



**FY 2019**  
**MONTHLY STATUS REPORT**  
**SEPTEMBER 2018**




## Washington Suburban Sanitary Commission

---

### Interoffice Memorandum

TO: CARLA A. REID  
GENERAL MANAGER/CEO

FROM: PATRICIA COLIHAN   
CHIEF FINANCIAL OFFICER

DATE: NOVEMBER 14, 2018

SUBJECT: MONTHLY STATUS REPORT – SEPTEMBER 2018

---

Attached is the September 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 2019 (FY'19). At this time, we are not changing our FY'19 projected financial results.

Fiscal to date water production, at 176.4 MGD, is 0.6% ahead of the five-year average but 0.1% behind last year's pace over the same period. Water production for the month of September, at 168.9 MGD, was 4.0 MGD below the five-year average for the month. Water and sewer revenue depends not only on the water produced and ultimately consumed, but also on the average billing rate. Historically, the average billing rate has represented the water and sewer revenue received per thousand gallons of water produced. Since WSSC's rate structure consists of 16 steps, changes in customer use patterns can also cause changes in the billing rate and thus in the total revenues derived. At this early point in the fiscal year, the average end-of-year combined water and sewer billing rate is projected to remain equal to the budgeted level of \$10.490 per thousand gallons produced.

Water production in the first quarter was just slightly above the five-year average. We will continue to monitor our water production rates in the coming months to see if this positive trend continues. The projected accumulated net revenue at year end is \$174.2 million (see page 2 of the report), of which \$73.5 million is restricted for our working capital reserve, \$11.3 million is planned for use in the FY2020 budget, and \$26.0 million is projected to be used in the FY2021 through FY2024 budgets, and to maintain the targeted 10% operating reserve, (page 2).

Other highlights of the September 2018 report are as follows:

**Revenues**

- Total operating revenues (all funds) through September were \$210.2 million or 28% of total budgeted.
- Total operating revenues (all funds) are projected to be \$762.6 million; equal to budgeted.

**Expenses**

- Total operating expenses (all funds) through September were \$165.0 million or 22% of total budgeted.
- Total net operating expenses (all funds) are projected to be \$765.7 million; equal to budgeted.

**Water Production**

- Water production through September averaged 176.4 MGD (page 4).

**Workyears**

- Cumulative workyears through the end of September were 1,646 (page 5).

**System Development Charge**

- The System Development Charge available account balance through September was \$4.9 million. The account balance is used during the year to fund water and sewer growth-related capital expenditures (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)

	<u>FY'18 ACTUAL</u>	<u>FY'19 APPROVED BUDGET</u>	<u>FY'18 ACTUAL THRU 9/30/17</u>	<u>FY'19 ACTUAL THRU 9/30/18</u>	<u>PROJECTED THRU 6/30/19</u>
<b><u>REVENUES</u></b>					
Water Consumption and Sewer Use Charges	\$597,614	\$627,942	\$170,805	\$176,144	\$627,942
All Other Revenues	132,847	134,675	34,078	34,103	134,675
<b>TOTAL REVENUES</b>	<u>730,461</u>	<u>762,617</u>	<u>204,883</u>	<u>210,247</u>	<u>762,617</u>
<b><u>EXPENSES</u></b>					
Operating Expenses	449,627	487,232	93,456	100,545	487,232
Debt Service Expense	275,096	294,349	63,693	68,637	294,349
<b>GROSS EXPENSES</b>	<u>724,723</u>	<u>781,581</u>	<u>157,149</u>	<u>169,182</u>	<u>781,581</u>
Less: Reconstruction Debt Service Offset	(7,700)	(12,500)	(1,925)	(3,125)	(12,500)
Less: SDC Debt Service Offset	(2,396)	(3,364)	0	(1,080)	(3,364)
Working Capital Reserve Transfer	0	0	0	0	0
<b>NET EXPENSES</b>	<u>714,627</u>	<u>765,717</u>	<u>155,224</u>	<u>164,977</u>	<u>765,717</u>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<u>\$15,834</u>	<u>(\$3,100)</u>	<u>\$49,659</u>	<u>\$45,270</u>	<u>(\$3,100)</u>

## COMBINED WATER AND SEWER OPERATING FUNDS

(In Thousands)

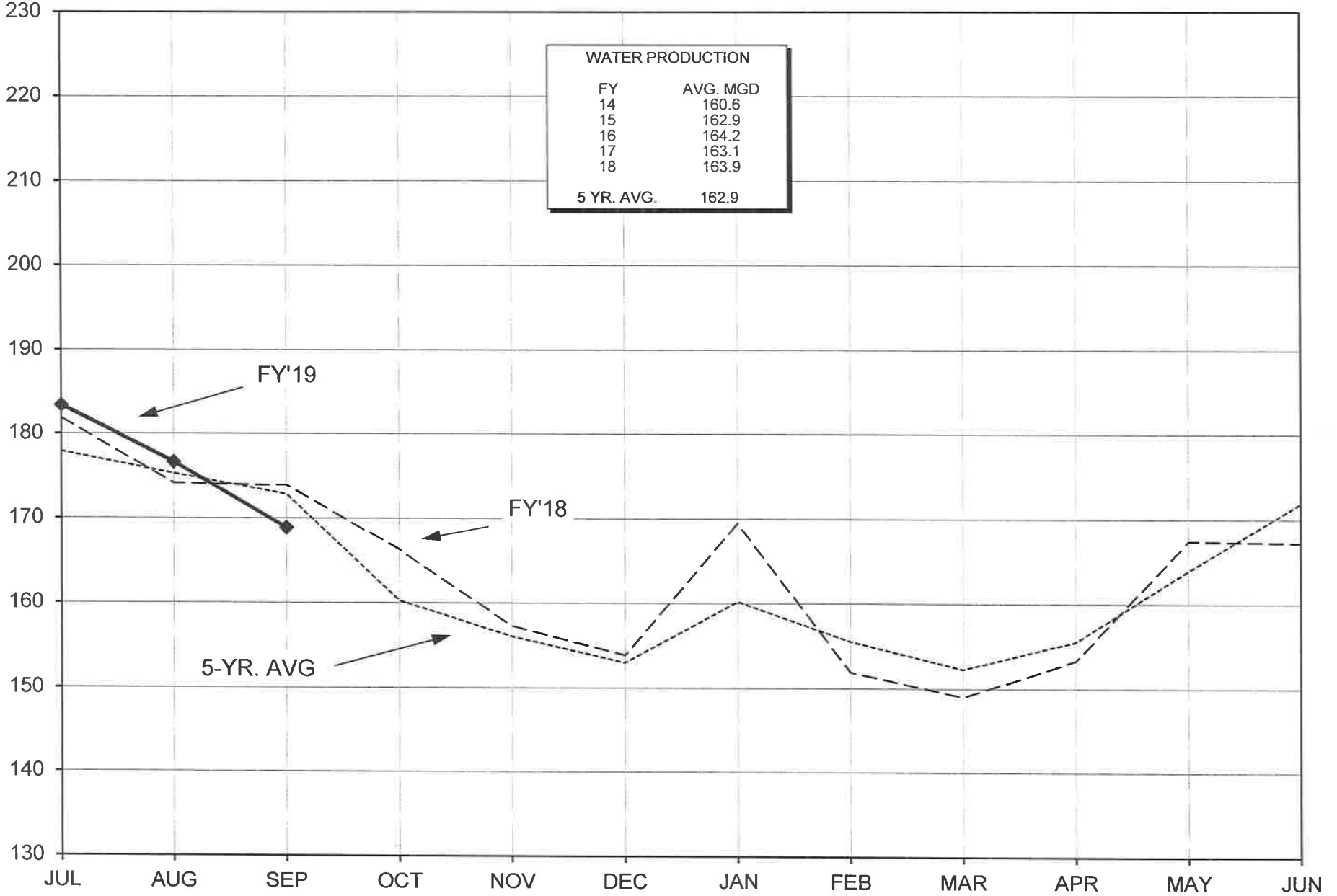
	FY'18 ACTUAL	FY'19 APPROVED BUDGET	FY'18 ACTUAL THRU 9/30/17	FY'19 ACTUAL THRU 9/30/18	PROJECTED THRU 6/30/19
<b>REVENUES</b>					
Water Consumption & Sewer Use Charges	\$597,614	\$627,942	\$170,805	\$176,144	\$627,942
Use of Accumulated Net Revenue	227	11,580	0	0	11,580
All Other Revenues	112,279	107,307	28,787	29,449	107,307
<b>TOTAL REVENUES</b>	<b>710,120</b>	<b>746,829</b>	<b>199,592</b>	<b>205,593</b>	<b>746,829</b>
<b>EXPENSES</b>					
Operating Expenses	438,048	454,616	85,620	92,435	454,616
PAYGO	10,065	31,016	7,548	7,754	31,016
Debt Service Expense	257,502	277,061	59,375	64,604	277,061
<b>GROSS EXPENSES</b>	<b>705,615</b>	<b>762,693</b>	<b>152,543</b>	<b>164,793</b>	<b>762,693</b>
Less: Reconstruction Debt Service Offset	(7,700)	(12,500)	(1,925)	(3,125)	(12,500)
Less: SDC Debt Service Offset	(2,396)	(3,364)	0	(1,080)	(3,364)
Working Capital Reserve Transfer	0	0	0	0	0
<b>NET EXPENSES</b>	<b>695,519</b>	<b>746,829</b>	<b>150,618</b>	<b>160,588</b>	<b>746,829</b>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<b>\$14,601</b>	<b>\$0</b>	<b>\$48,974</b>	<b>\$45,005</b>	<b>\$0</b>
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	173,494				135,789
NET REVENUE (LOSS) FOR YEAR	14,601				0
USE OF ACCUMULATED NET REVENUE	(227)				(11,580)
<b>ACCUMULATED NET REVENUE - END OF YEAR</b>	<b>\$187,868</b>				<b>\$174,209 *</b>
WATER PRODUCED (MGD)	163.9	164.0	176.6	176.4	164.0

\* Includes Working Capital Reserve of \$73.5 million.

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

# WATER PRODUCED

AVERAGE MGD

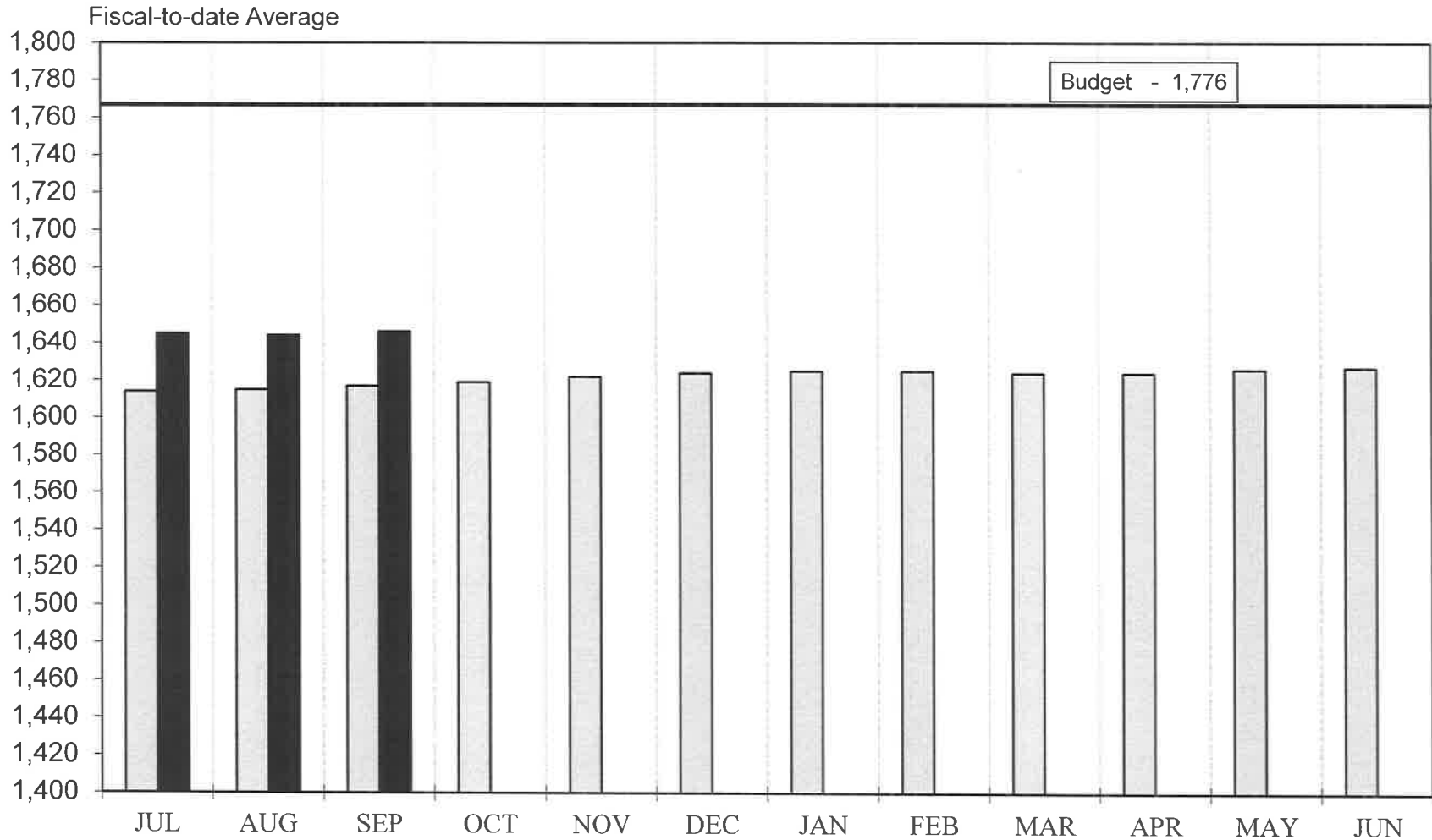


WATER PRODUCTION	
FY	AVG. MGD
14	160.6
15	162.9
16	164.2
17	163.1
18	163.9
5 YR. AVG.	162.9

**FY'19  
WATER PRODUCED**

<u>MONTH</u>	<u>MONTHLY TOTAL (MG)</u>	<u>MONTHLY AVERAGE (MGD)</u>	<u>FY'19 CUMULATIVE AVERAGE (MGD)</u>	<u>FY'18 CUMULATIVE AVERAGE (MGD)</u>
July	5,684.547	183.372	183.372	181.830
August	5,476.241	176.653	180.013	177.984
September	5,066.570	168.886	176.384	176.632
October				174.032
November				170.752
December				167.904
January				168.133
February				166.263
March				164.310
April				163.225
May				163.614
June				163.912

# ACTUAL WORKYEARS



■ FY'18	1,614	1,615	1,617	1,619	1,622	1,624	1,625	1,625	1,624	1,624	1,626	1,627
■ FY'19	1,645	1,644	1,646	-	-	-	-	-	-	-	-	-



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

(In Thousands)

	<u>FY'18 ACTUAL</u>	<u>FY'19 APPROVED BUDGET</u>	<u>FY'18 ACTUAL THRU 9/30/17</u>	<u>FY'19 ACTUAL THRU 9/30/18</u>	<u>PROJECTED THRU 6/30/19</u>
<b><u>GROSS FUNDS AVAILABLE</u></b>					
Bonds Issued and Cash on Hand	\$609,678	\$605,937			
Anticipated Contributions:					
Federal & State Grants	3,706	6,122			
System Development Charge	23,200	23,647			
Other	22,872	20,620			
Available for Current Construction	<u>659,456</u>	<u>656,326</u>			
<b><u>CAPITAL COSTS</u></b>					
Salaries & Wages	\$27,717	\$30,678	\$7,373	\$7,637	\$30,678
Contract Work	225,086	376,223	60,525	45,403	376,223
Consulting Engineers	41,718	68,912	2,170	5,180	68,912
All Other	180,695	180,513	34,693	28,735	180,513
<b>TOTAL COSTS</b>	<u><u>\$475,216</u></u>	<u><u>\$656,326</u></u>	<u><u>\$104,761</u></u>	<u><u>\$86,955</u></u>	<u><u>\$656,326</u></u>

## CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES AND EXPENDITURES

(In Thousands)

	FY'18 ACTUAL	FY'19 APPROVED BUDGET	FY'18 ACTUAL THRU 9/30/17	FY'19 ACTUAL THRU 9/30/18	PROJECTED THRU 6/30/19
<b>REVENUES</b>					
Water Consumption Charges	\$271,735	\$273,316	\$78,127	\$82,119	\$273,316
Sewer Use Charges	325,879	354,626	92,678	94,025	354,626
Account Maintenance Fees	32,473	32,182	8,126	7,941	32,182
Infrastructure Investment Fee	39,847	38,894	10,030	9,773	38,894
Front Foot Benefit & House Connection Assessments	19,191	15,473	5,140	4,455	15,473
Plumbing & Inspection Fees	12,141	12,231	3,093	3,428	12,231
Interest Income	6,343	1,575	386	1,194	1,575
Rockville Sewer Use	3,223	2,700	772	816	2,700
Use of Fund Balance	227	11,580	0	0	11,580
Miscellaneous	19,402	20,040	6,531	6,496	20,040
<b>TOTAL REVENUES</b>	<b>730,461</b>	<b>762,617</b>	<b>204,883</b>	<b>210,247</b>	<b>762,617</b>
<b>EXPENSES</b>					
Salaries & Wages	117,845	128,434	28,231	30,673	128,434
Heat, Light & Power	20,033	20,577	6,170	5,515	20,577
Regional Sewage Disposal	58,331	53,617	13,259	14,806	53,617
All Other	243,353	253,588	38,248	41,797	253,588
PAYGO	10,065	31,016	7,548	7,754	31,016
Debt Service	275,096	294,349	63,693	68,637	294,349
<b>GROSS EXPENSES</b>	<b>724,723</b>	<b>781,581</b>	<b>157,149</b>	<b>169,182</b>	<b>781,581</b>
Less: Reconstruction Debt Service Offset	(7,700)	(12,500)	(1,925)	(3,125)	(12,500)
Less: SDC Debt Service Offset	(2,396)	(3,364)	0	(1,080)	(3,364)
Working Capital Reserve Transfer	0	0	0	0	0
<b>NET EXPENSES</b>	<b>714,627</b>	<b>765,717</b>	<b>155,224</b>	<b>164,977</b>	<b>765,717</b>
NET REVENUE (LOSS) FOR YEAR	15,834	( <b>\$3,100</b> )	<b>\$49,659</b>	<b>\$45,270</b>	(3,100)
ACCUMULATED NET REVENUE - JULY 1	228,333				234,161
Use of Fund Balance	(7,927)				(24,080)
ACCUMULATED NET REVENUE - JUNE 30	<b>\$236,240</b>				<b>\$206,981</b>

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

## WATER OPERATING

(In Thousands)

	FY'18 ACTUAL	FY'19 APPROVED BUDGET	FY'18 ACTUAL THRU 9/30/17	FY'19 ACTUAL THRU 9/30/18	PROJECTED THRU 6/30/19
<b>REVENUES</b>					
Water Consumption Charges	\$271,735	\$273,316	\$78,127	\$82,119	\$273,316
Account Maintenance Fee	16,561	16,413	4,144	4,050	16,413
Infrastructure Investment Fee	20,322	19,836	5,115	4,984	19,836
Plumbing & Inspection Fees	7,037	7,190	1,791	1,952	7,190
Interest Income	1,004	100	(61)	(64)	100
Use of Fund Balance	0	5,906	0	0	5,906
Miscellaneous	10,187	10,900	2,788	2,484	10,900
<b>TOTAL REVENUES</b>	<b>326,846</b>	<b>333,661</b>	<b>91,904</b>	<b>95,525</b>	<b>333,661</b>
<b>EXPENSES</b>					
Salaries & Wages	65,083	68,672	15,162	16,621	68,672
Heat, Light & Power	11,388	10,642	3,571	3,657	10,642
All Other	130,531	129,381	19,842	20,547	129,381
PAYGO	4,388	13,660	3,291	3,415	13,660
Debt Service	108,698	117,728	24,740	27,084	117,728
<b>GROSS EXPENSES</b>	<b>320,088</b>	<b>340,083</b>	<b>66,606</b>	<b>71,324</b>	<b>340,083</b>
Less: Reconstruction Debt Service Offset	0	(4,000)	0	(1,000)	(4,000)
Less: SDC Debt Service Offset	(242)	(2,422)	0	(389)	(2,422)
Working Capital Reserve Transfer	0	0	0	0	0
<b>NET EXPENSES</b>	<b>319,846</b>	<b>333,661</b>	<b>66,606</b>	<b>69,935</b>	<b>333,661</b>
<b>NET REVENUE (LOSS)</b>	<b>7,000</b>	<b>\$0</b>	<b>\$25,298</b>	<b>\$25,590</b>	<b>0</b>
ACCUMULATED NET REVENUE - JULY 1	34,612				40,584 *
Use of Fund Balance	0				(5,906)
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<b>\$41,612</b>				<b>\$34,678</b>

\*Reflects a decrease in net revenues of \$1,028,000 resulting from prior year adjustments.

## SEWER OPERATING

(In Thousands)

	<u>FY'18 ACTUAL</u>	<u>FY'19 APPROVED BUDGET</u>	<u>FY'18 ACTUAL THRU 9/30/17</u>	<u>FY'19 ACTUAL THRU 9/30/18</u>	<u>PROJECTED THRU 6/30/19</u>
<b><u>REVENUES</u></b>					
Sewer Use Charges	\$325,879	\$354,626	\$92,678	\$94,025	\$354,626
Account Maintenance Fee	15,912	15,769	3,982	3,891	15,769
Infrastructure Investment Fee	19,525	19,058	4,915	4,789	19,058
Rockville Sewer Use	3,223	2,700	772	816	2,700
Interest Income	4,474	1,400	352	1,122	1,400
Plumbing & Inspection Fees	5,104	5,041	1,302	1,476	5,041
Use of Fund Balance	227	5,674	0	0	5,674
Miscellaneous	8,930	8,900	3,687	3,949	8,900
<b>TOTAL REVENUES</b>	<u>383,274</u>	<u>413,168</u>	<u>107,688</u>	<u>110,068</u>	<u>413,168</u>
<b><u>EXPENSES</u></b>					
Salaries & Wages	52,061	59,229	12,909	13,852	59,229
Heat, Light & Power	8,645	9,935	2,599	1,858	9,935
Regional Sewage Disposal	58,331	53,617	13,259	14,806	53,617
All Other	112,009	123,140	18,278	21,094	123,140
PAYGO	5,677	17,356	4,257	4,339	17,356
Debt Service	148,804	159,333	34,635	37,520	159,333
<b>GROSS EXPENSES</b>	<u>385,527</u>	<u>422,610</u>	<u>85,937</u>	<u>93,469</u>	<u>422,610</u>
Less: Reconstruction Debt Service Offset	(7,700)	(8,500)	(1,925)	(2,125)	(8,500)
Less: SDC Debt Service Offset	(2,154)	(942)	0	(691)	(942)
Working Capital Reserve Transfer	0	0	0	0	0
<b>NET EXPENSES</b>	<u>375,673</u>	<u>413,168</u>	<u>84,012</u>	<u>90,653</u>	<u>413,168</u>
<b>NET REVENUE (LOSS)</b>	7,601	<u>\$0</u>	<u>\$23,676</u>	<u>\$19,415</u>	0
ACCUMULATED NET REVENUE - JULY 1	138,882				145,205 *
Use of Fund Balance	(227)				(5,674)
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<u>\$146,256</u>				<u>\$139,531</u>

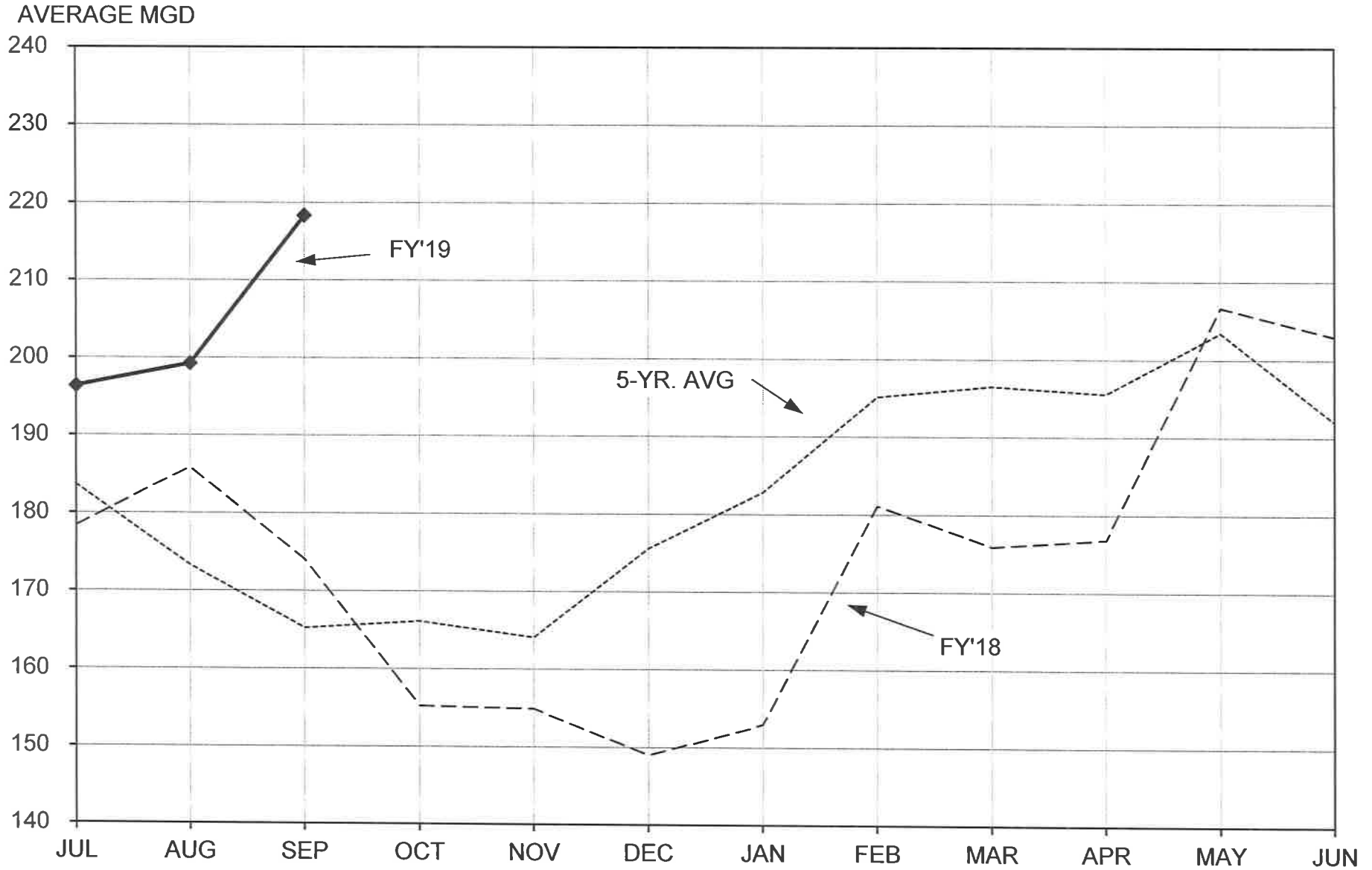
\*Reflects a decrease in net revenues of \$1,051,000 resulting from prior year adjustments.

**FY'19  
SEWAGE FLOWS**

<b><u>MONTH</u></b>	<b><u>WSSC PLANTS AVERAGE (MGD)</u></b>	<b><u>BLUE PLAINS AVERAGE (MGD)</u></b>	<b><u>FY'19 MONTHLY AVERAGE (MGD)</u></b>	<b><u>FY'18 MONTHLY AVERAGE (MGD)</u></b>	<b><u>FY'19 CUMULATIVE AVERAGE (MGD)</u></b>
July	75.46	120.90	196.36	172.18	196.36
August	77.46	121.80	199.26	179.90	197.81
September	81.16	137.20	218.36	167.72	204.51
October				155.28	
November				154.93	
December				149.03	
January				153.00	
February				181.13	
March				175.87	
April				176.82	
May				206.67	
June				202.97	

# SEWAGE FLOWS

(INCLUDES BLUE PLAINS)



**GENERAL BOND DEBT SERVICE FUND**

(In Thousands)

	<u>FY'18 ACTUAL</u>	<u>FY'19 APPROVED BUDGET</u>	<u>FY'18 ACTUAL THRU 9/30/17</u>	<u>FY'19 ACTUAL THRU 9/30/18</u>	<u>PROJECTED THRU 6/30/19</u>
<b>REVENUES</b>					
Front Foot Benefit & House Connection					
Assessments	\$19,191	\$15,473	\$5,140	\$4,455	\$15,473
Interest Income	865	75	95	136	75
Miscellaneous	285	240	56	63	240
Use of Fund Balance	7,700	12,500	1,925	3,125	12,500
Reconstruction Debt Service Offset	(7,700)	(12,500)	(1,925)	(3,125)	(12,500)
<b>TOTAL REVENUES</b>	<u>20,341</u>	<u>15,788</u>	<u>5,291</u>	<u>4,654</u>	<u>15,788</u>
<b>EXPENSES</b>					
Salaries & Wages	701	533	160	200	533
All Other	813	1,067	128	156	1,067
Debt Service	17,594	17,288	4,318	4,033	17,288
<b>GROSS EXPENSES</b>	<u>19,108</u>	<u>18,888</u>	<u>4,606</u>	<u>4,389</u>	<u>18,888</u>
<b>NET EXPENSES</b>	<u>19,108</u>	<u>18,888</u>	<u>4,606</u>	<u>4,389</u>	<u>18,888</u>
<b>NET REVENUE (LOSS)</b>	1,233	<u>(\$3,100)</u>	<u>\$685</u>	<u>\$265</u>	(3,100)
ACCUMULATED NET REVENUE - JULY 1	54,839				48,372
Use of Fund Balance	(7,700)				(12,500) *
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<u>\$48,372</u>				<u>\$32,772</u>

\* Reflects the transfer of \$12,500,000 for Reconstruction Debt Service from General Bond Debt Service Fund to the Water & Sewer Operating Funds.

## SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2018	\$8,866
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	6,147
Interest Income	41
	15,054
FUNDS AVAILABLE	15,054
Less MOU Credit Reimbursement	(515)
<u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(389)
Sewer Operating - Debt Service	(691)
<u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	0
Sewer Disposal Bond	0
	0
Account Balance	13,459
Less Amounts Billed But Not Yet Collected	0
Less Reserve for MOU Related Reimbursements	(8,524)
	\$4,935
AVAILABLE ACCOUNT BALANCE, SEPTEMBER 30, 2018	

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