



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Finance and Budget Committee

Thursday, January 23, 2014

11:00 a.m.

1. **Call to Order** Timothy L. Firestine, Chairperson
2. **December 2013 Financial Report (Attachment 1)** Gail Alexander-Reeves and Robert Hunt
 - A. Operating Revenues & Expenditures
 - B. Capital Disbursements Summary
 - C. Cash Reserves & Investments
 - D. **Investment Report**
3. **Banking Services Contract Update** Robert Hunt
4. **Other Business** Timothy L. Firestine
5. **Agenda for February Committee Meeting (Attachment 2)** Timothy L. Firestine
6. **Executive Session**
7. **Adjournment**



Fiscal Year 2014

Monthly Financial Report

Period Ending December 31, 2013

DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET

Mark Kim, Chief Financial Officer

Gail Alexander-Reeves, Director, Budget

Robert Hunt, Manager, Debt & Treasury

Syed Khalil, Manager, Financial Planning & Revenues

John Madrid, Controller

Monthly Financial Report

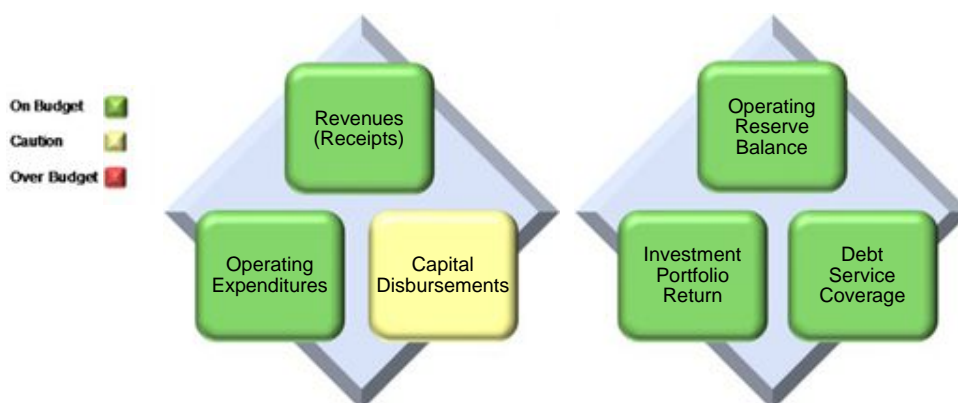
INTRODUCTION

In our continued effort to provide the Board with concise and relevant financial information, please find the following month’s report in the new format. We hope you find this format more user-friendly and welcome your feedback as we continue to refine the report.

DECEMBER 2013

EXECUTIVE SUMMARY

As of the end of December 31, 2013, with approximately 25 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance metrics.



(\$ in millions)

	Approved Budget	Revised Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)		% Revised Budget
Revenues (Receipts)*	\$477.6	\$467.2	\$116.8	\$120.3	\$3.5	3.0%	26%
Expenditures*	\$479.5	\$441.7	\$110.4	\$97.2	\$13.2	12%	22%
Capital Disbursements	\$557.1	\$557.1	\$176.0	\$193.1	(\$17.0)	(10%)	35%

* Straight-lined (3/12 of revised budget)

HIGHLIGHTS:

- FY 2013 Financial Statement audit is underway
- Consistent with expectations for this time of the fiscal year, there was an uptick in cash disbursements for on-going capital projects totaling \$80.3 million for the Solids Processing, Enhanced Nitrogen Removal Facilities and Tunneling Programs
- On-going Business Process Improvement (BPI) project is on schedule for the automation of the capital billing process and E-Payables solutions for automation of the disbursement process
- Request for Proposal (RFP) for banking services responses anticipated in February 2014
- Rollout of employee pay cards starting in January 2014. Approximately 100 employees have already signed up
- Renovation of the Office of the Chief Financial Officer suite completed ahead of schedule

Mark T. Kim, Chief Financial Officer

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2013

Operating Revenues (\$000's)

Category	A	B*	C	D = C/A	E = C - B	F = E/B
	FY 2014 BUDGET	YTD BUDGET	YTD ACTUAL	YTD % BUDGET	YTD \$ Fav/(Unfav)	YTD % Fav/(Unfav)
Res. / Comm. / Multi.	\$256,193	\$64,048	\$68,880	26.9%	\$4,832	7.5%
Federal	55,141	13,785	13,940	25.3%	155	1.1%
Municipal	9,675	2,419	4,560	47.1%	2,152	89.0%
DC Housing	6,685	1,671	2,890	43.3%	1,219	72.9%
Metering Fee	10,776	2,694	2,850	26.5%	156	5.8%
Wholesale	71,126	17,781	17,490	24.6%	(291)	(1.6%)
PILOT/ROW	25,181	6,295	6,220	24.7%	(75)	(1.2%)
All Other	32,410	8,103	3,419	10.5%	(4,697)	(58.0%)
TOTAL	\$467,187	\$116,797	\$120,259	25.7%	\$3,450	3.0%

* Straight-lined (3/12 of revised budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of December 2013, cash receipts totaled \$120.3 million, or 25.7 percent of the revised FY 2014 budget. Several categories of customers make payments on a quarterly basis, including the Federal and District governments, and wholesale customers.

District Government – Receipts are much higher at \$4.6 million or 47.1 percent of the revised budget. In FY 2014, the District Government switched from quarterly to monthly payments, which resulted in DC Water receiving two additional payments for the billings of October and November 2013.

Wholesale – Receipts are slightly lower at \$17.5 million or 24.6 percent of the revised budget. The \$0.3 million shortfall is due to outstanding receipts of the 4th quarter payments from the Town of Vienna and Department of the Navy. Outstanding payments are anticipated and revenue in this category is on track for the fiscal year.

Other Revenue – Receipts are lower than the straight-lined budget at \$3.4 million or 10.5 percent of the budgeted category primarily due to IMA Indirect Cost Reimbursement and transfer of Rate Stabilization Fund. The IMA indirect capital reimbursement is not anticipated to be received until the fourth quarter of the fiscal year. The Rate Stabilization Fund transfer is anticipated in the fourth quarter of the fiscal year.

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2013

Operating Expenditures (\$000's)

Category	A	B*	C	D = C/A	E = B - C	F = E/B
	FY 2014 BUDGET	YTD BUDGET	YTD ACTUAL	YTD % BUDGET	YTD \$ Fav/(Unfav)	YTD % Fav/(Unfav)
Personnel	\$119,765	\$29,941	\$30,931	25.8%	(\$990)	(3.3%)
Contractual Services	76,044	19,011	11,985	15.8%	7,026	37.0%
Water Purchases	27,991	6,998	5,696	20.3%	1,302	18.6%
Supplies & Chemicals	30,909	7,727	6,790	22.0%	937	12.1%
Utilities	30,715	7,679	6,110	19.9%	1,569	20.4%
Small Equipment	993	248	155	15.6%	94	37.7%
SUBTOTAL O&M	\$286,416	\$71,604	\$61,666	21.5%	\$9,938	13.9%
Debt Service	130,120	32,530	29,285	22.5%	3,245	10.0%
PILOT/ROW	25,181	6,295	6,295	25.0%	0	0.0%
TOTAL OPERATING	\$441,717	\$110,429	\$97,246	22.0%	\$13,184	11.9%
Capital Labor	(12,960)	(3,240)	(3,625)	28.0%	385	(11.9%)
TOTAL NET OPERATING	\$428,757	\$107,189	\$93,622	21.8%	\$13,567	12.7%

* Straight-lined (3/12 of revised budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of December 2013, with approximately 25 percent of the fiscal year completed, operating expenditures are at 22.0 percent of the Revised Budget. These numbers include estimated incurred but unpaid invoices and are subject to revision in subsequent reports.

Personnel Services – Impact of wage increases and first quarter adjustment for sick and annual leave accruals driving spend over budget. Staff will continue to monitor this category closely throughout the fiscal year. Year-to-date overtime expenditures total \$1.6 million or 7.1 percent of regular pay. At the end of December, 1,077 positions were filled and 183 authorized positions were vacant. The year-to-date spending on capital labor charges are consistent with expectations and prior year trend. (In FY 2013, the unaudited spending on capital labor charges totaled \$14.7 million).

Contractual Services – Under spending attributable to various contractual line items throughout the Authority. We will continue to monitor closely and provide updates in subsequent reports.

Water Purchases – Lower due to drawdown from the escrow reserve account of \$1.3 million in October to maintain mutually agreed escrow account balance.

Utilities – Favorable due to lower electricity market prices coupled with the adopted block purchasing strategy. The actual average all-in-cost is \$84.35/mWh compared to budget at \$85.31/mWh. Additional information on electricity expenditures can be found in the Appendix. (See page 11).

Payment in Lieu of Taxes – Payments and accrued expenses totaled \$5 million, actual payment differs due to previous Board direction to freeze PILOT at the FY 2007 level.

Right of Way – With the expiration of the MOU in September 2013, DC Water continues to collect and retain the ROW fees pending the execution of a new MOU with the District.

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2013

Capital Disbursements (\$000's)

Service Area	A	B*	C	D= C/A	E= B- C	F= E/B
	FY 2014 BUDGET	YTD BUDGET	YTD ACTUAL	YTD % BUDGET	YTD \$ Fav/(Unfav)	YTD % Fav/(Unfav)
Wastewater	\$268,192	\$99,278	\$115,263	43.0%	(\$15,985)	(16.1%)
Sewer	29,818	6,719	6,657	22.3%	62	0.9%
Combined Sewer Overflow	166,509	48,617	50,932	30.6%	(2,315)	(4.8%)
Stormwater	2,843	811	248	8.7%	563	69.4%
Water	63,136	13,952	14,779	23.4%	(827)	(5.9%)
Washington Aqueduct	10,000	2,500	2,970	29.7%	(470)	(18.8%)
Capital Equipment	16,627	4,157	2,214	13.3%	1,943	46.7%
TOTAL	\$557,125	\$176,034	\$193,062	34.7%	(\$17,028)	(9.7%)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of December 2013, the spending variance is higher by \$17.0 million with majority of the spending in the Wastewater Service Area. Actual disbursements for the month of December 2013, which included an accelerated holiday schedule for vendor payments, totaled \$80.3 million.

All major projects are on schedule with no major delay anticipated and the high spending trend is not expected to continue for the remainder of the year. Department of Engineering and Technical Services (DETS) will continue to review these estimates and provide an overview of all capital programs and performance at the February committee meeting.

Wastewater – Higher rate of spending for major projects at the near-end construction phase in the Solids Processing program (Digesters, Cambi(s) and Main Process Train). There was also higher spending for activities within the Enhanced Nitrogen Removal Facilities (ENRF) program to meet the Consent Decree requirement of lowering the concentration of total nitrogen effluent to 3mg/l.

Combined Sewer Overflow – Higher disbursement in the month attributable to activities on the Blue Plains Tunnel, Anacostia River Tunnel, and First Street Tunnel (i.e. Bloomingdale flooding issue).

Washington Aqueduct – Represents DC Water's PAYGO share of Aqueduct's capital projects for the first quarter.

Capital Equipment – Lower disbursements in this area are in line with spending trends and reflects new fiscal year startup. Planned projects are expected to recover during the remainder of the year.

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2013

Cash, Investments and Insurance (\$ in millions)

Cash Balances

Rate Stabilization Fund Account (RSF)	\$28.9
DC PILOT Fund	22.4
DC ROW Fund	1.3
Operating Reserve Accounts	<u>146.4</u>
Operating Cash Balance Including RSF	\$199.0
Debt Service Reserve - Series 98	23.5
Bond Fund - Series 2010	1.4
Bond Fund - Series 2012 (Cap. Int.)	1.9
Bond Construction Fund - Series 2013	183.9
CSO LTCP Appropriations Account	<u>31.1</u>
Total All Funds	\$440.8

OVERALL PORTFOLIO PERFORMANCE

- At the end of December, our operating reserve balance was \$146.4 million as compared to the FY 2014 operating reserve level objective of \$125.5 million
- Total investment portfolio is in compliance with the Authority's Investment Policy
- Returns exceeded the established benchmarks for short term (less than one year) and core (one plus years) funds
- Operating funds interest income for December (on a cash basis) was \$3,816; total year-to-date is \$20,864 as compared to the budget of \$380,527 for the year
- A detailed investment performance report is attached

INSURANCE UPDATE

The Authority is on track to renew its Property & Equipment, Excess Auto/General Liability, Workers' Compensation, Public Officials' Liability, Crime and Fiduciary insurance coverages on July 1, 2014. We are in the process of preparing documents and data for renewal submissions. Staff will update the Committee in May 2014. Confirmation of insurance renewal is anticipated in June/July 2014.

ROLLING OWNER CONTROLLED INSURANCE PROGRAM (ROCIP) UPDATE

Workers' Compensation and General Liability insurance is provided to the Authority's construction contractors via ROCIP.

The Authority has successfully completed 50 months (83 percent) of the ROCIP 2 program and 14 months (24 percent) of ROCIP 3. There are currently 23 open projects with 288 active contractors in ROCIP 2 and 14 open projects with 62 active contractors in ROCIP 3.

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2013

Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD 25% Cash Budget	YTD Actual Cash Oct. 1, 2013 - Dec. 31, 2013	Variance Favorable (Unfavorable)	
OPERATING BUDGET					
Cash Provided					
Retail	338,470	84,617	93,141	8,524	10%
Wholesale	71,126	17,781	17,485	(296)	-2%
Other	50,972	12,743	9,559	(3,184)	-25%
Transfer from Rate Stabilization Fund	6,500	1,625		(1,625)	-100%
Total Cash Provided	467,067	116,767	120,186	3,419	3%
Operating Cash Used					
Personnel Services	106,805	26,701	25,963	738	3%
Contractual Services	76,043	19,011	17,053	1,958	10%
Chemicals & Supplies	30,909	7,727	8,822	(1,095)	-14%
Utilities	30,714	7,679	5,384	2,294	30%
Water Purchases	27,991	6,998	6,170	827	12%
Small Equipment	993	248	281	(33)	-13%
Total Operating Cash Used	273,455	68,364	63,674	4,690	7%
Other Cash Used					
Debt Service	130,120	32,530	29,285	3,245	10%
Payment In Lieu of Taxes/Right of Way	25,181	6,295	3,104	3,192	51%
Total Other Cash Used	155,301	38,825	32,388	6,437	17%
Total Cash Used	428,756	107,189	96,062	11,127	10%
Net Cash Provided (Used) by Operating Act.	38,311	9,578	24,123	14,546	
CAPITAL BUDGET					
Cash Provided					
Debt Proceeds	316,861	79,215	98,592	19,376	24%
EPA Grants	19,541	4,885	6,132	1,247	26%
CSO Grants	21,141	5,285	5,771	485	9%
Interest Income	159	40	45	5	12%
Wholesale Capital Contributions	175,673	43,918	68,024	24,105	55%
Total Cash Provided	533,376	133,344	178,562	45,218	34%
Cash Used					
WASA Capital Program	547,125	136,781	190,093	(53,312)	-39%
Washington Aqueduct Projects	10,000	2,500	2,970	(470)	-19%
Total Cash Used	557,125	139,281	193,062	(53,781)	-39%
Net Cash/PAYGO Provided (Used) by Cap. Act.	(23,749)	(5,937)	(14,500)	(8,563)	
Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected	141,518		141,518		
Plus (Less) Operating Surplus	38,311	9,578	24,123		
Wholesale Customer Refunds from Prior Years	(9,700)	(2,425)	(2,069)		
Interest Earned From Bond Reserve	120	30	78		
Transfer to Rate Stabilization Fund					
Prior Year Federal Billing Reconciliation	(6,000)	(1,500)	(1,500)		
Transfer to Right of Way (ROW) Reserve			(1,275)		
Cash Used for Capital	(23,749)	(5,937)	(14,500)		
Balance Attributable to O&M Reserve	140,500		146,376		
OTHER CASH RESERVES					
Rate Stabilization Fund				28,950	
DC PILOT Reserve Fund				22,383	
Right of Way Reserve Fund				1,275	
CSO Long-Term Control Plan Appropriation				31,118	

Monthly Financial Report

APPENDIX

Operating Revenues Detail.....	9
Overtime Report.....	10
Operating Expenditures Detail – Electricity.....	11
Capital Disbursements Detail	12
Retail Accounts Receivable	13
Accounts Payable	14
Grants Report.....	15
Investment Report	16

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2013

Operating Revenues Detail

(\$ in millions)

Revenue Category	Budget	YTD Budget	YTD Actual	Variance Favorable / (Unfavorable)	Actual % of Budget
Residential, Commercial, and Multi-family	256.2	64.1	68.9	4.8	26.9%
Federal	55.1	13.8	13.9	0.1	25.3%
District Government	9.7	2.4	4.6	2.2	47.1%
DC Housing Authority	6.7	1.7	2.9	1.2	43.3%
Customer Metering Fee	10.8	2.7	2.9	0.2	26.5%
Wholesale	71.1	17.8	17.5	(0.3)	24.6%
Right-of-Way Fee/PILOT	25.2	6.3	6.2	(0.1)	24.7%
Subtotal (before Other Revenues)	\$434.8	\$108.7	\$116.9	\$8.2	26.9%
Other Revenue without RSF					
IMA Indirect Cost Reimb. For Capital Projects	8.6	2.2	0.0	(2.2)	0.0%
DC Fire Protection Fee	6.9	1.7	1.7	0.0	24.9%
Stormwater (MS4)	1.0	0.3	0.2	(0.1)	19.8%
Interest	0.5	0.1	0.1	0.0	19.8%
Developer Fees (Water & Sewer)	6.0	1.5	0.9	(0.6)	15.3%
Others	2.9	0.7	0.5	(0.2)	16.6%
Subtotal	\$25.9	\$6.5	\$3.4	(3.1)	13.1%
Rate Stabilization Fund Transfer	\$6.5	\$1.6	\$0.0	(1.6)	0.0%
Other Revenue Subtotal	\$32.4	\$8.1	\$3.4	(4.7)	10.5%
Grand Total	\$467.2	\$116.8	\$120.3	\$3.5	25.7%

BREAKDOWN OF RETAIL RECEIPTS BY CUSTOMER CATEGORY
(\$ in 000's)

Customer Category	Water	Sewer	Clean Rivers		Total
			IAC	Metering Fee	
Residential	\$7,418	\$9,030	\$3,799	\$1,257	\$21,504
Commercial	13,772	14,106	4,890	859	33,627
Multi-family	6,609	7,885	1,379	296	16,169
Federal	5,403	5,129	3,407	223	14,162
District Govt	1,375	1,681	1,505	187	4,748
DC Housing Authority	1,238	1,495	165	34	2,932
Total:	\$35,815	\$39,325	\$15,146	\$2,855	\$93,141

Note: The breakdown of Collections into Residential, Commercial, & Multi-family and Water and Sewer is approximate as it is based on percentages of historical data and does not take into account adjustments and timing differences

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2013

Overtime by Department

Department	FY 2014			YTD Overtime as % of YTD Regular
	BUDGET	YTD ACTUAL	YTD % Budget	
Office of the Board Secretary	\$4,000	\$0	0%	0%
General Manager	10,000	539	5%	0%
General Counsel	2,000	0	0%	0%
External Affairs	4,000	67	2%	0%
Internal Audit	-	0	0%	
Information Technology	20,000	5,094	25%	1%
Procurement	30,000	12,652	42%	2%
Customer Service	240,000	33,551	14%	2%
Finance, Accounting & Budget	30,000	8,293	28%	1%
Risk Management	1,000	0	0%	0%
Assistant General Manager - Support Services	1,000	0	0%	0%
Human Capital Management	5,000	750	15%	0%
Occupational Safety and Health	2,000	79	4%	0%
Facilities Management and Security	200,000	131,275	66%	13%
Water/Sewer Pump Maintenance	200,000	10,300	5%	1%
Engineering and Technical Services	780,000	227,009	29%	6%
Water Services	980,000	306,368	31%	10%
Clean Rivers	5,000	266	5%	0%
Sewer Services	900,000	335,793	37%	13%
Wastewater Treatment - Operations	1,108,100	282,632	26%	13%
Wastewater Treatment - Process Engineering	100,000	16,948	17%	3%
Maintenance Services	725,000	229,235	32%	13%
Permit Operations	11,000	1,484	13%	0%
Fleet Management	1,000	597	60%	0%
Total DC WATER	\$5,359,100	\$1,602,931	30%	7.1%

Notes:

- FY 2014 year-to-date actual includes accrual for 3 days (12/29/13 - 12/31/13)
- Engineering and Technical Services includes overtime charged to capital projects
- The Authority's overtime target is 6 percent of regular pay
- The budget excludes assumptions for impact of hourly wage increases, actual data reflects these changes

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2013

Operating Expenditure Detail (Electricity)

The Revised FY 2014 electricity budget of \$22.8 million represents 74 percent of the total utilities budget and assumes an average all-in-cost of \$85.31/mWh.

As of December 2013, in line with the adopted electricity purchase strategy, we have locked approximately 67 percent, or 20MW, of the monthly electric load from October 1, 2013 through January 31, 2014 at the Western Hub unit price of \$43.50/mWh.

The existing electricity contract with HESS was recently renewed and extended through September 2014. This will allow staff to purchase additional loads if market conditions are appropriate and in line with budget assumptions. Staff has also successfully sourced a new electricity contract with ConEdison Solutions starting in October 2014. The master contract agreement is expected to be finalized by March 2014.

As indicated in the chart below, DC Water’s average year-to-date actual price is slightly higher than the spot market price and continues to be lower than the S.O.S. price.

All-In-Cost (\$/mWh)			
Unit Price			
	Standard Offer Service (S.O.S.)	Spot Market	Actual ¹
Oct-13	\$96.35	\$75.40	\$83.09
Nov-13	95.30	75.58	83.00
Dec-13	95.13	83.06	86.96
YTD Average	\$95.60	78.01	84.35

Electricity Budget (\$000)			
Amount		Variance	
Budgeted	Actual	Budgeted vs Actual	
Oct-13	\$1,668	\$1,505	\$163
Nov-13	1,674	1,408	266
Dec-13	1,885	1,857	27
YTD Total	\$5,227	\$4,770	\$456
Remainder	\$17,599		
Total Budget	\$22,826		

¹ Actual prices are inclusive of the price mix of monthly block purchases and spot market unit prices

Fiscal Year-to-Date
As of December 31, 2013

Capital Disbursements Detail by Program (\$000's)

Service Areas	Disbursements Budget		Actual Disbursements			% of Disbursements Budget	Commitments ¹
	Annual	YTD	Oct.- Nov. 2013	Dec. 2013	YTD	Annual	
Wastewater Treatment							
Liquid Processing Projects	\$18,072	\$6,305	\$7,400	\$3,653	\$11,053	61%	\$36,180
Plantwide Projects	18,782	5,356	10,058	4,983	15,041	80%	76,165
Solids Processing Projects	138,222	57,756	24,187	26,170	50,357	36%	163,192
Enhanced Nitrogen Removal Facilities	93,116	29,861	21,419	17,394	38,812	42%	269,899
Total Wastewater Treatment	268,192	99,278	63,063	52,199	115,263	43%	545,437
Sanitary Sewer							
Sanitary Collection Sewers	1,478	282	167	-	167	11%	2,145
Sanitary On-Going Projects	9,653	2,456	2,933	343	3,276	34%	8,512
Sanitary Pumping Facilities	957	282	-	-	-	0%	21
Sanitary Sewer Program Management	4,814	1,261	1,155	646	1,801	37%	9,882
Sanitary Interceptor/Trunk Force Sewers	12,916	2,437	1,079	335	1,413	11%	10,962
Total Sanitary Sewer	29,818	6,719	5,333	1,324	6,657	22%	31,522
Combined Sewer Overflow							
CSO Program Management	2,280	697	629	378	1,007	44%	8,455
Combined Sewer Projects	11,904	4,801	2,373	1,286	3,659	31%	544,008
D.C. Clean Rivers Project	152,325	43,119	28,823	17,442	46,265	30%	519,256
Total Combined Sewer Overflow	166,509	48,617	31,825	19,107	50,932	31%	1,071,719
Stormwater							
Stormwater Local Drainage	122	18	1	-	1	1%	263
Stormwater On-Going Program	446	155	107	7	115	26%	558
Stormwater Pumping Facilities	-	-	-	-	-	0%	-
DDOT Stormwater Program	-	-	-	-	-	0%	-
Stormwater Research and Program Management	436	93	21	12	33	8%	619
Stormwater Trunk/Force Sewers	1,839	544	28	71	99	5%	263
Total Stormwater	2,843	811	157	90	248	9%	1,703
Water							
Water Distribution Systems	31,493	6,905	3,643	2,257	5,899	19%	38,469
Water On-Going Projects	8,770	1,452	762	661	1,423	16%	11,753
Water Pumping Facilities	3,710	868	1,451	694	2,146	58%	9,336
DDOT Water Projects	4,869	1,370	-	612	612	13%	7,729
Water Storage Facilities	2,173	552	586	76	662	30%	1,217
Water Projects Program Management	3,565	892	2,179	-	2,179	61%	3,767
Water Lead Program	2,823	479	1,188	77	1,264	45%	4,179
AMR Installation / Replacement	5,733	1,433	594	-	594	10%	7
Total Water	63,136	13,952	10,403	4,377	14,779	23%	76,456
Washington Aqueduct	10,000	2,500	-	2,970	2,970	30%	-
Capital Equipment	16,627	4,157	1,971	243	2,214	13%	8,241
Total Capital Projects	\$557,125	\$176,034	\$112,753	\$80,309	\$193,062	35%	\$1,735,078

¹ Represent the total life-to-date commitment balances on active capital projects as of December 31, 2013

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2013

Retail Accounts Receivable (Delinquent Accounts)

The following tables show retail accounts receivable over 90 days including a breakdown by customer class as of December 31, 2013.

Greater Than 90 Days by Month

	\$ in millions	# of accounts
September 30, 2012	\$5.5	13,063
September 30, 2013	\$4.9	11,920
October 31, 2013	\$4.9	12,547
November 30, 2013	\$5.3	13,680
December 31, 2013	\$5.4	13,955

The increase in Accounts Receivable balances is attributed to stoppage of all collection efforts during Federal Government shut-down. Historically during winter months, DC Water does not disconnect service, which results in increase in accounts receivable.

Greater Than 90 Days by Customer

	Number of Accounts			Month of December (All Categories)				Total Delinquent				
				Active		Inactive		No. of a/c Nov.	Amount (\$)	No. of a/c Dec.	Amount (\$)	%
	W & S a/c	Impervious Only a/c	Total No. of a/c	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)					
Commercial	11,979	3,334	15,313	1,365	876,759	149	120,435	1,330	1,207,968	1,514	997,193	18%
Multi-family	7,367	430	7,797	780	1,393,852	144	259,971	922	1,442,883	924	1,653,823	31%
Single-Family Residential	104,614	3,143	107,757	9,517	2,194,797	2,000	593,099	11,428	2,630,033	11,517	2,787,897	51%
Total	123,960	6,907	130,867	11,662	4,465,408	2,293	973,505	13,680	5,280,884	13,955	5,438,913	100%

Notes: Including in the above \$4.47m (or 11,662 accounts) of the DC Water Over 90 days delinquent accounts, \$1,072,612.60 (or 2,380 accounts) represents Impervious only accounts over 90 days delinquent.

-Reportable delinquencies do not include balances associated with a long standing dispute between DC Water and a large commercial customer.

Monthly Financial Report

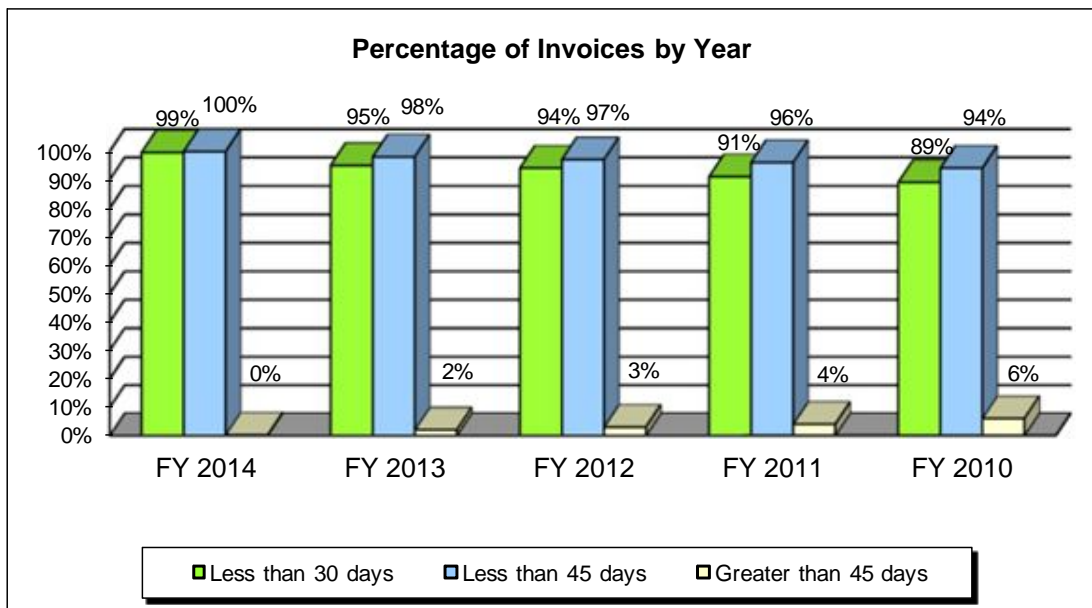
Fiscal Year-to-Date
As of December 31, 2013

Accounts Payable

During the first quarter of FY 2014, 4,383 vendor payments were processed and paid compared to 2,717 in FY 2013 (as shown in the table below) and with a dollar value of \$219.9 million compared to \$129.4 million for FY 2013. For FY 2014, approximately 99.5 percent of the invoices, less retainage and disputes were paid within 30 days compared to 94.6 percent paid within 30 days during FY 2013. The percentages for October, November and December 2013 were 98.5%, 99.8% and 99.6% respectively. The Authority's goal is to pay 97 percent of all undisputed invoices within 30 days.

Accounts Payable Performance FY 2014 v. FY 2013				
Days	FY 2014		FY 2013	
	# of Invoices	Percent	# of Invoices	Percent
Less than 30	4,248	99.5%	2,418	94.6%
Less than 45	4,261	99.8%	2,508	98.1%
Greater than 45	9	0.2%	49	1.9%
Subtotal	4,270	100.0%	2,557	100.0%
Retainage/Disputes	113		160	
Total	4,383		2,717	

The chart below shows historical performance for fiscal year 2010 through fiscal year 2014.

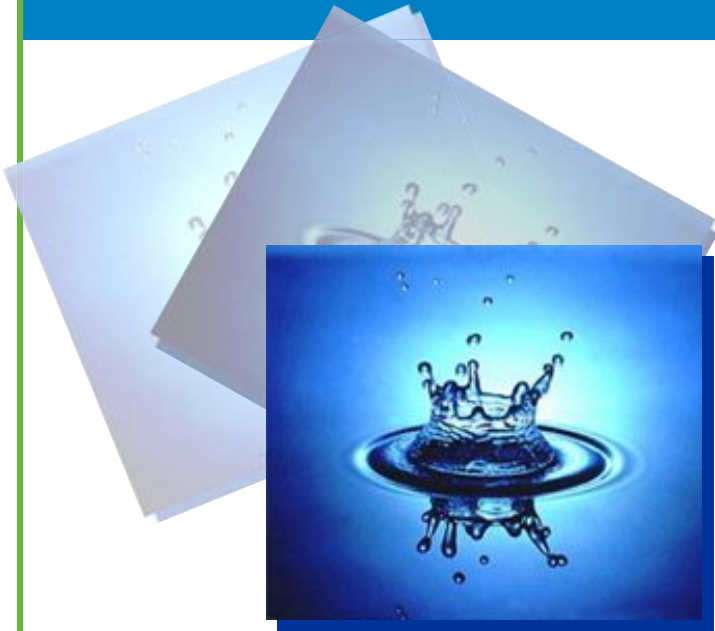


Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2013

Grants Report

Due to the implementation of the Lawson Grants & Capital Billing System, the grants report will not be submitted for the quarter ending December 31, 2013. The next report will be submitted for the period ending March 31, 2014 and will include the first and second quarters.



DC Water

Investment Performance Report – December 2013



DC Water
Finance Division
Economic Update

ECONOMIC COMMENTARY

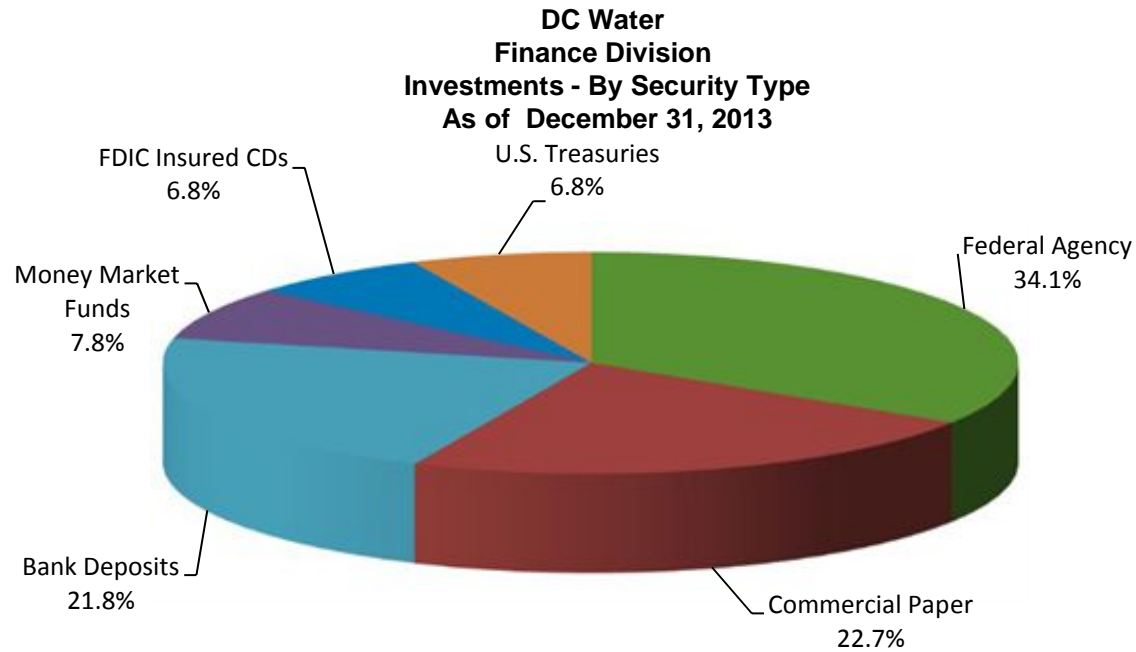
- The Federal Open Market Committee (FOMC) announced that it would reduce its purchases of Treasuries and mortgage-backed securities by \$10 billion a month beginning in January 2014.
- After strong economic data in November, the December jobs report was disappointing. The private economy added a mere 74,000 jobs when the median expectation was 205,000. Surprisingly, the unemployment rate dropped from 7.0% to 6.7%, the lowest since October 2008, as more people left the labor force.
- Third quarter gross domestic product (“GDP”) was revised upward to show the economy expanding at a +4.1% rate. However, inventory build-up continued to account for a significant portion of the upward revision. Most economists increased their fourth quarter GDP projections.
- The yield curve steepened further, reflecting the market’s expectation that the Fed would keep the federal funds target rate near zero well past the time that the jobless rate falls below 6.5%.

PORTFOLIO RECAP

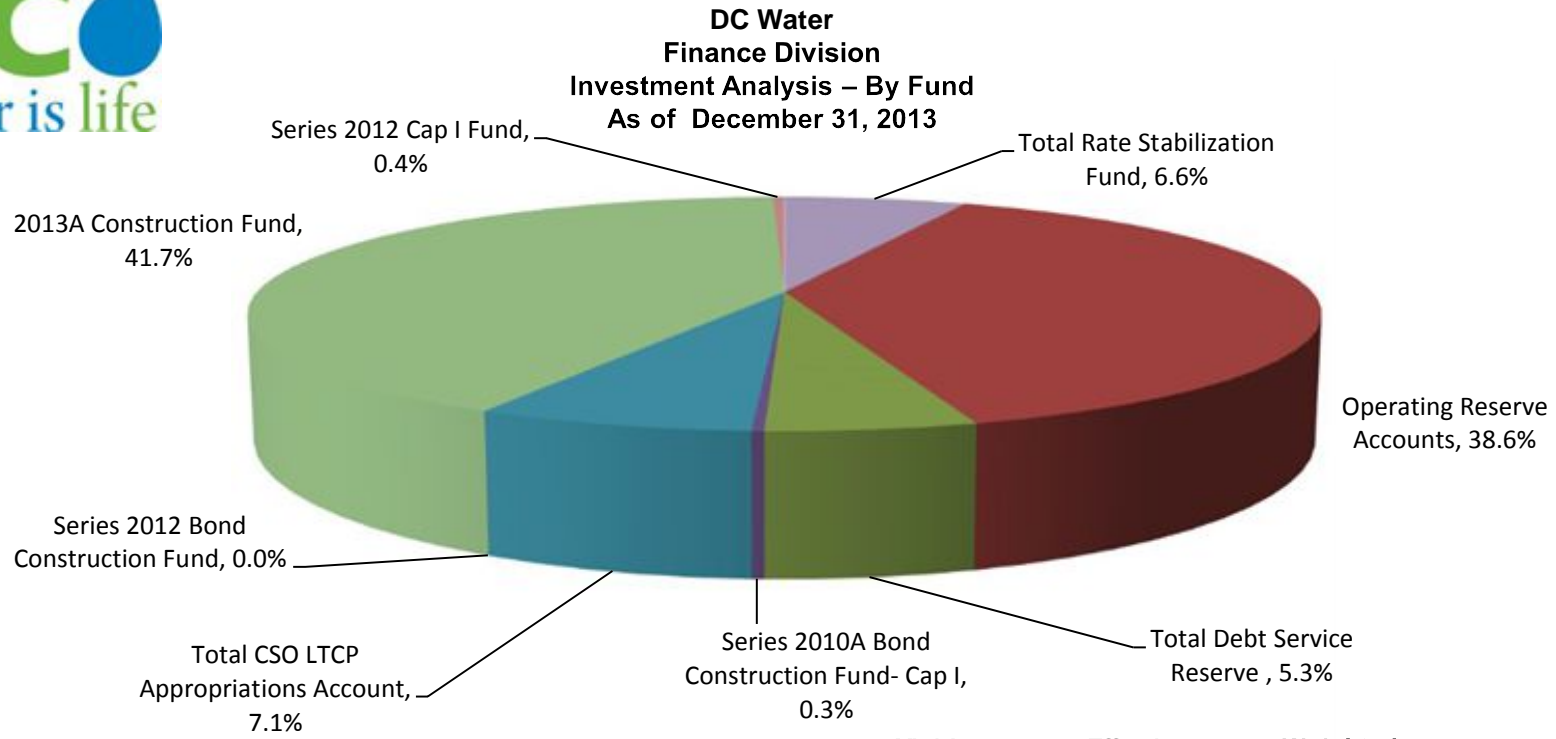
- The portfolio is diversified among Bank Deposits, Commercial Paper, Federal Agencies, Treasury Notes, FDIC Insured CDs, and SEC registered money market funds.
- The overall yield-to-cost of the portfolio is 0.33%.
- The portfolio is in compliance with the Authority’s Investment Policy.

Debt Service Reserve Fund

- The Authority purchased \$5 million of 1 ¼ year Federal Agency notes yielding 0.21%.



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	\$ 96,121,590	21.8%	100.0%
Money Market Funds	34,232,829	7.8%	100.0%
Bankers Acceptances	-	0.0%	40.0%
Commercial Paper	99,977,675	22.7%	35.0%
U.S. Treasuries	30,180,654	6.8%	100.0%
Federal Agency	150,213,336	34.1%	80.0%
FDIC Insured CDs	30,188,171	6.8%	30.0%
Municipal Obligations	-	0.0%	20.0%
Total	\$ 440,914,255	100.0%	

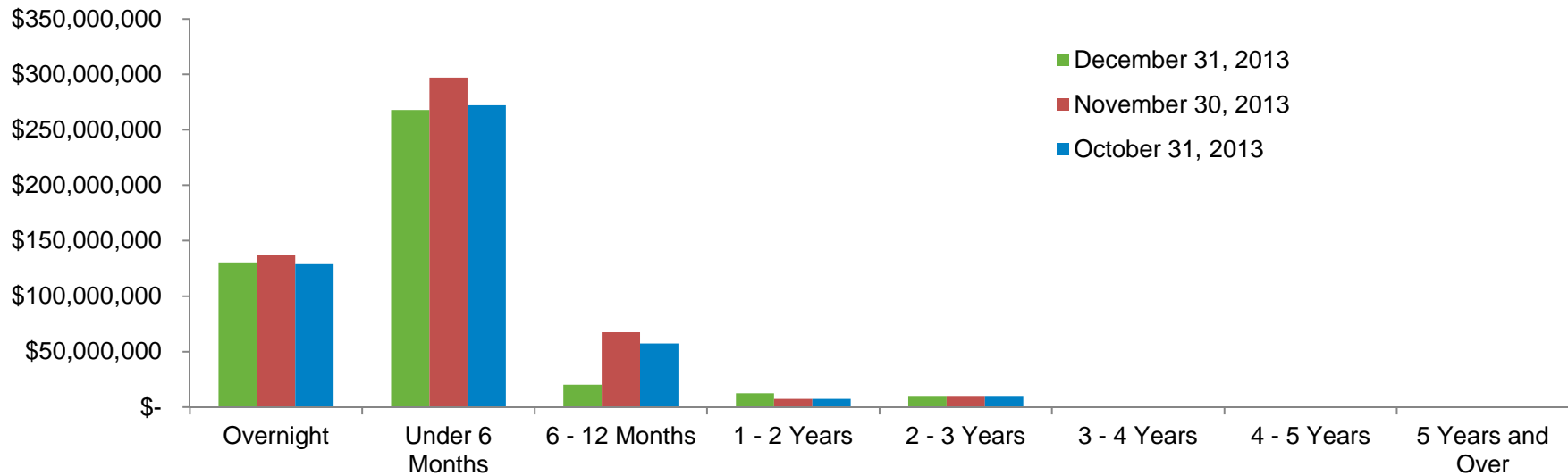


Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Total Rate Stabilization Fund	\$ 28,960,072	0.41%	0.04	15.8
Operating Reserve Accounts	\$ 170,203,600	0.48%	0.20	72.7
Total Debt Service Reserve	\$ 23,498,970	0.30%	1.42	522.9
Series 2010A Bond Construction Fund- Cap I	\$ 1,405,204	1.19%	0.21	73.0
Total CSO LTCP Appropriations Account	\$ 31,118,479	0.75%	0.00	1.0
Series 2012 Bond Construction Fund	\$ 634	0.01%	0.00	1.0
2013A Construction Fund	\$ 183,884,333	0.11%	0.24	86.7
Series 2012 Cap I Fund	\$ 1,842,964	0.01%	0.00	1.0
Total	\$ 440,914,255	0.33%	0.26	93.5



**DC Water
Finance Division
Investment Analysis – By Maturity**

Maturity Distribution	December 31, 2013	November 30, 2013	October 31, 2013
Overnight \$	130,354,419.03 \$	137,359,683.87 \$	128,878,817.94
Under 6 Months	267,812,530.76	297,013,703.63	271,977,549.00
6 - 12 Months	20,078,901.33	67,395,292.72	57,353,048.81
1 - 2 Years	12,513,898.17	7,511,061.85	7,508,574.50
2 - 3 Years	10,154,505.66	10,150,856.12	10,147,206.69
3 - 4 Years	-	-	-
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
Totals \$	440,914,254.95 \$	519,430,598.19 \$	475,865,196.94





**DC Water
Finance Division
Investments – Issuer Allocation**

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
Bank Deposits					
TD Bank		86,028,475.18	19.5%	100.0%	Yes
Premier Bank		5,034,982.12	1.1%	100.0%	Yes
Capital One Bank		5,058,133.19	1.1%	100.0%	Yes
Sub-Total Bank Deposits		96,121,590.49	21.8%	100.0%	Yes
Money Market Mutual Funds					
American Beacon MMF	AAAm	1,483,697.61	0.3%	50.0%	Yes
Williams Capital Money Market Fund	AAAm	2,500,573.25	0.6%	50.0%	Yes
Merrill Lynch MMF	AAAm	1,185,540.28	0.3%	50.0%	Yes
Wells Fargo Advantage Treasury Plus	AAAm	2.44	0.0%	50.0%	Yes
Wells Fargo Government MMF	AAAm	29,063,014.96	6.6%	50.0%	Yes
Sub-Total Money Market Mutual Funds		34,232,828.54	7.8%	100.0%	Yes
Certificates of Deposit					
CDARs - Placed by Industrial Bank	NR / NR	20,147,050.91	4.6%	30.0%	Yes
CDARs - Placed by City First Bank	NR / NR	10,041,119.71	2.3%	30.0%	Yes
Sub-Total Certificates of Deposit		30,188,170.62	6.8%	30.0%	Yes
Commercial Paper					
Air Products & Chemicals Comm Paper	A-1 / P-1	9,998,716.70	2.3%	5.0%	Yes
Coca-Cola Company Comm Paper	A-1+ / P-1	9,999,494.40	2.3%	5.0%	Yes
General Elec Cap Corp Comm Paper	A-1+ / P-1	9,999,266.70	2.3%	5.0%	Yes
Hsbc Usa Inc Comm Paper	A-1 / P-1	9,997,666.70	2.3%	5.0%	Yes
Ing (Us) Funding Llc Comm Paper	A-1 / P-1	9,996,355.60	2.3%	5.0%	Yes
Jp Morgan Securities Llc Comm Paper	A-1 / P-1	9,995,294.40	2.3%	5.0%	Yes
Korea Development Bk Ny Comm Paper	A-1 / P-1	9,998,541.70	2.3%	5.0%	Yes
Sumitomo Mitsui Trust Ny Comm Paper	A-1 / P-1	9,998,411.10	2.3%	5.0%	Yes
Union Bank Na Comm Paper	A-1 / P-1	9,995,722.20	2.3%	5.0%	Yes
Wells Fargo & Company Comm Paper	A-1 / P-1	9,998,205.60	2.3%	5.0%	Yes
Sub-Total Commercial Paper		99,977,675.10	22.7%	35.0%	Yes
Federal Agencies					
Fannie Mae	AA+ / Aaa	21,403,863.59	4.9%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	108,813,750.37	24.7%	40.0%	Yes
Freddie Mac	AA+ / Aaa	19,995,722.20	4.5%	40.0%	Yes
Sub-Total Federal Agencies		150,213,336.16	34.1%	100.0%	Yes
U.S. Treasuries					
Treasury Note	AA+ / Aaa	30,180,654.04	6.8%	100.0%	Yes
Sub-Total Treasuries		30,180,654.04	6.8%	100.0%	Yes
Total		\$ 440,914,254.95	100.0%		



**DC Water
Finance Division
Book Value Performance
As of December 31, 2013**

The portfolio is in compliance with the Authority's Investment Policy

	Trailing 1 Months		Trailing 3 Months		Trailing 6 Months		Trailing 12 Months
	Periodic	Annualized	Periodic	Annualized	Periodic	Annualized	
Total Rate Stabilization Fund	0.03%	0.41%	0.10%	0.41%	0.25%	0.49%	0.39%
Operating Reserve Accounts	0.03%	0.31%	0.09%	0.35%	0.19%	0.38%	0.38%
Total Debt Service Reserve	0.03%	0.34%	0.10%	0.41%	0.21%	0.42%	0.37%
Total CSO LTCP Appropriations Account	0.00%	0.03%	0.03%	0.11%	0.06%	0.13%	0.12%
2010A Capitalized Interest Fund	0.10%	1.23%	0.31%	1.25%	0.57%	1.13%	1.04%
2013A Construction Fund	0.01%	0.11%	0.03%	0.10%	n/a	n/a	n/a
Series 2012 Cap I Fund	0.00%	0.01%	0.00%	0.01%	n/a	n/a	n/a
Short-Term	0.03%	0.33%	0.08%	0.33%	0.18%	0.35%	0.36%
Merrill Lynch 3-Month Treasury Index (Book Value) ¹	0.01%	0.07%	0.01%	0.04%	0.02%	0.04%	0.05%
Core (1+ Years)	0.03%	0.37%	0.10%	0.40%	0.22%	0.44%	0.47%
Merrill Lynch 1-3 Year Treasury Index (Book Value) ²	0.03%	0.32%	0.08%	0.33%	0.17%	0.35%	0.30%

- (1) The Merrill Lynch 3-Month Treasury Bill is an unmanaged index tracking the on-the-run Treasury Bill. The Index is produced and maintained by Merrill Lynch & Co. Performance for this index is shown on a book value basis.
- (2) The Merrill Lynch 3-Month Treasury Bill is an unmanaged index tracking a basket of U.S. Treasuries with 1 to 3 year maturities. The Index is produced and maintained by Merrill Lynch & Co. Performance for this index is shown on a book value basis.



DC Water
Finance Division
Portfolio Holdings by Fund

DESCRIPTION	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
Total Rate Stabilization Fund									
TD BANK BANK DEPOSIT	\$ 8,962,264		1/1/2014		0.90%	\$ 8,962,264	\$ 8,962,264	\$ 8,962,264	
KOREA DEVELOPMENT BK NY COMM PAPER	10,000,000	-	1/22/2014	9/25/2013	0.25%	9,991,736	9,999,260	9,998,542	
GENERAL ELEC CAP CORP COMM PAPER	10,000,000	-	1/23/2014	9/25/2013	0.12%	9,996,000	9,999,740	9,999,267	
									\$ 28,960,072.29
Operating Reserve Accounts									
TD BANK BANK DEPOSIT	\$ 52,466,412		1/1/2014		0.90%	\$ 52,466,412	\$ 52,466,412	\$ 52,466,412	
CAPITAL ONE BANK	5,058,133		1/1/2014		0.50%	5,058,133	5,058,133	5,058,133	
WILLIAMS CAPITAL MONEY MARKET FUND	2,500,573		1/1/2014		0.00%	2,500,573	2,500,573	2,500,573	
INDUSTRIAL BANK CDARS	2,512,497	0.620	1/23/2014	1/24/2013	0.62%	2,512,497	2,527,296	2,527,296	
SUMITOMO MITSUI TRUST NY COMM PAPER	10,000,000	-	1/27/2014	9/25/2013	0.22%	9,992,422	9,998,700	9,998,411	
INDUSTRIAL BANK CDARS	2,500,000	0.900	1/27/2014	1/26/2012	0.90%	2,500,000	2,543,521	2,543,521	
HSBC USA INC COMM PAPER	10,000,000	-	2/10/2014	8/26/2013	0.21%	9,990,200	9,998,780	9,997,667	
ING (US) FUNDING LLC COMM PAPER	10,000,000	-	2/11/2014	8/26/2013	0.32%	9,984,978	9,998,390	9,996,356	
AIR PRODUCTS & CHEMICALS COMM PAPER	10,000,000	-	2/12/2014	11/19/2013	0.11%	9,997,403	9,998,340	9,998,717	
JP MORGAN SECURITIES LLC COMM PAPER	10,000,000	-	3/19/2014	11/20/2013	0.22%	9,992,728	9,995,930	9,995,294	
UNION BANK NA COMM PAPER	10,000,000	-	3/19/2014	11/19/2013	0.20%	9,993,333	9,995,930	9,995,722	
FEDERAL HOME LOAN BANKS DISC NOTE	10,000,000	-	3/21/2014	11/19/2013	0.10%	9,996,611	9,997,875	9,997,806	
CITY FIRST BK OF WASHINGTON, DC (CDARS)	2,500,000	0.600	3/23/2014	3/23/2012	0.60%	2,500,000	2,526,644	2,526,644	
US TREASURY NOTES	10,000,000	0.250	3/31/2014	11/19/2013	0.09%	10,005,859	10,010,297	10,010,338	
INDUSTRIAL BANK CDARS	5,000,000	0.650	10/16/2014	10/18/2012	0.65%	5,000,000	5,039,178	5,039,178	
INDUSTRIAL BANK CDARS	5,030,007	0.350	10/16/2014	10/17/2013	0.35%	5,030,007	5,033,723	5,033,723	
CITY FIRST BK OF WASHINGTON, D.C (CDARS)	5,000,000	0.400	11/13/2014	11/14/2013	0.40%	5,000,000	5,002,667	5,002,667	
INDUSTRIAL BANK CDARS	5,000,000	0.500	11/13/2014	11/14/2013	0.50%	5,000,000	5,003,333	5,003,333	
CITY FIRST BK OF WASHINGTON, DC (CDARS)	2,500,000	0.600	3/19/2015	3/21/2013	0.60%	2,500,000	2,511,809	2,511,809	
									\$ 170,203,599.65
Total Debt Service Reserve									
MERRILL LYNCH MMF	\$ 1,185,540		1/1/2014		0.06%	\$ 1,185,540	\$ 1,185,540	\$ 1,185,540	
WELLS FARGO GOVERNMENT MMF	2,156,835		1/1/2014		0.01%	2,156,835	2,156,835	2,156,835	
FHLB NOTES	5,000,000	0.210	2/18/2015	12/17/2013	0.21%	4,999,745	4,999,424	5,000,308	
FEDERAL HOME LOAN BANK GLOBAL NOTES	5,000,000	0.250	2/20/2015	1/30/2013	0.30%	4,995,000	5,005,584	5,001,781	
FHLB NOTES	10,000,000	1.000	3/11/2016	5/22/2013	0.43%	10,158,100	10,141,696	10,154,506	
									\$ 23,498,969.64

Investment Performance Report – December 2013



DC Water
Finance Division
Portfolio Holdings by Fund

DESCRIPTION	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
Series 2010A Bond Construction Fund- Cap I									
WELLS FARGO ADVANTAGE TREASURY PLUS FNMA NOTES (EX-CALLABLE)	\$ 2 1,400,000	1.250	1/1/2014 3/14/2014	3/16/2011	0.00% 1.19%	\$ 2 1,402,617	\$ 2 1,408,335	\$ 2 1,405,201	\$ 1,405,203.83
Total CSO LTCP Appropriations Account									
TD BANK BANK DEPOSIT	\$ 24,599,799		1/1/2014		0.90%	\$ 24,599,799	\$ 24,599,799	\$ 24,599,799	
PREMIER BANK DEPOSIT	5,034,982		1/1/2014		0.24%	5,034,982	5,034,982	5,034,982	
AMERICAN BEACON MMF	1,483,698		1/1/2014		0.01%	1,483,698	1,483,698	1,483,698	\$ 31,118,478.59
Series 2012 Bond Construction Fund									
WELLS FARGO GOVERNMENT MMF	\$ 634		1/1/2014		0.01%	\$ 634	\$ 634	\$ 634	\$ 634.01
2013A Bond Construction Fund									
WELLS FARGO GOVERNMENT MMF	\$ 25,062,582		1/1/2014		0.01%	\$ 25,062,582	\$ 25,062,582	\$ 25,062,582	
COCA-COLA COMPANY COMM PAPER	10,000,000	-	1/14/2014	8/8/2013	0.14%	9,993,817	9,999,810	9,999,494	
FNMA DISC NOTE	20,000,000	-	1/29/2014	8/8/2013	0.09%	19,991,687	19,999,205	19,998,662	
WELLS FARGO & COMPANY COMM PAPER	10,000,000	-	2/4/2014	8/8/2013	0.19%	9,990,500	9,998,710	9,998,206	
FHLMC DISC NOTE	20,000,000	-	3/19/2014	8/8/2013	0.10%	19,987,611	19,995,966	19,995,722	
US TREASURY NOTES	20,000,000	1.750	3/31/2014	8/8/2013	0.09%	20,213,307	20,169,883	20,170,316	
FHLB NOTES	32,500,000	0.150	4/23/2014	8/8/2013	0.14%	32,502,275	32,511,223	32,510,209	
FHLB GLOBAL BONDS	45,000,000	5.250	6/18/2014	8/8/2013	0.15%	46,974,150	46,144,658	46,149,142	\$ 183,884,333.03
Series 2012 Cap I Fund									
WELLS FARGO GOVERNMENT MMF	\$ 1,842,964		1/1/2014		0.01%	\$ 1,842,964	\$ 1,842,964	\$ 1,842,964	\$ 1,842,963.91
						\$ 441,547,002.07	\$ 440,910,324.35	\$ 440,914,254.95	\$ 440,914,254.95



DC Water
Finance Division
Security Transactions
Last 6 Months

ACCOUNT	CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Purchases								
DC WASA OPERATING RESERVE ACCOUNTS	05722LXF1	BAKER HUGHES INC COMM PAPER	10,000,000	-	10/15/2013	08/16/2013	0.112	\$ 9,998,166.67
DC WASA OPERATING RESERVE ACCOUNTS	90526MYC5	UNION BANK NA COMM PAPER	10,000,000	-	11/12/2013	08/16/2013	0.172	\$ 9,995,844.44
DC WASA OPERATING RESERVE ACCOUNTS	313385PG5	FHLB DISC NOTE	15,000,000	-	11/15/2013	08/16/2013	0.071	\$ 14,997,345.83
DC WASA OPERATING RESERVE ACCOUNTS	40427SBA6	HSBC USA INC COMM PAPER	10,000,000	-	02/10/2014	08/26/2013	0.213	\$ 9,990,200.00
DC WASA OPERATING RESERVE ACCOUNTS	4497W1BB1	ING (US) FUNDING LLC COMM PAPER	10,000,000	-	02/11/2014	08/26/2013	0.325	\$ 9,984,977.78
DC WASA OPERATING RESERVE ACCOUNTS	86563HAT7	SUMITOMO MITSUI TRUST NY COMM PAPER	10,000,000	-	01/27/2014	09/25/2013	0.223	\$ 9,992,422.22
DC WASA OPERATING RESERVE ACCOUNTS	RE1002089	INDUSTRIAL BANK CDARS	5,030,007	0.350	10/16/2014	10/17/2013	0.356	\$ 5,030,006.63
DC WASA OPERATING RESERVE ACCOUNTS	RE0907890	CITY FIRST BK OF WASHINGTON, D.C (CDARS)	5,000,000	0.400	11/13/2014	11/14/2013	0.405	\$ 5,000,000.00
DC WASA OPERATING RESERVE ACCOUNTS	RE0907908	INDUSTRIAL BANK CDARS	5,000,000	0.500	11/13/2014	11/14/2013	0.506	\$ 5,000,000.00
DC WASA OPERATING RESERVE ACCOUNTS	912828SL5	US TREASURY NOTES	10,000,000	0.250	03/31/2014	11/19/2013	0.088	\$ 10,009,293.45
DC WASA OPERATING RESERVE ACCOUNTS	00915TBC3	AIR PRODUCTS & CHEMICALS COMM PAPER	10,000,000	-	02/12/2014	11/19/2013	0.112	\$ 9,997,402.78
DC WASA OPERATING RESERVE ACCOUNTS	90526NCK9	UNION BANK NA COMM PAPER	10,000,000	-	03/19/2014	11/19/2013	0.203	\$ 9,993,333.30
DC WASA OPERATING RESERVE ACCOUNTS	313385UN4	FEDERAL HOME LOAN BANKS DISC NOTE	10,000,000	-	03/21/2014	11/19/2013	0.101	\$ 9,996,611.10
DC WASA OPERATING RESERVE ACCOUNTS	46640QCK5	JP MORGAN SECURITIES LLC COMM PAPER	10,000,000	-	03/19/2014	11/20/2013	0.223	\$ 9,992,727.78
DC WASA TOTAL CSO LTCP APPROPRIATIONS	912828RW2	US TREASURY NOTES	10,000,000	0.125	12/31/2013	08/26/2013	0.057	\$ 10,004,279.89
DC WASA TOTAL CSO LTCP APPROPRIATIONS	25153JZT0	DEUTSCHE BANK FINL LLC COMM PAPER	10,000,000	-	12/27/2013	08/26/2013	0.223	\$ 9,992,483.33
DC WASA TOTAL DEBT SERVICE RESERVE	3130A0FX3	FHLB NOTES	5,000,000	0.210	02/18/2015	12/17/2013	0.214	\$ 4,999,890.83
DC WASA RATE STABILIZATION FD	36959JAP8	GENERAL ELEC CAP CORP COMM PAPER	10,000,000	-	01/23/2014	09/25/2013	0.122	\$ 9,996,000.00
DC WASA RATE STABILIZATION FD	5006E1AN4	KOREA DEVELOPMENT BK NY COMM PAPER	10,000,000	-	01/22/2014	09/25/2013	0.254	\$ 9,991,736.11
DC WASA 2013 CONSTRUCTION FUND	313382SH7	FHLB NOTES	32,500,000	0.150	04/23/2014	08/08/2013	0.140	\$ 32,516,493.75
DC WASA 2013 CONSTRUCTION FUND	3133X7FK5	FHLB GLOBAL BONDS	45,000,000	5.250	06/18/2014	08/08/2013	0.150	\$ 47,302,275.00
DC WASA 2013 CONSTRUCTION FUND	912828JW1	US TREASURY NOTES	20,000,000	1.500	12/31/2013	08/08/2013	0.067	\$ 20,144,681.88
DC WASA 2013 CONSTRUCTION FUND	912828KJ8	US TREASURY NOTES	20,000,000	1.750	03/31/2014	08/08/2013	0.095	\$ 20,337,624.14
DC WASA 2013 CONSTRUCTION FUND	912828PB0	US TREASURY NOTES	10,000,000	0.500	10/15/2013	08/08/2013	0.048	\$ 10,024,106.08
DC WASA 2013 CONSTRUCTION FUND	06416JXV0	BANK OF NOVA SCOTIA NY COMM PAPER	10,000,000	-	10/29/2013	08/08/2013	0.081	\$ 9,998,177.78
DC WASA 2013 CONSTRUCTION FUND	19121BAE9	COCA-COLA COMPANY COMM PAPER	10,000,000	-	01/14/2014	08/08/2013	0.142	\$ 9,993,816.67
DC WASA 2013 CONSTRUCTION FUND	9497F1B41	WELLS FARGO & COMPANY COMM PAPER	10,000,000	-	02/04/2014	08/08/2013	0.193	\$ 9,990,500.00
DC WASA 2013 CONSTRUCTION FUND	313385NQ5	FHLB DISC NOTE	20,000,000	-	10/30/2013	08/08/2013	0.052	\$ 19,997,648.33
DC WASA 2013 CONSTRUCTION FUND	313397UL3	FHLMC DISC NOTE	20,000,000	-	03/19/2014	08/08/2013	0.101	\$ 19,987,611.11
DC WASA 2013 CONSTRUCTION FUND	313589QW6	FNMA DISC NOTE	20,000,000	-	12/23/2013	08/08/2013	0.071	\$ 19,994,672.22
DC WASA 2013 CONSTRUCTION FUND	313589SK0	FNMA DISC NOTE	20,000,000	-	01/29/2014	08/08/2013	0.087	\$ 19,991,686.67

Securities highlighted in **blue font** denote trades executed during the current month.



**DC Water
Finance Division
Upcoming Transaction Cash Flows
Next 30 Days**

DATE	TRANSACTION	CUSIP	DESCRIPTION	COUPON	MATURITY DATE	PAR VALUE/SHARES	PRINCIPAL	INTEREST	TOTAL
Total Rate Stabilization Fund									
01/22/14	MATURITY	5006E1AN4	KOREA DEVELOPMENT BK NY COMM PAPER		01/22/14	10,000,000	9,991,736.11	8,263.89	10,000,000
01/23/14	MATURITY	36959JAP8	GENERAL ELEC CAP CORP COMM PAPER		01/23/14	10,000,000	9,996,000.00	4,000.00	10,000,000
Operating Reserve Accounts									
01/23/14	MATURITY	RE0962176	INDUSTRIAL BANK CDARS	0.62	01/23/14	2,512,497	2,512,497.09	15,750.57	2,528,248
01/27/14	MATURITY	86563HAT7	SUMITOMO MITSUI TRUST NY COMM PAPER		01/27/14	10,000,000	9,992,422.22	7,577.78	10,000,000
01/27/14	MATURITY	RE0854423	INDUSTRIAL BANK CDARS	0.9	01/27/14	2,500,000	2,500,000.00	45,123.29	2,545,123
2013A Bond Construction Fund									
01/14/14	MATURITY	19121BAE9	COCA-COLA COMPANY COMM PAPER		01/14/14	10,000,000	9,993,816.67	6,183.33	10,000,000
01/29/14	MATURITY	313589SK0	FNMA DISC NOTE		01/29/14	20,000,000	19,991,686.67	8,313.33	20,000,000



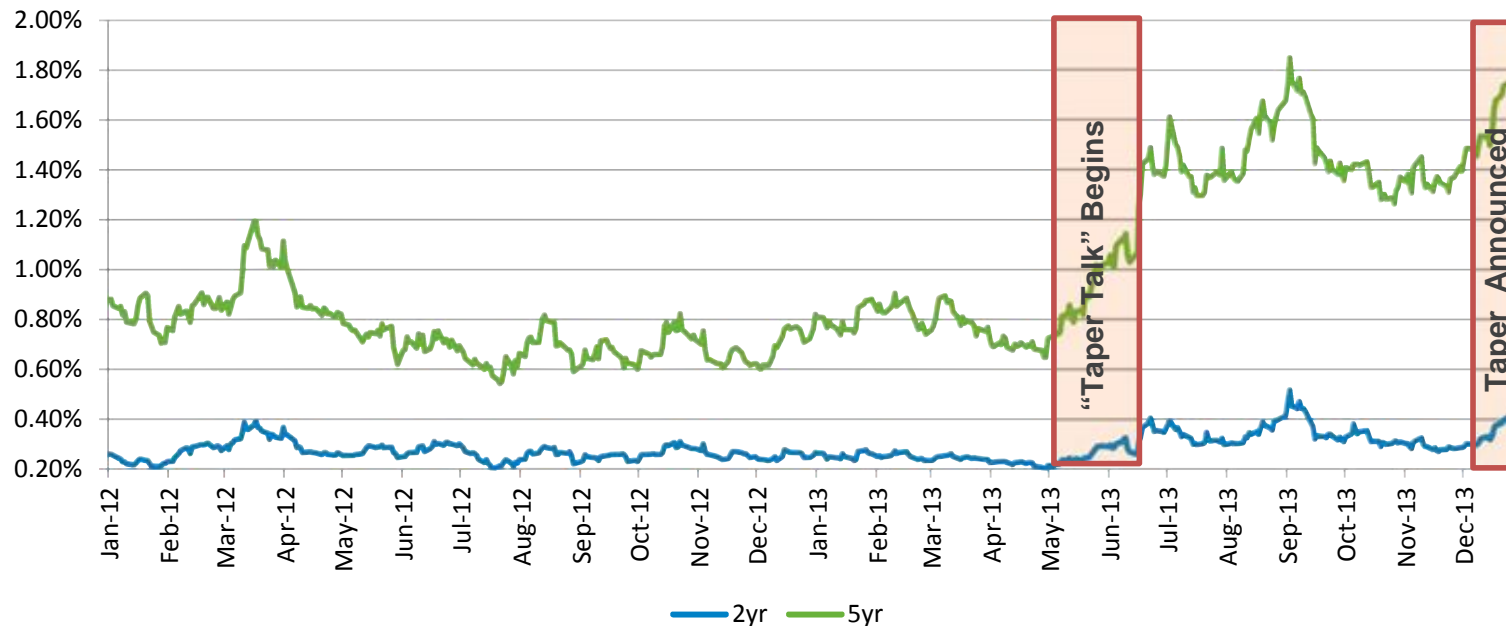
Appendix: Economic Update



Market Impact of FOMC Taper

- The FOMC announced in December that it would begin to reduce its monthly asset purchases by \$10B per month. Market participants largely anticipated the taper announcement, which avoided a significant rise in longer-term rates.
- The FOMC also reaffirmed their commitment to a near-zero Fed Funds Rate.

U.S. Treasury Yields



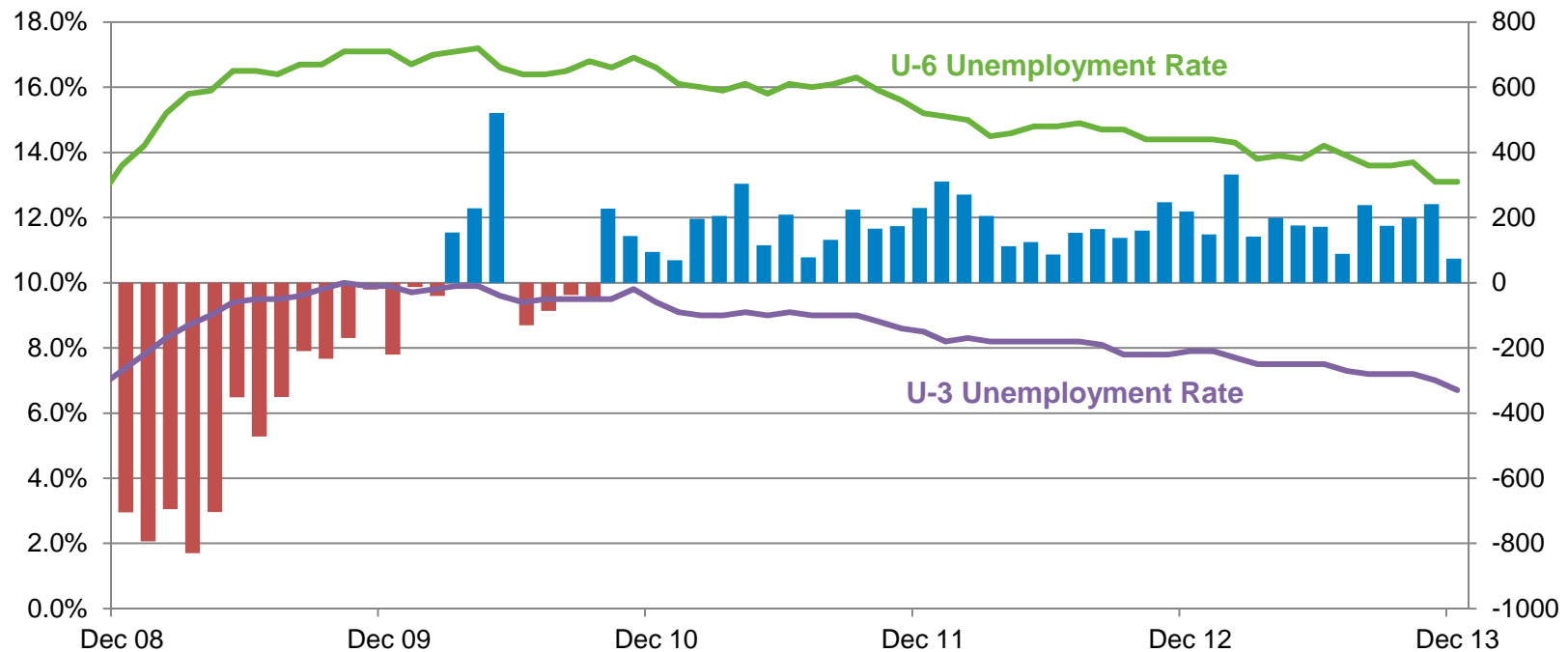
Source: Bloomberg



Disappointing Job Growth in December

- In December, payrolls increased by only 74,000 jobs -- the slowest pace in almost three years. The data may be skewed due to bad weather, but there are concerns about the strength of the U.S. labor market.
- The unemployment rate hit a five-year low, dropping from 7.0% to 6.7% as job seekers stopped searching and withdrew from the workforce. The labor participation rate decreased to 62.8%, matching October as the lowest since 1978.

Unemployment vs. Non-Farm Payrolls
December 2008 – December 2013



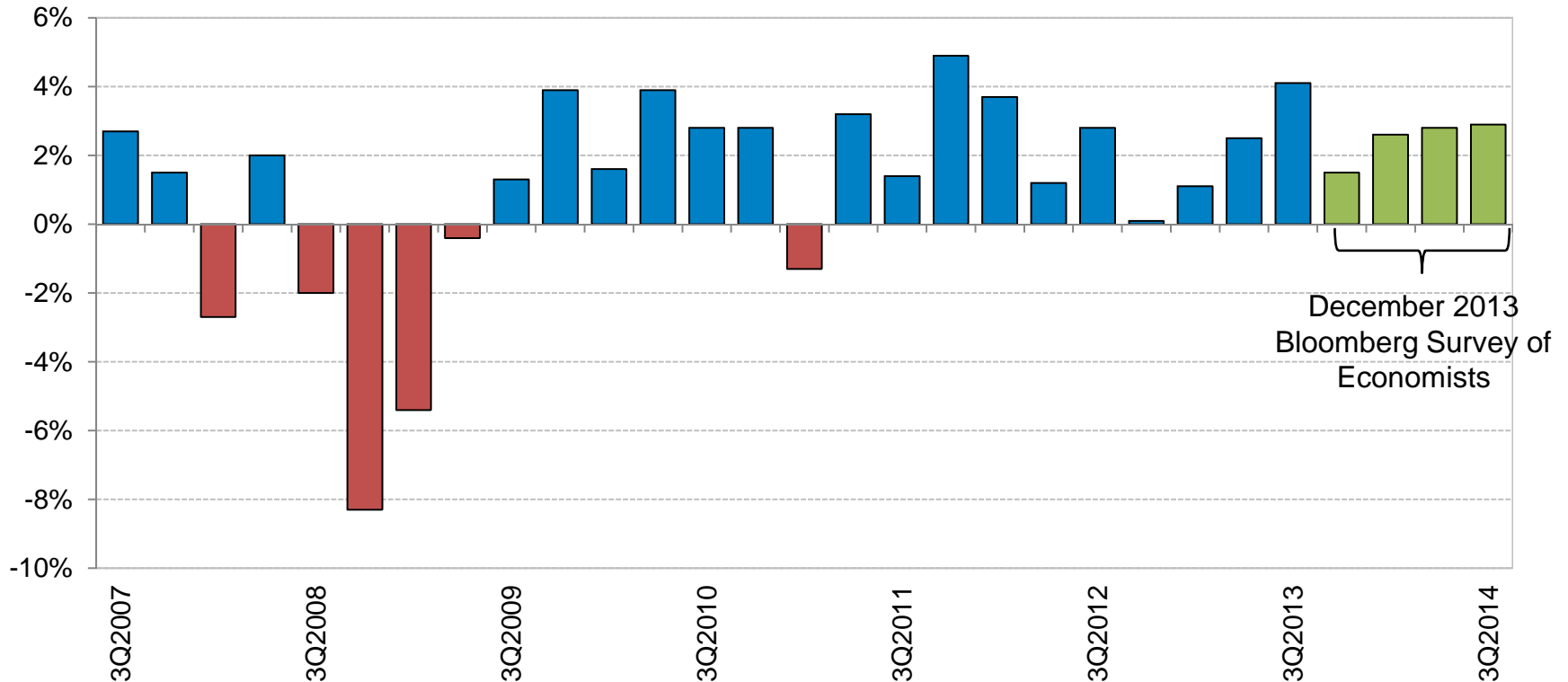
Source: Bloomberg



Gross Domestic Product

- Third quarter gross domestic product (“GDP”) was revised upwards to show the economy growing at +4.1%.
- Economists have also raised their outlook for 2014 growth.

Gross Domestic Product Growth
September 2007 – September 2014 (projected)



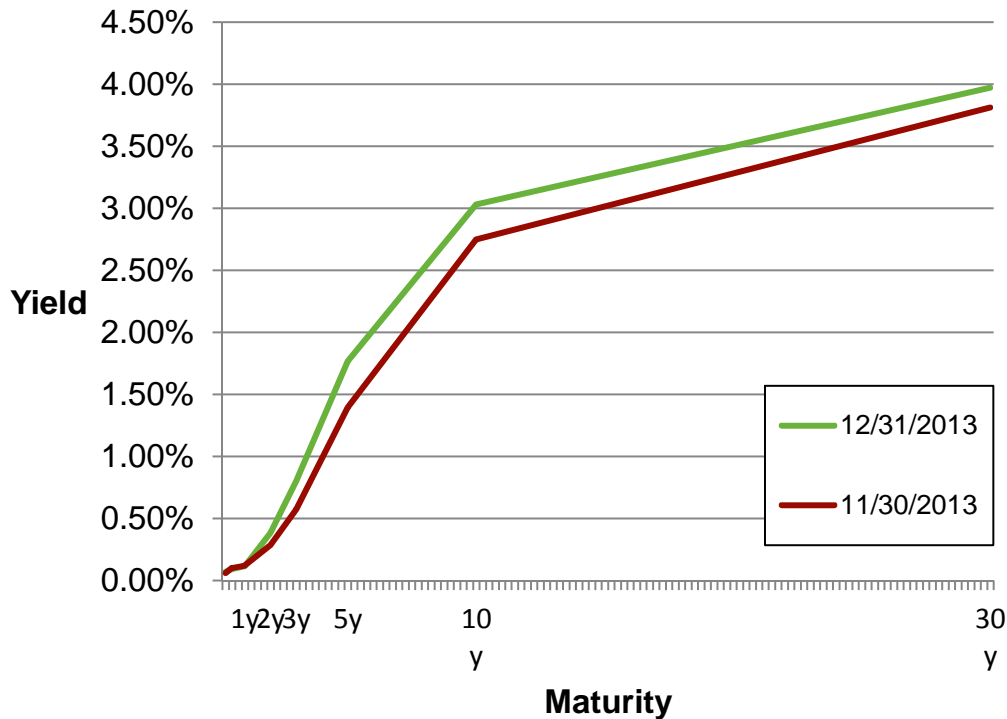
Source: Bloomberg



Yield Curve Continued to Steepen in December

U.S. Treasury Yield Curve

November 30, 2013 versus December 31, 2013



	<u>12/31/2013</u>	<u>11/30/2013</u>	<u>Change</u>
3 month	0.07%	0.06%	0.01%
6 month	0.09%	0.10%	-0.01%
1 year	0.11%	0.12%	-0.00%
2 year	0.38%	0.28%	0.10%
3 year	0.80%	0.57%	0.23%
5 year	1.76%	1.39%	0.37%
10 year	3.03%	2.75%	0.28%
30 year	3.97%	3.81%	0.16%

Source: Bloomberg



This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC (PFMAM) cannot guarantee its accuracy, completeness or suitability.

PFMAM makes judgmental evaluations before recommending specific investment opportunities. In making these evaluations, PFMAM uses its best efforts to review sources of information that it has found to be valuable, accurate and reliable, but it may not survey all sources of publicly available information.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue, and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. PFMAM cannot and does not claim to be able to accurately predict the future investment performance of any individual security or of any asset class.

PFMAM's investment consulting recommendations involve some degree of risk. Investment activity involving a client's assets shall be at the client's own risk, which can result in loss of investment capital, income, and/or tax benefits respecting such assets.

Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.



D.C. WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS
FINANCE & BUDGET
FEBRUARY COMMITTEE MEETING

Thursday, February 27, 2014; 11:00 a.m.
Blue Plains Wastewater Treatment Plant
5000 Overlook Avenue, SW, DC
AGENDA

Call to Order	Chairman
January 2014 Financial Report	Budget Director, Treasury & Debt Manager
Agenda for March Committee Meeting	Chairman
Adjournment	Chairman

*Detailed agenda can be found on DC Water's website at www.dewater.com/about/board_agendas.cfm