



WSSC WATER
DELIVERING THE ESSENTIAL

FY2025
MONTHLY STATUS REPORT

OCTOBER 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: December 26, 2024

SUBJECT: MONTHLY STATUS REPORT – OCTOBER 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 October 31, 2024, for Fiscal Year 2025 (FY'25). Total operating fund revenues are at \$385.1 million, and net operating fund expenses are at \$277.3 million. The net revenues of \$107.8 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 October 2024 report as follows:

Revenues:

- Water and Sewer revenues – which make up 79.0 percent of total revenues are at 38.0 percent YTD versus a prorated target of 33.3 percent based on the first four months of the fiscal year.
- Other revenues which make up 21.0 percent of total revenues are at 38.8 percent of YTD versus a prorated target of 33.3 percent. (Page 3)
- Interest Income on cash balances is materially ahead of budget for the first four 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 37.0 percent of actual revenues for FY'24 at the end of four months of the fiscal year.

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- Other revenues were at 41.0 percent at the end of four months of the fiscal year.

Expenditures:

- Operating expenditures are at 25.6 percent budget year to date (YTD) versus a prorated target of 33.3 percent based on the first four months of the fiscal year.
- PAYGO and Debt Service Expenses are \$13.5 thousand below budget.

Prior Year Comparison:

- Operating expenditures were at 25.6 percent of actual expenditures for FY'24 at the end of four months of the fiscal year.

Factors Impacting Revenues: Water and Sewer Consumption trends.

- Water consumption is higher for the first four months of the fiscal year, (143.0 MGD in FY'25 versus 136.9 MGD in FY'24) Sewer usage is also higher (120.3 MGD versus 117.6 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 96 to 1,730 through October 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 October FY'25 is \$64.9 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 REVISED BUDGET* | FY'24 ACTUAL THRU 10/31/23 | FY'25 ACTUAL THRU 10/31/24 | PROJECTED THRU 6/30/25 |
|--|-------------------------|--------------------------------------|---|---|---------------------------------------|
| <u>REVENUES</u> | | | | | |
| Water Consumption and Sewer Use Charges | \$801,723 | \$801,204 | \$289,293 | \$304,397 | \$801,204 |
| Use of Accumulated Net Revenue | 0 | 0 | 0 | 0 | 0 |
| All Other Revenues | 176,637 | 208,116 | 60,189 | 80,722 | 208,116 |
| TOTAL REVENUES | 978,360 | 1,009,320 | 349,482 | 385,119 | 1,009,320 |
| <u>EXPENSES</u> | | | | | |
| Operating Expenses | 533,257 | 603,753 | 141,626 | 154,671 | 603,753 |
| PAYGO | 32,506 | 50,601 | 4,318 | 10,633 | 50,601 |
| Debt Service Expense | 343,480 | 365,449 | 108,078 | 114,596 | 365,449 |
| GROSS EXPENSES | 909,243 | 1,019,803 | 254,022 | 279,900 | 1,019,803 |
| Less: Reconstruction Debt Service & Misc Offset | 0 | 0 | 0 | 0 | 0 |
| Less: SDC Debt Service Offset | (5,772) | (5,772) | (1,924) | (1,924) | (5,772) |
| Less: Premium & Underwriter's Discount Transfers | (2,000) | (2,000) | (667) | (666) | (2,000) |
| NET EXPENSES | 901,471 | 1,012,031 | 251,431 | 277,310 | 1,012,031 |
| NET REVENUE (LOSS) FOR YEAR | \$76,889 | (\$2,711) | \$98,051 | \$107,809 | (\$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* | 10/31/23 | 10/31/24 | 6/30/25 |
| <u>REVENUES</u> | | | | | |
| Water Consumption Charges | \$356,194 | \$360,111 | \$131,318 | \$139,666 | \$360,111 |
| Sewer Use Charges | 445,529 | 441,093 | 157,975 | 164,731 | 441,093 |
| Account Maintenance Fees | 37,846 | 59,964 | 12,519 | 21,085 | 59,964 |
| Infrastructure Investment Fee | 46,610 | 74,839 | 15,541 | 25,991 | 74,839 |
| Front Foot Benefit & House Connection Assessments | 5,685 | 2,823 | 2,037 | 1,755 | 2,823 |
| Plumbing & Inspection Fees | 20,975 | 21,356 | 6,570 | 7,234 | 21,356 |
| Interest Income | 28,296 | 8,860 | 8,975 | 8,300 | 8,860 |
| Rockville Sewer Use | 4,507 | 3,300 | 1,590 | 1,450 | 3,300 |
| Miscellaneous | 32,718 | 36,974 | 12,957 | 14,907 | 36,974 |
| TOTAL REVENUES | 978,360 | 1,009,320 | 349,482 | 385,119 | 1,009,320 |
| <u>EXPENSES</u> | | | | | |
| Salaries & Wages | 141,282 | 160,171 | 44,772 | 52,241 | 160,171 |
| Heat, Light & Power | 22,079 | 27,278 | 6,629 | 7,575 | 27,278 |
| Regional Sewage Disposal | 79,822 | 76,908 | 28,440 | 25,196 | 76,908 |
| All Other | 290,074 | 339,396 | 61,785 | 69,659 | 339,396 |
| PAYGO | 32,506 | 50,601 | 4,318 | 10,633 | 50,601 |
| Debt Service | 343,480 | 365,449 | 108,078 | 114,596 | 365,449 |
| GROSS EXPENSES | 909,243 | 1,019,803 | 254,022 | 279,900 | 1,019,803 |
| Less: Reconstruction Debt Service & Misc Offset | 0 | 0 | 0 | 0 | 0 |
| Less: SDC Debt Service Offset | (5,772) | (5,772) | (1,924) | (1,924) | (5,772) |
| Less: Premium & Underwriter's Discount Transfers | (2,000) | (2,000) | (667) | (666) | (2,000) |
| NET EXPENSES | 901,471 | 1,012,031 | 251,431 | 277,310 | 1,012,031 |
| NET REVENUE (LOSS) FOR YEAR | \$76,889 | <u>(\$2,711)</u> | <u>\$98,051</u> | <u>\$107,809</u> | <u>(\$2,711)</u> |
| 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> |

*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 10/31/23 | FY'25 ACTUAL THRU 10/31/24 | PROJECTED THRU 6/30/25 |
|--|-------------------------|--------------------------------------|---|---|---------------------------------------|
| <u>REVENUES</u> | | | | | |
| Water Consumption & Sewer Use Charges | \$801,723 | \$801,204 | \$289,293 | \$304,397 | \$801,204 |
| Use of Accumulated Net Revenue | 0 | 0 | 0 | 0 | 0 |
| All Other Revenues | 170,551 | 205,083 | 58,114 | 78,541 | 205,083 |
| TOTAL REVENUES | 972,274 | 1,006,287 | 347,407 | 382,938 | 1,006,287 |
| <u>EXPENSES</u> | | | | | |
| Operating Expenses | 531,376 | 601,490 | 141,100 | 154,074 | 601,490 |
| PAYGO | 32,506 | 50,601 | 4,318 | 10,633 | 50,601 |
| Debt Service Expense | 338,326 | 361,968 | 106,317 | 113,276 | 361,968 |
| GROSS EXPENSES | 902,208 | 1,014,059 | 251,735 | 277,983 | 1,014,059 |
| Less: Reconstruction Debt Service & Misc Offset | 20,000 | 0 | 0 | 0 | 0 |
| Less: SDC Debt Service Offset | (5,772) | (5,772) | (1,924) | (1,924) | (5,772) |
| Less: Premium & Underwriter's Discount Transfers | (2,000) | (2,000) | (667) | (666) | (2,000) |
| NET EXPENSES | 914,436 | 1,006,287 | 249,144 | 275,393 | 1,006,287 |
| NET REVENUE (LOSS) FOR YEAR | \$57,838 | \$0 | \$98,263 | \$107,545 | \$0 |
| ACCUMULATED NET REVENUE - BEGINNING OF YEAR | 311,084 | | | | 368,696 |
| NET REVENUE (LOSS) FOR YEAR | 57,838 | | | | 0 |
| USE OF ACCUMULATED NET REVENUE | 0 | | | | 0 |
| ACCUMULATED NET REVENUE - END OF YEAR | \$368,922 | | | | \$368,696 |
| WATER CONSUMPTION (MGD) | 127.5 | 124.6 | 136.9 | 143.0 | 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* | 10/31/23 | 10/31/24 | 6/30/25 |
| <u>REVENUES</u> | | | | | |
| Water Consumption Charges | \$356,194 | \$360,111 | 131,318 | \$139,666 | \$360,111 |
| Account Maintenance Fee | 19,594 | \$33,122 | 6,496 | 10,912 | \$33,122 |
| Infrastructure Investment Fee | 23,957 | \$41,059 | 7,995 | 13,365 | \$41,059 |
| Plumbing & Inspection Fees | 12,317 | \$12,406 | 3,896 | 4,240 | \$12,406 |
| Interest Income | 10,456 | \$3,285 | 2,902 | 3,476 | \$3,285 |
| Miscellaneous | 14,489 | \$16,022 | 3,719 | 5,501 | \$16,022 |
| TOTAL REVENUES | 437,007 | 466,005 | 156,326 | 177,160 | 466,005 |
| <u>EXPENSES</u> | | | | | |
| Salaries & Wages | 77,811 | 86,594 | 24,389 | 28,942 | 86,594 |
| Heat, Light & Power | 11,349 | 14,946 | 3,384 | 4,473 | 14,946 |
| All Other | 161,615 | 181,917 | 35,586 | 39,379 | 181,917 |
| PAYGO | 5,194 | 21,961 | 1,731 | 1,120 | 21,961 |
| Debt Service | 159,293 | 164,225 | 46,202 | 50,514 | 164,225 |
| GROSS EXPENSES | 415,262 | 469,643 | 111,292 | 124,428 | 469,643 |
| Less: Reconstruction Debt Service & Misc Offset | 5,000 | \$0 | 0 | 0 | 0 |
| Less: SDC Debt Service Offset | (2,731) | (\$2,731) | (910) | (910) | (2,731) |
| Less: Premium & Underwriter's Discount Transfers | (888) | (907) | (296) | (302) | (907) |
| NET EXPENSES | 416,643 | 466,005 | 110,086 | 123,216 | 466,005 |
| NET REVENUE (LOSS) | \$20,364 | - | \$46,240 | \$53,944 | \$0 |
| ACCUMULATED NET REVENUE - JULY 1 | 114,959 | | | | 135,108 ** |
| Use of Fund Balance | 0 | | | | 0 |
| Fund Balance Transfer | 0 | | | | 0 |
| ACCUMULATED NET REVENUE - JUNE 30 | \$135,323 | | | | \$135,108 |

*Reflects transfers between major expense categories from the approved budget

**Reflects a decrease in net revenues of \$215,000 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* | 10/31/23 | 10/31/24 | 6/30/25 |
| <u>REVENUES</u> | | | | | |
| Sewer Use Charges | \$445,529 | \$441,093 | 157,975 | \$164,731 | \$441,093 |
| Account Maintenance Fee | 18,252 | \$26,842 | 6,023 | 10,173 | \$26,842 |
| Infrastructure Investment Fee | 22,653 | \$33,780 | 7,546 | 12,626 | \$33,780 |
| Rockville Sewer Use | 4,507 | \$3,300 | 1,590 | 1,450 | \$3,300 |
| Interest Income | 17,540 | \$5,575 | 6,064 | 4,432 | \$5,575 |
| Plumbing & Inspection Fees | 8,658 | \$8,950 | 2,674 | 2,994 | \$8,950 |
| Miscellaneous | 18,128 | \$20,742 | 9,209 | 9,372 | \$20,742 |
| TOTAL REVENUES | 535,267 | 540,282 | 191,081 | 205,778 | 540,282 |
| <u>EXPENSES</u> | | | | | |
| Salaries & Wages | 62,513 | 72,725 | 20,078 | 22,943 | 72,725 |
| Heat, Light & Power | 10,730 | 12,332 | 3,245 | 3,102 | 12,332 |
| Regional Sewage Disposal | 79,822 | 76,908 | 28,440 | 25,196 | 76,908 |
| All Other | 127,536 | 156,068 | 25,978 | 30,039 | 156,068 |
| PAYGO | 27,312 | 28,640 | 2,587 | 9,513 | 28,640 |
| Debt Service | 179,033 | 197,743 | 60,115 | 62,762 | 197,743 |
| GROSS EXPENSES | 486,946 | 544,416 | 140,443 | 153,555 | 544,416 |
| Less: Reconstruction Debt Service Offset | 15,000 | \$0 | 0 | 0 | 0 |
| Less: SDC Debt Service Offset | (3,041) | (\$3,041) | (1,014) | (1,014) | (3,041) |
| Less: Premium & Underwriter's Discount Transfers | (1,112) | (1,093) | (371) | (364) | (1,093) |
| NET EXPENSES | 497,793 | 540,282 | 139,058 | 152,177 | 540,282 |
| NET REVENUE (LOSS) | \$37,474 | \$0 | \$52,023 | \$53,601 | \$0 |
| ACCUMULATED NET REVENUE - JULY 1 | 196,125 | | | | 233,588 ** |
| Use of Fund Balance | 0 | | | | 0 |
| Fund Balance Transfer | 0 | | | | 0 |
| ACCUMULATED NET REVENUE - JUNE 30 | \$233,599 | | | | \$233,588 |

*Reflects transfers between major expense categories from the approved budget

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

GENERAL BOND DEBT SERVICE FUND

(In Thousands)

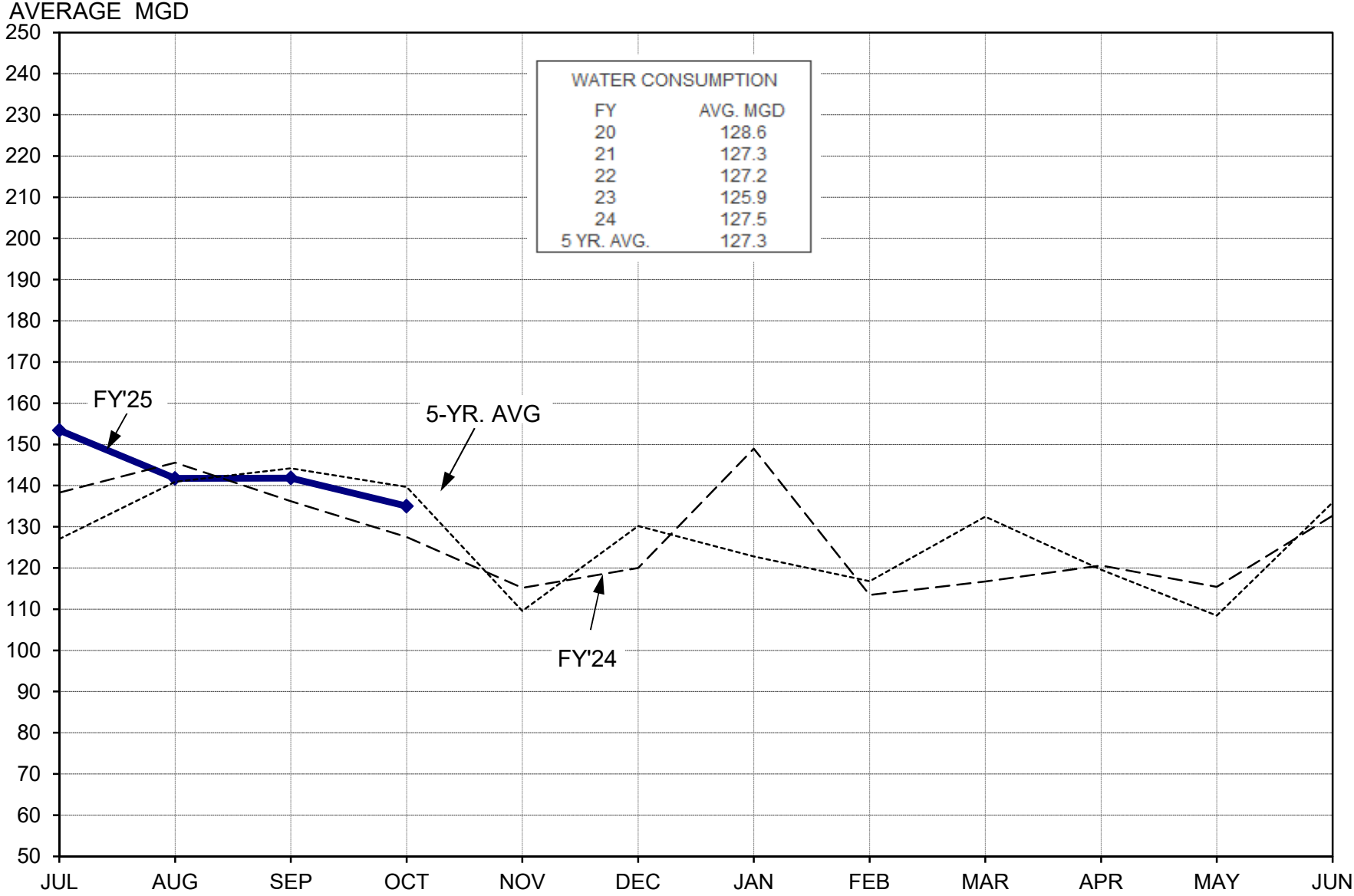
| | FY'24 | FY'25 | FY'24 | FY'25 | PROJECTED |
|--|-----------------|------------------|--------------------|--------------------|------------------|
| | ACTUAL | REVISED | ACTUAL THRU | ACTUAL THRU | THRU |
| | ACTUAL | BUDGET* | 10/31/23 | 10/31/24 | 6/30/25 |
| <u>REVENUES</u> | | | | | |
| Front Foot Benefit & House Connection | | | | | |
| Assessments | \$5,685 | \$2,823 | \$2,037 | \$1,755 | \$2,823 |
| Interest Income | 300 | \$0 | 9 | 392 | \$0 |
| Miscellaneous | 101 | \$210 | 29 | 34 | \$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 | 2,075 | 2,181 | 3,033 |
| <u>EXPENSES</u> | | | | | |
| Salaries & Wages | 958 | 852 | 305 | 356 | 852 |
| All Other | 923 | 1,411 | 221 | 241 | 1,411 |
| Debt Service | 5,154 | 3,481 | 1,761 | 1,320 | 3,481 |
| GROSS EXPENSES | 7,035 | 5,744 | 2,287 | 1,917 | 5,744 |
| NET EXPENSES | 7,035 | 5,744 | 2,287 | 1,917 | 5,744 |
| NET REVENUE (LOSS) | \$19,051 | (\$2,711) | (\$212) | \$264 | (\$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 | | | 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

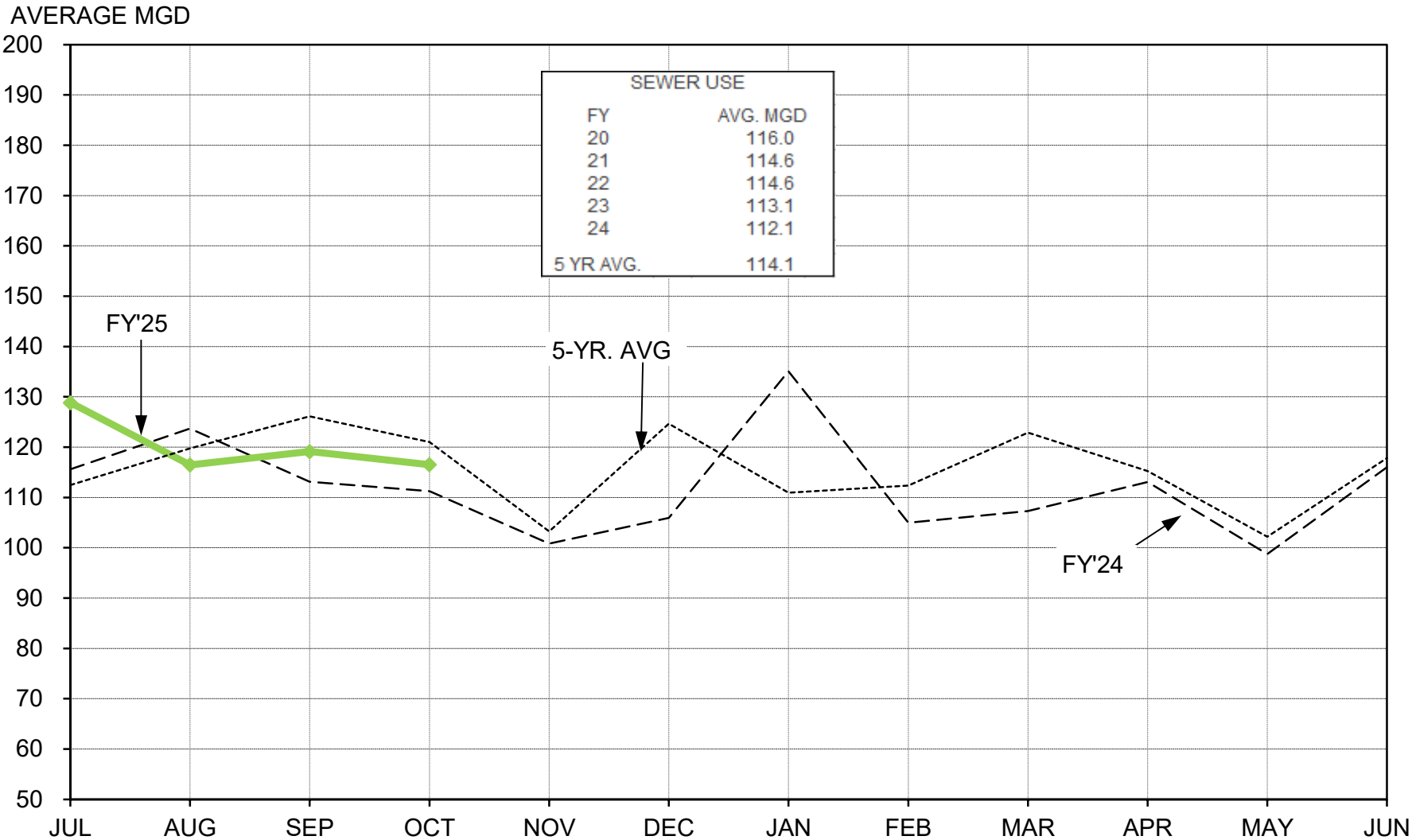


**FY'25
SEWER USE**

| <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 | | | 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)



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 | 10/31/23 | 10/31/24 | 6/30/25 |
| <u>GROSS FUNDS AVAILABLE</u> | | | | | | |
| 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 | 378,381 | 791,267 | 553,887 | | | |
| <u>CAPITAL COSTS</u> | | | | | | |
| Salaries & Wages | \$31,381 | 32,330 | 32,330 | \$10,555 | \$12,209 | 32,330 |
| Contract Work | 245,931 | 512,077 | 348,755 | 69,999 | 94,467 | 348,755 |
| Consulting Engineers | 33,838 | 83,705 | 58,594 | 3,538 | 6,678 | 58,594 |
| All Other ** | 99,011 | 163,155 | 114,208 | 28,758 | 31,852 | 114,208 |
| TOTAL COSTS | \$410,161 | \$791,267 | \$553,887 | \$112,850 | \$145,206 | \$553,887 |

*Reflects transfers between major expense categories from the approved budget

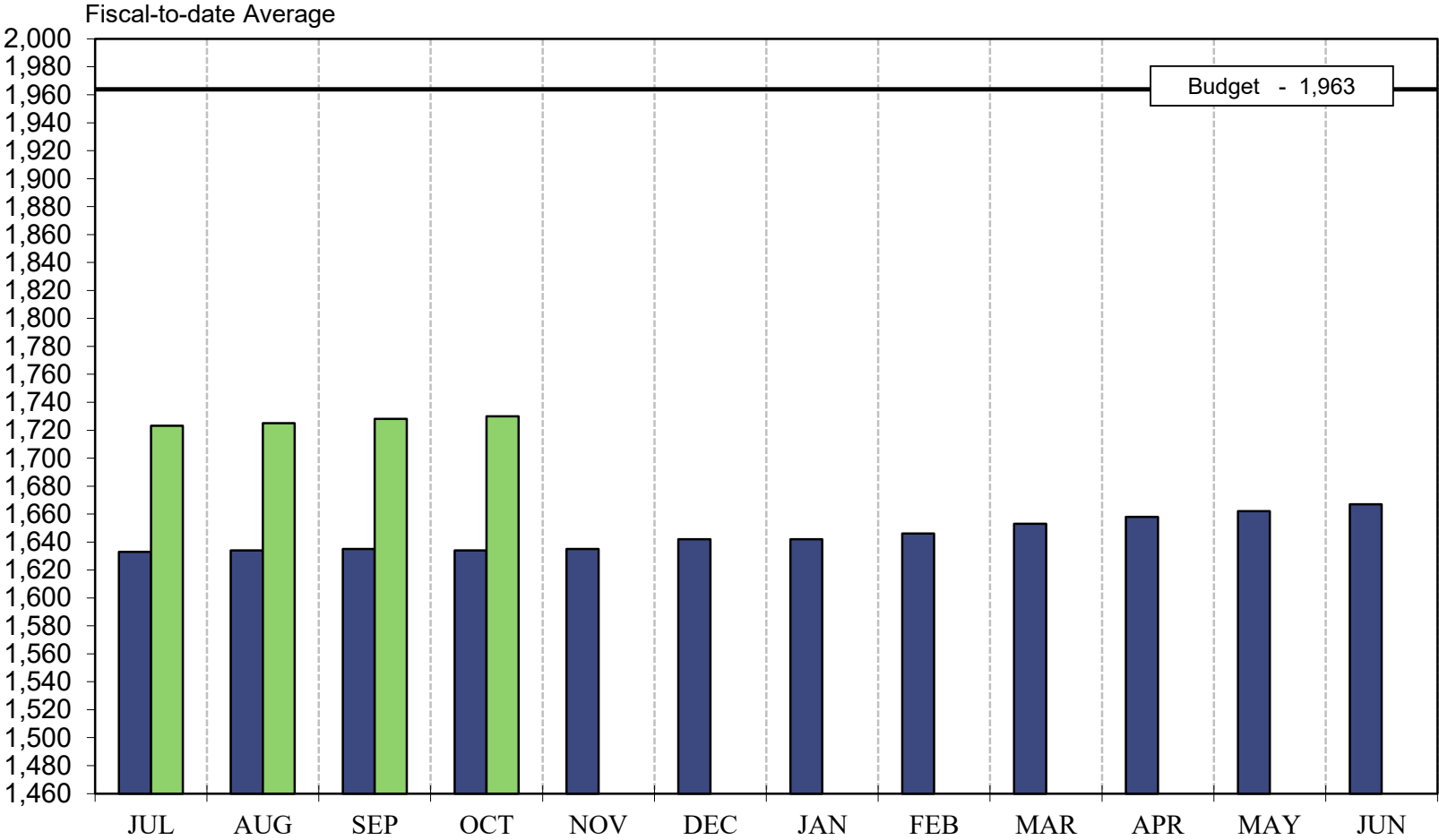
**Reflects prior year adjustments. No Bond Premium transfer in FY24-FY25

SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

| | |
|---|------------------------|
| ACCOUNT BALANCE, JULY 1, 2024 | \$68,377 |
| <u>ACCOUNT ADDITIONS:</u> | |
| SDC Revenues, Net | 9,348 |
| Interest Income | <u>1,150</u> |
| FUNDS AVAILABLE | 78,875 |
| Less MOU Credit Reimbursement | (181) |
| <u>TRANSFERRED TO OPERATING FUNDS:*</u> | |
| Water Operating - Debt Service | (910) |
| Sewer Operating - Debt Service | (1,014) |
| <u>TRANSFERRED TO BOND FUNDS:</u> | |
| Water Supply Bond | 0 |
| Sewer Disposal Bond | <u>0</u> |
| Account Balance | 76,770 |
| Less Amounts Billed But Not Yet Collected | 0 |
| Less Reserve for MOU Related Reimbursements | <u>(11,840)</u> |
| AVAILABLE ACCOUNT BALANCE, OCTOBER 31, 2024 | <u><u>\$64,930</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 | - | - | - | - | - | - | - | - |