

WSSC PROPOSED BUDGET: SIX-YEAR FORECAST FOR WATER AND SEWER OPERATING FUNDS

FISCAL PROJECTIONS	FY12 ESTIMATED	FY13 PROPOSED	FY13 RECOMMENDED	FY14 PROJECTION	FY15 PROJECTION	FY16 PROJECTION	FY17 PROJECTION	FY18 PROJECTION
SPENDING AFFORDABILITY RESULTS								
New Water and Sewer Debt (\$millions)	\$204.0	\$481.8	\$491.6	\$390.3	\$379.3	\$391.1	\$361.9	\$319.5
Total Water and Sewer Operating Expenses (\$millions)	\$575.0	\$619.6	\$619.9	\$674.0	\$722.0	\$778.2	\$834.1	\$879.4
Debt Service (\$millions)	\$185.9	\$211.3	\$212.0	\$252.3	\$286.5	\$321.9	\$353.3	\$380.0
Average Water and Sewer Rate Increase	8.5%	7.5%	7.5%	12.4%	8.9%	8.2%	7.7%	6.5%
BEGINNING FUND BALANCE (\$000)	83,735	83,735	83,735	76,077	67,969	67,969	67,969	69,209
REVENUES (\$000)								
Water and Sewer Rate Revenue	496,500	540,561	540,561	600,056	655,288	710,941	767,631	819,808
Interest Income	1,000	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	21,923	21,147	21,147	21,447	21,761	22,292	22,319	22,450
Total Revenues	542,273	588,558	588,558	648,453	703,999	760,283	817,000	869,408
SDC Debt Service Offset	2,293	2,192	2,192	1,428	1,167	728	207	0
Reconstruction Debt Service Offset (REDO)	11,000	11,000	11,000	10,500	10,500	10,000	10,000	10,000
Use of Prior Year Net Revenue	3,400	17,858	18,140	13,608	6,300	7,200	6,860	0
TOTAL FUNDS AVAILABLE	558,966	619,608	619,890	673,989	721,966	778,211	834,067	879,408
EXPENDITURES (\$000)								
Salaries and Wages	95,572	100,629	100,267	105,661	110,945	116,494	122,319	128,435
Heat, Light, and Power	25,500	24,223	24,223	25,684	26,733	27,824	31,507	33,406
Regional Sewage Disposal	49,478	51,309	51,309	53,207	55,176	57,218	59,335	61,530
Debt Service	171,999	211,297	211,967	252,299	286,530	321,879	353,329	379,986
All Other	213,017	221,950	221,924	231,638	236,282	247,596	259,477	271,951
Reserve Contribution	3,400	10,200	10,200	5,500	6,300	7,200	8,100	4,100
TOTAL USE OF RESOURCES	558,966	619,608	619,890	673,989	721,966	778,211	834,067	879,408
REVENUE/EXPENDITURE SURPLUS/(GAP)	0	0	0	0	0	0	0	0
YEAR END FUND BALANCE w/o additional reserve contribution	80,335	65,877	65,595	62,469	61,669	60,769	61,109	69,209
Additional Reserve Contribution	3,400	10,200	10,200	5,500	6,300	7,200	8,100	4,100
TOTAL YEAR END FUND BALANCE	83,735	76,077	75,795	67,969	67,969	67,969	69,209	73,309
Debt Service as a Percentage of Water and Sewer Operating Budget	30.8%	34.1%	34.2%	37.4%	39.7%	41.4%	42.4%	43.2%
Estimated Water Production (MGD)	169.0	170.0	170.0	170.5	171.0	171.5	172.0	172.5
Total End of Fiscal Year Operating Reserve	31,400	41,600	41,600	47,100	53,400	60,600	68,700	72,800
Total Operating Reserve as a Percentage of Water and Sewer Rate Revenue	6.3%	7.7%	7.7%	7.8%	8.1%	8.5%	8.9%	8.9%
Total Workyears (all funds)	1,517	1,693	1,693	--	--	--	--	--

- Assumptions:**
- The County Executive's operating budget recommendation is for FY13 only and incorporates the Executive's revenue and expenditure assumptions for that budget.
 - The FY14-18 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 FY13 water and sewer operating budget for WSSC.
 - The FY12 estimated spending affordability results are the values for the four spending affordability parameters implied by the FY12 budget jointly approved by Montgomery and Prince George's counties. The FY13 Proposed spending affordability results are the values of the spending affordability parameters associated with WSSC's proposed FY13 budget. The FY13 recommended spending affordability results are the spending affordability parameters associated with the County Executive's recommended WSSC budget for FY13. The FY14-18 spending affordability figures correspond to the values of the various spending affordability parameters based on the revenue and expenditure forecasts shown for the given year.
 - The total FY12 estimated workyears shown correspond to the actual workyears as of December, 2011.