



WSSC WATER
DELIVERING THE ESSENTIAL

FY2025
MONTHLY STATUS REPORT

SEPTEMBER 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: December 3, 2024

SUBJECT: MONTHLY STATUS REPORT – SEPTEMBER 2024

Attached is the September 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 September 30, 2024, for Fiscal Year 2025 (FY'25). Total operating fund revenues are at \$293.1 million, and net operating fund expenses are at \$206.3 million. The net revenues of \$86.8 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 September 2024 report as follows:

Revenues:

- Water and Sewer revenues – which make up 79.4 percent of total revenues are at 29.0 percent YTD versus a prorated target of 25.0 percent based on the first three months of the fiscal year.
- Other revenues which make up 20.6 percent of total revenues are at 29.0 percent of YTD versus a prorated target of 25.0 percent. (Page 3)
- Interest Income on cash balances is materially ahead of budget for the first three 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 27.9 percent of actual revenues for FY'24 at the end of three months of the fiscal year.

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- Other revenues were at 31.0 percent at the end of three months of the fiscal year.

Expenditures:

- Operating expenditures are at 18.2 percent budget year to date (YTD) versus a prorated target of 25.0 percent based on the first three months of the fiscal year.
- PAYGO and Debt Service Expenses are on budget.

Prior Year Comparison:

- Operating expenditures were at 18.3 percent of actual expenditures for FY'24 at the end of three months of the fiscal year.

Factors Impacting Revenues: Water and Sewer Consumption trends.

- Water consumption is higher for the first three months of the fiscal year, (145.7 MGD in FY'25 versus 140.0 MGD in FY'24) Sewer usage is slightly higher (121.5 MGD versus 120.7 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 93 to 1,728 through September 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 September FY'25 is \$63.7 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*	9/30/23	9/30/24	6/30/25
<u>REVENUES</u>					
Water Consumption and Sewer Use Charges	\$801,723	\$801,204	\$218,517	\$232,599	\$801,204
Use of Accumulated Net Revenue	0	0	0	0	0
All Other Revenues	176,637	208,116	45,559	60,455	208,116
TOTAL REVENUES	978,360	1,009,320	264,076	293,054	1,009,320
<u>EXPENSES</u>					
Operating Expenses	533,257	603,753	101,574	109,685	603,753
PAYGO	32,506	50,601	3,240	12,632	50,601
Debt Service Expense	343,480	365,449	81,074	85,917	365,449
GROSS EXPENSES	909,243	1,019,803	185,888	208,234	1,019,803
Less: Reconstruction Debt Service & Misc Offset	0	0	0	0	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(1,443)	(1,443)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(500)	(500)	(2,000)
NET EXPENSES	901,471	1,012,031	183,945	206,291	1,012,031
NET REVENUE (LOSS) FOR YEAR	\$76,889	(\$2,711)	\$80,131	\$86,763	(\$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*	9/30/23	9/30/24	6/30/25
<u>REVENUES</u>					
Water Consumption Charges	\$356,194	\$360,111	\$99,670	\$107,200	\$360,111
Sewer Use Charges	445,529	441,093	118,847	125,399	441,093
Account Maintenance Fees	37,846	59,964	9,292	15,880	59,964
Infrastructure Investment Fee	46,610	74,839	11,594	20,107	74,839
Front Foot Benefit & House Connection Assessments	5,685	2,823	1,528	1,316	2,823
Plumbing & Inspection Fees	20,975	21,356	4,757	5,630	21,356
Interest Income	28,296	8,860	6,488	6,266	8,860
Rockville Sewer Use	4,507	3,300	1,250	1,084	3,300
Miscellaneous	32,718	36,974	10,650	10,172	36,974
TOTAL REVENUES	978,360	1,009,320	264,076	293,054	1,009,320
<u>EXPENSES</u>					
Salaries & Wages	141,282	159,414	33,416	38,524	159,414
Heat, Light & Power	22,079	27,278	4,987	6,038	27,278
Regional Sewage Disposal	79,822	76,908	22,502	19,000	76,908
All Other	290,074	340,153	40,669	46,123	340,153
PAYGO	32,506	50,601	3,240	12,632	50,601
Debt Service	343,480	365,449	81,074	85,917	365,449
GROSS EXPENSES	909,243	1,019,803	185,888	208,234	1,019,803
Less: Reconstruction Debt Service & Misc Offset	0	0	0	0	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(1,443)	(1,443)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(500)	(500)	(2,000)
NET EXPENSES	901,471	1,012,031	183,945	206,291	1,012,031
NET REVENUE (LOSS) FOR YEAR	\$76,889	<u>(\$2,711)</u>	<u>\$80,131</u>	<u>\$86,763</u>	(\$2,711)
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 9/30/23	FY'25 ACTUAL THRU 9/30/24	PROJECTED THRU 6/30/25
<u>REVENUES</u>					
Water Consumption & Sewer Use Charges	\$801,723	\$801,204	\$218,517	\$232,599	\$801,204
Use of Accumulated Net Revenue	0	0	0	0	0
All Other Revenues	170,551	205,083	43,978	58,804	205,083
TOTAL REVENUES	972,274	1,006,287	262,495	291,403	1,006,287
<u>EXPENSES</u>					
Operating Expenses	531,376	601,490	101,217	109,278	601,490
PAYGO	32,506	50,601	3,240	12,632	50,601
Debt Service Expense	338,326	361,968	79,750	84,925	361,968
GROSS EXPENSES	902,208	1,014,059	184,207	206,835	1,014,059
Less: Reconstruction Debt Service & Misc Offset	20,000	0	0	0	0
Less: SDC Debt Service Offset	(5,772)	(5,772)	(1,443)	(1,443)	(5,772)
Less: Premium & Underwriter's Discount Transfers	(2,000)	(2,000)	(500)	(500)	(2,000)
NET EXPENSES	914,436	1,006,287	182,264	204,892	1,006,287
NET REVENUE (LOSS) FOR YEAR	\$57,838	(\$0)	\$80,231	\$86,511	(\$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	140.0	145.7	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	FY'25	FY'24	FY'25	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU	ACTUAL THRU	THRU
	ACTUAL	BUDGET*	9/30/23	9/30/24	6/30/25
<u>REVENUES</u>					
Water Consumption Charges	\$356,194	\$360,111	99,670	\$107,200	\$360,111
Account Maintenance Fee	19,594	\$33,122	4,821	8,196	\$33,122
Infrastructure Investment Fee	23,957	\$41,059	5,963	10,321	\$41,059
Plumbing & Inspection Fees	12,317	\$12,406	2,839	3,286	\$12,406
Interest Income	10,456	\$3,285	2,145	2,672	\$3,285
Miscellaneous	14,489	\$16,022	3,127	3,464	\$16,022
TOTAL REVENUES	437,007	466,005	118,565	135,139	466,005
<u>EXPENSES</u>					
Salaries & Wages	77,811	86,355	18,202	21,305	86,355
Heat, Light & Power	11,349	14,946	2,499	3,610	14,946
All Other	161,615	182,156	23,730	26,696	182,156
PAYGO	5,194	21,961	1,299	5,490	21,961
Debt Service	159,293	164,225	34,659	37,896	164,225
GROSS EXPENSES	415,262	469,643	80,389	94,997	469,643
Less: Reconstruction Debt Service & Misc Offset	5,000	\$0	0	0	0
Less: SDC Debt Service Offset	(2,731)	(\$2,731)	(683)	(683)	(2,731)
Less: Premium & Underwriter's Discount Transfers	(888)	(907)	(222)	(227)	(907)
NET EXPENSES	416,643	466,005	79,484	94,087	466,005
NET REVENUE (LOSS)	\$20,364	0	\$39,081	\$41,052	\$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
		BUDGET*	9/30/23	9/30/24	6/30/25
REVENUES					
Sewer Use Charges	\$445,529	\$441,093	118,847	\$125,399	\$441,093
Account Maintenance Fee	18,252	\$26,842	4,471	7,684	\$26,842
Infrastructure Investment Fee	22,653	\$33,780	5,631	9,786	\$33,780
Rockville Sewer Use	4,507	\$3,300	1,250	1,084	\$3,300
Interest Income	17,540	\$5,575	4,340	3,288	\$5,575
Plumbing & Inspection Fees	8,658	\$8,950	1,918	2,344	\$8,950
Miscellaneous	18,128	\$20,742	7,473	6,679	\$20,742
TOTAL REVENUES	535,267	540,282	143,930	156,264	540,282
EXPENSES					
Salaries & Wages	62,513	72,208	14,991	16,960	72,208
Heat, Light & Power	10,730	12,332	2,488	2,428	12,332
Regional Sewage Disposal	79,822	76,908	22,502	19,000	76,908
All Other	127,536	156,585	16,805	19,279	156,585
PAYGO	27,312	28,640	1,941	7,142	28,640
Debt Service	179,033	197,743	45,091	47,029	197,743
GROSS EXPENSES	486,946	544,416	103,818	111,838	544,416
Less: Reconstruction Debt Service Offset	15,000	\$0	0	0	0
Less: SDC Debt Service Offset	(3,041)	(\$3,041)	(760)	(760)	(3,041)
Less: Premium & Underwriter's Discount Transfers	(1,112)	(1,093)	(278)	(273)	(1,093)
NET EXPENSES	497,793	540,282	102,780	110,805	540,282
NET REVENUE (LOSS)	\$37,474	(\$0)	\$41,150	\$45,459	(\$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)

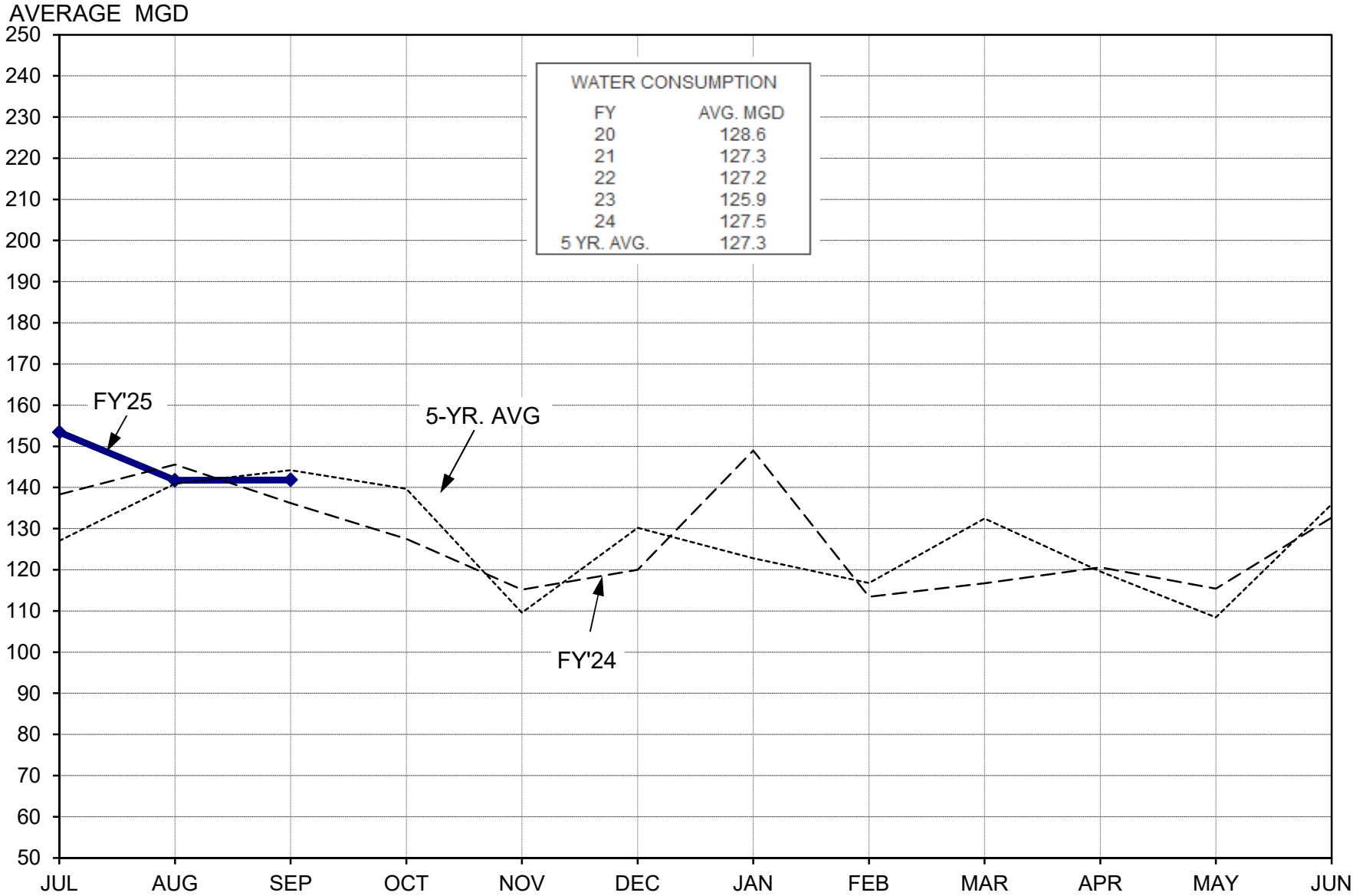
	FY'24	FY'25	FY'24	FY'25	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU	ACTUAL THRU	THRU
	ACTUAL	BUDGET*	9/30/23	9/30/24	6/30/25
<u>REVENUES</u>					
Front Foot Benefit & House Connection					
Assessments	\$5,685	\$2,823	\$1,528	\$1,316	\$2,823
Interest Income	300	\$0	3	306	\$0
Miscellaneous	101	\$210	50	29	\$210
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	1,581	1,651	3,033
<u>EXPENSES</u>					
Salaries & Wages	958	851	223	259	851
All Other	923	1,412	134	148	1,412
Debt Service	5,154	3,481	1,324	992	3,481
GROSS EXPENSES	7,035	5,744	1,681	1,399	5,744
NET EXPENSES	7,035	5,744	1,681	1,399	5,744
NET REVENUE (LOSS)	\$19,051	(\$2,711)	(\$100)	\$252	(\$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			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



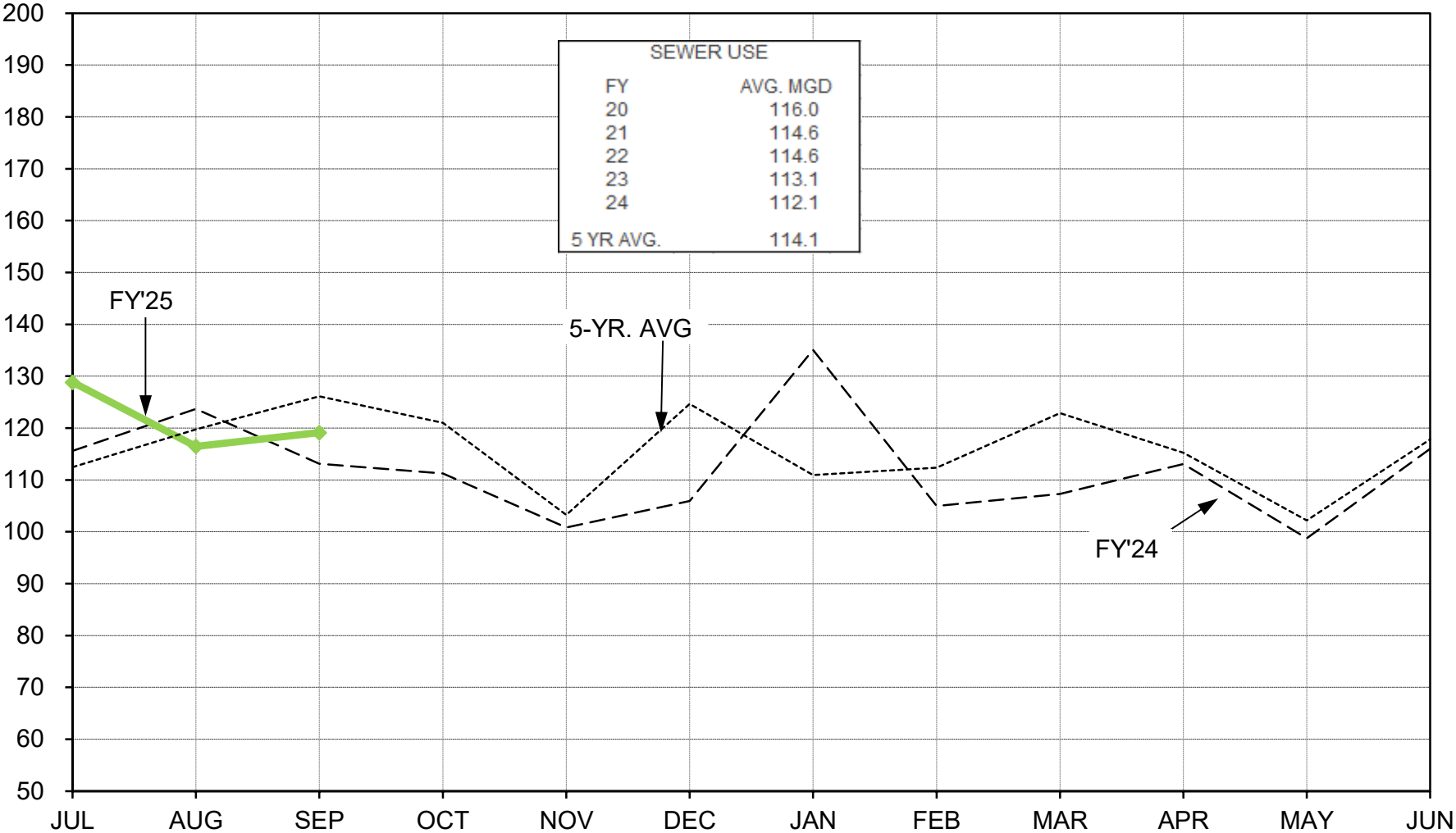
**FY'25
SEWER USE**

<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			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)

AVERAGE MGD



STATEMENT OF CAPITAL FUNDS INCOME AND EXPENDITURES
CAPITAL FUNDS TOTAL

(In Thousands)

	FY'24	FY'25	FY'24	FY'25	PROJECTED
	ACTUAL	REVISED	ACTUAL THRU	ACTUAL THRU	THRU
	ACTUAL	BUDGET*	9/30/23	9/30/24	6/30/25
<u>GROSS FUNDS AVAILABLE</u>					
Bonds Issued and Cash on Hand	\$338,711	\$688,373			
Anticipated Contributions:					
Federal & State Grants	4,959	30,720			
System Development Charge	12,484	49,926			
Other	22,227	22,248			
Available for Current Construction	378,381	791,267			
<u>CAPITAL COSTS</u>					
Salaries & Wages	\$31,381	32,318	\$7,741	\$8,924	\$32,318
Contract Work	245,931	512,077	45,310	67,190	\$512,077
Consulting Engineers	33,838	83,705	2,088	3,336	\$83,705
All Other **	99,011	163,167	12,429	24,860	\$163,167
TOTAL COSTS	\$410,161	\$791,267	\$67,568	\$104,310	\$791,267

*Reflects transfers between major expense categories from the approved budget

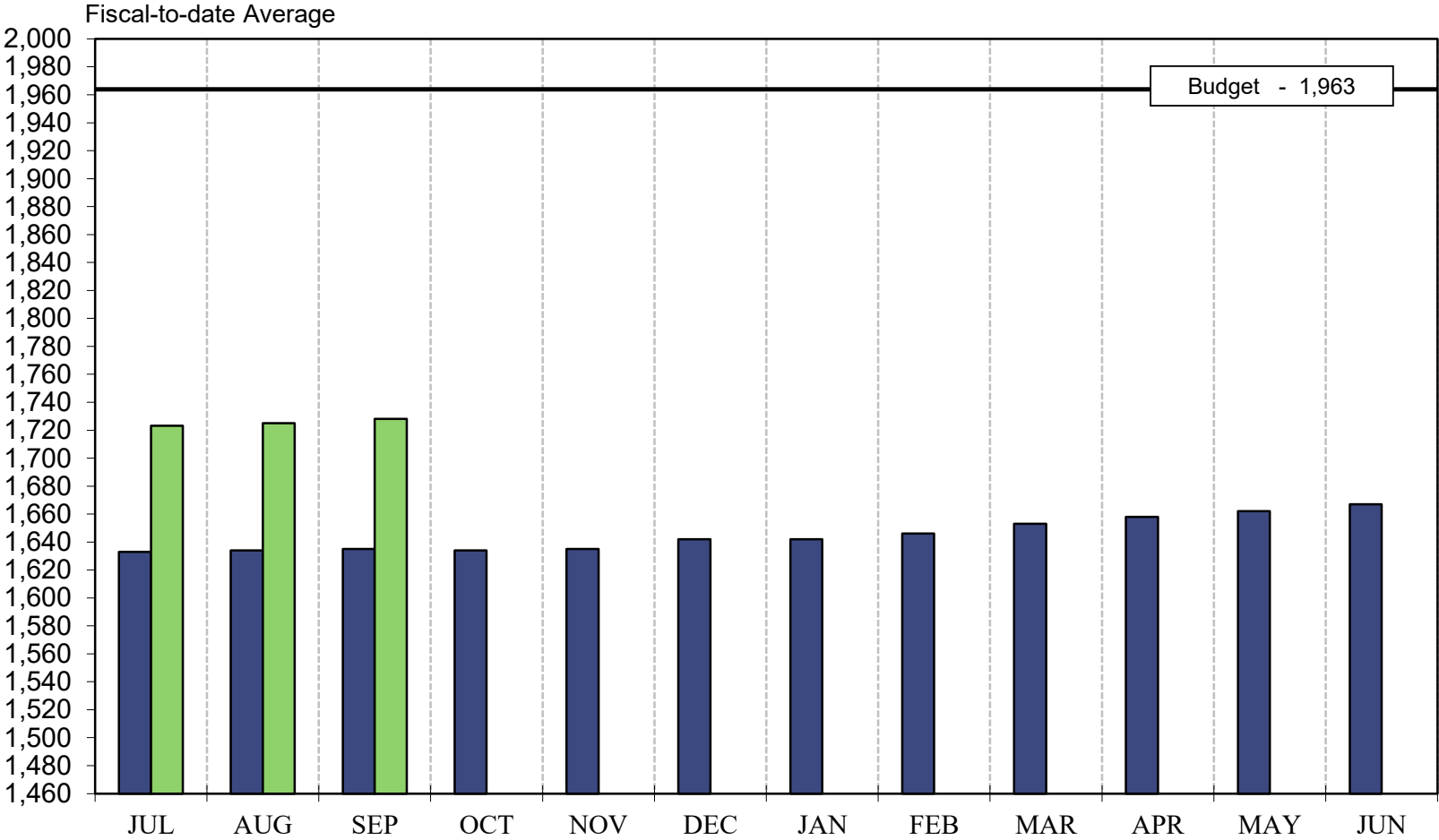
**Reflects prior year adjustments. No Bond Premium transfer in FY24-FY25

SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2024	\$68,377
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	7,889
Interest Income	<u>842</u>
FUNDS AVAILABLE	77,108
Less MOU Credit Reimbursement	(131)
<u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(683)
Sewer Operating - Debt Service	(760)
<u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	0
Sewer Disposal Bond	<u>0</u>
Account Balance	75,534
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	<u>(11,840)</u>
AVAILABLE ACCOUNT BALANCE, SEPTEMBER 30, 2024	<u><u>\$63,694</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	-	-	-	-	-	-	-	-	-