



**FY 2022**  
**MONTHLY STATUS REPORT**  
**MARCH 2022**



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Interoffice Memorandum

TO: CARLA A. REID  
GENERAL MANAGER/CEO

VIA: JOSEPH F. BEACH  
DEPUTY GENERAL MANAGER OF ADMINISTRATION DS  
JFB

FROM: LETITIA CAROLINA-POWELL  
CHIEF FINANCIAL OFFICER (Acting) DS  
LC

DATE: AUGUST 1, 2022

SUBJECT: MONTHLY STATUS REPORT – MARCH 2022

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Attached is the March 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 2022 (FY’22). Beginning back in September 2021 we developed a Cost Savings Plan to address the continuing impacts of the Covid-19 pandemic on our operations and the projected revenue shortfall. The FY’22 planned expenditure reductions cross all departments, reducing expenses by 2.3%. The Cost Savings Plan includes debt related savings and adjustments, and the reduction of the PAYGO transfer for capital projects. In our February report, we made a number of adjustments to our revenue and expense projections. While we are not making any additional changes to our FY’22 projections at this time, we continue to monitor our financial position and expect to modify our projections in future reports as we further assess the on-going effects of the pandemic and the current macroeconomic conditions.

The pandemic and current macroeconomic conditions, such as supply chain disruptions, continue to impact our ability to execute our capital program. We are currently reassessing our capital project spending projections and expect to make adjustments in a future report. Slower spending on bond funded projects may allow us to delay future bond sales, contributing to debt service savings in the operating funds.

CARLA A. REID  
MONTHLY STATUS REPORT – MARCH  
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PAGE 2

The accumulated net revenue at year-end is projected to be \$169.1 million (see page 2 of the report), of which \$124.3 million is restricted for our working capital reserve. Due to the impacts of the Covid-19 pandemic, fund balance amounts previously planned for use in the FY'22 through FY'24 budgets have been eliminated.

Beginning with FY'21 we have shifted away from water production to water consumption and sewer use data by tier as the basis for our modeling and revenue projections. The additional data points are expected to result in greater insight and more accurate forecasts of water and sewer revenue. While fiscal to date water consumption at 131.3 MGD is 1.67% above the five-year average, water consumption and sewer use revenue is currently tracking at 6.0% below budget primarily due to more of the consumption occurring in the lower tiers (pages 3 & 4).

Other highlights of the March 2022 report are as follows:

**Revenues**

- Total revenues (all funds) through March were \$622.6 million or 74.4% of total budgeted.
- Total revenues (all funds) are projected to be \$804.5 million; \$32.6 million less than budgeted.

**Expenses**

- Total net expenses (all funds) through March were \$575.6 million or 68.7% of total budgeted.
- Total net expenses (all funds) are projected to be \$798.7 million; \$39.7 million less than budgeted.

**Water Consumption**

- Water consumption through March averaged 131.3 MGD (page 4).

**Workyears**

- Cumulative workyears through the end of March were 1,650 (page 5).

**System Development Charge**

- The available account balance through March was \$33.8 million. The account balance will be used during the year to fund water and sewer growth-related capital projects (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)

	<b>FY'21 ACTUAL</b>	<b>FY'22 APPROVED BUDGET</b>	<b>FY'21 ACTUAL THRU 3/31/21</b>	<b>FY'22 ACTUAL THRU 3/31/22</b>	<b>PROJECTED THRU 6/30/22</b>
<b>REVENUES</b>					
Water Consumption and Sewer Use Charges	\$628,555	\$717,803	\$488,847	\$521,726	\$674,481
Use of Accumulated Net Revenue	8,000	0	0	0	0
All Other Revenues	120,474	119,282	91,421	100,913	130,020
<b>TOTAL REVENUES</b>	<b>757,029</b>	<b>837,085</b>	<b>580,268</b>	<b>622,639</b>	<b>804,501</b>
<b>EXPENSES</b>					
Operating Expenses	456,650	507,681	331,593	328,545	482,419
PAYGO	0	27,585	0	19,065	23,585
Debt Service Expense	291,980	316,827	219,215	238,360	309,428
<b>GROSS EXPENSES</b>	<b>748,630</b>	<b>852,093</b>	<b>550,808</b>	<b>585,970</b>	<b>815,432</b>
Less: Reconstruction Debt Service Offset	(9,500)	(6,000)	(7,125)	(4,500)	(6,000)
Less: SDC Debt Service Offset	(5,772)	(5,772)	(4,329)	(4,329)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(9,151)	(2,000)	(6,863)	(1,499)	(5,000)
<b>NET EXPENSES</b>	<b>724,207</b>	<b>838,321</b>	<b>532,491</b>	<b>575,642</b>	<b>798,660</b>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<b>\$32,822</b>	<b>(\$1,236)</b>	<b>\$47,777</b>	<b>\$46,997</b>	<b>\$5,841</b>

**COMBINED WATER AND SEWER OPERATING FUNDS**

(In Thousands)

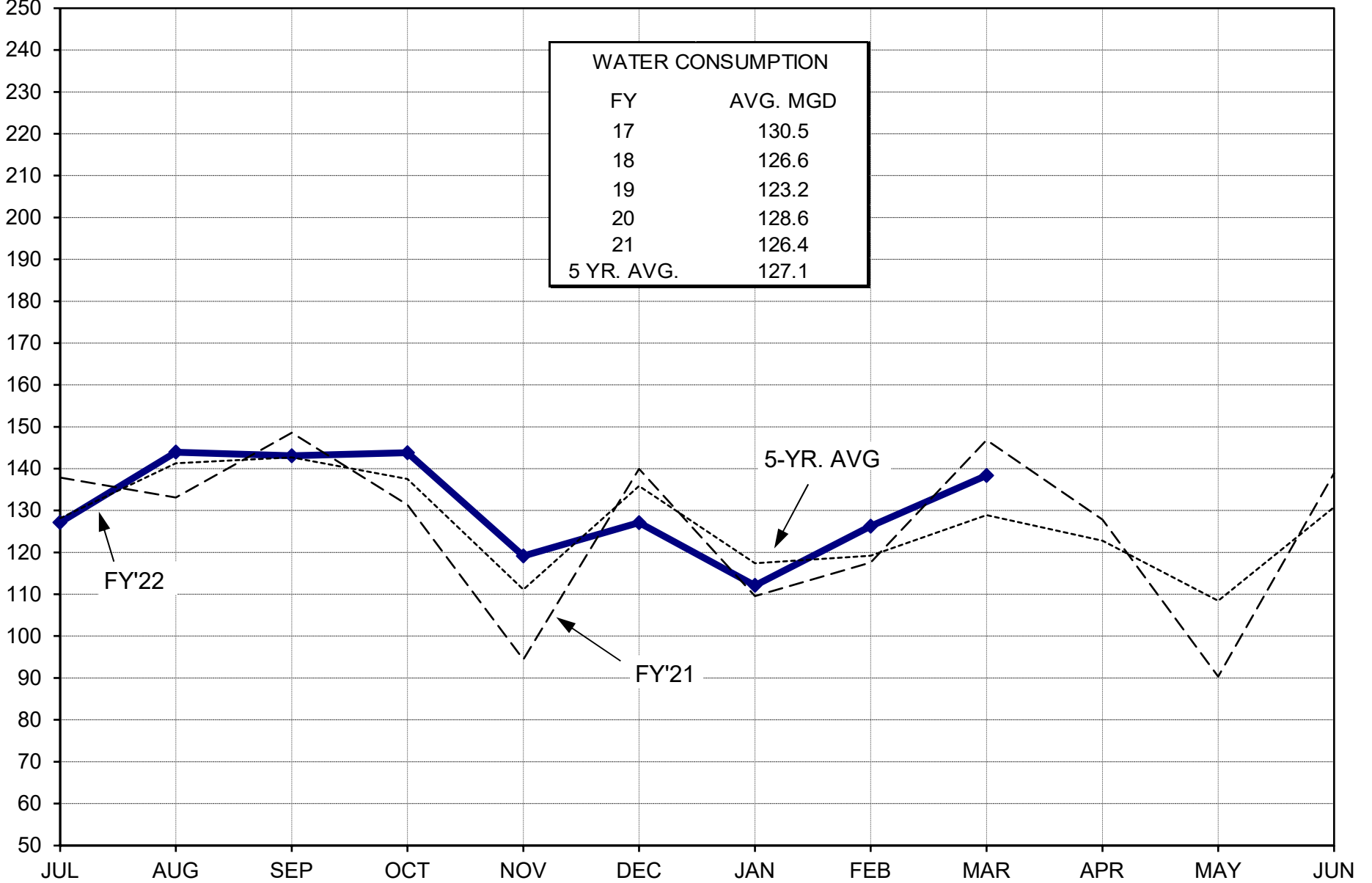
	<u>FY'21 ACTUAL</u>	<u>FY'22 APPROVED BUDGET</u>	<u>FY'21 ACTUAL THRU 3/31/21</u>	<u>FY'22 ACTUAL THRU 3/31/22</u>	<u>PROJECTED THRU 6/30/22</u>
<b>REVENUES</b>					
Water Consumption & Sewer Use Charges	\$628,555	\$717,803	\$488,847	\$521,726	\$674,481
Use of Accumulated Net Revenue	8,000	0	0	0	0
All Other Revenues	109,601	110,724	83,111	94,201	121,462
<b>TOTAL REVENUES</b>	<u>746,156</u>	<u>828,527</u>	<u>571,958</u>	<u>615,927</u>	<u>795,943</u>
<b>EXPENSES</b>					
Operating Expenses	454,780	505,669	330,300	327,257	480,407
PAYGO	0	27,585	0	19,065	23,585
Debt Service Expense	281,844	309,045	211,676	231,671	301,646
<b>GROSS EXPENSES</b>	<u>736,624</u>	<u>842,299</u>	<u>541,976</u>	<u>577,993</u>	<u>805,638</u>
Less: Reconstruction Debt Service Offset	(9,500)	(6,000)	(7,125)	(4,500)	(6,000)
Less: SDC Debt Service Offset	(5,772)	(5,772)	(4,329)	(4,329)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(9,151)	(2,000)	(6,863)	(1,499)	(5,000)
<b>NET EXPENSES</b>	<u>712,201</u>	<u>828,527</u>	<u>523,659</u>	<u>567,665</u>	<u>788,866</u>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<u>\$33,955</u>	<u>\$0</u>	<u>\$48,299</u>	<u>\$48,262</u>	<u>\$7,077</u>
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	142,942				162,049
NET REVENUE (LOSS) FOR YEAR	33,955				7,077
USE OF ACCUMULATED NET REVENUE	(8,000)				0
<b>ACCUMULATED NET REVENUE - END OF YEAR</b>	<u>\$168,897</u>				<u>\$169,126</u> *
WATER CONSUMPTION (MGD)	126.4	122.1	129.0	131.3	122.1

\* Includes Working Capital Reserve of \$124.3 million.

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

# WATER CONSUMPTION

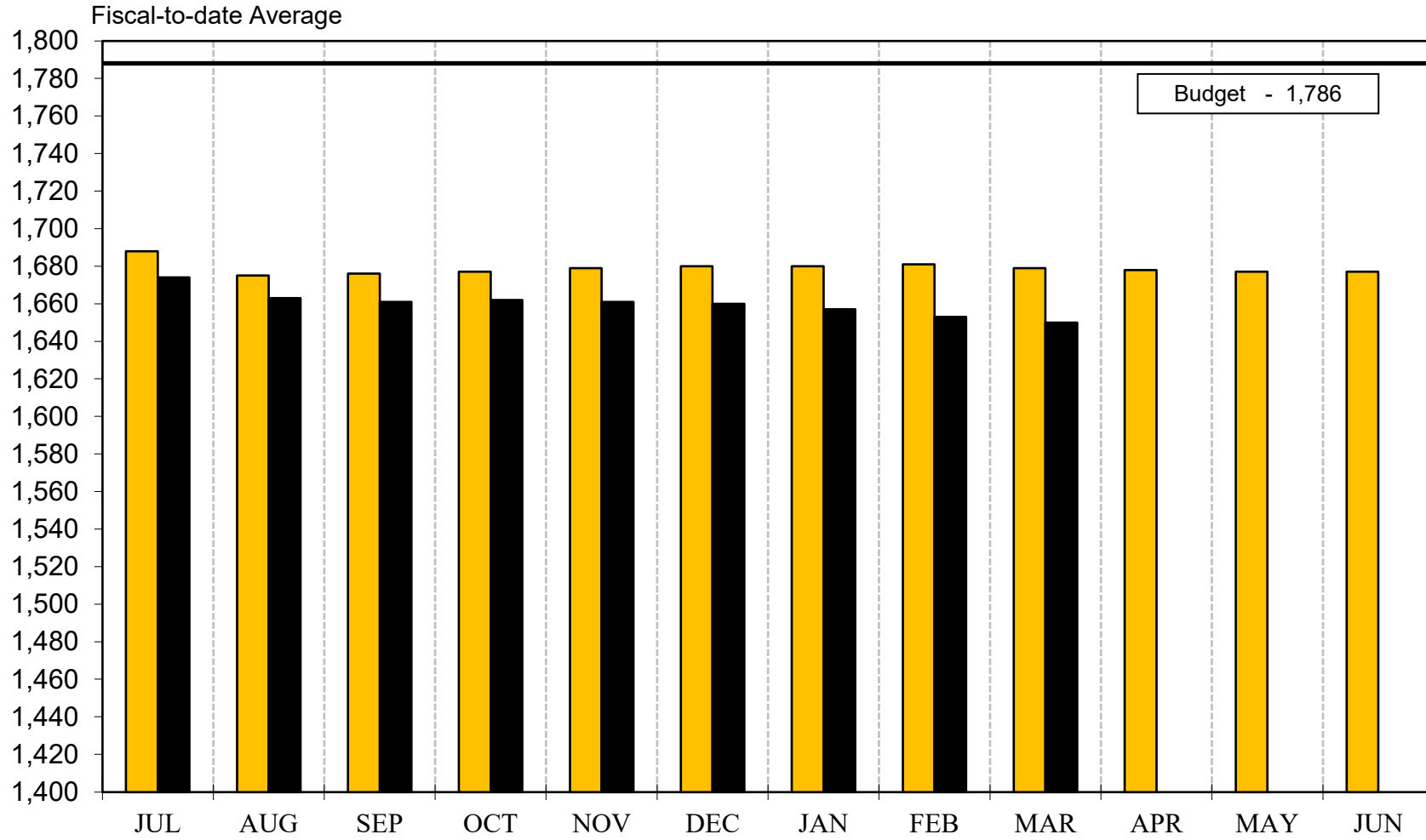
AVERAGE MGD



**FY'22  
WATER CONSUMPTION**

<u>MONTH</u>	<u>MONTHLY AVERAGE (MGD)</u>	<u>FY'22 CUMULATIVE AVERAGE (MGD)</u>	<u>FY'21 CUMULATIVE AVERAGE (MGD)</u>
July	127.157	127.157	137.879
August	143.975	135.566	135.479
September	143.068	138.012	139.758
October	143.787	139.468	137.641
November	119.139	135.482	129.170
December	127.124	134.073	130.983
January	112.127	130.909	127.891
February	126.255	130.373	126.704
March	138.396	131.280	128.980
April			128.866
May			125.300
June			126.422

# ACTUAL WORKYEARS



<span style="display:inline-block; width:10px; height:10px; background-color:yellow; border:1px solid black;"></span> FY'21	1,688	1,675	1,676	1,677	1,679	1,680	1,680	1,681	1,679	1,678	1,677	1,677
<span style="display:inline-block; width:10px; height:10px; background-color:black; border:1px solid black;"></span> FY'22	1,674	1,663	1,661	1,662	1,661	1,660	1,657	1,653	1,650	-	-	-



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

(In Thousands)

	<u>FY'21 ACTUAL</u>	<u>FY'22 APPROVED BUDGET</u>	<u>FY'21 ACTUAL THRU 3/31/21</u>	<u>FY'22 ACTUAL THRU 3/31/22</u>	<u>PROJECTED THRU 6/30/22</u>
<b><u>GROSS FUNDS AVAILABLE</u></b>					
Bonds Issued and Cash on Hand	\$402,261	\$635,351			
Anticipated Contributions:					
Federal & State Grants	4,392	24,471			
System Development Charge	8,393	31,329			
Other	14,192	12,594			
Available for Current Construction	<u>429,238</u>	<u>703,745</u>			
<b><u>CAPITAL COSTS</u></b>					
Salaries & Wages	\$25,911	\$27,449	\$19,156	\$20,607	\$27,449
Contract Work	217,590	444,405	146,552	176,213	248,000
Consulting Engineers	42,349	79,614	23,081	20,654	46,900
All Other	141,043	152,277	74,278	45,215	107,277
<b>TOTAL COSTS</b>	<u><u>\$426,893</u></u>	<u><u>\$703,745</u></u>	<u><u>\$263,067</u></u>	<u><u>\$262,689</u></u>	<u><u>\$429,626</u></u>

**CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES AND EXPENDITURES**

(In Thousands)

	<b>FY'21 ACTUAL</b>	<b>FY'22 APPROVED BUDGET</b>	<b>FY'21 ACTUAL THRU 3/31/21</b>	<b>FY'22 ACTUAL THRU 3/31/22</b>	<b>PROJECTED THRU 6/30/22</b>
<b>REVENUES</b>					
Water Consumption Charges	\$275,019	\$318,941	\$214,015	\$232,120	\$299,681
Sewer Use Charges	353,536	398,862	274,832	289,606	374,800
Account Maintenance Fees	32,346	31,866	24,311	24,800	32,349
Infrastructure Investment Fee	39,886	38,808	29,966	30,465	39,940
Front Foot Benefit & House Connection Assessments	10,664	8,428	8,133	6,562	8,428
Plumbing & Inspection Fees	16,882	14,350	12,672	14,252	18,145
Interest Income	412	1,000	382	260	600
Rockville Sewer Use	3,147	3,100	2,353	2,457	3,100
Use of Accumulated Net Revenue	8,000	0	0	0	0
Miscellaneous	17,137	21,730	13,604	22,117	27,458
<b>TOTAL REVENUES</b>	<b>757,029</b>	<b>837,085</b>	<b>580,268</b>	<b>622,639</b>	<b>804,501</b>
<b>EXPENSES</b>					
Salaries & Wages	131,799	133,730	98,849	96,464	130,374
Heat, Light & Power	18,234	18,493	14,289	15,835	19,388
Regional Sewage Disposal	58,658	59,160	42,587	46,215	59,160
All Other	247,959	296,298	175,868	170,031	273,497
PAYGO	0	27,585	0	19,065	23,585
Debt Service	291,980	316,827	219,215	238,360	309,428
<b>GROSS EXPENSES</b>	<b>748,630</b>	<b>852,093</b>	<b>550,808</b>	<b>585,970</b>	<b>815,432</b>
Less: Reconstruction Debt Service Offset	(9,500)	(6,000)	(7,125)	(4,500)	(6,000)
Less: SDC Debt Service Offset	(5,772)	(5,772)	(4,329)	(4,329)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(9,151)	(2,000)	(6,863)	(1,499)	(5,000)
<b>NET EXPENSES</b>	<b>724,207</b>	<b>838,321</b>	<b>532,491</b>	<b>575,642</b>	<b>798,660</b>
NET REVENUE (LOSS) FOR YEAR	32,822	<u>(\$1,236)</u>	<u>\$47,777</u>	<u>46,997</u>	5,841
ACCUMULATED NET REVENUE - JULY 1	164,760				173,234
Use of Fund Balance	(17,500)				(6,000)
ACCUMULATED NET REVENUE - JUNE 30	<u>\$180,082</u>				<u>\$173,075</u>

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

**WATER OPERATING**

(In Thousands)

	<b>FY'21 ACTUAL</b>	<b>FY'22 APPROVED BUDGET</b>	<b>FY'21 ACTUAL THRU 3/31/21</b>	<b>FY'22 ACTUAL THRU 3/31/22</b>	<b>PROJECTED THRU 6/30/22</b>
<b>REVENUES</b>					
Water Consumption Charges	\$275,019	\$318,941	\$214,015	\$232,120	299,681
Account Maintenance Fee	17,075	16,251	12,832	12,900	16,498
Infrastructure Investment Fee	20,918	19,792	15,716	15,737	20,369
Plumbing & Inspection Fees	9,657	8,180	7,244	8,158	10,887
Interest Income	96	500	82	90	100
Use of Accumulated Net Revenue	4,080	0	0	0	0
Miscellaneous	8,066	10,200	6,152	10,105	13,938
<b>TOTAL REVENUES</b>	<b>334,911</b>	<b>373,864</b>	<b>256,041</b>	<b>279,110</b>	<b>361,473</b>
<b>EXPENSES</b>					
Salaries & Wages	71,852	72,834	53,863	51,863	71,176
Heat, Light & Power	10,333	10,541	8,260	9,196	11,436
All Other	129,869	147,825	89,342	86,257	145,686
PAYGO	0	8,867	0	5,575	7,583
Debt Service	123,270	140,498	92,698	101,593	137,245
<b>GROSS EXPENSES</b>	<b>335,324</b>	<b>380,565</b>	<b>244,163</b>	<b>254,484</b>	<b>373,126</b>
Less: Reconstruction Debt Service Offset	(4,845)	(3,060)	(3,634)	(2,295)	(3,060)
Less: SDC Debt Service Offset	(2,731)	(2,731)	(2,048)	(2,048)	(2,731)
Less: Premium & Underwriter's Discount Transfers	(1,540)	(910)	(1,155)	(682)	(1,680)
<b>NET EXPENSES</b>	<b>326,208</b>	<b>373,864</b>	<b>237,326</b>	<b>249,459</b>	<b>365,655</b>
<b>NET REVENUE (LOSS)</b>	<b>8,703</b>	<b>\$0</b>	<b>\$18,715</b>	<b>\$29,651</b>	<b>(4,182)</b>
ACCUMULATED NET REVENUE - JULY 1	32,924				35,824 *
Use of Fund Balance	(4,080)				0
Fund Balance Transfer	0				0
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<b>\$37,547</b>				<b>\$31,642</b>

\*Reflects a decrease in net revenues of \$1,723,000 resulting from prior year adjustments.

**SEWER OPERATING**

(In Thousands)

	<b>FY'21 ACTUAL</b>	<b>FY'22 APPROVED BUDGET</b>	<b>FY'21 ACTUAL THRU 3/31/21</b>	<b>FY'22 ACTUAL THRU 3/31/22</b>	<b>PROJECTED THRU 6/30/22</b>
<b><u>REVENUES</u></b>					
Sewer Use Charges	\$353,536	\$398,862	\$274,832	\$289,606	\$374,800
Account Maintenance Fee	15,271	15,615	11,479	11,900	15,851
Infrastructure Investment Fee	18,968	19,016	14,250	14,728	19,571
Rockville Sewer Use	3,147	3,100	2,353	2,457	3,100
Interest Income	296	500	283	157	500
Plumbing & Inspection Fees	7,225	6,170	5,428	6,094	7,258
Use of Accumulated Net Revenue	3,920	0	0	0	0
Miscellaneous	8,882	11,400	7,292	11,875	13,390
<b>TOTAL REVENUES</b>	<b>411,245</b>	<b>454,663</b>	<b>315,917</b>	<b>336,817</b>	<b>434,470</b>
<b><u>EXPENSES</u></b>					
Salaries & Wages	59,032	60,205	44,314	43,925	58,507
Heat, Light & Power	7,901	7,952	6,029	6,639	7,952
Regional Sewage Disposal	58,658	59,160	42,587	46,215	59,160
All Other	117,135	147,152	85,905	83,162	126,490
PAYGO	0	18,718	0	13,490	16,002
Debt Service	158,574	168,547	118,978	130,078	164,401
<b>GROSS EXPENSES</b>	<b>401,300</b>	<b>461,734</b>	<b>297,813</b>	<b>323,509</b>	<b>432,512</b>
Less: Reconstruction Debt Service Offset	(4,655)	(2,940)	(3,491)	(2,205)	(2,940)
Less: SDC Debt Service Offset	(3,041)	(3,041)	(2,281)	(2,281)	(3,041)
Less: Premium & Underwriter's Discount Transfers	(7,611)	(1,090)	(5,708)	(817)	(3,320)
<b>NET EXPENSES</b>	<b>385,993</b>	<b>454,663</b>	<b>286,333</b>	<b>318,206</b>	<b>423,211</b>
<b>NET REVENUE (LOSS)</b>	<b>25,252</b>	<b>\$0</b>	<b>\$29,584</b>	<b>\$18,611</b>	<b>11,259</b>
ACCUMULATED NET REVENUE - JULY 1	110,018				126,225 *
Use of Fund Balance	(3,920)				0
Fund Balance Transfer	0				0
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<b>\$131,350</b>				<b>\$137,484</b>

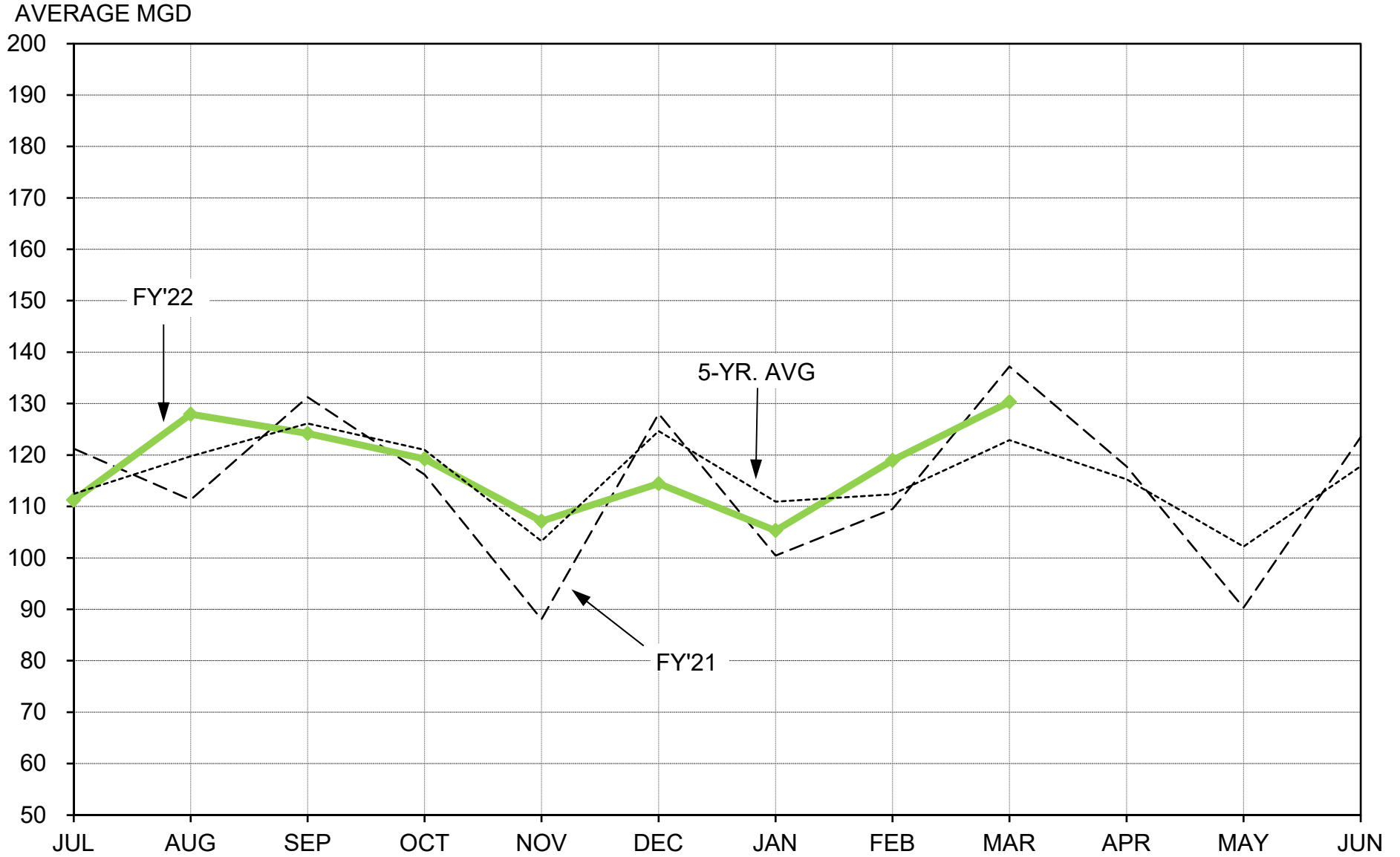
\*Reflects a decrease in net revenues of \$5,125,000 resulting from prior year adjustments.

**FY'22  
SEWER USE**

<b><u>MONTH</u></b>	<b><u>FY'22 MONTHLY AVERAGE (MGD)</u></b>	<b><u>FY'22 CUMULATIVE AVERAGE (MGD)</u></b>	<b><u>FY'21 CUMULATIVE AVERAGE (MGD)</u></b>
July	111.25	111.25	121.25
August	127.92	119.58	116.27
September	124.20	121.09	121.16
October	119.24	120.62	119.91
November	107.12	117.97	113.67
December	114.46	117.38	116.09
January	105.32	115.64	113.83
February	118.97	116.03	113.33
March	130.35	117.65	116.04
April			116.21
May			113.81
June			114.61

# SEWER USE

(INCLUDES BLUE PLAINS)



**GENERAL BOND DEBT SERVICE FUND**

(In Thousands)

	<b>FY'21 ACTUAL</b>	<b>FY'22 APPROVED BUDGET</b>	<b>FY'21 ACTUAL THRU 3/31/21</b>	<b>FY'22 ACTUAL THRU 3/31/22</b>	<b>PROJECTED THRU 6/30/22</b>
<b>REVENUES</b>					
Front Foot Benefit & House Connection					
Assessments	\$10,664	\$8,428	\$8,133	\$6,562	\$8,428
Interest Income	20	0	17	13	0
Miscellaneous	189	130	160	137	130
Use of Accumulated Net Revenue	9,500	6,000	7,125	4,500	6,000
Reconstruction Debt Service Offset	(9,500)	(6,000)	(7,125)	(4,500)	(6,000)
<b>TOTAL REVENUES</b>	<b>10,873</b>	<b>8,558</b>	<b>8,310</b>	<b>6,712</b>	<b>8,558</b>
<b>EXPENSES</b>					
Salaries & Wages	915	691	672	676	691
All Other	955	1,321	621	612	1,321
Debt Service	10,136	7,782	7,539	6,689	7,782
<b>GROSS EXPENSES</b>	<b>12,006</b>	<b>9,794</b>	<b>8,832</b>	<b>7,977</b>	<b>9,794</b>
<b>NET EXPENSES</b>	<b>12,006</b>	<b>9,794</b>	<b>8,832</b>	<b>7,977</b>	<b>9,794</b>
<b>NET REVENUE (LOSS)</b>	<b>(1,133)</b>	<b>(\$1,236)</b>	<b>(\$522)</b>	<b>(\$1,265)</b>	<b>(1,236)</b>
ACCUMULATED NET REVENUE - JULY 1	21,818				11,185
Use of Fund Balance	(9,500)				(6,000) *
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<b>\$11,185</b>				<b>\$3,949</b>

\* Reflects transfer of \$6,000,000 for Reconstruction Debt Service from General Bond Debt Service Fund to Water &amp; Sewer Operating Funds.

**SYSTEM DEVELOPMENT CHARGE ACCOUNT**

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2021	\$28,705
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	23,236
Interest Income	18
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FUNDS AVAILABLE	51,959
Less MOU Credit Reimbursement	(2,134)
<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	0
	<hr/>
Account Balance	45,496
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	(11,722)
	<hr/>
AVAILABLE ACCOUNT BALANCE, MARCH 31, 2022	<u><u>\$33,774</u></u>

\*Transfers to operating funds service debt issued in FY'16, FY'18 & FY'19 and are shown on pages 8 & 9 as SDC Debt Service Offset.