180.862 |
| August | 5,398.291 | 174.138 | 177.984 | 181.377 |
| September | 5,215.073 | 173.836 | 176.632 | 178.678 |
| October | 5,155.836 | 166.317 | 174.032 | 173.906 |
| November | 4,719.051 | 157.302 | 170.752 | 170.820 |
| December | 4,769.354 | 153.850 | 167.904 | 168.628 |
| January | 5,254.148 | 169.489 | 168.133 | 166.533 |
| February | 4,253.392 | 151.907 | 166.263 | 164.628 |
| March | 4,619.142 | 149.005 | 164.310 | 162.785 |
| April | 4,599.462 | 153.315 | 163.225 | 161.975 |
| May | | | | 161.741 |
| June | | | | 163.066 |

ACTUAL WORKYEARS

Fiscal-to-date Average



| | | | | | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| FY'17 | 1,629 | 1,629 | 1,630 | 1,630 | 1,631 | 1,632 | 1,632 | 1,631 | 1,629 | 1,627 | 1,626 | 1,625 |
| FY'18 | 1,614 | 1,615 | 1,617 | 1,619 | 1,622 | 1,624 | 1,625 | 1,625 | 1,624 | 1,624 | - | - |

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

(In Thousands)

| | FY'17 ACTUAL | FY'18 APPROVED BUDGET | FY'17 ACTUAL THRU 4/30/17 | FY'18 ACTUAL THRU 4/30/18 | PROJECTED THRU 6/30/18 |
|-------------------------------------|-------------------------|--------------------------------------|--|--|---------------------------------------|
| <u>GROSS FUNDS AVAILABLE</u> | | | | | |
| Bonds Issued and Cash on Hand | \$534,035 | \$614,459 | | | |
| Anticipated Contributions: | | | | | |
| Federal & State Grants | 12,976 | 10,780 | | | |
| System Development Charge | 36,766 | 32,189 | | | |
| Other | 35,158 | 28,081 | | | |
| Available for Current Construction | <u>618,935</u> | <u>685,509</u> | | | |
| <u>CAPITAL COSTS</u> | | | | | |
| Salaries & Wages | \$30,229 | \$30,009 | \$25,074 | \$23,651 | \$30,009 |
| Contract Work | 328,614 | 453,397 | 261,892 | 175,367 | 453,397 |
| Consulting Engineers | 53,763 | 57,814 | 31,537 | 26,774 | 57,814 |
| All Other | 144,379 | 144,289 | 116,312 | 134,717 | 144,289 |
| TOTAL COSTS | <u><u>\$556,985</u></u> | <u><u>\$685,509</u></u> | <u><u>\$434,815</u></u> | <u><u>\$360,509</u></u> | <u><u>\$685,509</u></u> |

CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES AND EXPENDITURES

(In Thousands)

| | FY'17 ACTUAL | FY'18 APPROVED BUDGET | FY'17 ACTUAL THRU 4/30/17 | FY'18 ACTUAL THRU 4/30/18 | PROJECTED THRU 6/30/18 |
|---|------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------|
| REVENUES | | | | | |
| Water Consumption Charges | \$270,134 | \$267,080 | \$220,721 | \$227,823 | \$267,080 |
| Sewer Use Charges | 329,332 | 333,822 | 275,380 | 273,248 | 333,822 |
| Account Maintenance Fees | 32,508 | 32,118 | 27,192 | 27,136 | 32,118 |
| Infrastructure Investment Fee | 37,561 | 38,816 | 30,867 | 33,182 | 38,816 |
| Front Foot Benefit & House Connection Assessments | 22,039 | 18,852 | 18,344 | 15,966 | 18,852 |
| Plumbing & Inspection Fees | 11,178 | 11,300 | 9,217 | 9,769 | 11,300 |
| Interest Income | 1,923 | 720 | 1,470 | 4,444 | 720 |
| Rockville Sewer Use | 2,907 | 2,632 | 2,661 | 2,636 | 2,632 |
| Use of Fund Balance | 24,450 | 11,580 | 0 | 0 | 11,580 |
| Miscellaneous | 19,117 | 19,840 | 15,645 | 17,021 | 19,840 |
| TOTAL REVENUES | 751,149 | 736,760 | 601,497 | 611,225 | 736,760 |
| EXPENSES | | | | | |
| Salaries & Wages | 109,747 | 120,919 | 91,071 | 97,434 | 120,919 |
| Heat, Light & Power | 22,099 | 22,029 | 18,187 | 16,643 | 22,029 |
| Regional Sewage Disposal | 53,946 | 53,617 | 48,853 | 47,383 | 53,617 |
| All Other | 225,834 | 243,262 | 164,191 | 190,610 | 243,262 |
| PAYGO | 21,495 | 30,193 | 17,912 | 10,065 | 30,193 |
| Debt Service | 250,745 | 271,216 | 205,152 | 225,484 | 271,216 |
| GROSS EXPENSES | 683,866 | 741,236 | 545,366 | 587,619 | 741,236 |
| Less: Reconstruction Debt Service Offset | (9,800) | (7,700) | (8,166) | (6,417) | (7,700) |
| Less: SDC Debt Service Offset | (2,609) | 0 | (1,888) | (1,997) | 0 |
| Working Capital Reserve Transfer | 6,524 | 0 | 0 | 0 | 0 |
| NET EXPENSES | 677,981 | 733,536 | 535,312 | 579,205 | 733,536 |
| NET REVENUE (LOSS) FOR YEAR | 73,168 | \$3,224 | \$66,185 | \$32,020 | 3,224 |
| ACCUMULATED NET REVENUE - JULY 1 | 199,353 | | | | 231,401 |
| Use of Fund Balance | (27,726) | | | | (19,280) |
| ACCUMULATED NET REVENUE - JUNE 30 | \$244,795 | | | | \$215,345 |

Note: Details of the Water and Sewer Operating Funds and General Bond Debt Service Fund are on pages 8, 9 & 12, respectively.

WATER OPERATING

(In Thousands)

| | <u>FY'17 ACTUAL</u> | <u>FY'18 APPROVED BUDGET</u> | <u>FY'17 ACTUAL THRU 4/30/17</u> | <u>FY'18 ACTUAL THRU 4/30/18</u> | <u>PROJECTED THRU 6/30/18</u> |
|--|-------------------------|--------------------------------------|--|--|---------------------------------------|
| REVENUES | | | | | |
| Water Consumption Charges | \$270,134 | \$267,080 | \$220,721 | \$227,823 | \$267,080 |
| Account Maintenance Fee | 16,579 | 16,380 | 13,868 | 13,839 | 16,380 |
| Infrastructure Investment Fee | 19,156 | 19,797 | 15,742 | 16,923 | 19,797 |
| Plumbing & Inspection Fees | 6,518 | 6,560 | 5,366 | 5,684 | 6,560 |
| Interest Income | 130 | 100 | 67 | 455 | 100 |
| Use of Fund Balance | 9,362 | 0 | 0 | 0 | 0 |
| Miscellaneous | 10,199 | 11,100 | 8,127 | 8,772 | 11,100 |
| TOTAL REVENUES | <u>332,078</u> | <u>321,017</u> | <u>263,891</u> | <u>273,496</u> | <u>321,017</u> |
| EXPENSES | | | | | |
| Salaries & Wages | 60,383 | 64,169 | 50,307 | 54,100 | 64,169 |
| Heat, Light & Power | 12,733 | 11,761 | 10,651 | 10,002 | 11,761 |
| All Other | 116,446 | 125,604 | 88,774 | 99,782 | 125,604 |
| PAYGO | 9,107 | 13,163 | 7,589 | 4,388 | 13,163 |
| Debt Service | 98,830 | 106,320 | 80,445 | 88,893 | 106,320 |
| GROSS EXPENSES | <u>297,499</u> | <u>321,017</u> | <u>237,766</u> | <u>257,165</u> | <u>321,017</u> |
| Less: Reconstruction Debt Service Offset | (2,800) | 0 | (2,333) | 0 | 0 |
| Less: SDC Debt Service Offset | (446) | 0 | (343) | (202) | 0 |
| Working Capital Reserve Transfer | 3,100 | 0 | 0 | 0 | 0 |
| NET EXPENSES | <u>297,353</u> | <u>321,017</u> | <u>235,090</u> | <u>256,963</u> | <u>321,017</u> |
| NET REVENUE (LOSS) | <u>34,725</u> | <u>\$0</u> | <u>\$28,801</u> | <u>\$16,533</u> | <u>0</u> |
| ACCUMULATED NET REVENUE - JULY 1 | 12,447 | | | | 35,506 * |
| Use of Fund Balance | (6,262) | | | | 0 |
| ACCUMULATED NET REVENUE - JUNE 30 | <u>\$40,910</u> | | | | <u>\$35,506</u> |

*Reflects a decrease in net revenues of \$5,404,000 resulting from prior year adjustments.

SEWER OPERATING

(In Thousands)

| | FY'17 ACTUAL | FY'18 APPROVED BUDGET | FY'17 ACTUAL THRU 4/30/17 | FY'18 ACTUAL THRU 4/30/18 | PROJECTED THRU 6/30/18 |
|--|------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------|
| REVENUES | | | | | |
| Sewer Use Charges | \$329,332 | \$333,822 | \$275,380 | \$273,248 | \$333,822 |
| Account Maintenance Fee | 15,929 | 15,738 | 13,324 | 13,297 | 15,738 |
| Infrastructure Investment Fee | 18,405 | 19,019 | 15,125 | 16,259 | 19,019 |
| Rockville Sewer Use | 2,907 | 2,632 | 2,661 | 2,636 | 2,632 |
| Interest Income | 1,410 | 600 | 1,092 | 3,336 | 600 |
| Plumbing & Inspection Fees | 4,660 | 4,740 | 3,851 | 4,085 | 4,740 |
| Use of Fund Balance | 15,088 | 11,580 | 0 | 0 | 11,580 |
| Miscellaneous | 8,624 | 8,500 | 7,236 | 8,010 | 8,500 |
| TOTAL REVENUES | 396,355 | 396,631 | 318,669 | 320,871 | 396,631 |
| EXPENSES | | | | | |
| Salaries & Wages | 48,676 | 56,106 | 40,184 | 42,744 | 56,106 |
| Heat, Light & Power | 9,366 | 10,255 | 7,536 | 6,632 | 10,255 |
| Regional Sewage Disposal | 53,946 | 53,617 | 48,853 | 47,383 | 53,617 |
| All Other | 108,529 | 116,572 | 74,801 | 90,314 | 116,572 |
| PAYGO | 12,388 | 17,030 | 10,323 | 5,677 | 17,030 |
| Debt Service | 137,905 | 150,751 | 113,197 | 122,192 | 150,751 |
| GROSS EXPENSES | 370,810 | 404,331 | 294,894 | 314,942 | 404,331 |
| Less: Reconstruction Debt Service Offset | (7,000) | (7,700) | (5,833) | (6,417) | (7,700) |
| Less: SDC Debt Service Offset | (2,163) | 0 | (1,545) | (1,795) | 0 |
| Working Capital Reserve Transfer | 3,424 | 0 | 0 | 0 | 0 |
| NET EXPENSES | 365,071 | 396,631 | 287,516 | 306,730 | 396,631 |
| NET REVENUE (LOSS) | 31,284 | \$0 | \$31,153 | \$14,141 | 0 |
| ACCUMULATED NET REVENUE - JULY 1 | 129,426 | | | | 141,056 * |
| Use of Fund Balance | (11,664) | | | | (11,580) |
| ACCUMULATED NET REVENUE - JUNE 30 | \$149,046 | | | | \$129,476 |

*Reflects a decrease in net revenues of \$7,990,000 resulting from prior year adjustments.

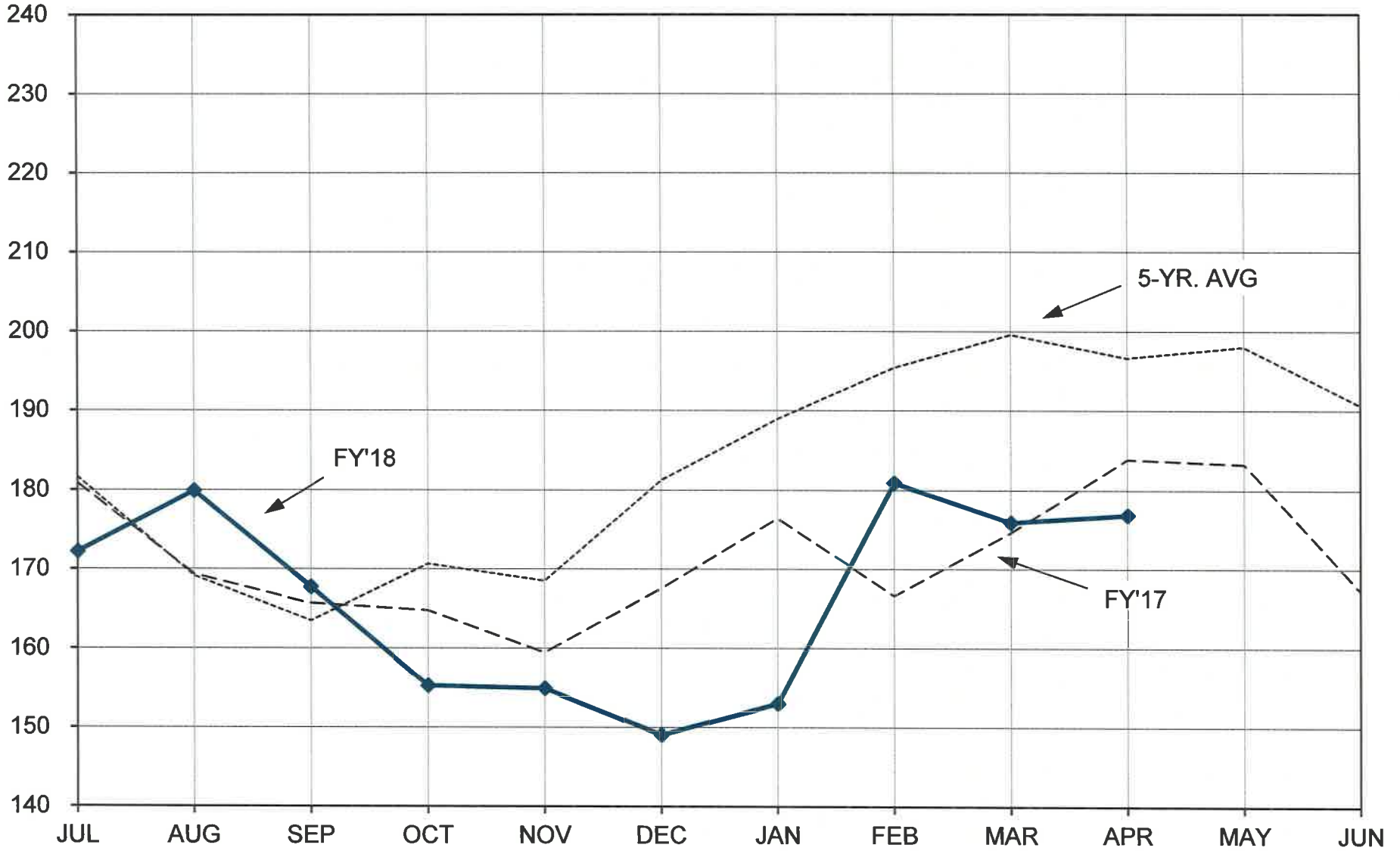
**FY'18
SEWAGE FLOWS**

| <u>MONTH</u> | <u>WSSC PLANTS AVERAGE (MGD)</u> | <u>BLUE PLAINS AVERAGE (MGD)</u> | <u>FY'18 MONTHLY AVERAGE (MGD)</u> | <u>FY'17 MONTHLY AVERAGE (MGD)</u> | <u>FY'18 CUMULATIVE AVERAGE (MGD)</u> |
|---------------------|---|---|---|---|--|
| July | 61.88 | 110.30 | 172.18 | 180.86 | 172.18 |
| August | 66.10 | 113.80 | 179.90 | 169.35 | 176.04 |
| September | 61.12 | 106.60 | 167.72 | 165.68 | 173.33 |
| October | 54.78 | 100.50 | 155.28 | 164.77 | 168.78 |
| November | 56.93 | 98.00 | 154.93 | 159.46 | 166.06 |
| December | 54.83 | 94.20 | 149.03 | 167.53 | 163.19 |
| January | 57.50 | 95.50 | 153.00 | 176.40 | 161.72 |
| February | 71.90 | 109.00 | 180.90 | 166.60 | 163.93 |
| March | 68.97 | 106.90 | 175.87 | 174.63 | 165.28 |
| April | 68.22 | 108.60 | 176.82 | 183.86 | 166.42 |
| May | | | | 183.26 | |
| June | | | | 167.24 | |

SEWAGE FLOWS

(INCLUDES BLUE PLAINS)

AVERAGE MGD



GENERAL BOND DEBT SERVICE FUND

(In Thousands)

| | <u>FY'17 ACTUAL</u> | <u>FY'18 APPROVED BUDGET</u> | <u>FY'17 ACTUAL THRU 4/30/17</u> | <u>FY'18 ACTUAL THRU 4/30/18</u> | <u>PROJECTED THRU 6/30/18</u> |
|---|-------------------------|--------------------------------------|--|--|---------------------------------------|
| <u>REVENUES</u> | | | | | |
| Front Foot Benefit & House Connection Assessments | \$22,039 | \$18,852 | \$18,344 | \$15,966 | \$18,852 |
| Interest Income | 383 | 20 | 311 | 653 | 20 |
| Miscellaneous | 294 | 240 | 282 | 239 | 240 |
| Use of Fund Balance | 9,800 | 7,700 | 8,166 | 6,417 | 7,700 |
| Reconstruction Debt Service Offset | (9,800) | (7,700) | (8,166) | (6,417) | (7,700) |
| TOTAL REVENUES | <u>22,716</u> | <u>19,112</u> | <u>18,937</u> | <u>16,858</u> | <u>19,112</u> |
| <u>EXPENSES</u> | | | | | |
| Salaries & Wages | 688 | 644 | 580 | 590 | 644 |
| Heat, Light & Power | 0 | 13 | 0 | 9 | 13 |
| All Other | 859 | 1,086 | 616 | 514 | 1,086 |
| Debt Service | 14,010 | 14,145 | 11,510 | 14,399 | 14,145 |
| GROSS EXPENSES | <u>15,557</u> | <u>15,888</u> | <u>12,706</u> | <u>15,512</u> | <u>15,888</u> |
| NET EXPENSES | <u>15,557</u> | <u>15,888</u> | <u>12,706</u> | <u>15,512</u> | <u>15,888</u> |
| NET REVENUE (LOSS) | 7,159 | <u>\$3,224</u> | <u>\$6,231</u> | <u>\$1,346</u> | 3,224 |
| ACCUMULATED NET REVENUE - JULY 1 | 57,480 | | | | 54,839 |
| Use of Fund Balance | (9,800) | | | | (7,700) * |
| ACCUMULATED NET REVENUE - JUNE 30 | <u>\$54,839</u> | | | | <u>\$50,363</u> |

* Reflects the transfer of \$7,700,000 for Reconstruction Debt Service from General Bond Debt Service Fund to the Sewer Operating Fund.

SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

| | |
|---|-----------------------|
| ACCOUNT BALANCE, JULY 1, 2017 | \$19,284 |
| <u>ACCOUNT ADDITIONS:</u> | |
| SDC Revenues, Net | 24,041 |
| Interest Income | <u>134</u> |
| FUNDS AVAILABLE | 43,459 |
| Less MOU Credit Reimbursement | (11,154) |
| <u>TRANSFERRED TO OPERATING FUNDS:*</u> | |
| Water Operating - Debt Service | (202) |
| Sewer Operating - Debt Service | (1,795) |
| <u>TRANSFERRED TO BOND FUNDS:</u> | |
| Water Supply Bond | (13,400) |
| Sewer Disposal Bond | <u>(9,800)</u> |
| Account Balance | 7,108 |
| Less Amounts Billed But Not Yet Collected | 0 |
| Less Reserve for MOU Related Reimbursements | <u>(8,004)</u> |
| AVAILABLE ACCOUNT BALANCE, APRIL 30, 2018 | <u><u>(\$896)</u></u> |

*Transfers to operating funds service debt issued in FY'16 and are shown on pages 8 & 9 as SDC Debt Service Offset.