



WSSC WATER

DELIVERING THE ESSENTIAL

FY2025
MONTHLY STATUS REPORT

FEBRUARY 2025



Interoffice Memorandum

TO: KISHIA L. POWELL
GENERAL MANAGER/CEO

FROM: MUNETSI TIMOTHY MUSARA, CPA
CHIEF FINANCIAL OFFICER

Signed by:
Munetsi Timothy Musara
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DATE: April 21, 2025

SUBJECT: MONTHLY STATUS REPORT – FEBRUARY 2025

Attached is the February 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 February 28, 2025, for Fiscal Year 2025 (FY'25). Total operating fund revenues are at \$720.1 million, and net operating fund expenses are at \$602.6 million. The net revenues of \$117.5 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 February 2025 report as follows:

Revenues

- Water and Sewer revenues – which make up 78.9 percent of total revenues are at 70.9 percent YTD versus a prorated target of 66.7 percent based on the first eight months of the fiscal year.
- Other revenues which make up 21.1 percent of total revenues are at 72.9 percent of YTD versus a prorated target of 66.7 percent. (Page 3)
- Interest Income on cash balances is materially ahead of budget for the first eight 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 69.6 percent of actual revenues for FY'24 at the end of eight months of the fiscal year.

KISHIA L. POWELL
MONTHLY STATUS REPORT - FEBRUARY
April 21, 2025
PAGE 2

- Other revenues were at 80.5 percent at the end of eight months of the fiscal year.

Expenditures:

- Operating expenditures are at 58.1 percent budget year to date (YTD) versus a prorated target of 66.7 percent based on the first eight months of the fiscal year.
- PAYGO and Debt Service Expenses are on target.

Prior Year Comparison:

- Operating expenditures were at 57.7 percent of actual expenditures for FY'24 at the end of eight months of the fiscal year.

Factors Impacting Revenues: Water and Sewer Consumption trends.

- Water consumption is higher for the first eight months of the fiscal year, (133.2 MGD in FY'25 versus 130.8 MGD in FY'24) Sewer usage is also higher (115.0 MGD versus 113.0 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 95 to 1,741 through February FY'25, from a similar period in FY24. The current filled complement is less than 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 February FY'25 is \$70.8 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	FY'25	FY'25	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU	ACTUAL THRU	VARIANCE	% VARIANCE	THRU
	ACTUAL	BUDGET*	2/28/24	2/28/25	TO BUDGET	TO BUDGET	6/30/25
<u>REVENUES</u>							
Water Consumption and Sewer Use Charges	\$801,723	\$801,204	\$544,359	\$568,409	(\$232,795)	-29%	\$813,731
Use of Accumulated Net Revenue	0	0	0	0	\$0	0%	0
All Other Revenues	176,637	208,116	118,317	151,683	(\$56,433)	-27%	227,375
TOTAL REVENUES	978,360	1,009,320	662,676	720,092	(289,228)	-29%	1,041,106
<u>EXPENSES</u>							
Operating Expenses	533,257	603,753	319,922	350,830	(\$252,923)	-42%	528,523
PAYGO	32,506	50,601	8,638	25,963	(\$24,638)	-49%	38,900
Debt Service Expense	343,480	365,449	218,537	230,968	(\$134,481)	-37%	353,471
GROSS EXPENSES	909,243	1,019,803	547,097	607,761	(412,042)	-40%	920,894
Less: Reconstruction Debt Service & Misc Offset	0	0	0	0	\$0	0%	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(3,848)	(3,848)	\$1,924	-33%	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(1,333)	(1,334)	\$666	-33%	(2,000)
NET EXPENSES	901,471	1,012,031	541,916	602,579	(409,452)	-40%	913,122
NET REVENUE (LOSS) FOR YEAR	\$76,889	(\$2,711)	\$120,760	\$117,513	\$120,224	-4435%	\$127,984

*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	FY'25	FY'25	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU	ACTUAL THRU	VARIANCE	% VARIANCE	THRU
		BUDGET*	2/28/24	2/28/25	TO BUDGET	TO BUDGET	6/30/25
REVENUES							
Water Consumption Charges	\$356,194	\$360,111	\$243,337	\$255,925	(\$104,186)	-29%	\$365,219
Sewer Use Charges	445,529	441,093	301,022	312,484	(\$128,609)	-29%	448,511
Account Maintenance Fees	37,846	59,964	25,100	41,734	(\$18,230)	-30%	62,600
Infrastructure Investment Fee	46,610	74,839	30,991	51,396	(\$23,443)	-31%	77,100
Front Foot Benefit & House Connection Assessments	5,685	2,823	3,819	3,264	\$441	16%	4,755
Plumbing & Inspection Fees	20,975	21,356	13,965	13,880	(\$7,476)	-35%	20,800
Interest Income	28,296	8,860	18,050	15,562	\$6,702	76%	23,290
Rockville Sewer Use	4,507	3,300	3,079	3,038	(\$262)	-8%	4,600
Miscellaneous	32,718	36,974	23,313	22,809	(\$14,165)	-38%	34,230
TOTAL REVENUES	978,360	1,009,320	662,676	720,092	(289,228)	-29%	1,041,106
EXPENSES							
Salaries & Wages	141,282	160,344	93,456	109,842	(\$50,502)	-31%	164,822
Heat, Light & Power	22,079	27,278	14,728	15,372	(\$11,906)	-44%	25,208
Regional Sewage Disposal	79,822	76,908	54,581	52,213	(\$24,695)	-32%	78,300
All Other	290,074	339,223	157,157	173,403	(\$165,820)	-49%	260,193
PAYGO	32,506	50,601	8,638	25,963	(\$24,638)	-49%	38,900
Debt Service	343,480	365,449	218,537	230,968	(\$134,481)	-37%	353,471
GROSS EXPENSES	909,243	1,019,803	547,097	607,761	(412,042)	-40%	920,894
Less: Reconstruction Debt Service & Misc Offset	0	0	0	0	\$0	0%	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(3,848)	(3,848)	\$1,924	-33%	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(1,333)	(1,334)	\$666	-33%	(2,000)
NET EXPENSES	901,471	1,012,031	541,916	602,579	(409,452)	-40%	913,122
NET REVENUE (LOSS) FOR YEAR	\$76,889	<u>(\$2,711)</u>	<u>\$120,760</u>	<u>\$117,513</u>	<u>\$120,224</u>	<u>-4435%</u>	\$127,984
ACCUMULATED NET REVENUE - JULY 1	312,785						387,887
Use of Fund Balance	0						0
ACCUMULATED NET REVENUE - JUNE 30	<u>\$389,674</u>						<u>\$515,871</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 2/28/24	FY'25 ACTUAL THRU 2/28/25	FY'25 VARIANCE TO BUDGET	FY'25 % VARIANCE TO BUDGET	PROJECTED THRU 6/30/25
<u>REVENUES</u>							
Water Consumption & Sewer Use Charges	\$801,723	\$801,204	\$544,359	\$568,409	(\$232,795)	-29%	\$813,731
Use of Accumulated Net Revenue	0	0	0	0	\$0	0%	0
All Other Revenues	170,551	205,083	114,334	147,474	(\$57,609)	-28%	221,200
TOTAL REVENUES	972,274	1,006,287	658,693	715,883	(290,404)	-29%	1,034,931
<u>EXPENSES</u>							
Operating Expenses	531,376	601,490	318,737	349,580	(\$251,910)	-42%	526,508
PAYGO	32,506	50,601	8,638	25,963	(\$24,638)	-49%	38,900
Debt Service Expense	338,326	361,968	215,061	228,431	(\$133,537)	-37%	349,661
GROSS EXPENSES	902,208	1,014,059	542,436	603,974	(410,085)		915,069
Less: Reconstruction Debt Service & Misc Offset	20,000	0	0	0	\$0	0%	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(3,848)	(3,848)	\$1,924	-33%	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(1,333)	(1,334)	\$666	-33%	(2,000)
NET EXPENSES	914,436	1,006,287	537,255	598,792	(407,495)	-40%	907,297
NET REVENUE (LOSS) FOR YEAR	\$57,838	\$0	\$121,438	\$117,091	\$117,091	0%	\$127,634
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	311,084						367,135
NET REVENUE (LOSS) FOR YEAR	57,838						127,634
USE OF ACCUMULATED NET REVENUE	0						0
ACCUMULATED NET REVENUE - END OF YEAR	\$368,922						\$494,769
WATER CONSUMPTION (MGD)	127.5	124.6	130.8	133.2	8.6	7%	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 ACTUAL	FY'25 REVISED BUDGET*	FY'24 ACTUAL THRU 2/28/24	FY'25 ACTUAL THRU 2/28/25	FY'25 VARIANCE TO BUDGET	FY'25 % VARIANCE TO BUDGET	PROJECTED THRU 6/30/25
<u>REVENUES</u>							
Water Consumption Charges	\$356,194	\$360,111	243,337	\$255,925	(\$104,186)	-29%	\$365,219
Account Maintenance Fee	19,594	\$33,122	12,998	21,582	(\$11,540)	-35%	\$32,400
Infrastructure Investment Fee	23,957	\$41,059	15,925	26,404	(\$14,655)	-36%	\$39,600
Plumbing & Inspection Fees	12,317	\$12,406	8,190	8,148	(\$4,258)	-34%	\$12,200
Interest Income	10,456	\$3,285	5,356	6,029	\$2,744	84%	\$9,000
Miscellaneous	14,489	\$16,022	9,643	9,753	(\$6,269)	-39%	\$14,600
TOTAL REVENUES	437,007	466,005	295,449	327,841	(138,164)	-30%	473,019
<u>EXPENSES</u>							
Salaries & Wages	77,811	86,691	51,696	61,904	(\$24,787)	-29%	92,900
Heat, Light & Power	11,349	14,946	7,779	9,134	(\$5,812)	-39%	13,802
All Other	161,615	181,820	89,399	101,130	(\$80,690)	-44%	151,700
PAYGO	5,194	21,961	3,463	7,099	(\$14,862)	-68%	10,600
Debt Service	159,293	164,225	94,187	101,853	(\$62,372)	-38%	158,641
GROSS EXPENSES	415,262	469,643	246,524	281,120	(188,523)	-40%	427,643
Less: Reconstruction Debt Service & Misc Offset	5,000	\$0	0	0	\$0	0%	0
Less: SDC Debt Service Offset	(2,731)	(\$2,731)	(1,821)	(1,821)	\$910	-33%	(2,731)
Less: Premium & Underwriter's Discount Transfers	(888)	(907)	(592)	(605)	\$302	-33%	(907)
NET EXPENSES	416,643	466,005	244,111	278,694	(187,311)	-40%	424,005
NET REVENUE (LOSS)	\$20,364	-	\$51,338	\$49,147	\$49,147	0%	\$49,014
ACCUMULATED NET REVENUE - JULY 1	114,959						133,025 **
Use of Fund Balance	0						0
Fund Balance Transfer	0						0
ACCUMULATED NET REVENUE - JUNE 30	\$135,323						\$182,039

*Reflects transfers between major expense categories from the approved budget

**Reflects a decrease in net revenues of \$2,298,000 resulting from prior year adjustments.

SEWER OPERATING

(In Thousands)

	FY'24	FY'25	FY'24	FY'25	FY'25	FY'25	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU	ACTUAL THRU	VARIANCE	% VARIANCE	THRU
	ACTUAL	BUDGET*	2/28/24	2/28/25	TO BUDGET	TO BUDGET	6/30/25
<u>REVENUES</u>							
Sewer Use Charges	\$445,529	\$441,093	301,022	\$312,484	(\$128,609)	-29%	\$448,511
Account Maintenance Fee	18,252	\$26,842	12,102	20,152	(\$6,690)	-25%	\$30,200
Infrastructure Investment Fee	22,653	\$33,780	15,066	24,992	(\$8,788)	-26%	\$37,500
Rockville Sewer Use	4,507	\$3,300	3,079	3,038	(\$262)	-8%	\$4,600
Interest Income	17,540	\$5,575	12,594	8,740	\$3,165	57%	\$13,100
Plumbing & Inspection Fees	8,658	\$8,950	5,775	5,732	(\$3,218)	-36%	\$8,600
Miscellaneous	18,128	\$20,742	13,606	12,904	(\$7,838)	-38%	\$19,400
TOTAL REVENUES	535,267	540,282	363,244	388,042	(152,240)	-28%	561,911
<u>EXPENSES</u>							
Salaries & Wages	62,513	72,800	41,126	47,212	(\$25,588)	-35%	70,800
Heat, Light & Power	10,730	12,332	6,949	6,238	(\$6,094)	-49%	11,406
Regional Sewage Disposal	79,822	76,908	54,581	52,213	(\$24,695)	-32%	78,300
All Other	127,536	155,993	67,207	71,749	(\$84,244)	-54%	107,600
PAYGO	27,312	28,640	5,175	18,864	(\$9,776)	-34%	28,300
Debt Service	179,033	197,743	120,874	126,578	(\$71,165)	-36%	191,020
GROSS EXPENSES	486,946	544,416	295,912	322,854	(221,562)	-41%	487,426
Less: Reconstruction Debt Service Offset	15,000	\$0	0	0	\$0	0%	0
Less: SDC Debt Service Offset	(3,041)	(\$3,041)	(2,027)	(2,027)	\$1,014	-33%	(3,041)
Less: Premium & Underwriter's Discount Transfers	(1,112)	(1,093)	(741)	(729)	\$364	-33%	(1,093)
NET EXPENSES	497,793	540,282	293,144	320,098	(220,184)	-41%	483,292
NET REVENUE (LOSS)	\$37,474	\$0	\$70,100	\$67,944	\$67,944	0%	\$78,619
ACCUMULATED NET REVENUE - JULY 1	196,125						234,110 **
Use of Fund Balance	0						0
Fund Balance Transfer	0						0
ACCUMULATED NET REVENUE - JUNE 30	\$233,599						\$312,729

*Reflects transfers between major expense categories from the approved budget

**Reflects an increase in net revenues of \$511,000 resulting from prior year adjustments.

GENERAL BOND DEBT SERVICE FUND

(In Thousands)

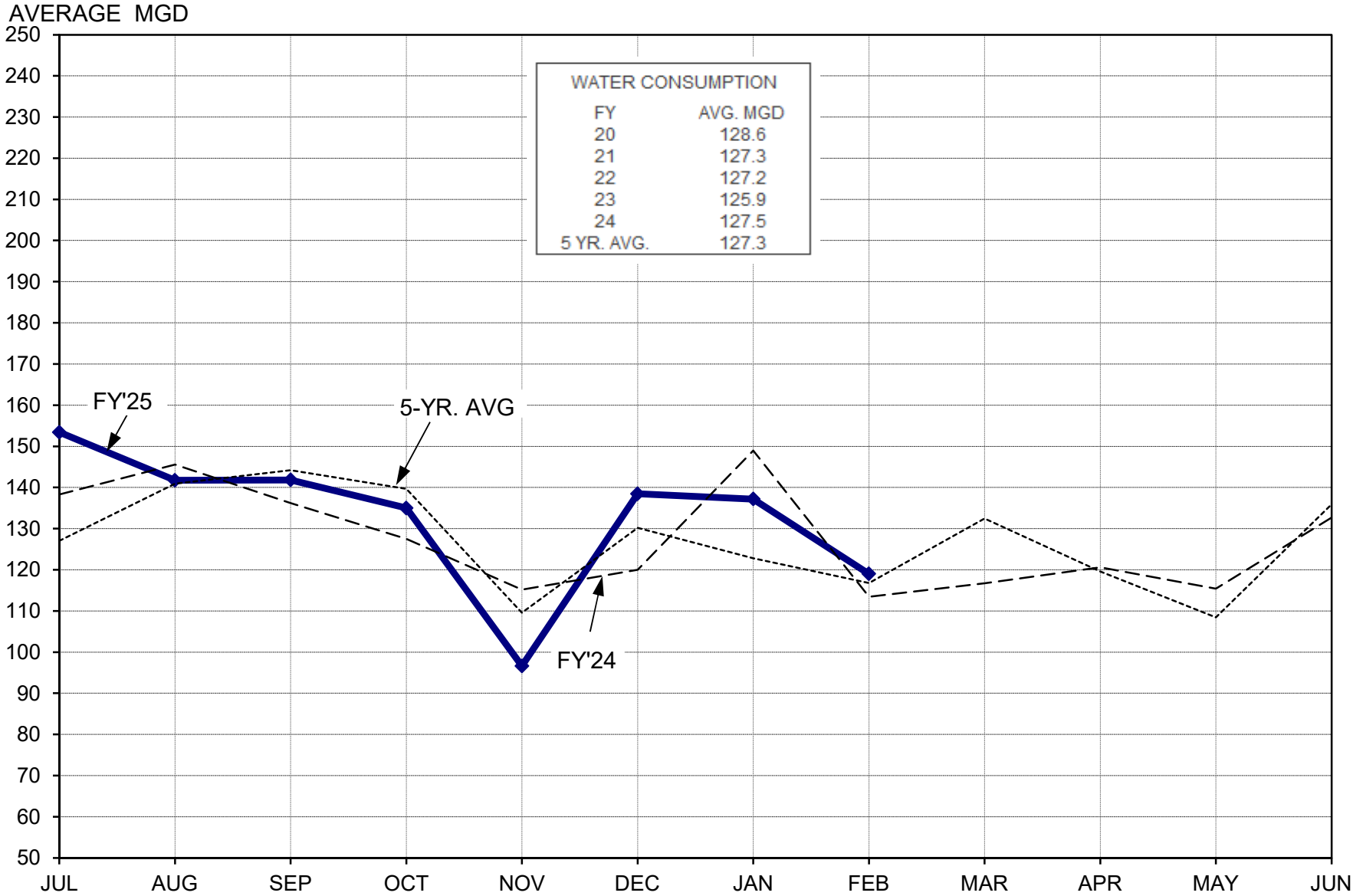
	FY'24 ACTUAL	FY'25 REVISED BUDGET*	FY'24 ACTUAL THRU 2/28/24	FY'25 ACTUAL THRU 2/28/25	FY'25 VARIANCE TO BUDGET	FY'25 % VARIANCE TO BUDGET	PROJECTED THRU 6/30/25
<u>REVENUES</u>							
Front Foot Benefit & House Connection							
Assessments	\$5,685	\$2,823	\$3,819	\$3,264	\$441	16%	\$4,755
Interest Income	300	\$0	100	793	\$793	0%	\$1,190
Miscellaneous	101	\$210	64	152	(\$58)	-28%	\$230
Use of Accumulated Net Revenue	0	0	0	0	\$0	0%	\$0
Reconstruction Debt Service Offset	20,000	\$0	0	0	\$0	0%	\$0
TOTAL REVENUES	<u>26,086</u>	<u>3,033</u>	<u>3,983</u>	<u>4,209</u>	<u>1,176</u>	<u>39%</u>	<u>6,175</u>
<u>EXPENSES</u>							
Salaries & Wages	958	853	634	726	(\$127)	-15%	1,122
All Other	923	1,410	551	524	(\$886)	-63%	893
Debt Service	5,154	3,481	3,476	2,537	(\$944)	-27%	3,810
GROSS EXPENSES	<u>7,035</u>	<u>5,744</u>	<u>4,661</u>	<u>3,787</u>	<u>(1,957)</u>	<u>-34%</u>	<u>5,825</u>
NET EXPENSES	<u>7,035</u>	<u>5,744</u>	<u>4,661</u>	<u>3,787</u>	<u>(1,957)</u>	<u>-34%</u>	<u>5,825</u>
NET REVENUE (LOSS)	\$19,051	<u>(\$2,711)</u>	<u>(\$678)</u>	<u>\$422</u>	<u>\$3,133</u>	<u>-116%</u>	\$350
ACCUMULATED NET REVENUE - JULY 1	1,701						20,752
Use of Fund Balance	0						0
ACCUMULATED NET REVENUE - JUNE 30	<u>\$20,752</u>						<u>\$21,102</u>

*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	138.484	134.689	130.505
January	137.187	135.049	133.165
February	119.008	133.201	130.819
March			129.228
April			128.377
May			127.180
June			127.630

WATER CONSUMPTION



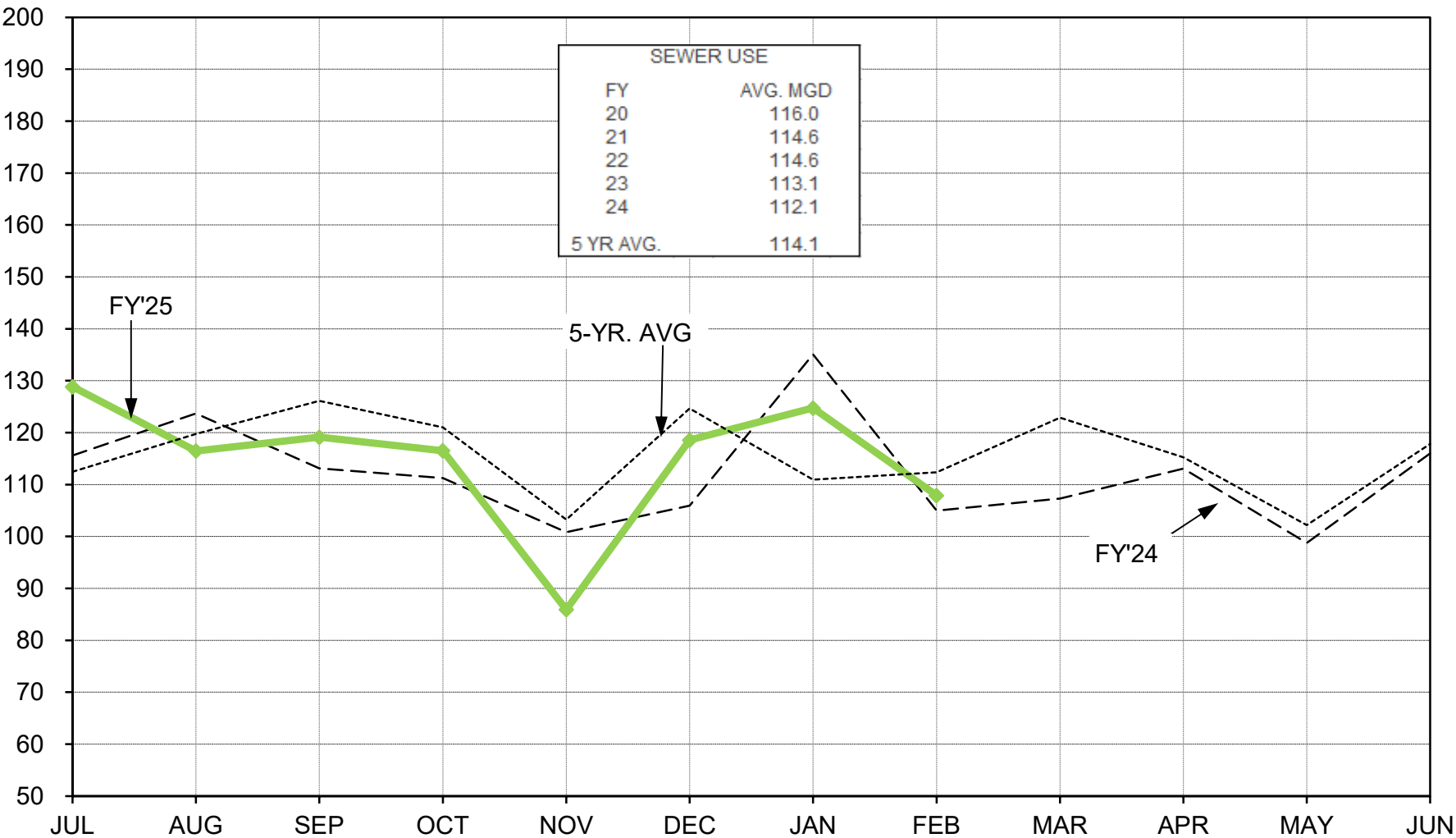
**FY'25
SEWER USE**

<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	118.58	114.37	112.72
January	124.73	115.86	113.03
February	107.90	114.95	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

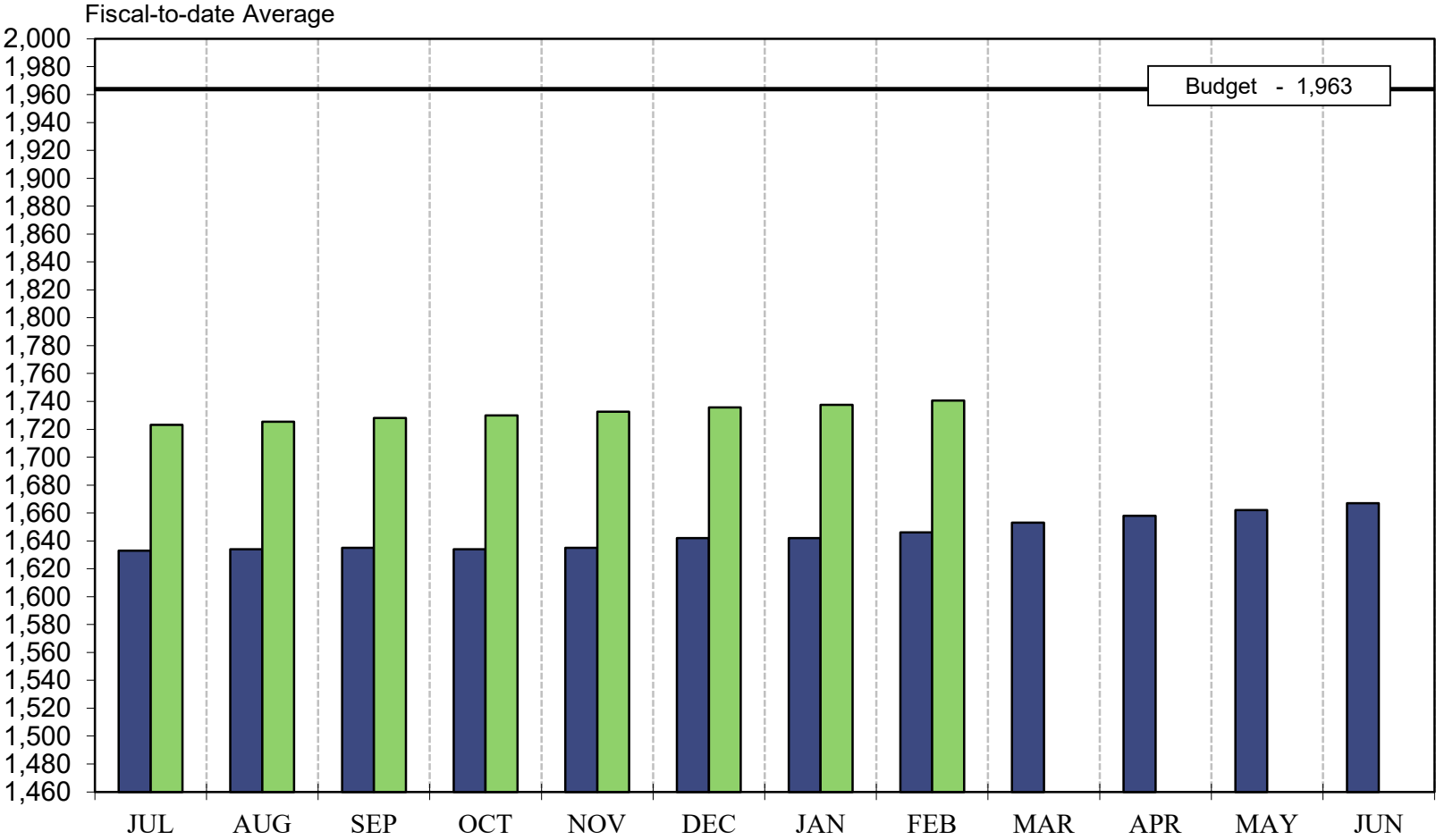
(In Thousands)

	FY'24	FY'25	FY'25	FY'24	FY'25	FY'25	FY'25	PROJECTED
	ACTUAL	REVISED	BUDGET AT	ACTUAL THRU	ACTUAL THRU	VARIANCE	% VARIANCE	THRU
	ACTUAL	BUDGET*	70% COMPLETION	2/28/24	2/28/25	TO BUDGET	TO BUDGET	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	510,537	791,267	553,887					
<u>CAPITAL COSTS</u>								
Salaries & Wages	\$31,381	32,360	32,360	\$20,630	\$25,129	(\$7,231)	-22%	37,700
Contract Work	245,931	512,077	348,746	141,178	173,619	(\$175,127)	-50%	296,992
Consulting Engineers	33,838	83,705	58,594	14,658	17,162	(\$41,432)	-71%	49,460
All Other **	99,011	163,125	114,187	60,371	64,679	(\$49,508)	-43%	108,848
TOTAL COSTS	\$410,161	791,267	\$553,887	\$236,837	\$280,589	(\$273,298)	-49%	\$493,000

*Reflects transfers between major expense categories from the approved budget

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

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	1,736	1,738	1,741	-	-	-	-

SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2024	\$68,377
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	16,082
Interest Income	<u>2,313</u>
FUNDS AVAILABLE	86,772
Less MOU Credit Reimbursement	(292)
<u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(1,821)
Sewer Operating - Debt Service	(2,027)
<u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	0
Sewer Disposal Bond	<u>0</u>
Account Balance	82,632
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	<u>(11,840)</u>
AVAILABLE ACCOUNT BALANCE, FEBRUARY 28, 2025	<u><u>\$70,792</u></u>