



WSSC WATER
DELIVERING THE ESSENTIAL

FY2025
MONTHLY STATUS REPORT

NOVEMBER 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: January 13, 2025

SUBJECT: MONTHLY STATUS REPORT – NOVEMBER 2024

Attached is the November 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 November 30, 2024, for Fiscal Year 2025 (FY'25). Total operating fund revenues are at \$471.0 million, and net operating fund expenses are at \$354.0 million. The net revenues of \$117.0 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.

Highlights as of the November 2024 report as follows:

Revenues:

- Water and Sewer revenues – which make up 78.9 percent of total revenues are at 46.4 percent YTD versus a prorated target of 41.7 percent based on the first five months of the fiscal year.
- Other revenues which make up 21.1 percent of total revenues are at 47.7 percent of YTD versus a prorated target of 41.7 percent. (Page 3)
- Interest Income on cash balances is materially ahead of budget for the first five 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 45.6 percent of actual revenues for FY'24 at the end of five months of the fiscal year.

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- Other revenues were at 49.2 percent at the end of five months of the fiscal year.

Expenditures:

- Operating expenditures are at 33.0 percent budget year to date (YTD) versus a prorated target of 41.7 percent based on the first five months of the fiscal year.
- PAYGO and Debt Service Expenses are on target.

Prior Year Comparison:

- Operating expenditures were at 33.3 percent of actual expenditures for FY'24 at the end of five months of the fiscal year.

Factors Impacting Revenues: Water and Sewer Consumption trends.

- Water consumption is slightly higher for the first five months of the fiscal year, (133.9 MGD in FY'25 versus 132.6 MGD in FY'24) Sewer usage is also higher (113.5 MGD versus 111.2 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 98 to 1,733 through November 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 November FY'25 is \$66.5 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	FY'25	FY'24	FY'25	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU	ACTUAL THRU	THRU
		BUDGET*	11/30/23	11/30/24	6/30/25
<u>REVENUES</u>					
Water Consumption and Sewer Use Charges	\$801,723	\$801,204	\$356,835	\$371,737	\$801,204
Use of Accumulated Net Revenue	0	0	0	0	0
All Other Revenues	176,637	208,116	72,249	99,233	208,116
TOTAL REVENUES	978,360	1,009,320	429,084	470,970	1,009,320
<u>EXPENSES</u>					
Operating Expenses	533,257	603,753	184,602	199,406	603,753
PAYGO	32,506	50,601	5,398	14,561	50,601
Debt Service Expense	343,480	365,449	135,016	143,225	365,449
GROSS EXPENSES	909,243	1,019,803	325,016	357,192	1,019,803
Less: Reconstruction Debt Service & Misc Offset	0	0	0	0	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(2,405)	(2,405)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(833)	(833)	(2,000)
NET EXPENSES	901,471	1,012,031	321,778	353,954	1,012,031
NET REVENUE (LOSS) FOR YEAR	\$76,889	(\$2,711)	\$107,306	\$117,016	(\$2,711)

*Reflects transfers between major expense categories from the approved budget

CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES AND EXPENDITURES

(In Thousands)

	FY'24	FY'25	FY'24	FY'25	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU	ACTUAL THRU	THRU
	ACTUAL	BUDGET*	11/30/23	11/30/24	6/30/25
<u>REVENUES</u>					
Water Consumption Charges	\$356,194	\$360,111	\$161,315	\$169,368	\$360,111
Sewer Use Charges	445,529	441,093	195,520	202,369	441,093
Account Maintenance Fees	37,846	59,964	15,047	26,267	59,964
Infrastructure Investment Fee	46,610	74,839	18,802	32,370	74,839
Front Foot Benefit & House Connection Assessments	5,685	2,823	2,546	2,194	2,823
Plumbing & Inspection Fees	20,975	21,356	7,879	9,083	21,356
Interest Income	28,296	8,860	11,376	10,246	8,860
Rockville Sewer Use	4,507	3,300	1,995	1,881	3,300
Miscellaneous	32,718	36,974	14,604	17,192	36,974
TOTAL REVENUES	978,360	1,009,320	429,084	470,970	1,009,320
<u>EXPENSES</u>					
Salaries & Wages	141,282	160,296	56,546	65,923	160,296
Heat, Light & Power	22,079	27,278	8,201	8,977	27,278
Regional Sewage Disposal	79,822	76,908	35,581	32,578	76,908
All Other	290,074	339,271	84,274	91,928	339,271
PAYGO	32,506	50,601	5,398	14,561	50,601
Debt Service	343,480	365,449	135,016	143,225	365,449
GROSS EXPENSES	909,243	1,019,803	325,016	357,192	1,019,803
Less: Reconstruction Debt Service & Misc Offset	0	0	0	0	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(2,405)	(2,405)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(833)	(833)	(2,000)
NET EXPENSES	901,471	1,012,031	321,778	353,954	1,012,031
NET REVENUE (LOSS) FOR YEAR	\$76,889	<u>(\$2,711)</u>	<u>\$107,306</u>	<u>\$117,016</u>	<u>(\$2,711)</u>
ACCUMULATED NET REVENUE - JULY 1	312,785				388,647
Use of Fund Balance	0				0
ACCUMULATED NET REVENUE - JUNE 30	<u>\$389,674</u>				<u>\$385,936</u>

*Reflects transfers between major expense categories from the approved budget

Note: Details of the Water and Sewer Operating Funds and General Bond Debt Service Fund are on pages 6, 7 & 8, respectively.

COMBINED WATER AND SEWER OPERATING FUNDS

(In Thousands)

	FY'24 ACTUAL	FY'25 REVISED BUDGET*	FY'24 ACTUAL THRU 11/30/23	FY'25 ACTUAL THRU 11/30/24	PROJECTED THRU 6/30/25
<u>REVENUES</u>					
Water Consumption & Sewer Use Charges	\$801,723	\$801,204	\$356,835	\$371,737	\$801,204
Use of Accumulated Net Revenue	0	0	0	0	0
All Other Revenues	170,551	205,083	69,617	96,496	205,083
TOTAL REVENUES	972,274	1,006,287	426,452	468,233	1,006,287
<u>EXPENSES</u>					
Operating Expenses	531,376	601,490	183,923	198,657	601,490
PAYGO	32,506	50,601	5,398	14,561	50,601
Debt Service Expense	338,326	361,968	132,825	141,586	361,968
GROSS EXPENSES	902,208	1,014,059	322,146	354,804	1,014,059
Less: Reconstruction Debt Service & Misc Offset	20,000	0	0	0	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(2,405)	(2,405)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(833)	(833)	(2,000)
NET EXPENSES	914,436	1,006,287	318,908	351,566	1,006,287
NET REVENUE (LOSS) FOR YEAR	\$57,838	\$0	\$107,544	\$116,667	\$0
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	311,084				367,895
NET REVENUE (LOSS) FOR YEAR	57,838				0
USE OF ACCUMULATED NET REVENUE	0				0
ACCUMULATED NET REVENUE - END OF YEAR	\$368,922				\$367,895
WATER CONSUMPTION (MGD)	127.5	124.6	132.6	133.9	124.6

*Reflects transfers between major expense categories from the approved budget

NOTE: Refer to Pages 6 and 7 for details of Water and Sewer Operating Funds.

WATER OPERATING

(In Thousands)

	FY'24	FY'25	FY'24	FY'25	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU	ACTUAL THRU	THRU
		BUDGET*	11/30/23	11/30/24	6/30/25
<u>REVENUES</u>					
Water Consumption Charges	\$356,194	\$360,111	161,315	\$169,368	\$360,111
Account Maintenance Fee	19,594	\$33,122	7,792	13,568	\$33,122
Infrastructure Investment Fee	23,957	\$41,059	9,659	16,619	\$41,059
Plumbing & Inspection Fees	12,317	\$12,406	4,663	5,267	\$12,406
Interest Income	10,456	\$3,285	3,574	4,229	\$3,285
Miscellaneous	14,489	\$16,022	4,502	6,867	\$16,022
TOTAL REVENUES	437,007	466,005	191,505	215,918	466,005
<u>EXPENSES</u>					
Salaries & Wages	77,811	86,662	30,962	36,627	86,662
Heat, Light & Power	11,349	14,946	4,322	5,284	14,946
All Other	161,615	181,849	48,690	52,094	181,849
PAYGO	5,194	21,961	2,164	2,668	21,961
Debt Service	159,293	164,225	57,703	63,105	164,225
GROSS EXPENSES	415,262	469,643	143,841	159,778	469,643
Less: Reconstruction Debt Service & Misc Offset	5,000	\$0	0	0	0
Less: SDC Debt Service Offset	(2,731)	(\$2,731)	(1,138)	(1,138)	(2,731)
Less: Premium & Underwriter's Discount Transfers	(888)	(907)	(370)	(378)	(907)
NET EXPENSES	416,643	466,005	142,333	158,262	466,005
NET REVENUE (LOSS)	\$20,364	-	\$49,172	\$57,656	\$0
ACCUMULATED NET REVENUE - JULY 1	114,959				134,738 **
Use of Fund Balance	0				0
Fund Balance Transfer	0				0
ACCUMULATED NET REVENUE - JUNE 30	\$135,323				\$134,738

*Reflects transfers between major expense categories from the approved budget

**Reflects a decrease in net revenues of \$585,000 resulting from prior year adjustments.

SEWER OPERATING

(In Thousands)

	FY'24	FY'25	FY'24	FY'25	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU	ACTUAL THRU	THRU
	ACTUAL	BUDGET*	11/30/23	11/30/24	6/30/25
<u>REVENUES</u>					
Sewer Use Charges	\$445,529	\$441,093	195,520	\$202,369	\$441,093
Account Maintenance Fee	18,252	\$26,842	7,255	12,699	\$26,842
Infrastructure Investment Fee	22,653	\$33,780	9,143	15,751	\$33,780
Rockville Sewer Use	4,507	\$3,300	1,995	1,881	\$3,300
Interest Income	17,540	\$5,575	7,755	5,535	\$5,575
Plumbing & Inspection Fees	8,658	\$8,950	3,216	3,816	\$8,950
Miscellaneous	18,128	\$20,742	10,063	10,264	\$20,742
TOTAL REVENUES	535,267	540,282	234,947	252,315	540,282
<u>EXPENSES</u>					
Salaries & Wages	62,513	72,781	25,198	28,846	72,781
Heat, Light & Power	10,730	12,332	3,879	3,693	12,332
Regional Sewage Disposal	79,822	76,908	35,581	32,578	76,908
All Other	127,536	156,012	35,291	39,535	156,012
PAYGO	27,312	28,640	3,234	11,893	28,640
Debt Service	179,033	197,743	75,122	78,481	197,743
GROSS EXPENSES	486,946	544,416	178,305	195,026	544,416
Less: Reconstruction Debt Service Offset	15,000	\$0	0	0	0
Less: SDC Debt Service Offset	(3,041)	(\$3,041)	(1,267)	(1,267)	(3,041)
Less: Premium & Underwriter's Discount Transfers	(1,112)	(1,093)	(463)	(455)	(1,093)
NET EXPENSES	497,793	540,282	176,575	193,304	540,282
NET REVENUE (LOSS)	\$37,474	\$0	\$58,372	\$59,011	\$0
ACCUMULATED NET REVENUE - JULY 1	196,125				233,157 **
Use of Fund Balance	0				0
Fund Balance Transfer	0				0
ACCUMULATED NET REVENUE - JUNE 30	\$233,599				\$233,157

*Reflects transfers between major expense categories from the approved budget

**Reflects a decrease in net revenues of \$442,000 resulting from prior year adjustments.

GENERAL BOND DEBT SERVICE FUND

(In Thousands)

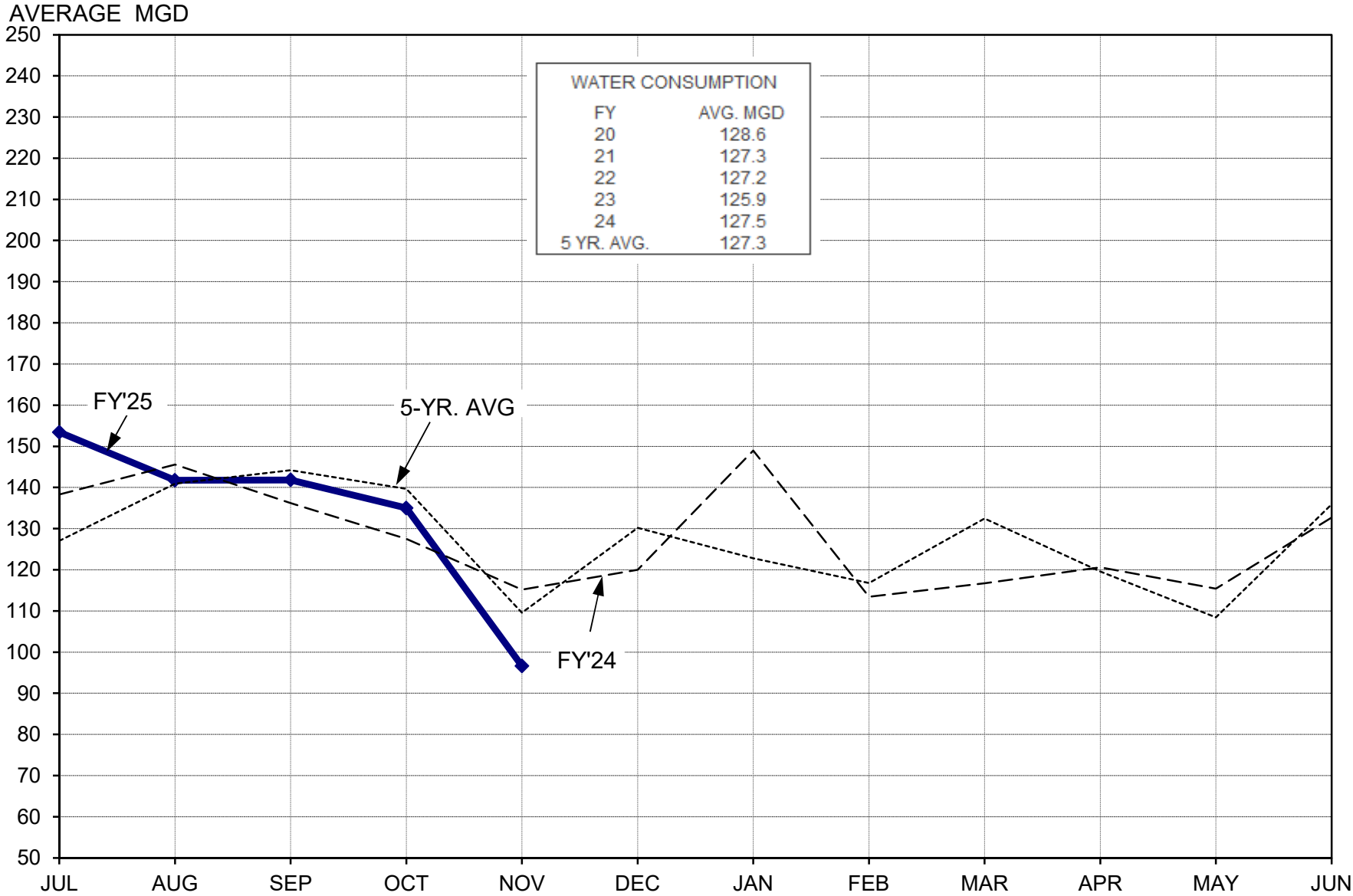
	FY'24	FY'25	FY'24	FY'25	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU	ACTUAL THRU	THRU
	ACTUAL	BUDGET*	11/30/23	11/30/24	6/30/25
<u>REVENUES</u>					
Front Foot Benefit & House Connection					
Assessments	\$5,685	\$2,823	\$2,546	\$2,194	\$2,823
Interest Income	300	\$0	47	482	\$0
Miscellaneous	101	\$210	39	61	\$210
Use of Accumulated Net Revenue	0	0	0	0	\$0
Reconstruction Debt Service Offset	20,000	\$0	0	0	\$0
TOTAL REVENUES	26,086	3,033	2,632	2,737	3,033
<u>EXPENSES</u>					
Salaries & Wages	958	853	386	450	853
All Other	923	1,410	293	299	1,410
Debt Service	5,154	3,481	2,191	1,639	3,481
GROSS EXPENSES	7,035	5,744	2,870	2,388	5,744
NET EXPENSES	7,035	5,744	2,870	2,388	5,744
NET REVENUE (LOSS)	\$19,051	(\$2,711)	(\$238)	\$349	(\$2,711)
ACCUMULATED NET REVENUE - JULY 1	1,701				20,752
Use of Fund Balance	0				0
ACCUMULATED NET REVENUE - JUNE 30	\$20,752				\$18,041

*Reflects transfers between major expense categories from the approved budget

**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	141.836	145.713	140.045
October	135.019	143.017	136.891
November	96.623	133.920	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



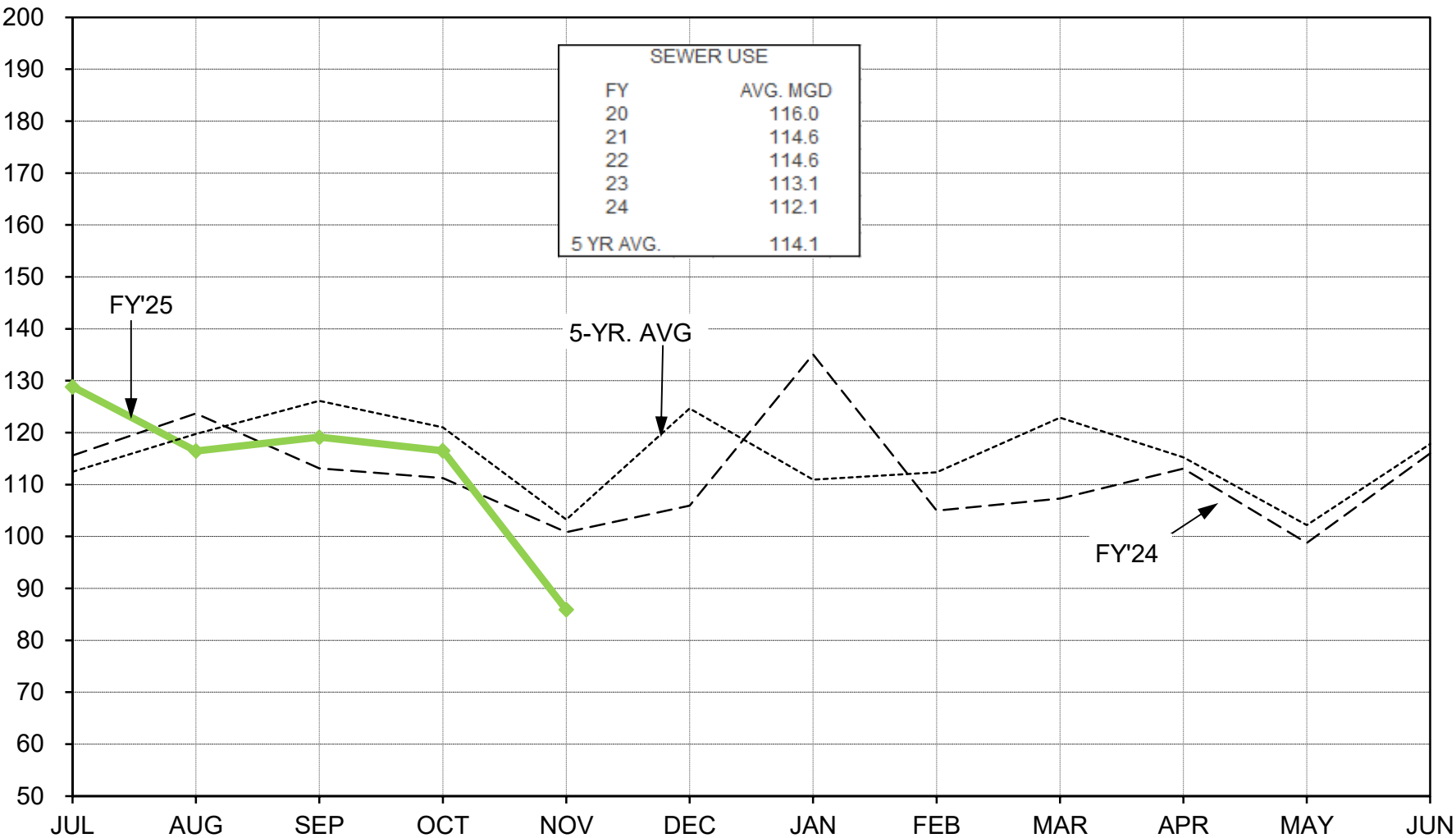
**FY'25
SEWER USE**

<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	119.14	121.51	120.65
October	116.52	120.25	117.61
November	85.91	113.52	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)

	FY'24	FY'25	FY'25	FY'24	FY'25	PROJECTED
	ACTUAL	REVISED	BUDGET AT	ACTUAL THRU	ACTUAL THRU	THRU
	ACTUAL	BUDGET*	70% COMPLETION	11/30/23	11/30/24	6/30/25
<u>GROSS FUNDS AVAILABLE</u>						
FUNDS AVAILABLE-JULY 1	\$132,156					
Bonds Issued and Cash on Hand	\$338,711	\$688,373	\$450,993			
Anticipated Contributions:						
Federal & State Grants	4,959	30,720	30,720			
System Development Charge	12,484	49,926	49,926			
Other	22,227	22,248	22,248			
Available for Current Construction	<u>510,537</u>	<u>791,267</u>	<u>553,887</u>			
<u>CAPITAL COSTS</u>						
Salaries & Wages	\$31,381	32,359	32,359	\$13,084	\$15,550	32,359
Contract Work	245,931	512,077	348,746	89,239	119,667	348,746
Consulting Engineers	33,838	83,705	58,594	5,871	9,089	58,594
All Other **	99,011	163,005	114,188	37,199	42,061	114,188
TOTAL COSTS	<u>\$410,161</u>	<u>\$791,146</u>	<u>\$553,887</u>	<u>\$145,393</u>	<u>\$186,367</u>	<u>\$553,887</u>

*Reflects transfers between major expense categories from the approved budget

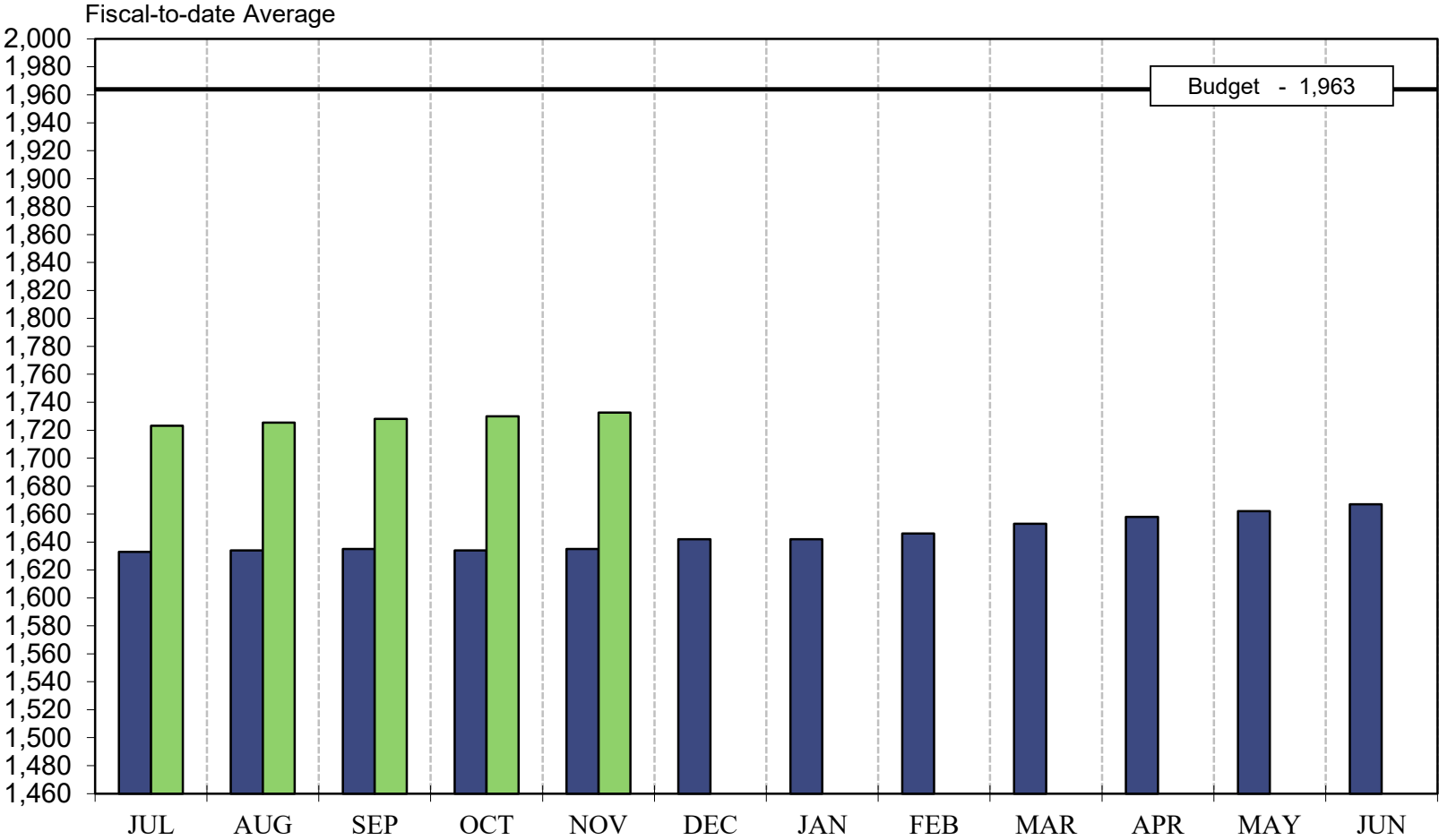
**Reflects prior year adjustments. No Bond Premium transfer in FY24-FY25

SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2024	\$68,377
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	11,110
Interest Income	<u>1,441</u>
FUNDS AVAILABLE	80,928
Less MOU Credit Reimbursement	(181)
<u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(1,138)
Sewer Operating - Debt Service	<u>(1,267)</u>
<u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	0
Sewer Disposal Bond	<u>0</u>
Account Balance	78,342
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	<u>(11,840)</u>
AVAILABLE ACCOUNT BALANCE, NOVEMBER 30, 2024	<u><u>\$66,502</u></u>

ACTUAL WORKYEARS



<div></div> 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
<div></div> FY'25	1,723	1,725	1,728	1,730	1,733	-	-	-	-	-	-	-