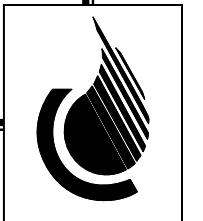




**WASHINGTON SUBURBAN SANITARY COMMISSION**

**FY 2008  
MONTHLY STATUS REPORT**

**FEBRUARY 2008**



# WASHINGTON SUBURBAN SANITARY COMMISSION

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## Interoffice Memorandum

TO: TERESA D. DANIELL  
INTERIM GENERAL MANAGER

FROM: THOMAS C. TRABER  
CHIEF FINANCIAL OFFICER

DATE: APRIL 7, 2008

SUBJECT: MONTHLY STATUS REPORT – FEBRUARY 2008

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Attached is the February 2008 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 2008 (FY'08).

Revenues derived from combined water and sewer use charges are projected to be equal to budget. Fiscal to date water production, at 172.6 MGD, is 2.6% ahead of the five-year average and 2.2% ahead of last year's pace over the same period. Due to the low number of water main breaks this month, water production for the month of February was 9.7 MGD below the five-year average. At this time our year-end water production forecast remains at 171 MGD, 2 MGD greater than budgeted. Water and sewer revenue depends not only on the water produced and ultimately consumed, but also on the average billing rate. The average billing rate represents 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 the end of the first fiscal quarter, after a review of our past three years of actual billing rates, we reduced our budgeted billing rate of \$6.10 per thousand gallons to a projected billing rate of \$6.03 per thousand gallons for FY'08. Our ongoing monitoring of the projected billing rate indicates that no change is required at this time. The net effect of the projected increase in water production and the projected decrease in the average billing rate is that projected water and sewer use charges remain at the budgeted level.

There are no changes to the revenue or expense projections in this month's report. In previous reports the sewer operating revenue projection was updated to reflect income from the sale of the Elmer School Road property; sewer operating expense projections were reduced to reflect the significantly lower sewage flows to our plants due to the drought conditions; and both water and sewer operating debt service projections were reduced to reflect our lower than expected total debt levels combined with lower short-term interest rates, which have resulted in lower debt service expense. As a result of these previous changes the end-of-year accumulated net revenue is projected to be \$59.5 million (see page 2 of the report).

Other highlights of the February 2008 report are as follows:

**Revenues**

- Water operating revenues are projected to be \$187.6 million, \$1.1 million less than budgeted.
- Sewer operating revenues are projected to be \$248.3 million, \$3.2 million greater than budgeted.
- Interest and Sinking revenues are projected to be \$97.3 million, \$0.8 million less than budgeted.
- Total operating revenues (all funds) are projected to be \$533.2 million, \$1.3 million greater than budgeted.

**Expenses**

- Water operating expenses are projected to be \$190.3 million, \$4.9 million less than budgeted.
- Sewer operating expenses are projected to be \$245.6 million, \$7.6 million less than budgeted.
- Interest and sinking expenses are projected to be \$77.4 million, or equal to budget.
- Total operating expenses (all funds) are projected to be \$513.3 million, \$12.6 million less than budgeted.

**Water Production**

- Water production through February averaged 172.6 MGD (page 4).

**Workyears**

- Cumulative workyears through the end of February 2008 were 1,402 (page 5).

**System Development Charge**

- The System Development Charge account balance through February 2008 was approximately \$133.6 million. The account balance will be used during the year to fund water and sewer growth-related capital expenditures (page 14).

Recommend transmittal of the report to Montgomery and Prince George's Counties.

**OPERATING FUNDS**  
**CONSOLIDATED STATEMENT OF REVENUES AND EXPENDITURES**

(In Thousands)

	<b>FY'07 ACTUAL</b>	<b>FY'08 APPROVED BUDGET</b>	<b>FY'07 ACTUAL THRU 2/28/07</b>	<b>FY'08 ACTUAL THRU 2/29/08</b>	<b>PROJECTED THRU 6/30/08</b>
<b><u>REVENUES</u></b>					
Water Consumption and Sewer Use Charges	\$346,439	\$376,355	\$231,284	\$253,695	\$376,355
All Other Revenues	157,361	155,550	98,158	97,524	156,855
<b>TOTAL REVENUES</b>	<b>503,800</b>	<b>531,905</b>	<b>329,442</b>	<b>351,219</b>	<b>533,210</b>
<b><u>EXPENSES</u></b>					
Operating Expenses	266,375	293,092	161,298	170,491	290,287
Bond Interest and Redemption Expense	218,620	232,782	142,757	138,114	223,010
<b>GROSS EXPENSES</b>	<b>484,995</b>	<b>525,874</b>	<b>304,055</b>	<b>308,605</b>	<b>513,297</b>
Less: SDC Debt Service Offset	(2,810)	(2,711)	(1,875)	(1,807)	(2,711)
<b>NET EXPENSES</b>	<b>482,185</b>	<b>523,163</b>	<b>302,180</b>	<b>306,798</b>	<b>510,586</b>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<b>\$21,615</b>	<b>\$8,742</b>	<b>\$27,262</b>	<b>\$44,421</b>	<b>\$22,624</b>

## COMBINED WATER AND SEWER OPERATING FUNDS

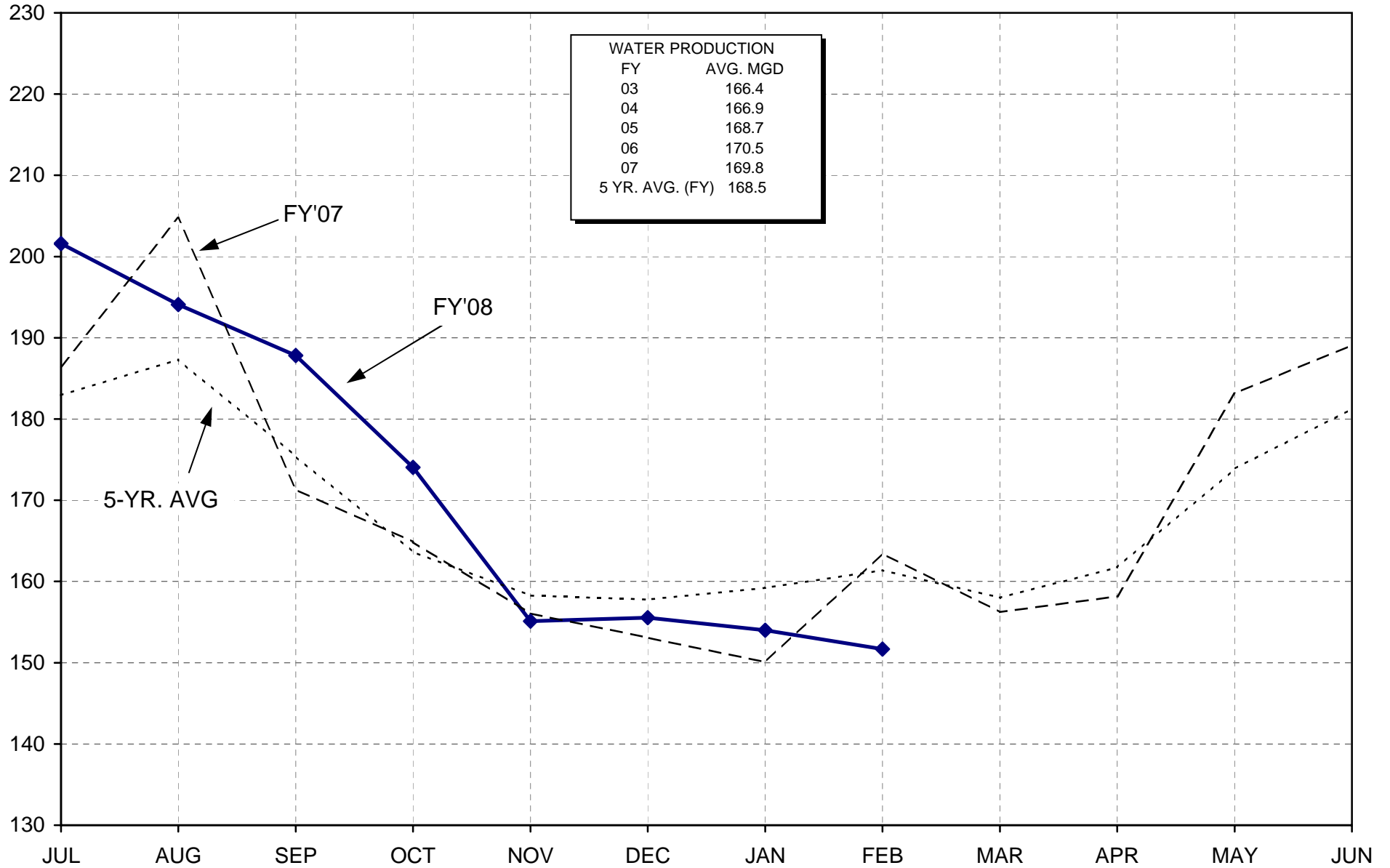
(In Thousands)

	<u>FY'07 ACTUAL</u>	<u>FY'08 APPROVED BUDGET</u>	<u>FY'07 ACTUAL THRU 2/28/07</u>	<u>FY'08 ACTUAL THRU 2/29/08</u>	<u>PROJECTED THRU 6/30/08</u>
<b>REVENUES</b>					
Water Consumption & Sewer Use Charges	\$346,439	\$376,355	\$231,284	\$253,695	\$376,355
Use of Accumulated Net Revenue	10,412	10,890	0	0	10,890
All Other Revenues	46,456	46,476	30,974	32,015	48,616
<b>TOTAL REVENUES</b>	<u>403,307</u>	<u>433,721</u>	<u>262,258</u>	<u>285,710</u>	<u>435,861</u>
<b>EXPENSES</b>					
Operating Expenses	263,826	291,660	160,716	169,927	288,855
PAYGO for Capital Projects	1,482	0	0	0	0
Debt Service Expense	141,419	156,772	91,500	88,311	147,000
<b>GROSS EXPENSES</b>	<u>406,727</u>	<u>448,432</u>	<u>252,216</u>	<u>258,238</u>	<u>435,855</u>
Less: Reconstruction Debt Service Offset	(10,000)	(12,000)	(6,666)	(8,000)	(12,000)
SDC Debt Service Offset	(2,810)	(2,711)	(1,875)	(1,807)	(2,711)
<b>NET EXPENSES</b>	<u>393,917</u>	<u>433,721</u>	<u>243,675</u>	<u>248,431</u>	<u>421,144</u>
<b>NET REVENUE (LOSS) FOR YEAR</b>	<u><u>\$9,390</u></u>	<u><u>\$0</u></u>	<u><u>\$18,583</u></u>	<u><u>\$37,279</u></u>	<u><u>\$14,717</u></u>
ACCUMULATED NET REVENUE - BEGINNING OF YEAR	\$53,739				\$54,196
NET REVENUE (LOSS) FOR YEAR	9,390				14,717
USE OF ACCUMULATED NET REVENUE	<u>(8,912)</u>				<u>(9,390)</u>
ACCUMULATED NET REVENUE - END OF YEAR	<u><u>\$54,217</u></u>				<u><u>\$59,523</u></u>
WATER PRODUCED (MGD)	169.8	169.0	168.9	172.6	171.0

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

# WATER PRODUCED

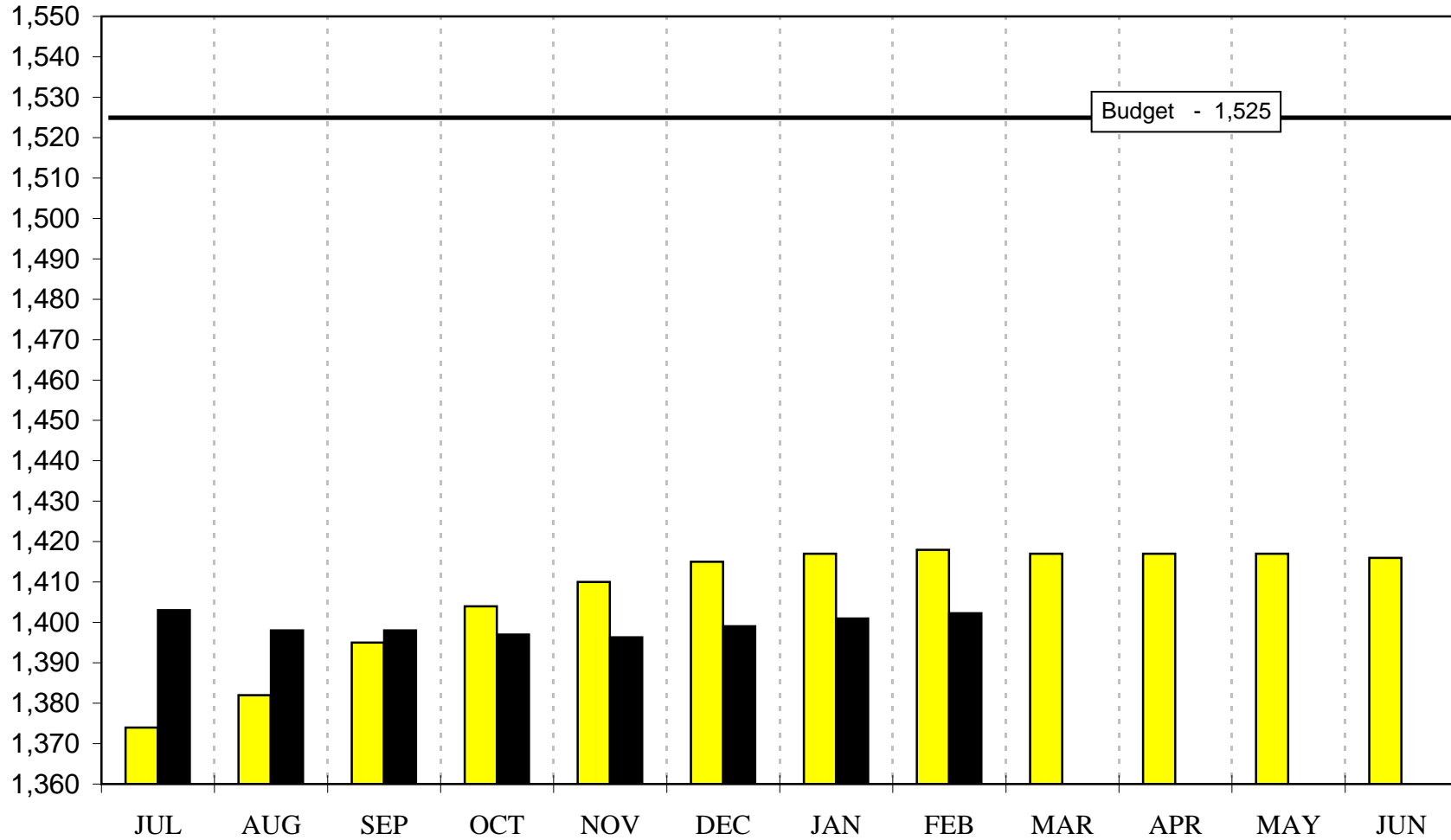
AVERAGE MGD



**FY'08  
WATER PRODUCED**

<b><u>MONTH</u></b>	<b><u>TOTAL (MG)</u></b>	<b><u>AVERAGE (MGD)</u></b>	<b><u>FY'08 CUMULATIVE AVERAGE (MGD)</u></b>	<b><u>FY'07 CUMULATIVE AVERAGE (MGD)</u></b>
July	6,249.723	201.604	201.604	186.505
August	6,016.594	194.084	197.844	195.626
September	5,634.309	187.810	194.572	187.699
October	5,395.244	174.040	189.397	181.948
November	4,653.047	155.102	182.673	176.873
December	4,822.291	155.558	178.104	172.862
January	4,773.690	153.990	174.627	169.578
February	4,398.447	151.671	172.606	168.871
March				167.442
April				166.527
May				168.064
June				169.794

# ACTUAL WORKYEARS



<span style="display:inline-block; width:10px; height:10px; background-color:yellow; border:1px solid black;"></span> FY'07	1,374	1,382	1,395	1,404	1,410	1,415	1,417	1,418	1,417	1,417	1,417	1,416
<span style="display:inline-block; width:10px; height:10px; background-color:black; border:1px solid black;"></span> FY'08	1,403	1,398	1,398	1,397	1,396	1,399	1,401	1,402	-	-	-	-

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

(In Thousands)

	<u>FY'07 ACTUAL</u>	<u>FY'08 APPROVED BUDGET</u>	<u>FY'07 ACTUAL THRU 2/28/07</u>	<u>FY'08 ACTUAL THRU 2/29/08</u>	<u>PROJECTED THRU 6/30/08</u>
<b><u>GROSS FUNDS AVAILABLE</u></b>					
Bonds Issued and Cash on Hand	\$71,427	\$210,570			
Anticipated Contributions:					
Federal & State Grants	(516)	5,550			
System Development Charge	20,746	35,970			
Other	19,791	29,491			
Available for Current Construction	<u>111,448</u>	<u>281,581</u>			
<b><u>CAPITAL COSTS</u></b>					
Capital Improvements Program	91,086	168,388	54,869	54,240	120,000
Engineering Support Program	11,716	11,432	6,654	3,618	11,432
Reconstruction	35,663	79,069	16,395	23,840	60,000
Relocation	3,062	6,088	2,693	858	6,088
Development Services Process	10,573	9,000	6,862	6,001	9,000
New House Connections	4,165	4,059	2,781	2,589	4,059
Water Meters	1,346	3,545	1,087	978	3,545
Interfund Property Adjustments	1,095	0	509	(375)	0
Other	1,228	0	1,075	1,296	0
<b>TOTAL COSTS</b>	<u><u>\$159,934</u></u>	<u><u>\$281,581</u></u>	<u><u>\$92,925</u></u>	<u><u>\$93,045</u></u>	<u><u>\$214,124</u></u>

## CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES AND EXPENDITURES

(In Thousands)

	<u>FY'07 ACTUAL</u>	<u>FY'08 APPROVED BUDGET</u>	<u>FY'07 ACTUAL THRU 2/28/07</u>	<u>FY'08 ACTUAL THRU 2/29/08</u>	<u>PROJECTED THRU 6/30/08</u>
<b>REVENUES</b>					
Water Consumption Charges	\$142,968	\$156,973	\$95,319	\$106,123	\$156,973
Sewer Use Charges	203,471	219,382	135,965	147,572	219,382
Account Maintenance Fees	21,957	22,650	14,367	14,263	22,650
Front Foot Benefit & House Connection Assessments	78,375	74,100	53,358	51,150	74,100
Debt Service Reimbursement	748	749	499	500	749
Plumbing & Inspection Fees	5,884	5,686	3,836	3,168	5,686
Interest Income	15,492	15,335	10,178	8,059	13,400
Rockville Sewer Use	2,255	2,440	1,487	1,656	2,440
Use of Fund Balance	20,412	22,890	6,666	8,000	22,890
Miscellaneous	12,238	11,700	7,767	10,728	14,940
<b>TOTAL REVENUES</b>	<u>503,800</u>	<u>531,905</u>	<u>329,442</u>	<u>351,219</u>	<u>533,210</u>
<b>EXPENSES</b>					
Supply & Treatment	23,827	26,210	15,247	16,602	25,000
Treatment & Disposal	33,067	36,682	19,752	21,468	35,500
Regional Sewage Disposal	45,705	52,324	30,334	33,491	52,324
Distribution System	46,610	48,383	28,699	26,436	48,383
Collection System	31,113	36,085	17,240	17,796	36,085
Customer Account Services	22,626	25,997	14,455	15,801	25,997
Regulatory Compliance	6,199	6,714	3,969	4,375	6,714
Assessment	712	951	366	341	951
Support Services	12,116	13,211	6,536	6,389	12,798
Corporate Services	42,918	46,535	24,700	27,792	46,535
Debt Reduction (PAYGO)	1,482	0	0	0	0
Debt Service	218,620	232,782	142,757	138,114	223,010
<b>GROSS EXPENSES</b>	<u>484,995</u>	<u>525,874</u>	<u>304,055</u>	<u>308,605</u>	<u>513,297</u>
Less: SDC Debt Service Offset	(2,810)	(2,711)	(1,875)	(1,807)	(2,711)
<b>NET EXPENSES</b>	<u>482,185</u>	<u>523,163</u>	<u>302,180</u>	<u>306,798</u>	<u>510,586</u>
NET REVENUE (LOSS) FOR YEAR	21,615	<u>\$8,742</u>	<u>\$27,262</u>	<u>\$44,421</u>	22,624
ACCUMULATED NET REVENUE - JULY 1	218,730				221,412
Use of Fund Balance	(18,912)				(22,465)
ACCUMULATED NET REVENUE - JUNE 30	<u>\$221,433</u>				<u>\$221,571</u>

Note: Details of the Water and Sewer Operating Funds and Interest & Sinking Fund are on pages 8, 9 & 12, respectively.

## WATER OPERATING

(In Thousands)

	<u>FY'07 ACTUAL</u>	<u>FY'08 APPROVED BUDGET</u>	<u>FY'07 ACTUAL THRU 2/28/07</u>	<u>FY'08 ACTUAL THRU 2/29/08</u>	<u>PROJECTED THRU 6/30/08</u>
<b>REVENUES</b>					
Water Consumption Charges	\$142,968	\$156,973	\$95,319	\$106,123	156,973
Account Maintenance Fee	11,198	11,500	7,327	7,274	11,500
Plumbing & Inspection Fees	2,942	2,843	1,918	1,584	2,843
Interest Income	1,291	2,100	888	377	1,000
Use of Fund Balance	2,982	8,800	0	0	8,800
Miscellaneous	5,422	6,440	3,553	4,272	6,440
<b>TOTAL REVENUES</b>	<u>166,803</u>	<u>188,656</u>	<u>109,005</u>	<u>119,630</u>	<u>187,556</u>
<b>EXPENSES</b>					
Supply & Treatment	23,827	26,210	15,247	16,602	25,000
Distribution System	46,610	48,383	28,699	26,436	48,383
Customer Account Services	11,515	13,024	7,347	8,048	13,024
Regulatory Compliance	2,170	2,423	1,412	1,543	2,423
Support Services	7,684	7,757	3,704	3,626	7,757
Corporate Services	21,309	22,667	12,395	13,828	22,667
Debt Reduction (PAYGO)	1,482	0	0	0	0
Debt Service	66,019	74,744	42,034	43,460	71,000
<b>GROSS EXPENSES</b>	<u>180,616</u>	<u>195,208</u>	<u>110,838</u>	<u>113,543</u>	<u>190,254</u>
Less: Reconstruction Debt Service Offset	(5,000)	(6,000)	(3,333)	(4,000)	(6,000)
SDC Debt Service Offset	(571)	(552)	(381)	(368)	(552)
<b>NET EXPENSES</b>	<u>175,045</u>	<u>188,656</u>	<u>107,124</u>	<u>109,175</u>	<u>183,702</u>
<b>NET REVENUE (LOSS)</b>	<u>(8,242)</u>	<u>\$0</u>	<u>\$1,881</u>	<u>\$10,455</u>	<u>3,854</u>
ACCUMULATED NET REVENUE - JULY 1	24,125				14,401
Use of Fund Balance	(1,482)				(7,300)
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<u>\$14,401</u>				<u>\$10,955</u>

## SEWER OPERATING

(In Thousands)

	FY'07 ACTUAL	FY'08 APPROVED BUDGET	FY'07 ACTUAL THRU 2/28/07	FY'08 ACTUAL THRU 2/29/08	PROJECTED THRU 6/30/08
<b>REVENUES</b>					
Sewer Use Charges	\$203,471	\$219,382	\$135,965	\$147,572	\$219,382
Account Maintenance Fee	10,759	11,150	7,040	6,989	11,150
Rockville Sewer Use	2,255	2,440	1,487	1,656	2,440
Interest Income	4,305	3,400	2,987	2,122	3,400
Plumbing & Inspection Fees	2,942	2,843	1,918	1,584	2,843
Use of Fund Balance	7,430	2,090	0	0	2,090
Miscellaneous	5,342	3,760	3,856	6,157	7,000
<b>TOTAL REVENUES</b>	<b>236,504</b>	<b>245,065</b>	<b>153,253</b>	<b>166,080</b>	<b>248,305</b>
<b>EXPENSES</b>					
Treatment & Disposal	33,067	36,682	19,752	21,468	35,500
Regional Sewage Disposal	45,705	52,324	30,334	33,491	52,324
Collection System	31,113	36,085	17,240	17,796	36,085
Customer Account Services	11,111	12,973	7,108	7,753	12,973
Regulatory Compliance	4,029	4,291	2,557	2,832	4,291
Support Services	4,402	5,413	2,814	2,742	5,000
Corporate Services	21,284	23,428	12,107	13,762	23,428
Debt Reduction (PAYGO)	0	0	0	0	0
Debt Service	75,400	82,028	49,466	44,851	76,000
<b>GROSS EXPENSES</b>	<b>226,111</b>	<b>253,224</b>	<b>141,378</b>	<b>144,695</b>	<b>245,601</b>
Less: Reconstruction Debt Service Offset	(5,000)	(6,000)	(3,333)	(4,000)	(6,000)
SDC Debt Service Offset	(2,239)	(2,159)	(1,494)	(1,439)	(2,159)
<b>NET EXPENSES</b>	<b>218,872</b>	<b>245,065</b>	<b>136,551</b>	<b>139,256</b>	<b>237,442</b>
<b>NET REVENUE (LOSS)</b>	<b>17,632</b>	<b>\$0</b>	<b>\$16,702</b>	<b>\$26,824</b>	<b>10,863</b>
ACCUMULATED NET REVENUE - JULY 1	29,614				39,795 *
Use of Fund Balance	(7,430)				(2,090)
<b>ACCUMULATED NET REVENUE - JUNE 30</b>	<b>\$39,816</b>				<b>\$48,568</b>

\*Reflects a decrease in net revenues of \$21,000 resulting from prior year's expenditure adjustments.

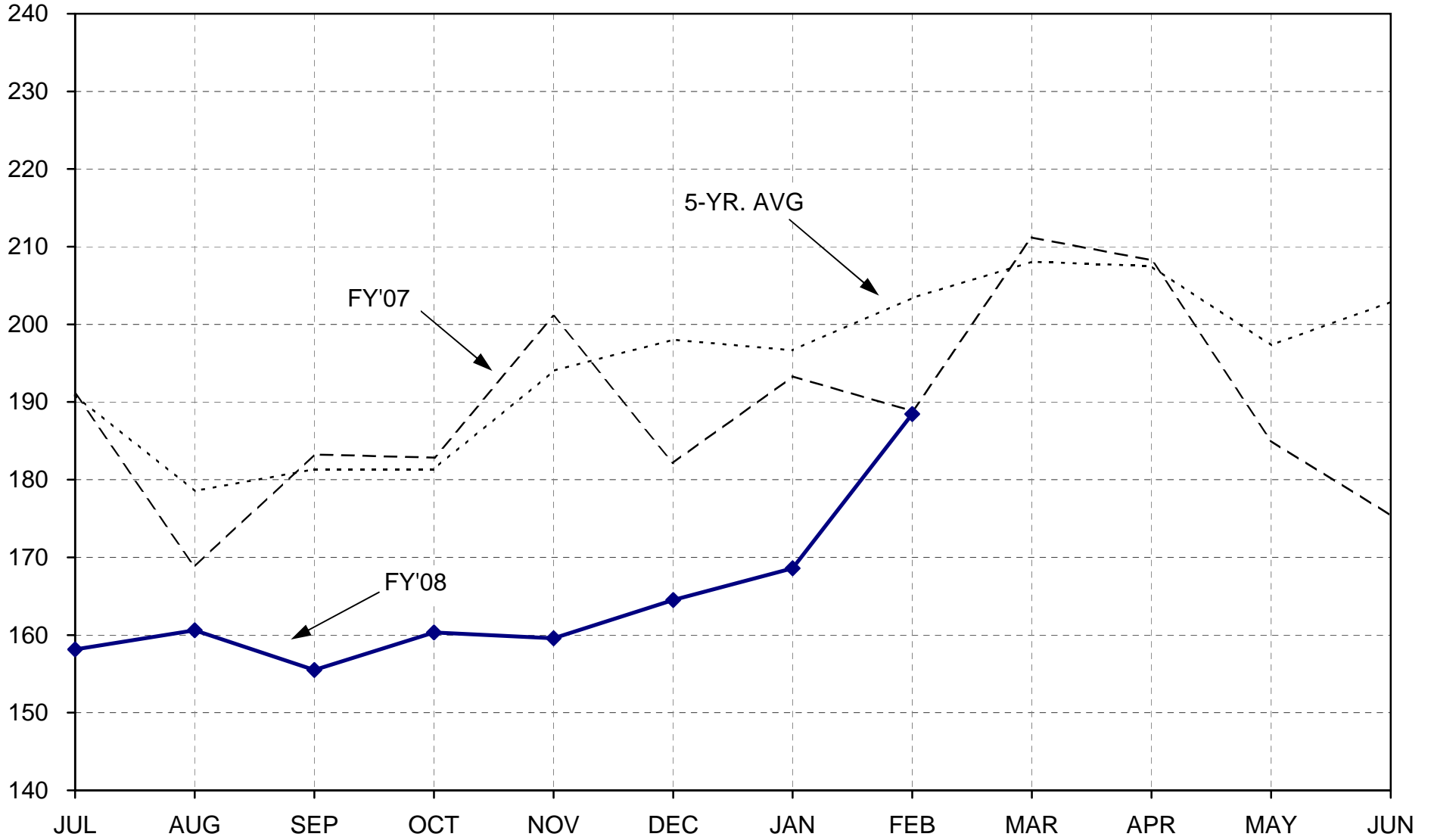
**FY'08  
SEWAGE FLOWS**

<b>MONTH</b>	<b>WSSC PLANTS AVERAGE (MGD)</b>	<b>BLUE PLAINS AVERAGE (MGD)</b>	<b>FY'08 TOTAL AVERAGE (MGD)</b>	<b>FY'07 TOTAL AVERAGE (MGD)</b>	<b>FY'08 CUMULATIVE AVERAGE (MGD)</b>
July	52.80	105.34	158.14	191.04	158.15
August	55.01	105.61	160.62	168.82	159.38
September	54.08	101.42	155.50	183.25	158.12
October	55.65	104.69	160.34	182.84	158.68
November	56.87	102.72	159.59	201.04	158.86
December	58.95	105.55	164.50	182.15	159.81
January	59.94	108.67	168.61	193.31	161.08
February	65.70	122.74	188.44	188.83	164.50
March				211.18	
April				208.27	
May				185.04	
June				175.39	

# SEWAGE FLOWS

(INCLUDES BLUE PLAINS)

AVERAGE MGD



## INTEREST & SINKING

(In Thousands)

	FY'07 ACTUAL	FY'08 APPROVED BUDGET	FY'07 ACTUAL THRU 2/28/07	FY'08 ACTUAL THRU 2/29/08	PROJECTED THRU 6/30/08
<b>REVENUES</b>					
Front Foot Benefit & House Connection					
Assessments	\$78,375	\$74,100	\$53,358	\$51,150	\$74,100
Debt Service Reimbursement	748	749	499	500	749
Interest Income	9,896	9,835	6,303	5,560	9,000
Miscellaneous	1,474	1,500	358	299	1,500
Use of Fund Balance	10,000	12,000	6,666	8,000	12,000
<b>TOTAL REVENUES</b>	<b>100,493</b>	<b>98,184</b>	<b>67,184</b>	<b>65,509</b>	<b>97,349</b>
<b>EXPENSES</b>					
Assessment	712	951	366	341	951
Support Services	30	41	18	21	41
Corporate Services	325	440	198	202	440
Debt Service	77,201	76,010	51,257	49,803	76,010
<b>GROSS EXPENSES</b>	<b>78,268</b>	<b>77,442</b>	<b>51,839</b>	<b>50,367</b>	<b>77,442</b>
Plus: Reconstruction Debt Service Offset	10,000	12,000	6,666	8,000	12,000
<b>NET EXPENSES</b>	<b>88,268</b>	<b>89,442</b>	<b>58,505</b>	<b>58,367</b>	<b>89,442</b>
NET REVENUE (LOSS)	12,225	<b>\$8,742</b>	<b>\$8,679</b>	<b>\$7,142</b>	7,907
ACCUMULATED NET REVENUE - JULY 1	164,991				167,216
Use of Fund Balance *	(10,000)				(13,075)
ACCUMULATED NET REVENUE - JUNE 30	<b>\$167,216</b>				<b>\$162,048</b>

\* Reflects the transfer of \$12,000,000 for Reconstruction Debt Service from General Bond Debt Service Fund to the Water & Sewer Operating Funds; and an interfund transfer of \$1,075,000 to the General Bond Fund.

**INTEREST & SINKING - SCHEDULE I  
STORM DRAIN AND GENERAL BOND  
DEBT SERVICE**

(In Thousands)

**Actual for the Eight Months Ending 2/29/08**

<b>REVENUES</b>	<b>TOTAL</b>	<b>PRINCE GEORGE'S COUNTY STORM DRAIN DEBT SERVICE</b>	<b>GENERAL BOND DEBT SERVICE</b>
Front Foot Benefit & House Connection			
Assessments	\$51,150	\$0	\$51,150
Debt Service Reimbursement	500	500	0
Interest Income	5,560	142	5,418
Miscellaneous	299	0	299
<b>TOTAL REVENUES</b>	<b>57,509</b>	<b>642</b>	<b>56,867</b>
<b>EXPENSES</b>			
Assessment	341	0	341
Support Services	21	0	21
Corporate Services	202	0	202
	<u>564</u>	<u>0</u>	<u>564</u>
<b>OTHER DEDUCTIONS</b>			
Bond Interest & Redemption Expense	63,020	492	62,528
Support Facility Construction Contribution	(13,217)	0	(13,217)
	<u>49,803</u>	<u>492</u>	<u>49,311</u>
<b>TOTAL EXPENSES</b>	<b>50,367</b>	<b>492</b>	<b>49,875</b>
<b>NET REVENUE (LOSS)</b>	<b><u>\$7,142</u></b>	<b><u>\$150</u></b>	<b><u>\$6,992</u></b>

## SYSTEM DEVELOPMENT CHARGE ACCOUNT

(In Thousands)

ACCOUNT BALANCE, JULY 1, 2007	\$124,784
<u>ACCOUNT ADDITIONS:</u>	
SDC Revenues, Net	17,949
Interest Income	<u>4,222</u>
FUNDS AVAILABLE	146,955
Less MOU Credit Reimbursement	(702)
<u>TRANSFERRED TO OPERATING FUNDS:*</u>	
Water Operating - Debt Service	(368)
Sewer Operating - Debt Service	(1,439)
<u>TRANSFERRED TO BOND FUNDS:</u>	
Water Supply Bond	(6,800)
Sewer Disposal Bond	<u>(1,500)</u>
Account Balance	136,146
Less Amounts Billed But Not Yet Collected	(27)
Less Reserve for MOU Related Reimbursements	<u>(2,500)</u>
AVAILABLE ACCOUNT BALANCE, FEBRUARY 29, 2008	<u><u>\$133,619</u></u>

\*Transfers to operating funds service debt issued from FY'94 through FY'98 and are shown on pages 8 & 9 as SDC Debt Service Offset.