

WSSC PROPOSED: FORECAST FOR WATER AND SEWER OPERATING FUNDS

FISCAL PROJECTIONS	FY11 ESTIMATED	FY12 PROPOSED	FY12 RECOMMENDED	FY13 PROJECTION	FY14 PROJECTION	FY15 PROJECTION	FY16 PROJECTION	FY17 PROJECTION
SPENDING AFFORDABILITY ASSUMPTIONS/RESULTS								
New Water and Sewer Debt (\$millions)	\$249.4	\$298.7	\$298.7	\$389.2	\$348.6	\$292.3	\$316.6	\$322.4
Total Water and Sewer Operating Expenses (\$millions)	\$544.4	\$575.0	\$575.0	\$635.4	\$683.1	\$725.8	\$773.4	\$822.1
Debt Service (\$millions)	\$174.5	\$185.9	\$185.9	\$228.0	\$261.3	\$286.2	\$312.8	\$339.3
Average Water and Sewer Rate Increase	8.5%	8.5%	8.5%	11.3%	8.7%	6.5%	7.0%	6.6%
BEGINNING FUND BALANCE (\$000)	48,075	46,394	46,394	46,394	46,394	46,394	46,394	46,394
REVENUES (\$000)								
Water and Sewer Rate Revenue	469,818	510,506	510,506	569,947	621,149	663,513	711,964	760,892
Interest Income	1,500	4,000	4,000	4,050	4,050	4,100	4,100	4,150
Account Maintenance Fee	22,850	22,850	22,850	22,900	22,900	22,950	22,950	23,000
Miscellaneous	21,628	20,936	20,936	21,247	21,607	22,061	22,182	22,309
Total Revenues	515,796	558,292	558,292	618,144	669,706	712,624	761,196	810,351
SDC Debt Service Offset	2,398	2,293	2,293	2,192	1,428	1,167	728	207
Reconstruction Debt Service Offset (REDO)	11,500	11,000	11,000	11,000	10,500	10,500	10,000	10,000
Use of Prior Year Net Revenue	3,181	3,400	3,400	4,100	1,500	1,500	1,500	1,500
TOTAL FUNDS AVAILABLE	532,875	574,985	574,985	635,436	683,134	725,791	773,424	822,058
EXPENDITURES (\$000)								
Salaries and Wages	93,483	97,922	97,357	102,819	107,961	113,361	119,031	124,984
Heat, Light, and Power	27,819	25,275	25,275	26,297	27,917	29,643	31,473	33,471
Regional Sewage Disposal	47,713	49,478	49,478	51,309	53,207	55,176	57,218	59,335
Debt Service	165,454	185,894	185,894	227,951	261,257	286,225	312,821	339,316
All Other	196,906	213,016	213,581	222,960	231,292	239,886	251,381	263,452
Reserve Contribution	1,500	3,400	3,400	4,100	1,500	1,500	1,500	1,500
TOTAL USE OF RESOURCES	532,875	574,985	574,985	635,436	683,134	725,791	773,424	822,058
REVENUE/EXPENDITURE SURPLUS/(GAP)	0	0	0	0	0	0	0	0
YEAR END FUND BALANCE w/o additional \$1.5 m reserve	44,894	42,994	42,994	42,294	44,894	44,894	44,894	44,894
Additional Reserve Contribution	1,500	3,400	3,400	4,100	1,500	1,500	1,500	1,500
TOTAL YEAR END FUND BALANCE	46,394	46,394	46,394	46,394	46,394	46,394	46,394	46,394
Debt Service as a Percentage of Budget	31.0%	32.3%	32.3%	35.9%	38.2%	39.4%	40.4%	41.3%
Estimated Water Production (MGD)	170.0	170.0	170.0	170.5	171.0	171.5	172.0	172.5
Accumulated Add'l Reserve since FY04	12,000	15,400	15,400	19,500	21,000	22,500	24,000	25,500
Total Operating Reserve	28,000	31,400	31,400	35,500	37,000	38,500	40,000	41,500
Total Operating Reserve as a Percentage of Water and Sewer Revenue	6.0%	6.2%	6.2%	6.2%	6.0%	5.8%	5.6%	5.5%
Total Workyears (all funds)	1,476	1,681	1,681	--	--	--	--	--

Assumptions:

1. The County Executive's operating budget recommendation is for FY12 only and incorporates the Executive's revenue and expenditure assumptions for that budget.
2. The FY13-17 projections reflect WSSC's multi-year forecast and assumptions, which are not adjusted to conform to the County Executive's Recommended budget for WSSC. The projected expenditures, revenues, and fund balances for these years may be based on changes to rates, fees, usage, inflation, future labor agreements, and other factors not assumed in the County Executive's Recommended FY12 water and sewer operating budget for WSSC.
3. The FY11 adopted and FY11 estimated spending affordability assumptions are the limits for FY11 implied by the budget jointly approved by Montgomery and Prince George's counties. The FY12 Proposed spending affordability figures are the spending affordability assumptions associated with WSSC's proposed FY12 budget. The FY12 recommended spending affordability assumptions are the spending affordability parameters associated with the County Executive's recommended WSSC budget for FY12. The FY13 - FY17 spending affordability figures correspond to the actual results for the various spending affordability parameters based on the revenue and expenditure forecasts shown for the given year.
4. The total FY11 estimated workyears shown correspond to the actual workyears as of December, 2010.