



## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

### Board of Directors

*Finance and Budget Committee*

*Thursday, February 28, 2013*

11:00 a.m.

1. **Call to Order** ..... Timothy L. Firestine, Chairperson
2. **January 2013 Financial Report (Attachment 1)** ..... Yvette Downs and Robert Hunt
  - A. Operating Revenues & Expenditures
  - B. Cash Reserves & Investments
  - C. Capital Disbursements Summary
  - D. Investment Report
3. **Capital Improvement Program Quarterly Report (Attachment 2A) and Clean Rivers Update (Attachment 2B)** ..... David McLaughlin/Carlton Ray
4. **Briefing on the FY 2012 Comprehensive Annual Financial Report and Audit Opinion (Attachment 3)** ..... John Madrid
5. **Action Items** ..... Yvette Downs
  - A. Approval for project management & software implementation services – Kinsey & Kinsey, Inc. (Attachment 4)
6. **Other Business**..... Yvette Downs
7. **Agenda for March Committee Meeting (Attachment 5)** ..... Timothy L. Firestine
8. **Adjournment**

#### ***FOLLOW-UP ITEMS – Finance & Budget Committee (Meeting held December 21, 2012)***

1. Provide additional information/explanation for capital under-spending on the Enhanced Nitrogen Removal Facilities (ENRF) and Clean Rivers projects as noted in the November report. **(Mr. Firestine and Ms. Nancoo) Status:** *Provided in the January Report.*
2. Provide additional information on the proposed Headquarters Building to explain expanded space requirements and other facility work that will be accomplished/eliminated within this project, other options available, and user-share estimates. **(Mr. Firestine and Ms. Nancoo) Status:** *To be discussed at February meeting.*



## January 2013 FINANCIAL REPORT

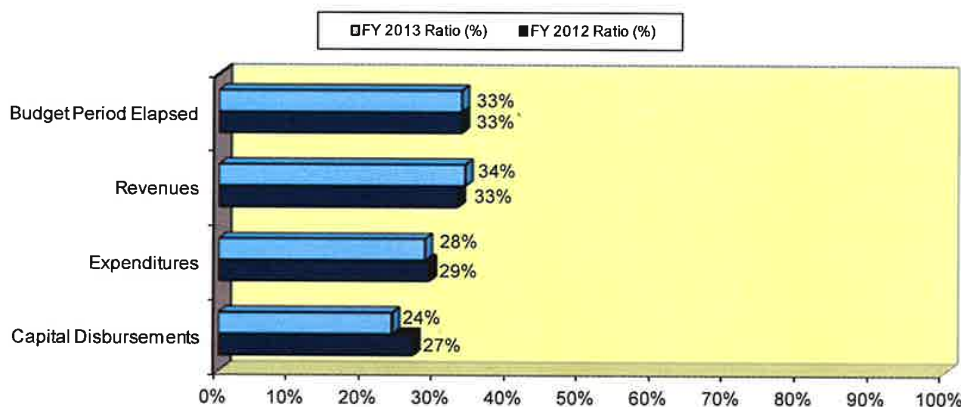
### FY 2013 FINANCIAL PERFORMANCE

At the end of January, with approximately 33 percent of the fiscal year completed, we are on track with budgetary expectations, with the exception of major under spending in Capital Disbursements as discussed later in this report. The table below summarizes detailed information provided in the report.

**Financial Performance  
As of January 31, 2013  
(\$ in millions)**

	Approved	Revised Budget	YTD Budget	YTD	Variance		% Revised Budget
				Actual	Favorable (Unfavorable)		
Revenues (Receipts)*	\$460.2	\$447.5	\$149.2	\$151.5	\$2.3	2%	34%
Expenditures*	\$456.8	\$440.3	\$146.8	\$124.8	\$22.0	15%	28%
Capital Disbursements	\$665.7	\$644.3	\$222.3	\$153.7	\$68.6	31%	24%

\* Straight-lined (4/12 of revised budget)



### 120-day Operating Reserve Analysis (\$ in millions)

FY 2013 120-day Operating Reserve Objective	\$125.5
Actual Average Daily Balances	\$178.8
Difference	\$53.3

## OPERATING REVENUES & RECEIPTS

At the end of January 2013, cash receipts totaled \$151.5 million, or 33.9 percent of the revised FY 2013 Budget. Several categories of customers make payments on a quarterly basis, including the federal and District governments, and wholesale customers. The table below provides a summary of operating receipts at the end of January.

### REVENUE VARIANCE BY CATEGORY (\$ in 000's) As of January 31, 2013

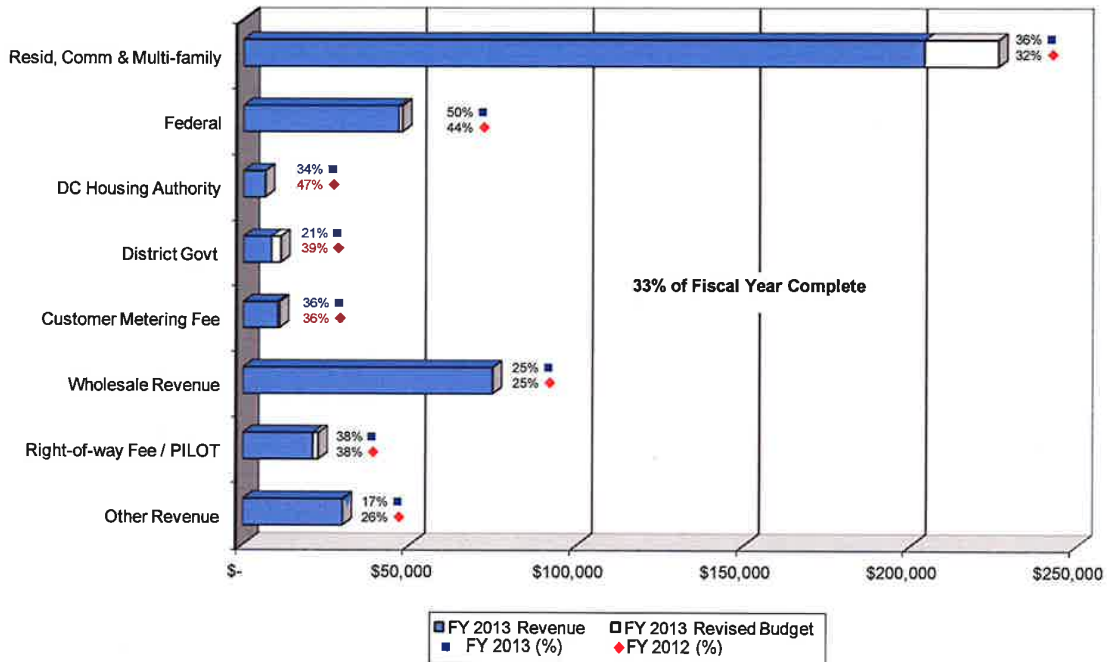
Revenue Category	FY 2013 Revised Budget	Year-to- Date Budget	Actual Received	Variance Favorable (Unfavorable)	Actual % of Budget
Residential, Commercial, and Multi-family	236.2	78.7	84.1	5.4	35.6%
Federal	52.8	17.6	26.3	8.7	49.8%
District Government	12.0	4.0	2.6	(1.4)	21.4%
DC Housing Authority	6.3	2.1	2.2	0.1	34.3%
Customer Metering Fee	10.8	3.6	3.9	0.3	36.4%
Wholesale	75.2	25.1	18.8	(6.3)	24.9%
Right-of-Way Fee/PILOT	22.2	7.4	8.4	1.0	37.6%
<b>Subtotal (before Other Revenues)</b>	<b>\$415.5</b>	<b>\$138.5</b>	<b>\$146.2</b>	<b>\$7.7</b>	<b>35.2%</b>
Other Revenue without RSF					
IMA Indirect Cost Reimb. For Capital Projects	6.0	2.0	0.0	(2.0)	0.0%
DC Fire Protection Fee	6.9	2.3	1.7	(0.6)	25.1%
Stormwater (MS4)	1.0	0.3	0.4	0.1	39.6%
Interest	0.7	0.2	0.5	0.3	74.2%
Developer Fees (Water & Sewer)	8.0	2.7	1.7	(1.0)	21.3%
Others	2.9	1.0	1.0	0.0	34.0%
<b>Subtotal</b>	<b>\$25.5</b>	<b>\$8.5</b>	<b>\$5.3</b>	<b>(3.2)</b>	<b>20.8%</b>
Rate Stabilization Fund Transfer	\$6.5	\$2.2	\$0.0	(2.2)	0.0%
<b>Other Revenue Subtotal</b>	<b>\$32.0</b>	<b>\$10.7</b>	<b>\$5.3</b>	<b>(5.4)</b>	<b>16.6%</b>
<b>Grand Total</b>	<b>\$447.5</b>	<b>\$149.2</b>	<b>\$151.5</b>	<b>\$2.3</b>	<b>33.9%</b>

### Discussion of Relevant Variance

In general, revenues are on target with the exception for District Government, Wholesale and Other Revenues. The second quarter payments from the District Government and Wholesale Customers are expected to be received in February 2013.

Other Revenue receipts are lower than the straight-lined budget at \$5.3 million or 16.7 percent of the budgeted category, primarily due to IMA Indirect Cost Reimbursement and transfer of Rate Stabilization Fund. IMA indirect cost reimbursement for capital projects is not anticipated to be received until the fourth quarter of the fiscal year. We anticipate Rate Stabilization Fund transfer will occur during the fourth quarter of the fiscal year.

**FY 2013  
OPERATING RECEIPTS BY CUSTOMER CATEGORY  
As of January 31, 2013**



**BREAKDOWN OF RETAIL RECEIPTS BY CUSTOMER CATEGORY**  
 (\$ in 000's)  
 As of January 31, 2013

Customer Category	Water	Sewer	Clean Rivers		Total
			IAC	Metering Fee	
Residential	9,791	11,919	3,996	1,658	27,365
Commercial	16,134	16,583	5,231	1,139	39,087
Multi-family	8,642	10,310	1,504	392	20,849
Federal	10,922	10,368	4,992	470	26,752
District Govt	507	619	1,441	228	2,795
DC Housing Authority	893	1,078	176	45	2,192
<b>Total:</b>	<b>46,889</b>	<b>50,877</b>	<b>17,340</b>	<b>3,933</b>	<b>119,039</b>

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

**Clean Rivers IAC – Actual vs. Budget**  
 (\$ in 000's)  
 As of January 31, 2013

Customer Category	FY2013 Budget	Year-To-Date Budget	Actual Received	Variance	Variance % of YTD Budget	Actual % of Budget
				Favorable / <Unfavorable>		
Residential	11,883	3,961	3,996	35	1%	34%
Commercial	13,905	4,635	5,231	596	13%	38%
Multi-family	4,665	1,555	1,504	(51)	-3%	32%
Federal	9,984	3,328	4,992	1,664	50%	50%
District Govt	3,145	1,048	1,441	392	37%	46%
DC Housing Authority	547	182	176	(7)	-4%	32%
<b>Total:</b>	<b>44,129</b>	<b>14,710</b>	<b>17,340</b>	<b>2,630</b>	<b>18%</b>	<b>39%</b>

**OPERATING EXPENDITURES**

At the end of January, with approximately 33 percent of the fiscal year completed, operating expenditures (including debt service and the right of way and PILOT fees) totaled \$124.8 million, or 28 percent of the FY 2013 Board-revised budget of \$440.3 million. These numbers include estimated incurred but unpaid invoices.

**Comparative Statement of Expenditures  
As of January 31, 2013  
(000's)**

	FY 2012			FY 2013			FY 2014
	Board Revised Budget	Actual as of 09/30/2012	Y/E Percent of Budget	Board Revised Budget	YTD as of 01/31/2013	Percent of Budget	Approved Budget
Personnel Services	111,114	107,335	97%	116,609	38,295	33%	120,454
Contractual Services	79,747	64,938	81%	82,350	20,421	25%	84,094
Water Purchases	31,517	28,389	90%	31,513	8,450	27%	31,513
Chemicals and Supplies	29,947	26,744	89%	31,360	7,807	25%	32,909
Utilities	37,446	26,786	72%	34,185	7,390	22%	34,011
Small Equipment	995	1,139	114%	993	197	20%	993
<b>Subtotal O &amp; M Expenditures</b>	<b>290,765</b>	<b>255,332</b>	<b>88%</b>	<b>297,009</b>	<b>82,561</b>	<b>28%</b>	<b>303,973</b>
Debt Service	102,613	99,251	97%	121,330	34,909	29%	150,389
Payment in Lieu of Taxes	16,882	16,882	100%	16,882	5,627	33%	20,081
Right of Way	5,100	5,100	100%	5,100	1,700	33%	5,100
<b>Total O &amp; M Expenditures</b>	<b>415,360</b>	<b>376,565</b>	<b>91%</b>	<b>440,321</b>	<b>124,798</b>	<b>28%</b>	<b>479,543</b>
Personnel Services Charged to Capital Projects	(14,000)	(9,550)	97%	(16,690)	(2,785)	33%	(17,860)
<b>Total Net Operating Expenditures</b>	<b>401,360</b>	<b>367,015</b>	<b>91%</b>	<b>423,631</b>	<b>122,013</b>	<b>29%</b>	<b>461,683</b>

Note: Actuals include accruals

**Discussion**

*Personnel services (\$116.6 million annual budget; 39.3 percent of O&M budget)* – At the end of January, personnel costs total \$38.3 million or 33 percent of budget. Of the 1,212 positions budgeted (1,243 positions authorized), 1,055 positions were filled at the end of January. Overtime spending totals \$2.3 million of the annual budget of \$5.2 million, or 8 percent of regular payroll costs. Overtime costs to date are trending higher than the level of spending for the same period last year due to Hurricane Sandy relief efforts, emergency response to water main breaks caused by the fluctuation in temperature, support to the District for snow removal and support of the Presidential Inauguration. We will continue to monitor and report overtime activities and risks.

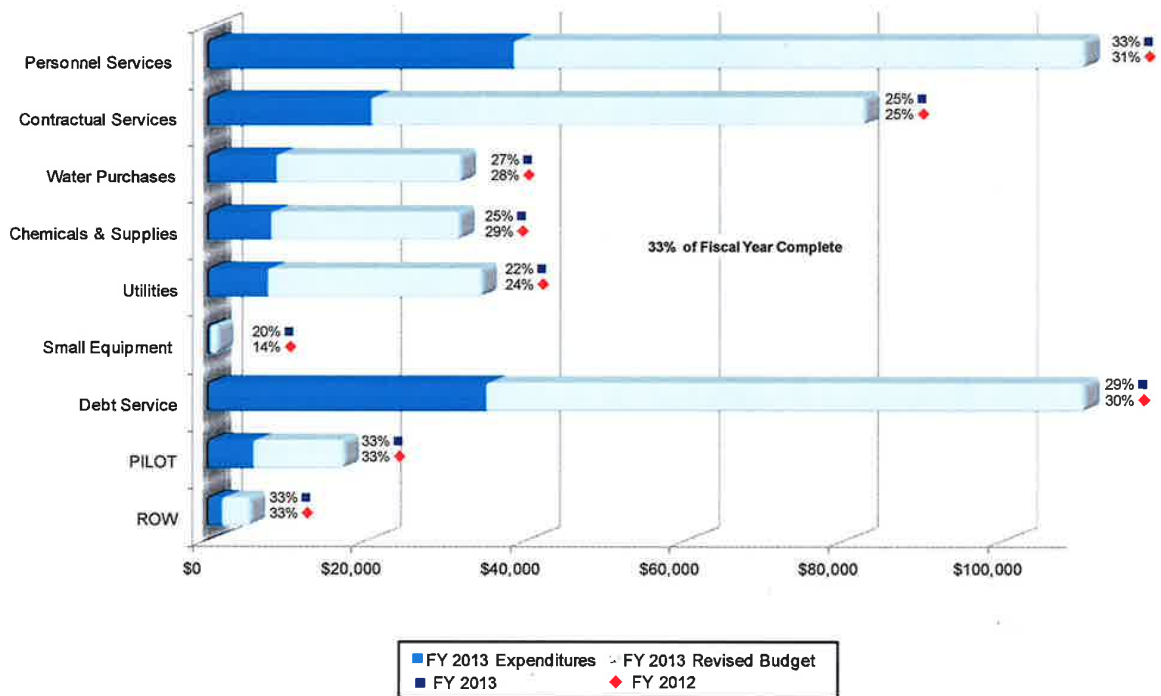
*Contractual Services (\$82.4 million annual budget; 27.7 percent of O&M budget)* – At the end of January, contractual services expenditures total \$20.4 million or 25 percent of budget. This is due to under spending in various contractual services line items throughout the Authority. We anticipate spending to increase as we progress into the fiscal year.

*Chemicals and Supplies (\$31.4 million annual budget; 10.6 percent of O&M budget)* – Payments and accruals through the end of January totaled \$7.8 million or 25 percent of budget. Although chemicals constitute the major part of this area, the spending in FY 2013 is slightly lower than similar period of FY 2012 due to reduced spending for parts supplies. We anticipate spending to increase as we progress into the fiscal year.

*Utilities* (\$34.2 million annual budget; 11.5 percent of O&M budget) – Additional information concerning actual performance in this category can be found later in this report.

*Payment in Lieu of Taxes* – (\$16.9 million annual budget) – Payments and accrued expenses for the District’s PILOT fee totaled \$5.6 million. Actual payment differs due to previous Board direction and resulting offsets associated with the Fire Protection fee.

**FY 2013 Operating Expenditures  
by Category  
(\$ in 000's)  
As of January 31, 2013**



**CAPITAL SPENDING**

For the month of January 2013, actual disbursements totaled \$44.9 million, or 24 percent of the Approved FY 2013 Revised disbursements budget. Planned capital disbursements through January 2013 were \$222.3 million.

**Capital Disbursements Variance  
(\$ in 000's)  
As of January 31, 2013**

Description	FY 2013 Revised Disbursements Budget		Actual Disbursements		% of FY 2013 Revised Disbursements Budget	
	Annual	YTD	JAN. '13	YTD	Variance Compared to Plan	Percent of Annual Budget
Wastewater Treatment	\$358,543	\$126,786	\$22,558	\$88,743	30%	25%
Sanitary Sewer	29,084	7,179	2,360	6,176	14%	21%
Combined Sewer Overflow	163,509	58,330	13,620	37,998	35%	23%
Stormwater	3,252	811	128	1,384	-71%	43%
Water	60,858	20,739	4,094	12,580	39%	21%
Washington Aqueduct	10,598	2,650	1,418	1,418	46%	13%
Capital Equipment	18,422	5,764	719	5,353	7%	29%
<b>Total Capital Projects</b>	<b>\$644,265</b>	<b>\$222,259</b>	<b>\$ 44,897</b>	<b>\$153,652</b>	<b>31%</b>	<b>24%</b>

**Discussion**

The spending variance between the FY 2013 Revised Disbursements Budget and Actual disbursements, on a year-to-date basis, amounted to \$69 million. More than 95 percent of the under-spending relates to three Service Areas: Wastewater Treatment, Combined Sewer Overflow and Water. A review of the first quarter activities and year-end projections will be provided by the Department of Engineering at the February 2013 Committee meeting.

Wastewater Treatment Service Area disbursements have been lower than budgeted, for all Programs in this Service Area. The shortfall in spending in the Solids Processing Program is partly a result of contractor invoicing delays for the Digester Project (Project XA), and revised disbursements projections for the Digester contracts. While these projects remain on schedule, the spending shortfall is currently not anticipated to recover within the current fiscal year. The



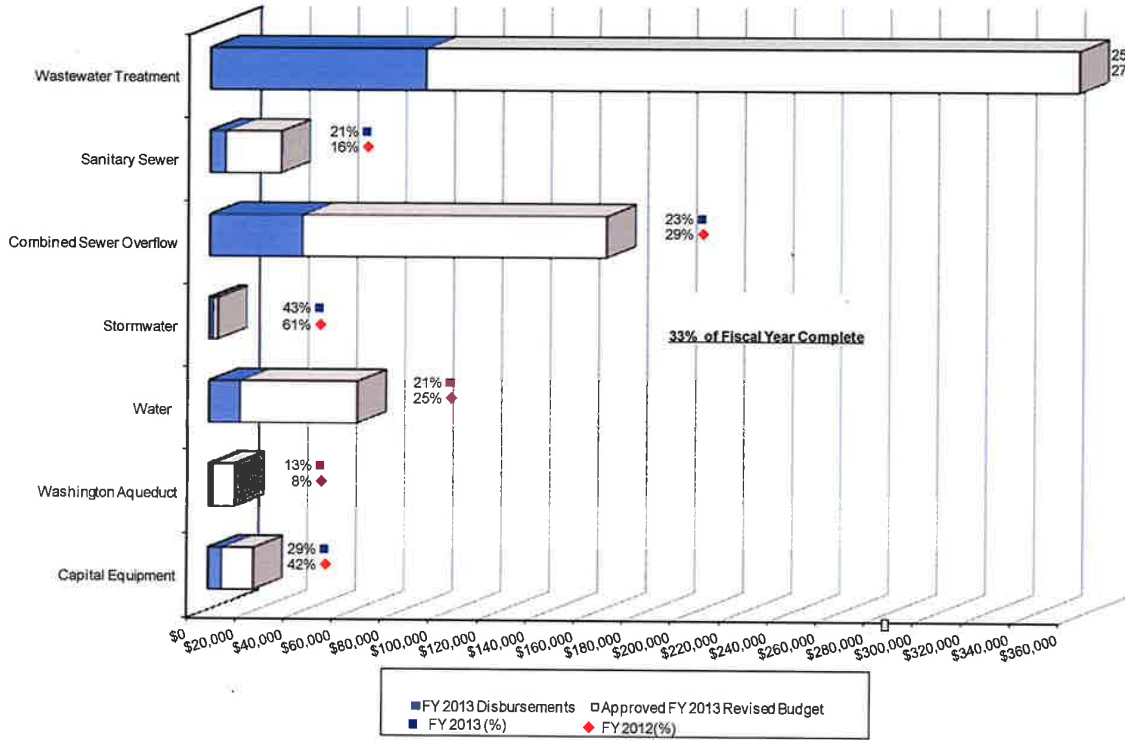
Enhanced Nitrogen Removal Facilities (ENRF) Program disbursements are also behind on projected spending, primarily as a result of the Wet Weather Peak Mitigation (Blue Plains Tunnel - Project EG) for the reasons stated below.

Spending in the Clean Rivers program has been lower than budgeted mainly due to schedule delays associated with concrete quality issues on one of the Blue Plains Tunnel shaft diaphragm wall panels. This delay hindered progress on the shafts and follow-up tunneling work. A recovery plan is in place to mitigate the delays by adding one workday per week during the tunneling operations. Additionally, the spending was impacted by delays on CSO 019 Overflow Structure and Diversion Chamber, as noted in previous reports. These delays have been mitigated by replacement of the personnel and transfer of critical work to a subsequent contract (Anacostia River Tunnel). Although remediation plans are in place to mitigate impact to the critical path and to meet the consent decree of the project, Clean Rivers Program spending is currently not anticipated to fully recover in this fiscal year.

With regards to the Water Service area, Water Distribution Systems, Water On-Going Projects and AMR Programs are responsible for the majority of the year-to-date under-spending. Spending for these programs is expected to recover during the remainder of the fiscal year.

The under-spending related to the Washington Aqueduct is attributable to delayed invoicing by the Aqueduct. An invoice for \$1.4 million is scheduled for payment in February 2013.

**FY 2013 Capital Disbursements Compared to Plan  
By Service Area  
(\$ in 000's)  
As of January 31, 2013**



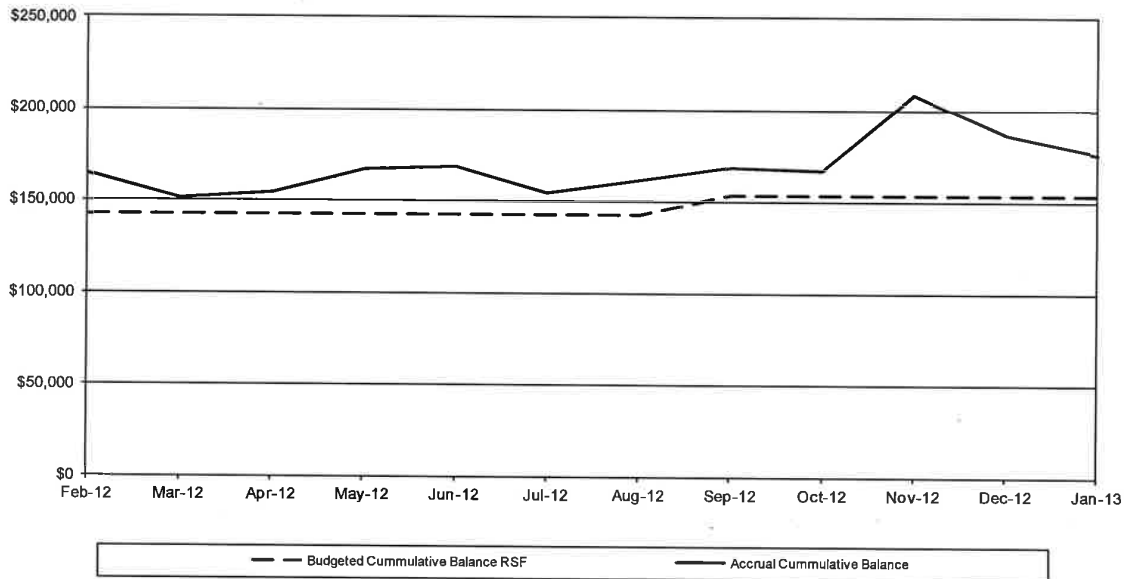
**CASH AND INVESTMENT BALANCES**

At the end of January, our operating reserve balance was \$147.6 million as compared to the FY 2013 operating reserve level objective of \$125.5 million. The following table provides a summary of all cash and investment account balances.

**Cash Balances  
As of January 31, 2013  
(\$ in millions)**

Rate Stabilization Fund Account (RSF)	\$27.9
Operating Reserve Accounts	147.6
DC PILOT Fund	<u>14.5</u>
<b>Operating Cash Balance Including RSF</b>	<b>190.0</b>
Debt Service Reserve - Series 98	23.4
Bond Construction Fund - Series 10	34.4
Bond Construction Fund - Series 12	143.8
CSO LTCP Appropriations Account	<u>35.7</u>
<b>Total All Funds</b>	<b>\$427.3</b>

**FY 2013 Operating Cash Balances  
(\$ in 000's)  
(Operating Reserve and RSF)**



### **Overall Portfolio Performance**

At the end of January, DC Water's total investment portfolio performed well and complied with the Authority's Investment Policy. Returns exceeded the established benchmarks for short term (less than one year) and core (one plus years) funds. Interest income for January (on a cash basis) was \$29,299, with year-to-date totals of \$382,116 as compared to the budget of \$539,336 for the year. A detailed investment performance report is attached.

### **Commercial Paper Program – Letter of Credit**

The Letter of Credit (LOC) supporting the DC Water Commercial Paper program in the amount of \$225 million is currently scheduled to expire in May 2013. Current LOC providers are J. P. Morgan for \$150 million and U.S. Bank for \$75 million. In discussion with our financial advisors (PFM), the current market is being constrained by new international regulatory capital requirements for banks, referred to as Basel III, which takes effect December 31, 2014. As a result it may be more advantageous to extend the current arrangement beyond the implementation date and to delay a full Request for Proposal for a new LOC until sometime after that date. DC Water is negotiating a 2-year extension with the current LOC providers at current market rates (which would provide significant savings over the present contracted rates being paid). Staff and advisors will update the Finance and Budget Committee at the February 28 meeting.

### **Underwriters – Request for Qualifications**

A Request for Qualifications for Senior and Co-Manager Underwriters was issued on November 29, 2012 and received on December 31, 2012. Thirty-three (33) proposals were received by the Office of Procurement. A DC Water panel reviewed all responsive proposals assisted by our financial advisors and consultants. Interviews have been scheduled for March 2013 and will include the incoming CFO, Mark Kim. Once final selections are made, (five (5) senior managers and ten (10) co-managers), a recommendation will be forwarded to the Finance and Budget Committee for their March 28 meeting.

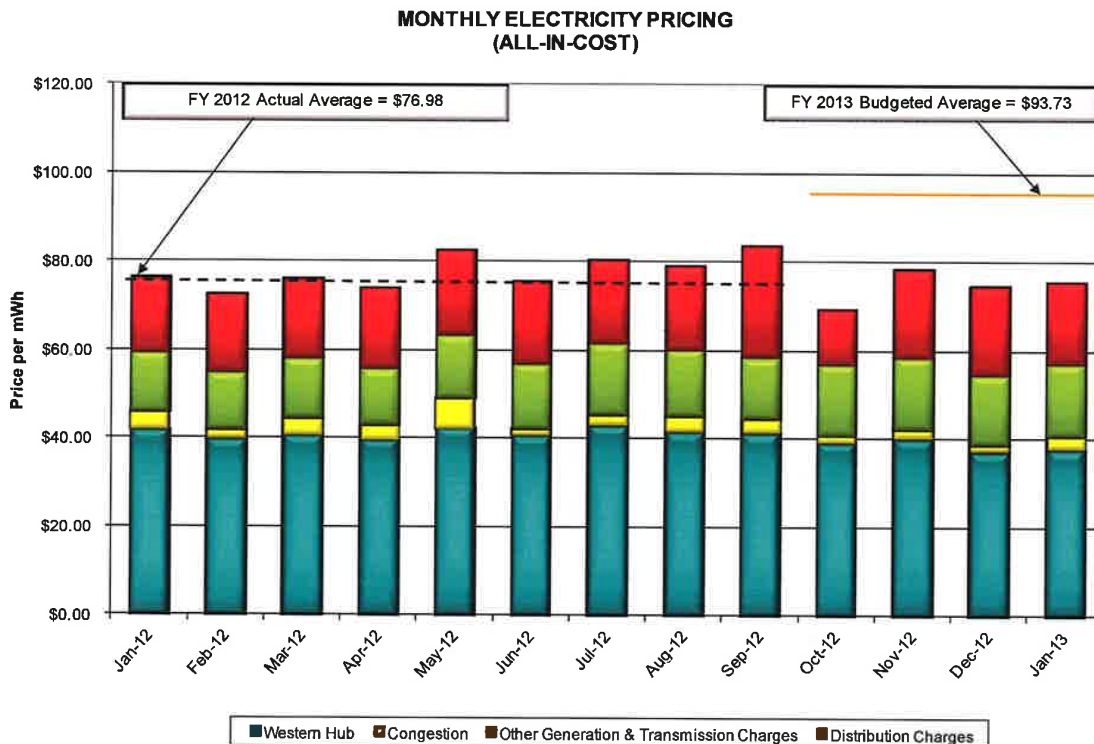
## OTHER STATUS REPORTS

### ELECTRICITY

As of January 2013, we have purchased approximately 69 percent, or 20MW, of the Authority's electric load through January 31, 2013 at the Western Hub average unit price of \$39.98/mWh.

Electricity market conditions continue to be significantly below prior years' experience. Staff continues to monitor the futures market with intent to purchase additional electric loads for FY 2013 if market conditions are appropriate and in line with budget assumptions.

The chart below depicts the all-in-cost for the electricity purchased by the Authority. As indicated in the chart, electricity prices generally increase during the winter and summer peak months. The average all-in-cost paid for January 2013 was \$75.76/mWh with the year-to-date average price of \$74.53/mWh.



Notes: A) Other generation charges include the capacity charges, loss factor adjustments, ancillary costs, and other adder (administrative) fees associated with electricity procurement over the spot market  
 B) Prices include accruals for invoices not yet received.

**Electricity Costs**

The revised FY 2013 electricity budget of \$25.2 million represents 78 percent of the total utilities budget and assumes an average all-in-cost of \$93.73/mWh.

The current purchasing strategy can be compared to two benchmarks: the Standard Offer Service (S.O.S.) and spot market prices. As indicated in the chart below, DC Water’s average year-to-date actual price is slightly higher than the spot market price and significantly below the S.O.S. price.

<b>All-In-Cost (\$/mWh)</b>			
<b>Unit Price</b>			
	Standard Offer Service (S.O.S.)	Spot Market	Actual <sup>1</sup>
Oct-12	\$127.45	67.29	69.44
Nov-12	\$126.66	78.61	78.41
Dec-12	\$126.11	67.76	74.50
Jan-13	\$126.03	71.91	75.76
<b>YTD Average</b>	<b>\$126.56</b>	<b>\$71.39</b>	<b>\$74.53</b>

<sup>1</sup> Actual prices are inclusive of the price mix of monthly block purchases and spot market unit prices.

<b>Electricity Budget (\$000)</b>			
	<b>Amount</b>		<b>Variance</b>
	Budgeted	Actual	Budgeted vs Actual
Oct-12	\$1,878	\$1,103	\$774
Nov-12	\$1,827	\$1,641	\$186
Dec-12	\$2,278	\$1,550	\$728
Jan-13	\$2,492	\$1,734	\$758
<b>YTD Total</b>	<b>\$8,475</b>	<b>\$6,029</b>	<b>\$2,446</b>
Remainder	\$16,748		
<b>Total Budget</b>	<b>\$25,223</b>		

Overall, the FY 2013 electricity expenditure is tracking favorably to budget. The year-to-date savings is attributable to the current electricity market conditions and uncharacteristic weather climate experienced to date.

**PRESIDENTIAL INAUGURATION**

During the 57<sup>th</sup> Presidential Inauguration, which occurred on January 21, 2013, the Authority enacted unprecedented actions and preparations to ensure continuity of service to customers, ensure the safety and welfare of its employees and provide support to the District. The District has approved a budget estimate up to \$523,260 for inaugural support for emergency provisions at various facilities. Our actual costs will be provided directly to the District for reimbursement from the Homeland Security and Emergency Management Agency (HSEMA).

**RETAIL & WHOLESALE ACCOUNTS RECEIVABLE**

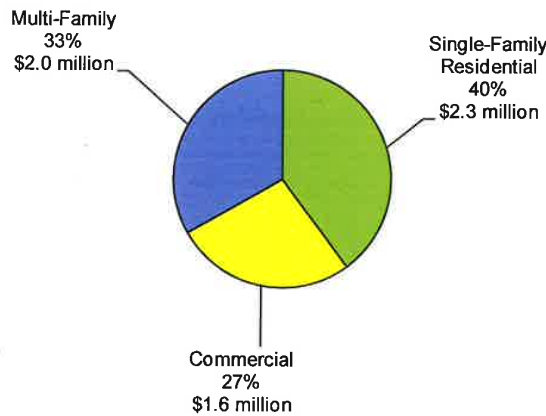
The following tables and chart show retail and wholesale accounts receivable over 90 days including a breakdown by customer class.

**Delinquent Accounts Receivable  
Greater Than 90 Days by Customer  
January 31, 2013**

	RETAIL Greater than 90 Days		WHOLESALE Greater than 90 Days		TOTAL Greater than 90 Days	
	\$ in millions	# of accounts	\$ in millions	# of accounts	\$ in millions	# of accounts
September 30, 2008	\$6.1	15,635	\$0.0	0	\$6.1	15,635
September 30, 2009	\$4.9	10,211	\$0.0	0	\$4.9	10,211
September 30, 2010	\$5.1	13,441	\$0.0	0	\$5.1	13,441
September 30, 2011	\$5.5	13,039	\$0.0	0	\$5.5	13,039
September 30, 2012	\$5.5	13,063	\$0.0	0	\$5.5	13,063
October 31, 2012	\$5.7	12,537	\$0.0	0	\$5.7	12,537
November 30, 2012	\$5.8	12,876	\$0.0	0	\$5.8	12,876
December 31, 2012	\$6.0	13,480	\$0.0	0	\$6.0	13,480
January 31, 2013	\$5.9	12,700	\$0.0	0	\$5.9	12,700

*\*In June 09 the Authority wrote off approximately \$1.3M of bad debt*

**Retail Accounts  
Greater Than 90 Days by Customer Class  
January 31, 2013**



**Delinquent Accounts Receivable  
Greater Than 90 Days by Customer  
January 31, 2013**

	Number of Accounts			Month of January (All Categories)				Total Delinquent			
	W & S a/c	Impervious Only a/c	Total No. of a/c	Active		Inactive		No. of a/c Dec.	Amount (\$)	No. of a/c Jan.	Amount (\$)
				No. of a/c	Amount (\$)	No. of a/c	Amount (\$)				
Commercial	11,879	3,344	15,223	1,607	1,451,403.18	164	127,140.57	1,773	1,542,986.24	1,771	1,578,543.75
Multi-family	7,361	444	7,805	830	1,830,117.34	154	126,519.41	1,021	2,083,216.97	984	1,956,636.75
Single-Family Residential	104,063	3,186	107,249	8,122	1,707,925.86	1,823	632,136.57	10,686	2,397,225.64	9,945	2,340,062.43
<b>Total</b>	<b>123,303</b>	<b>6,974</b>	<b>130,277</b>	<b>10,559</b>	<b>4,989,446.38</b>	<b>2,141</b>	<b>885,796.55</b>	<b>13,480</b>	<b>6,023,429.05</b>	<b>12,700</b>	<b>5,875,242.93</b>

Notes:

-Included in the above \$4.99m (or 10,559 accounts) of the DC Water Over 90 days delinquent accounts, 1,026,702.73 (or 2,953 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.



**D.C. WATER AND SEWER AUTHORITY  
FY 2013 CASH FLOW SUMMARY  
through 1/31/13  
(\$ in 000's)**

	Annual Budget Cash Basis	YTD 33% Cash Budget	YTD Actual Cash Oct. 1, 2012 - Jan. 31, 2013	Variance Favorable (Unfavorable)	
<b>OPERATING BUDGET</b>					
<b>Cash Provided</b>					
Retail	318,168	106,056	119,039	12,983	12%
Wholesale	75,195	25,065	18,758	(6,307)	-25%
Other	47,497	15,832	13,580	(2,253)	-14%
Transfer from Rate Stabilization Fund	6,500	2,167		(2,167)	-100%
<b>Total Cash Provided</b>	<b>447,359</b>	<b>149,120</b>	<b>151,376</b>	<b>2,256</b>	<b>2%</b>
<b>Operating Cash Used</b>					
Personnel Services	99,919	33,306	34,894	(1,588)	-5%
Contractual Services	82,350	27,450	27,915	(465)	-2%
Chemicals & Supplies	31,360	10,453	9,408	1,045	10%
Utilities	34,185	11,395	5,260	6,135	54%
Water Purchases	31,513	10,504	9,554	950	9%
Small Equipment	993	331	291	40	12%
<b>Total Operating Cash Used</b>	<b>280,320</b>	<b>93,440</b>	<b>87,322</b>	<b>6,118</b>	<b>7%</b>
<b>Other Cash Used</b>					
Debt Service	116,179	38,726	34,909	3,817	10%
Payment In Lieu of Taxes/Right of Way	21,982	7,327	4,379	2,949	40%
<b>Total Other Cash Used</b>	<b>138,161</b>	<b>46,054</b>	<b>39,288</b>	<b>6,766</b>	<b>15%</b>
<b>Total Cash Used</b>	<b>418,481</b>	<b>139,494</b>	<b>126,611</b>	<b>12,883</b>	<b>9%</b>
<b>Net Cash Provided (Used) by Operating Act.</b>	<b>28,878</b>	<b>9,626</b>	<b>24,766</b>	<b>15,140</b>	
<b>CAPITAL BUDGET</b>					
<b>Cash Provided</b>					
Debt Proceeds	319,568	106,523	69,998	(36,525)	-34%
Capital Equipment Financing	10,799	3,600		(3,600)	-100%
EPA Grants	32,424	10,808	8,349	(2,459)	-23%
CSO Grants	30,000	10,000	12,476	2,476	25%
Interest Income	303	101	553	452	447%
Wholesale Capital Contributions	225,614	75,205	47,269	(27,936)	-37%
<b>Total Cash Provided</b>	<b>618,709</b>	<b>206,236</b>	<b>138,645</b>	<b>(67,591)</b>	<b>-33%</b>
<b>Cash Used</b>					
DC Water Capital Program	631,968	210,656	152,234	58,422	28%
Washington Aqueduct Projects	10,598	3,533	1,418	2,114	60%
<b>Total Cash Used</b>	<b>642,566</b>	<b>214,189</b>	<b>153,652</b>	<b>60,537</b>	<b>28%</b>
<b>Net Cash/PAYGO Provided (Used) by Cap. Act.</b>	<b>(23,857)</b>	<b>(7,952)</b>	<b>(15,007)</b>	<b>(7,055)</b>	
<b>Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected</b>					
Plus (Less) Operating Surplus	28,878	9,626	24,766		
Wholesale Customer Refunds from Prior Years	(5,800)	(1,933)			
Interest Earned From Bond Reserve	120	40	107		
Transfer to Rate Stabilization Fund	(4,100)	(1,367)			
Prior Year Federal Billing Reconciliation	(5,105)	(1,702)	(2,553)		
Customer Rebate	(4,200)	(1,400)			
Cash Used for Capital	(24,543)	(8,181)	(15,007)		
<b>Balance Attributable to O&amp;M Reserve</b>	<b>125,500</b>		<b>147,563</b>		
<b>OTHER CASH RESERVES</b>					
<b>Rate Stabilization Fund</b>		<b>Current Balance</b>			
Rate Stabilization Fund		27,950			
CSO Long-Term Control Plan Appropriation		35,721			
DC PILOT Reserve Fund		14,475			

**Finance and Budget Committee - 2. January 2013 Financial Report (Attachment 1) - Yvette Downs and Robert Hunt**

**FY 2013 Overtime  
Budget vs Actual  
Period Ended January 31, 2012**

Department	FY 2012				FY 2013						
	Annual Budget	Actual	Percent of Budget Expended	Actual to Budget \$ Variance	Annual Budget	Percent of Annual Budget Expended	FY 2013 Year-to-Date				
							Straight-Line Budget 10/01/12 - 01/31/13	Actual 10/01/12 - 01/31/13	Actual to Straight-Line Budget Variance	Percentage YTD Straight-Line Budget Expended	YTD Overtime as % of YTD Regular
Office of the Secretary	4,000	2,729	68%	1,271	4,000	11%	1,297	449	847	35%	1%
General Manager	13,000	1,493	11%	11,507	10,000	6%	3,242	626	2,615	19%	0%
General Counsel	2,000	619	31%	1,381	2,000	0%	648	0	648	0%	0%
External Affairs	2,000	1,090	54%	910	2,000	25%	648	496	153	76%	0%
Internal Audit	-	-	0%	-	-	0%	0	0	0	0%	0%
Information Technology	24,006	23,207	97%	799	20,000	56%	6,484	11,291	(4,808)	174%	3%
Procurement	30,000	15,792	53%	14,208	30,000	79%	9,725	23,621	(13,896)	243%	3%
Customer Service	240,000	178,495	74%	61,505	240,000	47%	77,802	112,518	(34,716)	145%	4%
Finance & Budget	30,000	18,725	62%	11,275	30,000	63%	9,725	18,768	(9,042)	193%	1%
Risk Management	1,000	132	13%	868	1,000	0%	324	0	324	0%	0%
Assistant General Manager	1,000	1,040	104%	(40)	1,000	61%	324	608	(284)	188%	1%
Human Capital Management	5,000	26,255	525%	(21,255)	5,000	21%	1,621	1,051	570	65%	0%
Occupational Safety & Health	2,000	924	46%	1,076	2,000	1%	648	24	624	4%	0%
Facilities & Security	150,000	190,193	127%	(40,193)	200,000	67%	64,835	134,040	(69,205)	207%	10%
Water / Sewer Pump Maintenance	200,000	142,036	71%	57,964	200,000	38%	64,835	75,138	(10,303)	116%	8%
Engineering & Technical Services	548,481	780,106	142%	(231,625)	680,000	37%	220,440	252,017	(31,577)	114%	6%
Water Services	1,080,000	880,798	82%	199,202	1,080,000	42%	350,110	452,271	(102,161)	129%	12%
Clean Rivers	25,000	2,333	9%	22,667	5,000	30%	1,621	1,507	114	93%	1%
Sewer Services	900,000	874,742	97%	25,258	900,000	58%	291,758	522,177	(230,419)	179%	14%
Wastewater Treatment - Operations	956,000	1,092,676	114%	(136,676)	847,209	47%	274,645	402,156	(127,511)	146%	13%
Process Engineering	0	0	-	-	195,000	13%	63,214	24,581	38,633	39%	5%
Maintenance Services	800,000	717,769	90%	82,231	700,000	36%	226,923	253,602	(26,679)	112%	10%
Permit Operations	2,500	1,803	72%	697	11,000	20%	3,566	2,162	1,404	61%	1%
Fleet Management	1,000	808	81%	192	1,000	67%	324	674	(350)	208%	0%
<b>Total DC WATER</b>	<b>\$5,016,987</b>	<b>\$4,953,761</b>	<b>99%</b>	<b>\$63,225</b>	<b>\$5,166,209</b>	<b>44%</b>	<b>\$1,674,760</b>	<b>\$2,289,779</b>	<b>-\$615,019</b>	<b>137%</b>	<b>8%</b>

**Notes:**

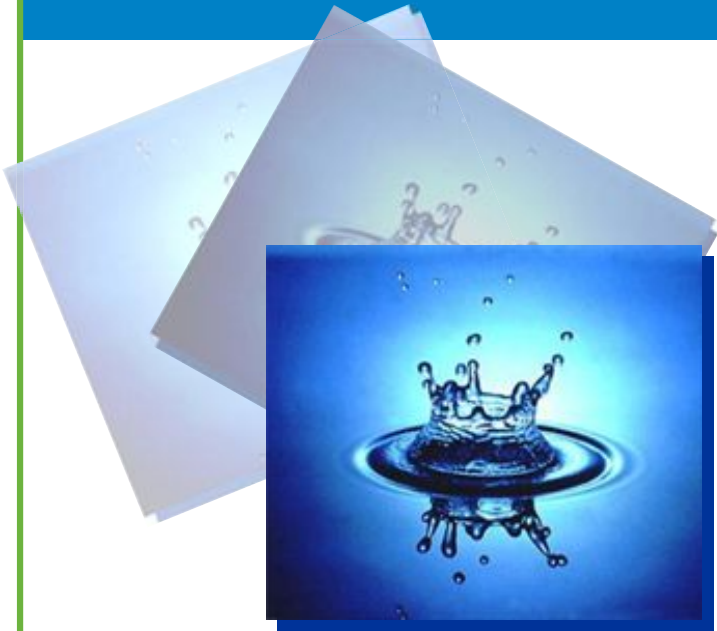
- (1) "Budget 10/01/12 - 01/31/13 " reflects annual budget straight-lined
- (2) "% YTD Budget Expended" reflects variance between straight-lined budget to-date and actual overtime
- (3) "Actual 10/01/12 thru, 01/31/13" includes 5 days accruals for January.
- (3) YTD payroll does not include fringe benefits

Finance and Budget Committee - 2. January 2013 Financial Report (Attachment 1) - Yvette Downs and Robert Hunt

Capital Projects  
 FY 2013 Disbursements Analysis  
 as of Jan. 31, 2013  
 (dollars in thousands)

Description	Approved FY 2013 Revised Disbursements Budget		Actual Disbursements			% of Approved FY 2013 Revised Disbursements Budget		Commitments
	Annual	YTD	Oct. -'11 to Dec. -'12	JAN. -'13	<sup>1</sup> YTD	Annual	YTD	
<b>Wastewater Treatment</b>							<i>33% of Fiscal Year Completed</i>	
Liquid Processing Projects	\$23,884	\$8,378	\$7,042	\$591	\$7,633	32%	91%	44,279
Plantwide Projects	27,128	6,612	3,619	1,072	4,691	17%	71%	92,263
Solids Processing Projects	159,690	48,891	33,102	11,651	44,753	28%	92%	308,486
Enhanced Nitrogen Removal Facilities	147,842	62,905	22,422	9,244	31,666	21%	50%	192,721
<b>Total Wastewater Treatment</b>	<b>358,543</b>	<b>126,786</b>	<b>66,184</b>	<b>22,558</b>	<b>88,743</b>	<b>25%</b>	<b>70%</b>	<b>637,749</b>
<b>Sanitary Sewer</b>								
Sanitary Collection Sewers	858	289	158	75	233	27%	81%	1,779
Sanitary On-Going Projects	10,544	1,589	1,037	458	1,495	14%	94%	9,927
Sanitary Pumping Facilities	679	295	170	0	170	25%	58%	368
Sanitary Sewer Program Management	4,229	1,444	875	143	1,018	24%	70%	14,522
Sanitary Interceptor/Trunk Force Sewers	12,774	3,582	1,576	1,684	3,260	26%	92%	15,819
<b>Total Sanitary Sewer</b>	<b>29,084</b>	<b>7,179</b>	<b>3,816</b>	<b>2,360</b>	<b>6,176</b>	<b>21%</b>	<b>86%</b>	<b>42,415</b>
<b>Combined Sewer Overflow</b>								
CSO Program Management	1,634	449	227	0	227	14%	51%	11,039
Combined Sewer Projects	8,955	3,560	752	115	867	10%	24%	22,034
D.C. Clean Rivers Project (aka Long-Term Control Plan)	152,920	54,321	23,399	13,506	36,905	24%	68%	208,687
<b>Total Combined Sewer Overflow</b>	<b>163,509</b>	<b>58,330</b>	<b>24,378</b>	<b>13,620</b>	<b>37,998</b>	<b>23%</b>	<b>65%</b>	<b>241,759</b>
<b>Stormwater</b>								
Stormwater Local Drainage	28	4	0	0	0	0%	0%	239
Stormwater On-Going Program	812	238	4	1	5	1%	2%	927
Stormwater Pumping Facilities	-	-	0	0	0			0
DDOT Stormwater Program	2	-	0	0	0	0%	0%	0
Stormwater Research and Program Management	289	89	848	0	848	293%	953%	1,097
Stormwater Trunk/Force Sewers	2,120	480	404	126	530	25%	111%	520
<b>Total Stormwater</b>	<b>3,252</b>	<b>811</b>	<b>1,257</b>	<b>128</b>	<b>1,384</b>	<b>43%</b>	<b>171%</b>	<b>2,783</b>
<b>Water</b>								
Water Distribution Systems	25,445	9,747	4,995	2,110	7,105	28%	73%	28,440
Water On-Going Projects	10,321	2,754	946	1,191	2,137	21%	78%	9,128
Water Pumping Facilities	3,226	936	320	51	371	11%	40%	15,528
DDOT Water Projects	5,791	2,063	0	137	137	2%	7%	9,110
Water Storage Facilities	1,353	461	7	3	10	1%	2%	1,458
Water Projects Program Management	4,332	1,279	975	398	1,373	32%	107%	8,878
Water Lead Program	1,860	656	361	203	564	30%	86%	6,356
AMR Installation / Replacement	8,529	2,843	882	0	882	10%	31%	1,774
<b>Total Water</b>	<b>60,858</b>	<b>20,739</b>	<b>8,486</b>	<b>4,094</b>	<b>12,580</b>	<b>21%</b>	<b>61%</b>	<b>80,672</b>
<b>Washington Aqueduct</b>	<b>10,598</b>	<b>2,650</b>	<b>0</b>	<b>1,418</b>	<b>1,418</b>	<b>13%</b>	<b>54%</b>	
<b>Capital Equipment</b>	<b>18,422</b>	<b>5,764</b>	<b>4,634</b>	<b>719</b>	<b>5,353</b>	<b>29%</b>	<b>93%</b>	<b>6,216</b>
<b>Total Capital Projects</b>	<b>\$644,265</b>	<b>\$222,259</b>	<b>\$108,755</b>	<b>\$44,897</b>	<b>\$153,652</b>	<b>24%</b>	<b>69%</b>	<b>1,011,594</b>

<sup>1</sup> Includes actual OCIP related disbursements of \$547,860



# DC Water

*Investment Performance Report – January 2013*



DC Water  
Finance Division  
Economic Update

**ECONOMIC COMMENTARY**

- GDP growth during the 4<sup>th</sup> quarter declined by 0.1%, lower than even the most pessimistic projection.
- The U.S. employment picture remains relatively unchanged. The U.S. economy added 157,000 jobs in January, but the unemployment rate increased from 7.8% to 7.9%.
- Yields remain at near-zero levels as the Federal Open Market Committee remains committed to keeping rates low until the unemployment rate falls below 6.5%.

**PORTFOLIO RECAP**

- The portfolio is diversified among Bank Deposits, Commercial Paper, Federal Agencies, U.S. Treasuries, FDIC Insured CDs, and SEC registered money market funds.
- The overall yield-to-cost of the portfolio is 0.30%.
- The portfolio is in compliance with the Authority's Investment Policy.

**Operating Reserve Account**

- The Authority purchased \$7.5 million of 3 month commercial paper with a yield of 0.16%.
- The Authority purchased a \$2.5 million CD with a yield of 0.63%.

**CSO LTCP Appropriations Fund**

- The Authority purchased \$10 million of 2 month Federal Agency discount notes with a yield of 0.03%.

**Debt Service Reserve Fund**

- The Authority purchased \$5 million of 2 year Federal Agency notes with a yield of 0.30%.

**Rate Stabilization Fund**

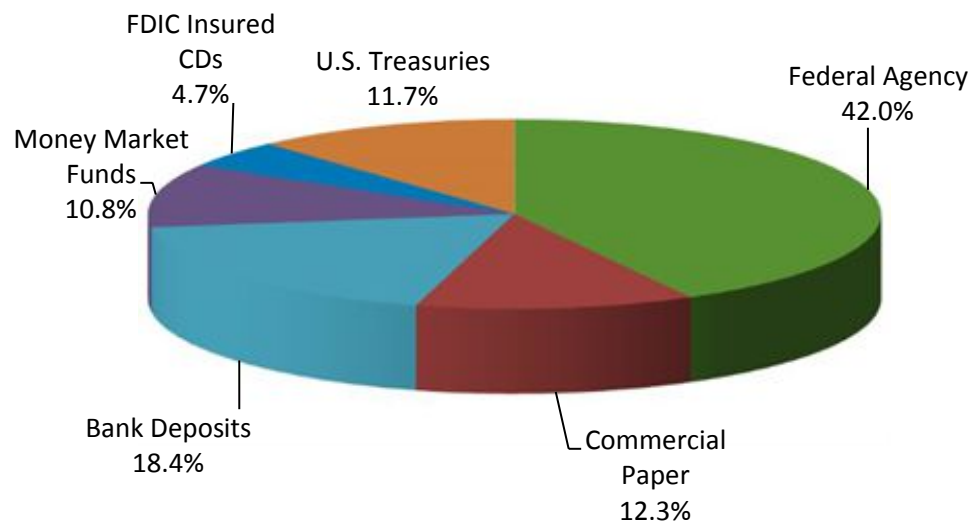
- The Authority purchased \$10 million of 4 month commercial paper with a yield of 0.15%.

**2012 Bond Construction Fund**

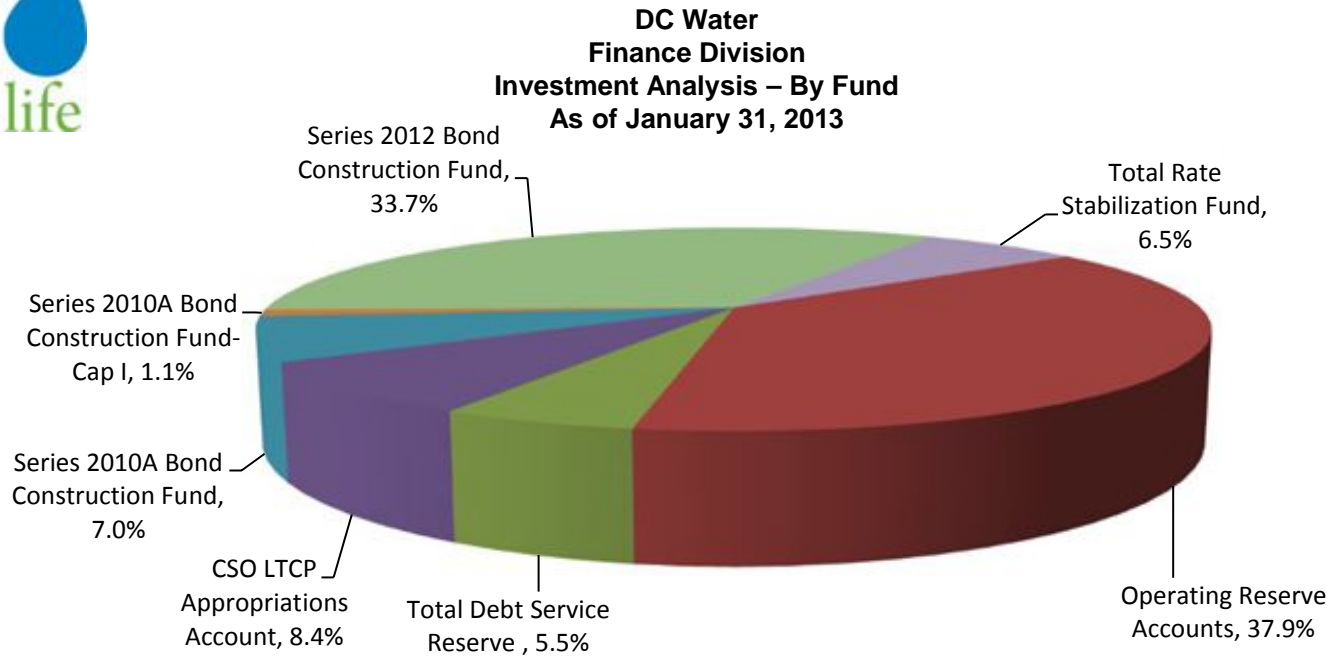
- The Authority purchased \$20 million of 2 month Federal Agency discount notes with a yield of 0.03%.
- The Authority purchased \$25 million of 2 month Treasury bills with a yield of 0.03%.



**DC Water  
Finance Division  
Investments - By Security Type  
As of January 31, 2013**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	\$ 78,701,472	18.4%	100.0%
Money Market Funds	46,232,221	10.8%	100.0%
Bankers Acceptances	-	0.0%	40.0%
Commercial Paper	52,502,369	12.3%	35.0%
U.S. Treasuries	50,170,028	11.7%	100.0%
Federal Agency	179,584,937	42.0%	80.0%
FDIC Insured CDs	20,077,654	4.7%	30.0%
Municipal Obligations	-	0.0%	20.0%
<b>Total</b>	<b>\$ 427,268,681</b>	<b>100.0%</b>	

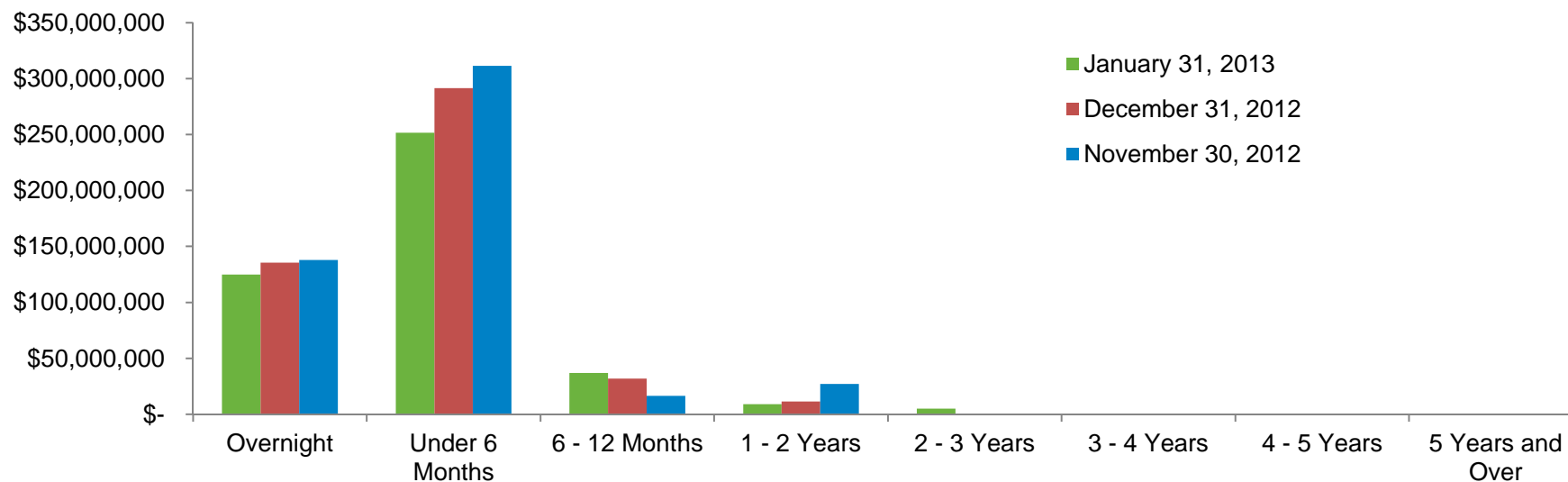


Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Total Rate Stabilization Fund	\$ 27,951,528	0.34%	0.16	58.6
Operating Reserve Accounts	\$ 161,830,498	0.56%	0.27	97.7
Total Debt Service Reserve	\$ 23,418,233	0.28%	0.69	254.8
Series 2010A Bond Construction Fund	\$ 29,988,275	0.03%	0.05	19.0
Series 2010A Bond Construction Fund- Cap I	\$ 4,566,948	0.88%	0.58	211.2
Total CSO LTCP Appropriations Account	\$ 35,721,706	0.29%	0.07	24.0
2012 Bond Construction Fund	\$ 143,791,493	0.05%	0.09	34.3
<b>Total</b>	<b>\$ 427,268,681</b>	<b>0.30%</b>	<b>0.20</b>	<b>71.9</b>



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

Maturity Distribution	January 31, 2013	December 31, 2012	November 30, 2012
Overnight \$	124,933,693.58 \$	135,368,706.72 \$	137,945,122.36
Under 6 Months	251,598,607.55	291,574,519.57	311,385,371.64
6 - 12 Months	36,812,121.46	31,754,570.51	16,413,698.05
1 - 2 Years	8,929,043.29	11,444,571.25	26,990,554.76
2 - 3 Years	4,995,215.03	-	-
3 - 4 Years	-	-	-
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
<b>Totals \$</b>	<b>427,268,680.91 \$</b>	<b>470,142,368.05 \$</b>	<b>492,734,746.81</b>







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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
<b>Bank Deposits</b>					
TD Bank		68,636,823.21	16.1%	100.0%	Yes
Premier Bank		5,029,605.42	1.2%	100.0%	Yes
Capital One Bank		5,035,043.51	1.2%	100.0%	Yes
<b>Sub-Total Bank Deposits</b>		<b>78,701,472.14</b>	<b>18.4%</b>	100.0%	Yes
<b>Money Market Mutual Funds</b>					
American Beacon MMF	AAA	1,483,350.70	0.3%	50.0%	Yes
Williams Capital Money Market Fund	AAA	2,500,272.60	0.6%	50.0%	Yes
Merrill Lynch MMF	AAA	1,185,048.46	0.3%	50.0%	Yes
Wells Fargo Advantage Treasury Plus	AAA	18,109,423.65	4.2%	50.0%	Yes
Wells Fargo Government MMF	AAA	22,954,126.03	5.4%	50.0%	Yes
<b>Sub-Total Money Market Mutual Funds</b>		<b>46,232,221.44</b>	<b>10.8%</b>	100.0%	Yes
<b>Certificates of Deposit</b>					
CDARs - Placed by Industrial Bank	NR / NR	15,053,920.71	3.5%	30.0%	Yes
CDARs - Placed by City First Bank	NR / NR	5,023,732.88	1.2%	30.0%	Yes
<b>Sub-Total Certificates of Deposit</b>		<b>20,077,653.59</b>	<b>4.7%</b>	30.0%	Yes
<b>Commercial Paper</b>					
Baylor University Comm Paper	A-1+ / NR	9,995,458.30	2.3%	5.0%	Yes
Fcar Owner Trust Comm Paper	A-1+ / P-1	9,995,666.70	2.3%	5.0%	Yes
General Elec Cap Corp Comm Paper	A-1+ / P-1	9,996,700.00	2.3%	5.0%	Yes
Metlife Short Term Funding Comm Paper	A-1+ / P-1	4,999,433.35	1.2%	5.0%	Yes
Private Export Fund Comm Paper	A-1 / P-1	9,997,350.00	2.3%	5.0%	Yes
University Of California Comm Paper	A-1+ / P-1	7,517,760.69	1.8%	5.0%	Yes
<b>Sub-Total Commercial Paper</b>		<b>52,502,369.04</b>	<b>12.3%</b>	35.0%	Yes
<b>Federal Agencies</b>					
Fannie Mae	AA+ / Aaa	52,810,463.38	12.4%	40.0%	Yes
Freddie Mac	AA+ / Aaa	84,992,940.45	19.9%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	41,781,532.82	9.8%	40.0%	Yes
<b>Sub-Total Federal Agencies</b>		<b>179,584,936.65</b>	<b>42.0%</b>	100.0%	Yes
<b>Treasuries</b>					
Treasury Note	AA+ / Aaa	50,170,028.05	11.7%	100.0%	Yes
<b>Sub-Total Treasuries</b>		<b>50,170,028.05</b>	<b>11.7%</b>	100.0%	Yes
<b>Total</b>		<b>\$ 427,268,680.91</b>	<b>100.0%</b>		



**DC Water  
Finance Division  
Book Value Performance  
As of January 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	0.01%	0.15%	0.06%	0.24%	0.22%	0.43%	0.54%
Operating Reserve Accounts	0.03%	0.37%	0.06%	0.25%	0.22%	0.44%	0.53%
Total Debt Service Reserve	0.02%	0.25%	0.08%	0.32%	0.21%	0.42%	0.47%
Total CSO LTCP Appropriations Account	0.01%	0.10%	0.03%	0.12%	0.06%	0.12%	0.20%
2010A Construction Fund	0.00%	0.03%	0.01%	0.05%	0.02%	0.05%	0.07%
2010A Capitalized Interest Fund	0.08%	0.89%	0.23%	0.90%	0.43%	0.85%	0.81%
2012 Construction Fund	0.01%	0.06%	0.02%	0.08%	0.04%	0.09%	n/a
<b>Short-Term</b>	<b>0.02%</b>	<b>0.29%</b>	<b>0.07%</b>	<b>0.28%</b>	<b>0.15%</b>	<b>0.31%</b>	<b>0.31%</b>
Merrill Lynch 3-Month Treasury Index (Book Value) <sup>1</sup>	0.00%	0.03%	0.02%	0.07%	0.04%	0.08%	0.08%
<b>Core (1+ Years)</b>	<b>0.05%</b>	<b>0.57%</b>	<b>0.18%</b>	<b>0.73%</b>	<b>0.40%</b>	<b>0.79%</b>	<b>0.82%</b>
Merrill Lynch 1-3 Year Treasury Index (Book Value) <sup>2</sup>	0.02%	0.26%	0.07%	0.27%	0.13%	0.26%	0.28%

- (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
<b><u>Total Rate Stabilization Fund</u></b>									
TD BANK BANK DEPOSIT	\$ 7,957,225		2/1/2013		0.90%	\$ 7,957,225	\$ 7,957,225	\$ 7,957,225	
FHLMC DISC NOTE	10,000,000	-	3/25/2013	12/28/2012	0.08%	9,998,067	9,998,743	9,998,845	
BAYLOR UNIVERSITY COMM PAPER	10,000,000	-	5/21/2013	1/14/2013	0.15%	9,994,708	9,994,708	9,995,458	
									\$ 27,951,527.57
<b><u>Operating Reserve Accounts</u></b>									
TD BANK BANK DEPOSIT	\$ 51,469,804		2/1/2013		0.90%	\$ 51,469,804	\$ 51,469,804	\$ 51,469,804	
CAPITAL ONE BANK	5,035,044		2/1/2013		0.50%	5,035,044	5,035,044	5,035,044	
WILLIAMS CAPITAL MONEY MARKET FUND	2,500,273		2/1/2013		0.00%	2,500,273	2,500,273	2,500,273	
METLIFE SHORT TERM FUNDING COMM PAPER	5,000,000	-	2/25/2013	11/27/2012	0.17%	4,997,875	4,999,430	4,999,433	
FHLMC DISC NOTE	15,000,000	-	2/28/2013	11/20/2012	0.11%	14,995,417	14,999,199	14,998,763	
CITY FIRST BK OF WASHINGTON, DC (CDARS)	2,500,000	0.500	3/23/2013	3/23/2012	0.50%	2,500,000	2,511,758	2,510,788	
PRIVATE EXPORT FUND COMM PAPER	10,000,000	-	3/26/2013	11/27/2012	0.18%	9,994,050	9,997,540	9,997,350	
GENERAL ELEC CAP CORP COMM PAPER	10,000,000	-	3/27/2013	11/27/2012	0.22%	9,992,667	9,998,580	9,996,700	
FHLMC DISC NOTE	5,000,000	-	3/28/2013	11/27/2012	0.12%	4,997,983	4,999,320	4,999,083	
FCAR OWNER TRUST COMM PAPER	10,000,000	-	4/2/2013	11/27/2012	0.26%	9,990,900	9,996,760	9,995,667	
UNIVERSITY OF CALIFORNIA COMM PAPER	7,520,000	-	4/9/2013	1/14/2013	0.16%	7,517,159	7,517,159	7,517,761	
FHLB NOTES	10,000,000	0.750	8/28/2013	5/18/2011	0.72%	10,008,025	10,048,675	10,017,563	
INDUSTRIAL BANK CDARS	5,000,000	0.600	10/17/2013	10/18/2012	0.60%	5,000,000	5,008,712	5,008,712	
FHLB TAP BONDS	10,000,000	3.125	12/13/2013	5/19/2011	0.99%	10,675,134	10,296,577	10,225,405	
INDUSTRIAL BANK CDARS	2,500,000	0.620	1/23/2014	1/24/2013	0.62%	2,512,497	2,512,839	2,512,839	
INDUSTRIAL BANK CDARS	2,500,000	0.900	1/27/2014	1/26/2012	0.90%	2,500,000	2,522,932	2,522,932	
CITY FIRST BK OF WASHINGTON, DC (CDARS)	2,500,000	0.600	3/23/2014	3/23/2012	0.60%	2,500,000	2,519,989	2,512,945	
INDUSTRIAL BANK CDARS	5,000,000	0.650	10/16/2014	10/18/2012	0.65%	5,000,000	5,009,438	5,009,438	
									\$ 161,830,497.59
<b><u>Total Debt Service Reserve</u></b>									
MERRILL LYNCH MMF	1,185,048		2/1/2013		0.06%	1,185,048	1,185,048	1,185,048	
WELLS FARGO GOVERNMENT MMF	2,120,841		2/1/2013		0.01%	2,120,841	2,120,841	2,120,841	
FANNIE MAE DISC NOTE	10,000,000	-	4/1/2013	12/18/2012	0.05%	9,998,556	9,998,500	9,999,181	
FHLB TAP BONDS	5,000,000	3.125	12/13/2013	5/25/2011	0.87%	5,354,034	5,148,288	5,117,948	
FEDERAL HOME LOAN BANK GLOBAL NOTES	5,000,000	0.250	2/20/2015	1/30/2013	0.30%	4,995,000	4,992,508	4,995,215	
									\$ 23,418,233.45



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
<b>Series 2010A Bond Construction Fund</b>									
WELLS FARGO ADVANTAGE TREASURY PLUS	\$ 17,871,835		2/1/2013		0.01%	\$ 17,871,835	\$ 17,871,835	\$ 17,871,835	
WELLS FARGO GOVERNMENT MMF	2,117,640		2/1/2013		0.01%	2,117,640	2,117,640	2,117,640	
FNMA DISC NOTE	10,000,000	-	3/27/2013	12/28/2012	0.08%	9,998,022	9,998,675	9,998,800	
									\$ 29,988,275.10
<b>Series 2010A Bond Construction Fund- Cap I</b>									
WELLS FARGO GOVERNMENT MMF	\$ 89,875		2/1/2013		0.01%	\$ 89,875	\$ 89,875	\$ 89,875	
WELLS FARGO ADVANTAGE TREASURY PLUS	237,589		2/1/2013		0.01%	237,589	237,589	237,589	
FHLB TAP BONDS	1,400,000	3.875	3/8/2013	3/16/2011	0.70%	1,488,359	1,426,920	1,426,102	
FNMA NOTES	1,400,000	1.125	9/30/2013	3/16/2011	0.97%	1,412,681	1,414,068	1,406,723	
FNMA NOTES (EX-CALLABLE)	1,400,000	1.250	3/14/2014	3/16/2011	1.19%	1,402,617	1,423,115	1,406,660	
									\$ 4,566,948.05
<b>Total CSO LTCP Appropriations Account</b>									
TD BANK BANK DEPOSIT	\$ 9,209,795		2/1/2013		0.90%	\$ 9,209,795	\$ 9,209,795	\$ 9,209,795	
PREMIER BANK DEPOSIT	5,029,605		2/1/2013		0.24%	5,029,605	5,029,605	5,029,605	
AMERICAN BEACON MMF	1,483,351		2/1/2013		0.04%	1,483,351	1,483,351	1,483,351	
FANNIE MAE DISC NOTE	10,000,000	-	3/13/2013	1/31/2013	0.03%	9,999,647	9,999,119	9,999,656	
FEDERAL HOME LOAN BANKS DISC NOTE	10,000,000	-	3/15/2013	12/18/2012	0.06%	9,998,550	9,999,060	9,999,300	
									\$ 35,721,706.43
<b>Series 2012 Bond Construction Fund</b>									
WELLS FARGO GOVERNMENT MMF	\$ 18,625,770		2/1/2013		0.01%	\$ 18,625,770	\$ 18,625,770	\$ 18,625,770	
US TREASURY NOTES	25,000,000	1.375	2/15/2013	11/20/2012	0.08%	25,076,210	25,170,523	25,171,061	
FHLMC DISC NOTE	15,000,000	-	2/19/2013	11/20/2012	0.10%	14,996,208	14,999,505	14,999,250	
FANNIE MAE DISC NOTE	20,000,000	-	3/13/2013	1/30/2013	0.03%	19,999,417	19,998,237	19,999,444	
US TREASURY BILL	25,000,000	-	3/21/2013	1/31/2013	0.03%	24,998,945	24,998,675	24,998,967	
FHLMC DISC NOTE	40,000,000	-	3/27/2013	12/18/2012	0.05%	39,994,500	39,994,699	39,997,000	
									\$ 143,791,492.72
						\$ 427,820,920.95	\$ 427,427,943.17	\$ 427,268,680.91	\$ 427,268,680.91



DC Water  
Finance Division  
Security Transactions  
Last 6 Months

ACCOUNT	CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<b>Purchases</b>								
DC WASA 2010A CONSTRUCTION FUND	9127956Y2	US TREASURY BILL	20,000,000	-	12/27/12	10/24/12	0.112	\$ 19,996,088.89
DC WASA 2010A CONSTRUCTION FUND	313589DP5	FNMA DISC NOTE	10,000,000	-	03/27/13	12/28/12	0.081	\$ 9,998,022.00
DC WASA OPERATING RESERVE ACCOUNTS	86561ANE3	SUMITOMO CORP OF AMERICA COMM PAPER	10,000,000	-	01/14/13	08/29/12	0.458	\$ 9,982,711.67
DC WASA OPERATING RESERVE ACCOUNTS	9497F0M41	WELLS FARGO & COMPANY COMM PAPER	10,000,000	-	12/04/12	08/29/12	0.152	\$ 9,995,958.33
DC WASA OPERATING RESERVE ACCOUNTS	RE0937269	INDUSTRIAL BANK CDARS	5,000,000	0.650	10/16/14	10/18/12	0.659	\$ 5,000,000.00
DC WASA OPERATING RESERVE ACCOUNTS	RE0937277	INDUSTRIAL BANK CDARS	5,000,000	0.600	10/17/13	10/18/12	0.608	\$ 5,000,000.00
DC WASA OPERATING RESERVE ACCOUNTS	64105RNN6	NESTLE FINANCE INTL LTD COMM PAPER	10,000,000	-	01/22/13	11/20/12	0.132	\$ 9,997,725.00
DC WASA OPERATING RESERVE ACCOUNTS	313385BA3	FHLB DISC NOTE	10,000,000	-	01/25/13	11/20/12	0.066	\$ 9,998,808.33
DC WASA OPERATING RESERVE ACCOUNTS	313397CL3	FHLMC DISC NOTE	15,000,000	-	02/28/13	11/20/12	0.112	\$ 14,995,416.67
DC WASA OPERATING RESERVE ACCOUNTS	3024A6R20	FCAR OWNER TRUST COMM PAPER	10,000,000	-	04/02/13	11/27/12	0.264	\$ 9,990,900.00
DC WASA OPERATING RESERVE ACCOUNTS	36959HQ77	GENERAL ELEC CAP CORP COMM PAPER	10,000,000	-	03/27/13	11/27/12	0.223	\$ 9,992,666.67
DC WASA OPERATING RESERVE ACCOUNTS	59157TPR8	METLIFE SHORT TERM FUNDING COMM PAPER	5,000,000	-	02/25/13	11/27/12	0.172	\$ 4,997,875.00
DC WASA OPERATING RESERVE ACCOUNTS	7426MQS99	PRIVATE EXPORT FUND COMM PAPER	10,000,000	-	03/26/13	11/27/12	0.183	\$ 9,994,050.00
DC WASA OPERATING RESERVE ACCOUNTS	313397DQ1	FHLMC DISC NOTE	5,000,000	-	03/28/13	11/27/12	0.122	\$ 4,997,983.33
<b>DC WASA OPERATING RESERVE ACCOUNTS</b>	<b>91411SR93</b>	<b>UNIVERSITY OF CALIFORNIA COMM PAPER</b>	<b>7,520,000</b>	<b>-</b>	<b>04/09/13</b>	<b>01/14/13</b>	<b>0.162</b>	<b>\$ 7,517,159.11</b>
<b>DC WASA OPERATING RESERVE ACCOUNTS</b>	<b>RE0962176</b>	<b>INDUSTRIAL BANK CDARS</b>	<b>2,512,497</b>	<b>0.620</b>	<b>01/23/14</b>	<b>01/24/13</b>	<b>0.629</b>	<b>\$ 2,512,497.09</b>
DC WASA TOTAL CSO LTCP APPROPRIATIONS	06416JN41	BANK OF NOVA SCOTIA NY COMM PAPER	10,000,000	-	01/04/13	09/26/12	0.122	\$ 9,996,666.67
DC WASA TOTAL CSO LTCP APPROPRIATIONS	313385AS5	FHLB DISC NOTE	10,000,000	-	01/17/13	09/27/12	0.101	\$ 9,996,888.89
DC WASA TOTAL CSO LTCP APPROPRIATIONS	313385DB9	FEDERAL HOME LOAN BANKS DISC NOTE	10,000,000	-	03/15/13	12/18/12	0.061	\$ 9,998,550.00
<b>DC WASA TOTAL CSO LTCP APPROPRIATIONS</b>	<b>313589CZ4</b>	<b>FANNIE MAE DISC NOTE</b>	<b>10,000,000</b>	<b>-</b>	<b>03/13/13</b>	<b>01/31/13</b>	<b>0.031</b>	<b>\$ 9,999,646.94</b>
DC WASA TOTAL DEBT SERVICE RESERVE	4662J0NP3	JP MORGAN CHASE & CO COMM PAPER	5,000,000	-	01/23/13	10/24/12	0.183	\$ 4,997,725.00
DC WASA TOTAL DEBT SERVICE RESERVE	313589DU4	FANNIE MAE DISC NOTE	10,000,000	-	04/01/13	12/18/12	0.051	\$ 9,998,555.56
<b>DC WASA TOTAL DEBT SERVICE RESERVE</b>	<b>313381YP4</b>	<b>FEDERAL HOME LOAN BANK GLOBAL NOTES</b>	<b>5,000,000</b>	<b>0.250</b>	<b>02/20/15</b>	<b>01/30/13</b>	<b>0.299</b>	<b>\$ 4,995,173.61</b>
DC WASA RATE STABILIZATION FD	60688FML0	MIZUHO FUNDING LLC COMM PAPER	10,000,000	-	12/20/12	08/29/12	0.365	\$ 9,988,700.00
DC WASA RATE STABILIZATION FD	07286MNE7	BAYLOR UNIVERSITY COMM PAPER	10,000,000	-	01/14/13	09/26/12	0.152	\$ 9,995,416.67
DC WASA RATE STABILIZATION FD	313397DM0	FHLMC DISC NOTE	10,000,000	-	03/25/13	12/28/12	0.081	\$ 9,998,067.00
<b>DC WASA RATE STABILIZATION FD</b>	<b>07286MSM4</b>	<b>BAYLOR UNIVERSITY COMM PAPER</b>	<b>10,000,000</b>	<b>-</b>	<b>05/21/13</b>	<b>01/14/13</b>	<b>0.152</b>	<b>\$ 9,994,708.33</b>
DC WASA 2012 CONSTRUCTION FUND	313397BE0	FHLMC DISC NOTE	25,000,000	-	01/29/13	09/26/12	0.091	\$ 24,992,187.50
DC WASA 2012 CONSTRUCTION FUND	313385AS5	FHLB DISC NOTE	20,000,000	-	01/17/13	09/27/12	0.101	\$ 19,993,777.78
DC WASA 2012 CONSTRUCTION FUND	912828MB3	US TREASURY NOTES	35,000,000	1.125	12/15/12	10/24/12	0.135	\$ 35,190,151.13
DC WASA 2012 CONSTRUCTION FUND	912828MN7	US TREASURY NOTES	25,000,000	1.375	02/15/13	11/20/12	0.085	\$ 25,166,817.77
DC WASA 2012 CONSTRUCTION FUND	313397CB5	FHLMC DISC NOTE	15,000,000	-	02/19/13	11/20/12	0.101	\$ 14,996,208.33
DC WASA 2012 CONSTRUCTION FUND	313397DP3	FHLMC DISC NOTE	40,000,000	-	03/27/13	12/18/12	0.051	\$ 39,994,500.00
<b>DC WASA 2012 CONSTRUCTION FUND</b>	<b>313589CZ4</b>	<b>FANNIE MAE DISC NOTE</b>	<b>20,000,000</b>	<b>-</b>	<b>03/13/13</b>	<b>01/30/13</b>	<b>0.025</b>	<b>\$ 19,999,416.67</b>
<b>DC WASA 2012 CONSTRUCTION FUND</b>	<b>9127957M7</b>	<b>US TREASURY BILL</b>	<b>25,000,000</b>	<b>-</b>	<b>03/21/13</b>	<b>01/31/13</b>	<b>0.031</b>	<b>\$ 24,998,945.14</b>

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
<u>Operating Reserve Accounts</u>									
02/25/13	MATURITY	59157TPR8	METLIFE SHORT TERM FUNDING COMM PAPER		02/25/13	5,000,000	4,997,875.00	2,125.00	5,000,000.00
02/28/13	MATURITY	313397CL3	FHLMC DISC NOTE		02/28/13	15,000,000	14,995,416.67	4,583.33	15,000,000.00
<u>Total Debt Service Reserve</u>									
02/20/13	INTEREST	313381YP4	FEDERAL HOME LOAN BANK GLOB <sup>2</sup>	0.25	02/20/15	5,000,000	0.00	868.06	868.06
<u>Series 2012 Bond Construction Fund</u>									
02/15/13	MATURITY	912828MN7	US TREASURY NOTES	1.375	02/15/13	25,000,000	25,000,000.00	171,875.00	25,171,875.00
02/19/13	MATURITY	313397CB5	FHLMC DISC NOTE		02/19/13	15,000,000	14,996,208.33	3,791.67	15,000,000.00

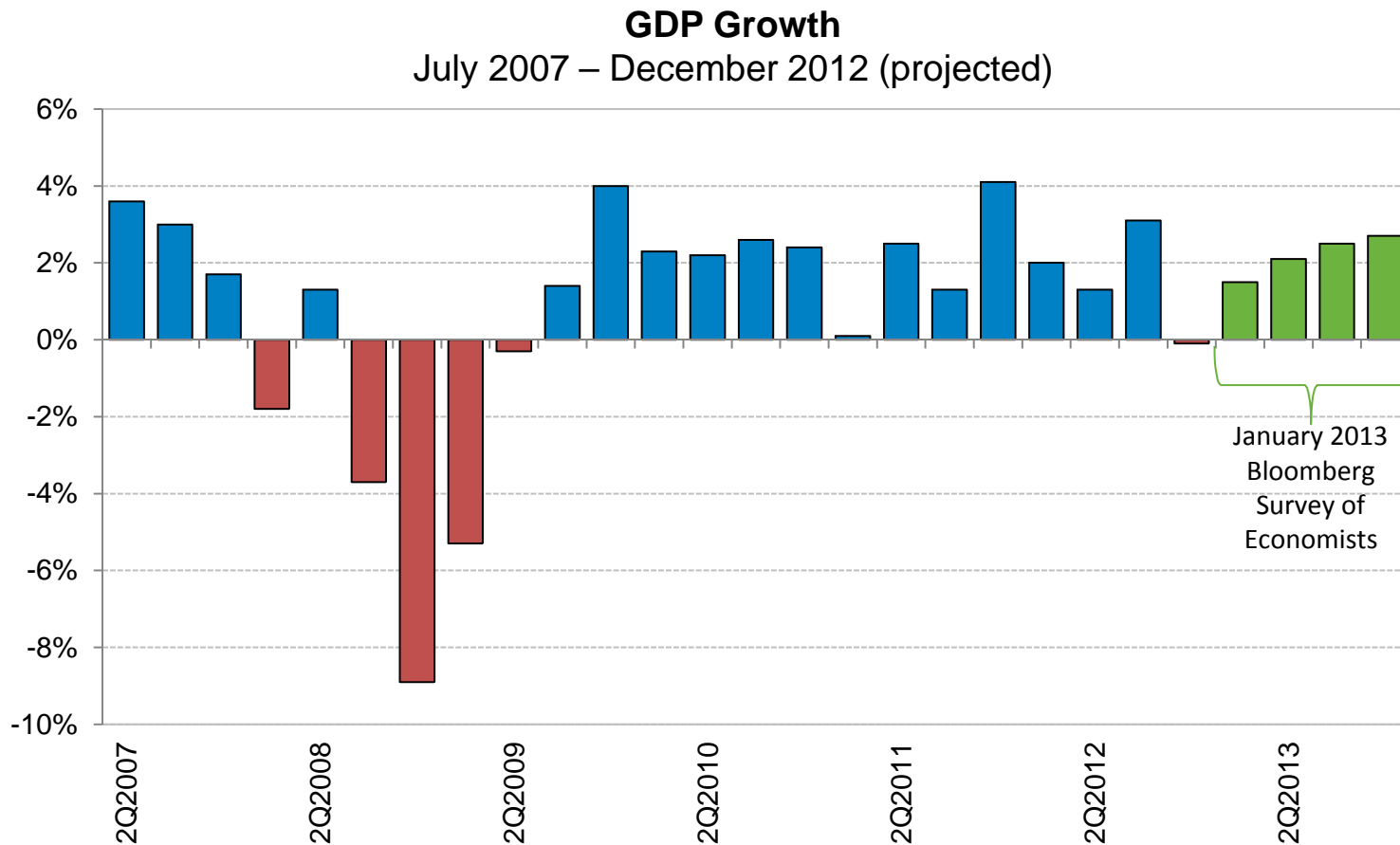


# Appendix: Economic Update



## Negative GDP Growth in the Fourth Quarter

- The U.S. economy unexpectedly shrank by 0.1% during the fourth quarter of 2012 as defense spending fell and inventories dwindled.



Source: Bloomberg

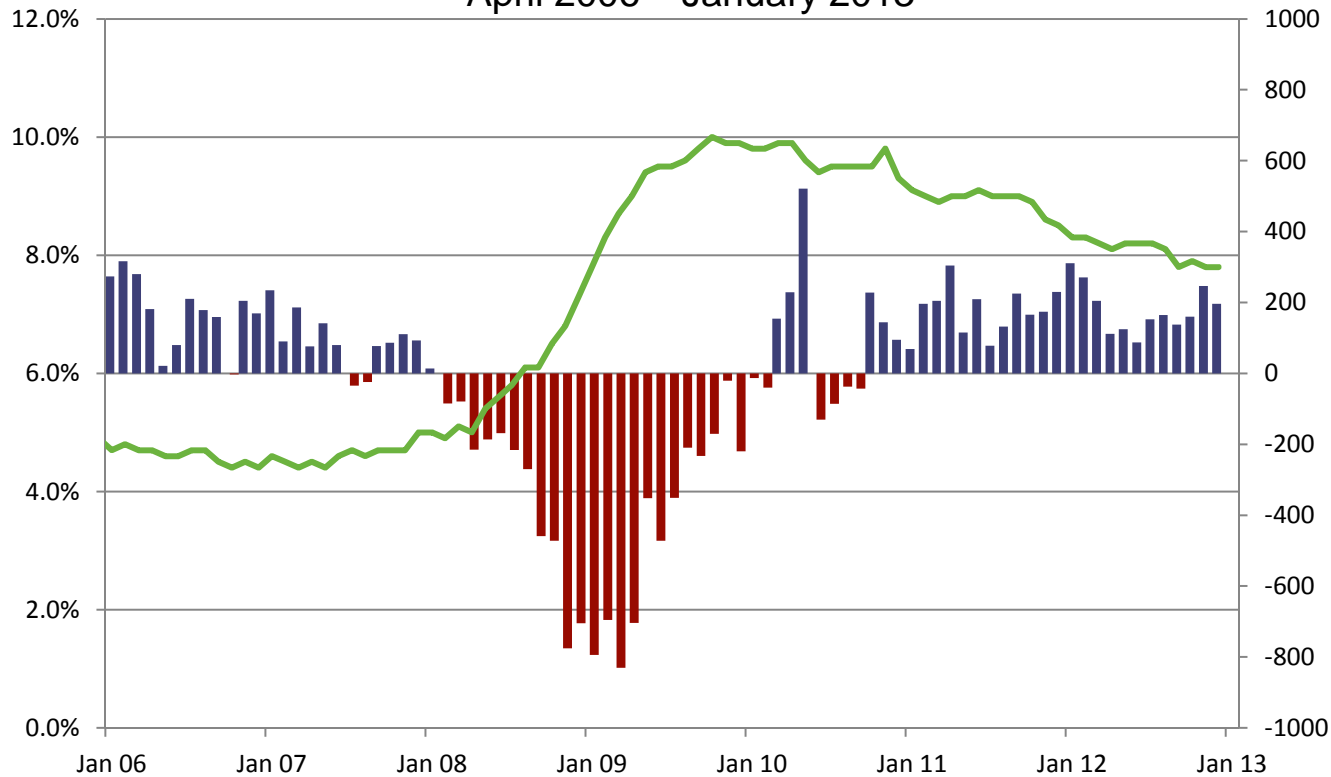




# Employment Report

- The U.S. unemployment rate rose by 0.1% to 7.9% in January as more workers joined the labor force.

**Unemployment vs. Non-Farm Payrolls**  
April 2006 – January 2013

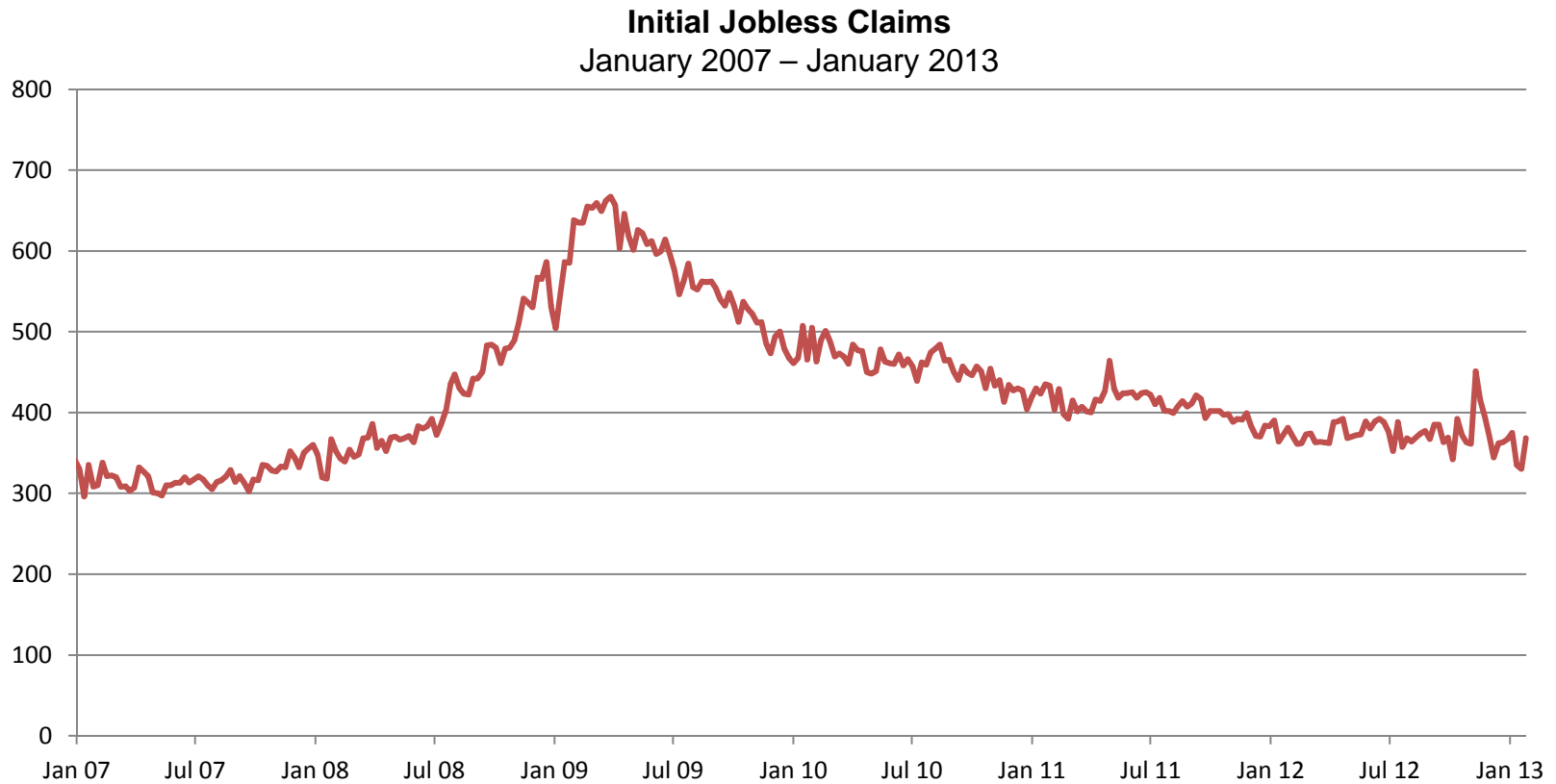


Source: Bloomberg



## Decrease in Initial Jobless Claims

- Initial jobless claims fell to a five-year low in January, an indicator that unemployment in the U.S. is improving.



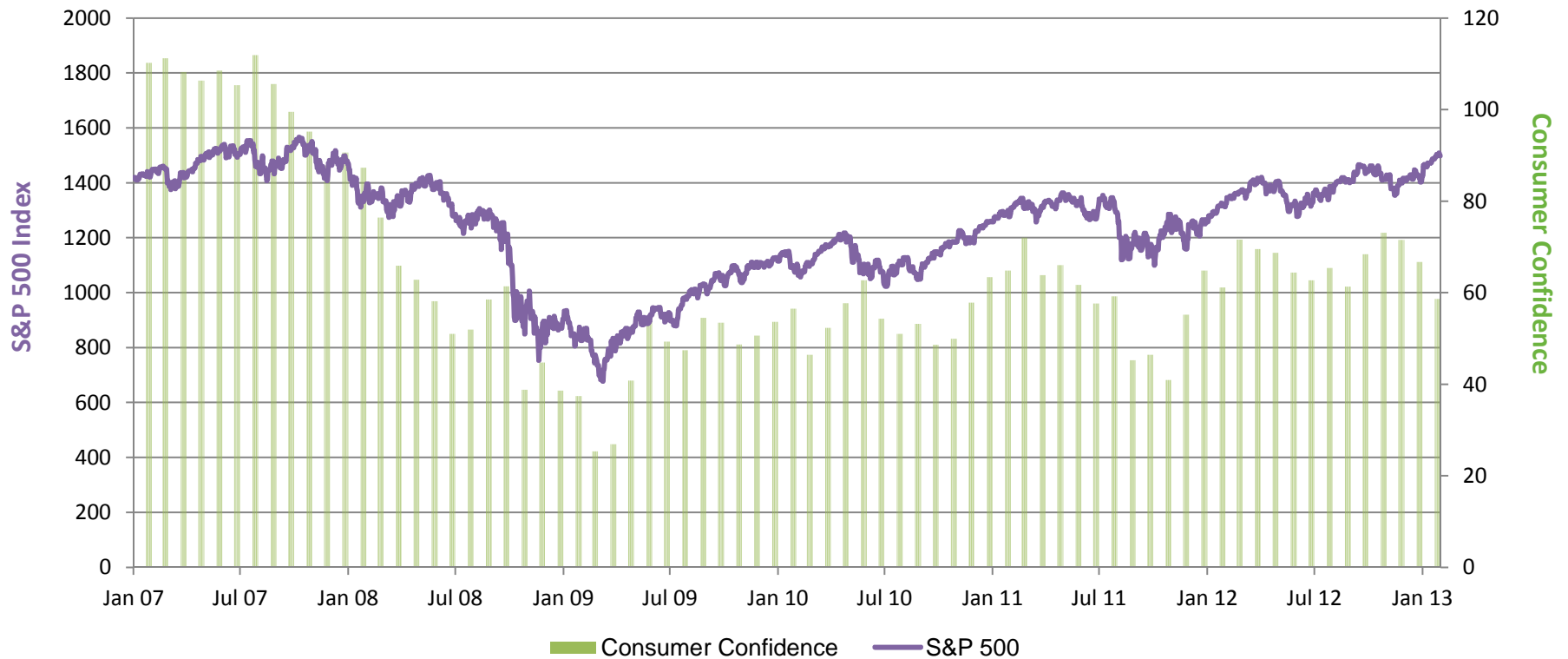
Source: Bloomberg



## Stock Market Recovers

- Market sentiment is improving.
- The stock market performed very strongly in 2012 and continues to rise in 2013.

**S&P 500 vs. Consumer Confidence**  
January 2007 – January 2013



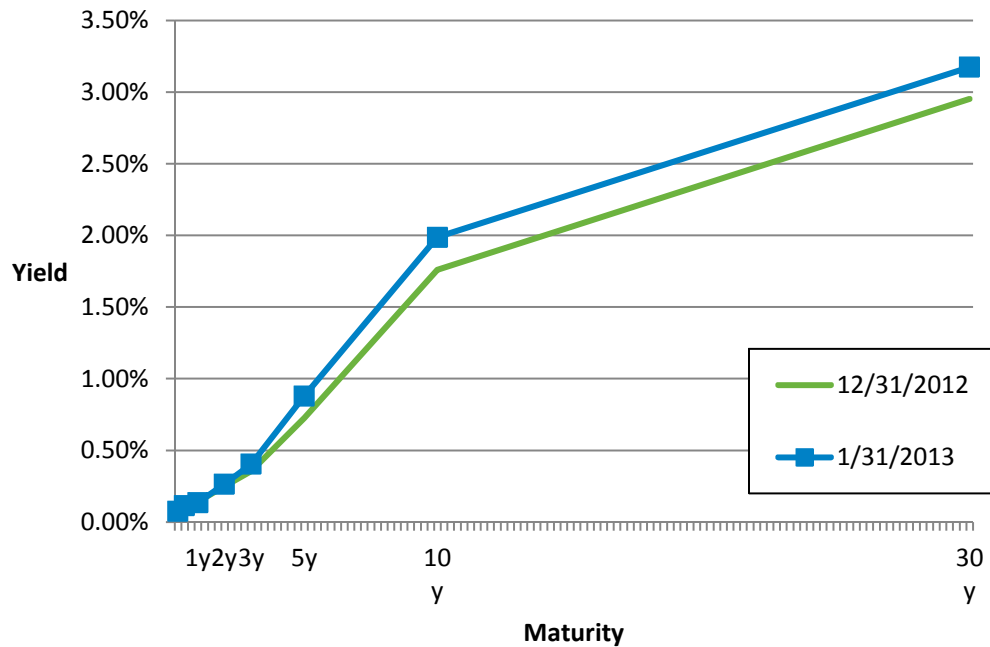
Source: Bloomberg



## Yield Curve Shifted Higher in January

### U.S. Treasury Yield Curve

December 31, 2012 versus January 31, 2013



	12/31/2012	1/31/2013	Change
3 month	0.04%	0.07%	0.03%
6 month	0.11%	0.11%	0.00%
1 year	0.14%	0.13%	-0.01%
2 year	0.25%	0.26%	0.02%
3 year	0.35%	0.40%	0.05%
5 year	0.72%	0.88%	0.16%
10 year	1.76%	1.99%	0.23%
30 year	2.95%	3.17%	0.22%

Source: Bloomberg



## Disclosure

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# **District of Columbia Water and Sewer Authority**

## **Capital Improvement Program Report**



**FY-2013 1<sup>st</sup> Quarter  
October 1<sup>st</sup> through December 31<sup>st</sup>, 2013**

**Board of Directors  
Finance and Budget Committee**

**February 2013**



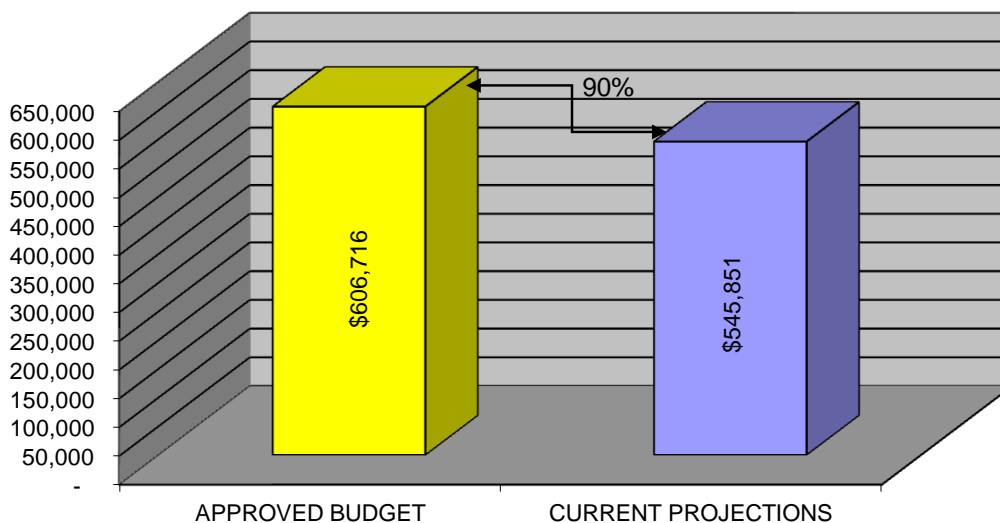
## Capital Improvement Program Report 1<sup>st</sup> Quarter FY2013

### Program Performance

Current projected program disbursements through the end of the fiscal year compared with the approved FY13 projection is shown in the chart below:

### Disbursement Projections Summary

Capital Improvement Program Summary  
FY13 Approved Budget vs Current Projections



Overall, the current projected CIP disbursements are 90% of baseline disbursement projections. Current disbursement projections within the service areas are as follows: Wastewater Service Area – \$321,920,000 (90%), CSO Service Area – \$163,509,000 (94%), Stormwater Service Area – \$3,852,000 (118%), Sanitary Sewer Service Area – \$25,016,000 (86%) and Water Service Area – \$41,552,000 (79%).

The major disbursement shortfall in the Wastewater Area is in the Solids Processing Program and the Enhanced Nitrogen Removal Facilities Program (ENRF). The Solids Processing Program disbursement shortfall is due to revised disbursement plans for the Digester Project (Project XA) (\$18.5M), which remains on schedule. The majority of the disbursement shortfall in the ENRF program relates to the Wet Weather Peak Mitigation (Blue Plains Tunnel) (Project EG) (\$9.6M) for the reasons stated below.

Disbursements in the Clean Rivers program during the quarter were less than planned mainly due to schedule delays associated with concrete quality issues on one of the Blue Plains Tunnel shaft diaphragm wall panels. This delay hindered progress on the shafts and follow up tunneling work. A recovery plan is in place to mitigate the delays by adding 1 work day per week during the tunneling operations. Additionally, the fiscal quarter disbursements were impacted by previously noted delays on



## Capital Improvement Program Report 1<sup>st</sup> Quarter FY2013

CSO 019 Overflow Structure and Diversion Chamber. These delays are now mitigated by replacement of personnel and transfer of critical work to a subsequent contract (Anacostia River Tunnel). Although remediation plans are in place to mitigate impact to the critical path and to meet the consent decree of the project, it is currently anticipated that Clean Rivers Program disbursements will be \$12.2 million less than planned at fiscal year end.

The Department of Sewer Services ongoing projects disbursement shortfall (\$2.3M) is a primarily a result of increased in house sewer lateral rehabilitation.

The Water Service Area disbursement shortfall is primarily driven by the Water On-going (\$3.7M), Water Distribution (\$1.5M), and DDOT Water Programs (\$4.2M). Lower than anticipated water main breaks and increased in house valve operation are responsible for the Water On-going disbursement shortfall. Revised disbursement plans for projects within Water Distribution are contributing to the disbursement shortfall. Disbursement shortfall in the DDOT Projects is due to slow invoicing by DDOT.

### **Priority 1 Projects (Court Ordered, Stipulated Agreements, etc)**

On July 11, 2008, DC Water issued notification advising of two issues that had the potential to delay achieving certification of Firm Pumping Capacity at Potomac Pumping Station. One issue, related to a failure of one new electric motor, was resolved, and all new pumping equipment was placed in service prior to the September 1, 2008, Consent Decree compliance date. The second issue, related to performance of the new pumping units under certain conditions, remains under investigation. This issue has prevented the design engineer from certifying Firm Pumping Capacity. A team of experts is working to resolve this issue. Monthly updates are provided to the Environmental Quality and Sewerage Services Committee and to the parties to the Consent Decree.

All other priority 1 projects are on schedule and within budget.





## Capital Improvement Program Report 1<sup>st</sup> Quarter FY2013

### **Large Contract Actions Anticipated – 6 Month Look-Ahead**

Project 00 – Small Diameter Watermain Rehab 8-1

Construction Contract (\$10M - \$17M), WQ&WS Feb, BOD Mar

Project TZ – Job TZ05-Line C Transformer

Construction Contract (\$1M - \$5M), EQ&SS June, BOD July

Project E8, FR – Tunnel Dewater Pump Station and Enhanced Clarification Facility

Design-Build Contract (\$250M - \$300M), EQ&SS May, BOD June

Project EJ – Potomac Pump Station – Phase III Rehabilitation

Construction Contract (\$10M - \$15M), EQ&SS May, BOD June

Project G1 – Lining & Repair of Local Sewers

Construction Contract (\$10M - \$15M), EQ&SS July, BOD Sep

Project G1 – Rehab of Sewers in Georgetown

Construction Contract (\$5M - \$10M), EQ&SS July, BOD Sep

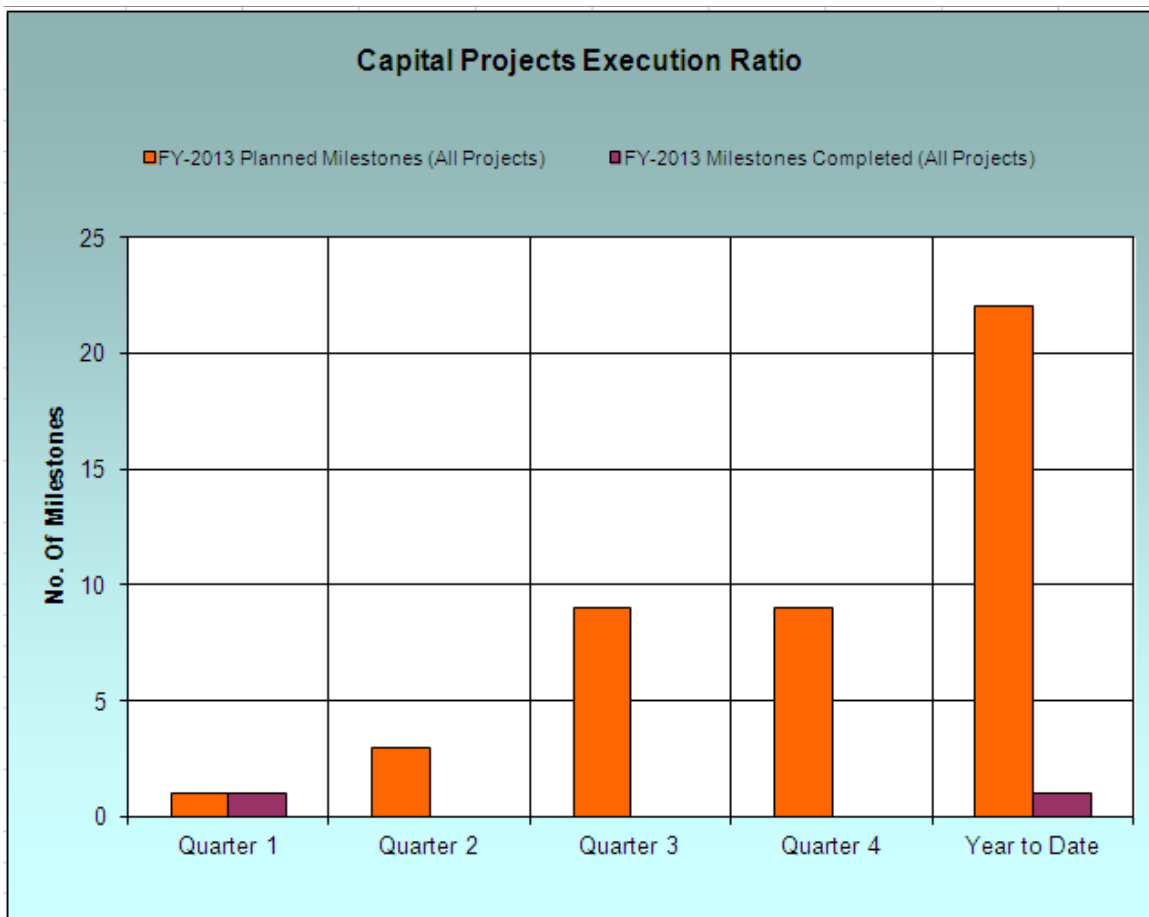
Project CY – Anacostia River Tunnel

Design Build Contract (\$250M - \$350M), EQ&SS April, BOD May

## Capital Improvement Program Report 1<sup>st</sup> Quarter FY2013

### Key Performance Indicators, Capital Program

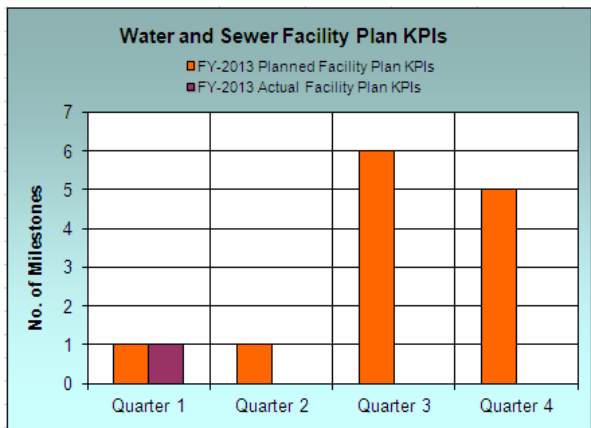
Key performance indicators related to the Capital Improvement Program are shown below.



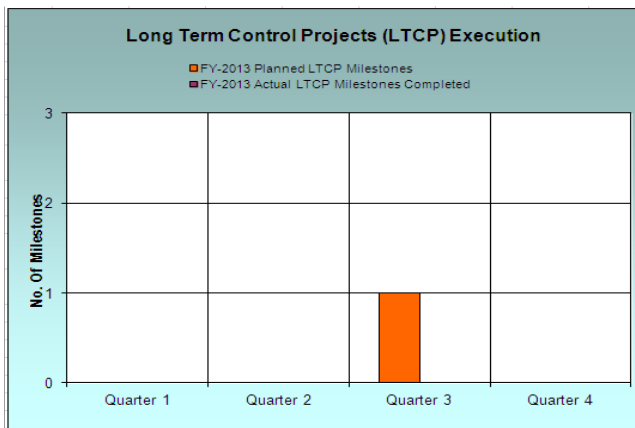
Note: Capital Projects Execution Ratio measures the completion of critical project milestones for large capital projects during the fiscal year. Critical project milestones include: Design Starts, Construction Starts and Construction Substantial Completions.

For the 1<sup>st</sup> Quarter, all KPI Milestones were met.

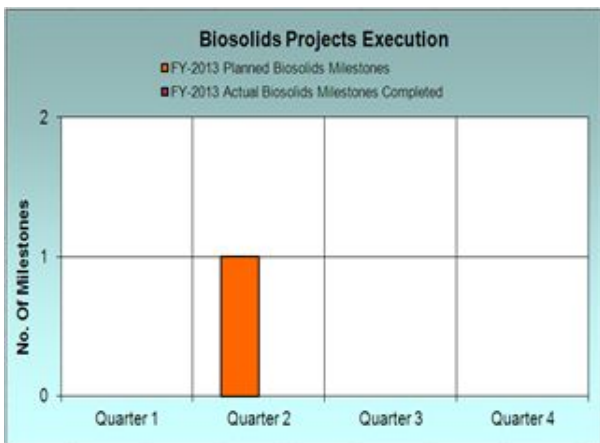
## Capital Improvement Program Report 1<sup>st</sup> Quarter FY2013



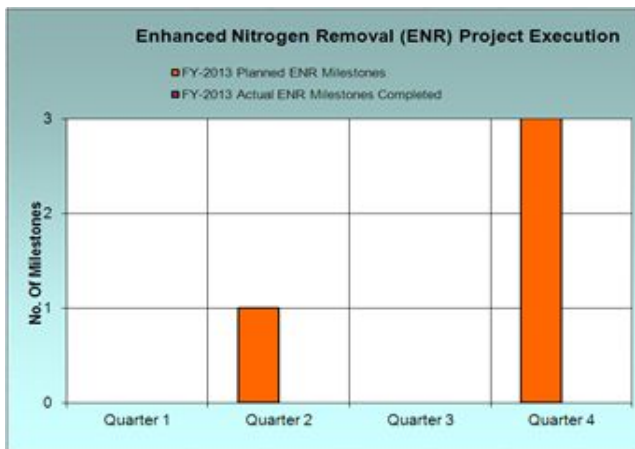
Note: Water and Sewer Facility Plan KPIs measure the completion of critical project milestones for projects developed through either the Water or the Sewer Facility Plan.



Note: LTCP Project Execution measures the completion of critical project milestones for the LTCP projects during the fiscal year. Critical project milestones include all those required to meet Consent Decree dates.



Note: Biosolids Project Execution measures the completion of critical project milestones for the Biosolids projects during the fiscal year.



Note: Enhanced Nitrogen Removal Execution measures the completion of critical project milestones for the Enhanced Nitrogen Removal (ENR) projects during the fiscal year.

## Capital Improvement Program Report 1<sup>st</sup> Quarter FY2013

For FY13, the following KPI Milestones will be monitored:

Qtr.	Project	Job Name	KPI Name	KPI Achieved?
1st	S503	Large Dia. Water Main Internal Repairs 3	Design Start Milestone	Y
2nd	BI01	Enhanced Nitrogen Removal (ENR) North	Construction Start Milestone	
2nd	S305	Large Valve Replacement - Contract #7	Construction Substantial Completion	
2nd	XA12	Biosolids Final Dewatering	Construction Substantial Completion Milestone Contract 1C	
3rd	CV01	Laboratory Upgrades	Construction Substantial Completion Milestone	
3rd	CY12	Div H - Anacostia River Tunnel	Consent Decree Award of Construction Contract	
3rd	G800	Small Local Sewer Rehab 2	Design Start Milestone	
3rd	GU01	Crosstown Water Main Rehab	Construction Substantial Completion	
3rd	O001	Small Dia. Watermain Rehab 8-1	Construction Start Milestone	
3rd	O201	Small Dia. Watermain Rehab 10	Design Start Milestone	
3rd	BZ03	Large Valve Replacements 10	Construction Start Milestone	
3rd	I802	Large Valve Replacements 12	Design Start Milestone	
3rd	FA06	Storage Facilities Upgrades - Contract 3	Design Start Milestone	
4th	BR04	Nitrification RAS Piping Rehabilitation	Construction Start Milestone - Structural Repairs	
4th	E801	Enhanced Clarification Facilities	Design/Build Start Milestone	
4th	FV01	Rehab of Lower East Side Interceptor	Design Start Milestone	
4th	G601	Sanitary SUB Rehab and Repair Phase 2	Design Start Milestone	
4th	G700	Rehab/Repair Combined Sewers Under Buildings	Construction Substantial Completion	
4th	J101	Oxon Run Sewer Rehabilitation	Design Start Milestone	
4th	N702	Potomac Sewer - Odor Remedy (DC & MD Sites)	Construction Substantial Completion	
4th	DN16	Sewer Inspection & Cleaning Contract #10	Inspection Start Milestone (NTP)	
4th	E902	Site Work/Dewatering Project - Contract 1	Design Start Milestone	



District of Columbia Water and Sewer Authority  
George S. Hawkins, General Manager

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*Briefing on:*

## *DC Clean Rivers Project Update*

*Briefing for:*

## *Finance & Budget Committee*

**February 28, 2013**



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## On Track To Meet Consent Decree Milestones + On Budget

## Summary

- Continued excavation of shafts at Blue Plains. Progress hindered by concrete panel repairs, impacting the FY 2013 disbursement plan. However, contractor has developed a recovery plan to ensure timely contract completion.
- Continued construction work at JBAB, Poplar Point, Main Pumping Station, E Street Diversions and CSO 019 Overflow Structure.
- Completed construction work on CSO 007.
- Continued final design work for Poplar Point Pumping Station, Main Pumping Station Diversions and Tingey Street Diversion Sewer.
- Evaluated technical / cost proposals for Anacostia River Tunnel. Will select Design Builder on February 22, 2013.
- Completed Mayor's Task Force Report to present short, mid and long term solutions to alleviate flooding in Bloomingdale and LeDroit Park area.
- Commenced design on First Street Tunnel.
- Continued collaboration with EPA regarding modifying the consent decree to account for Green Infrastructure Demonstration project.

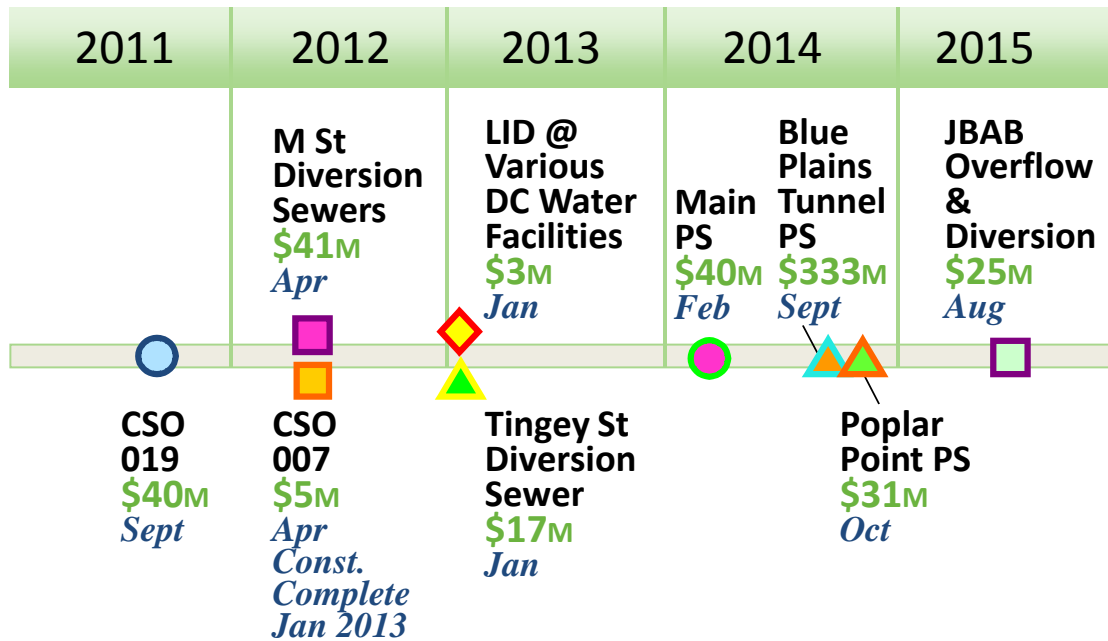


## DC Clean Rivers CIP Budget

<b>Project &amp; Discription</b>	<b>CIP Budget Cost (\$ Billions)</b>
Nine Minimum Controls	170
Anacostia River Projects	1,715
Potomac River Projects	384
Rock Creek Projects	65
Green Infrastructure	40
ENR Related Projects	210
<b>Total</b>	<b>2,584</b>

- A Special Risk Allowance of \$74 million for the D.C. Clean Rivers Project (aka Long Term Control Plan - "LTCP") was included within the Congressional Authority request, although not part of this Project's Lifetime Budget.

# Anacostia River Projects: Implementation on Schedule



Months shown on timeline indicate construction start dates.







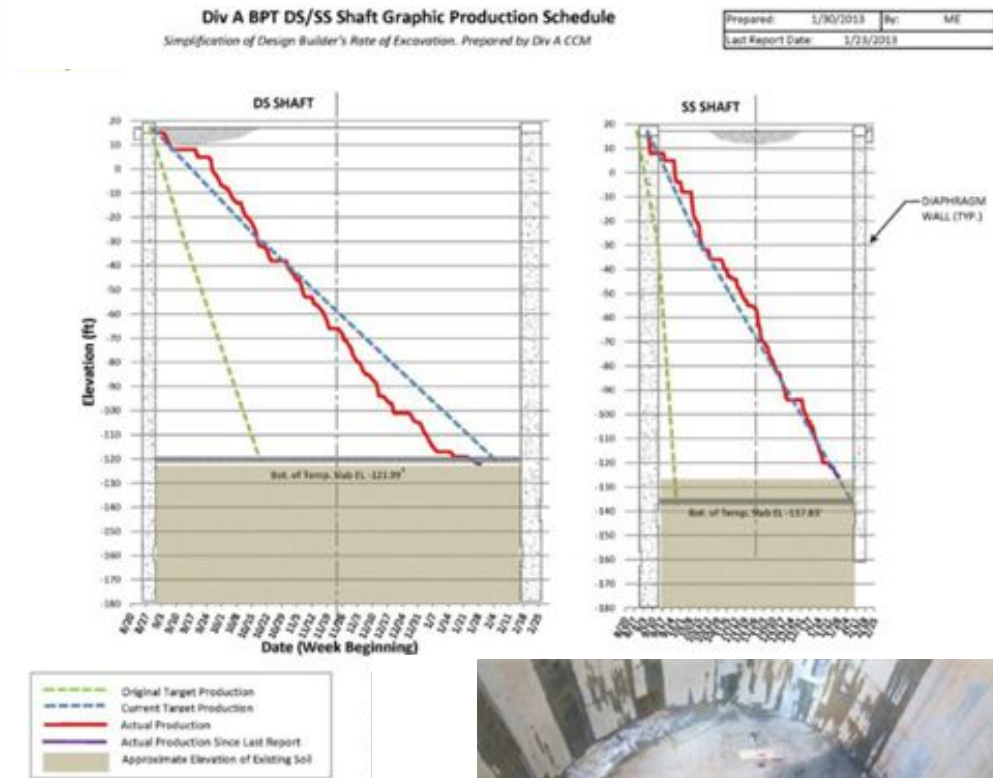
# Div A – Blue Plains Tunnel Blue Plains Site





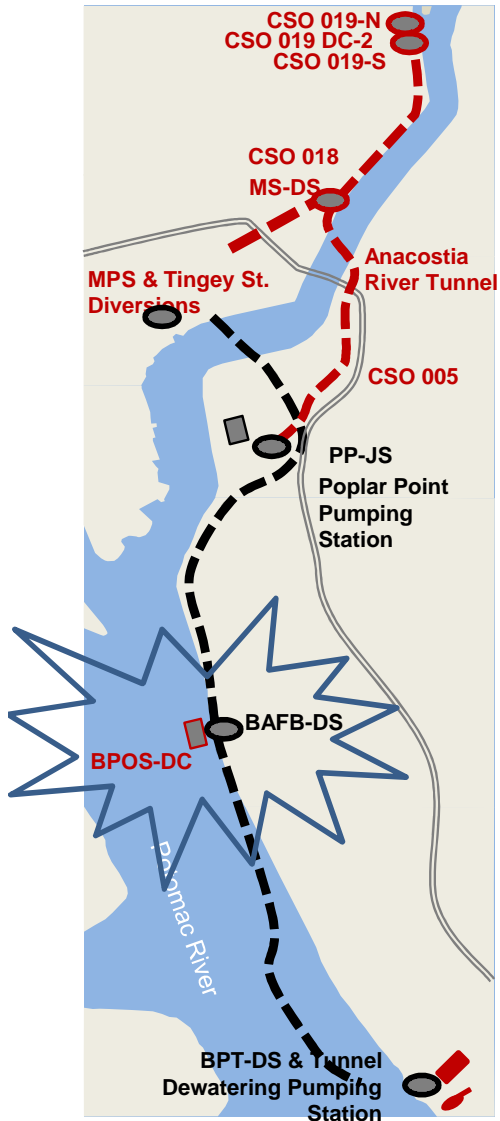
# Div A – Blue Plains Tunnel Blue Plains Site

- Continued excavation of shafts. Progress was hindered by diaphragm wall panel repairs. TSJD provided recovery plan working an additional day per week during tunnel mining to recover lost time.
- Commenced TBM pre-assembly and testing.





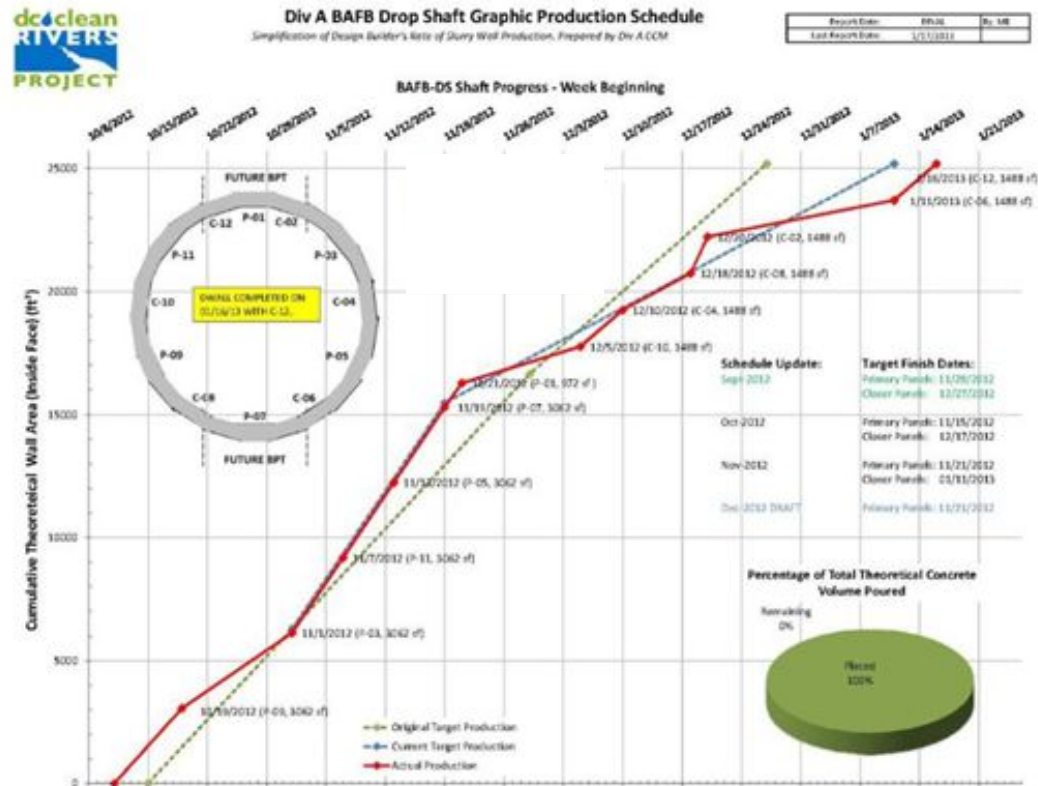
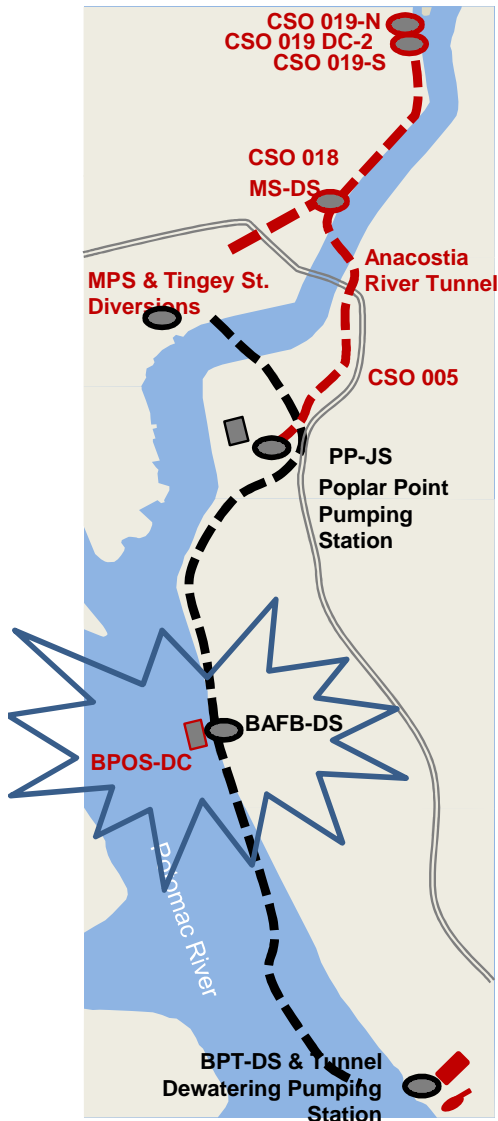
# Div A – Blue Plains Tunnel JBAB Site





# Div A – Blue Plains Tunnel JBAB Site

- Completed diaphragm wall installation.
- Commenced capping beam installation.
- Shaft excavation is scheduled between 2/28 and 5/6.

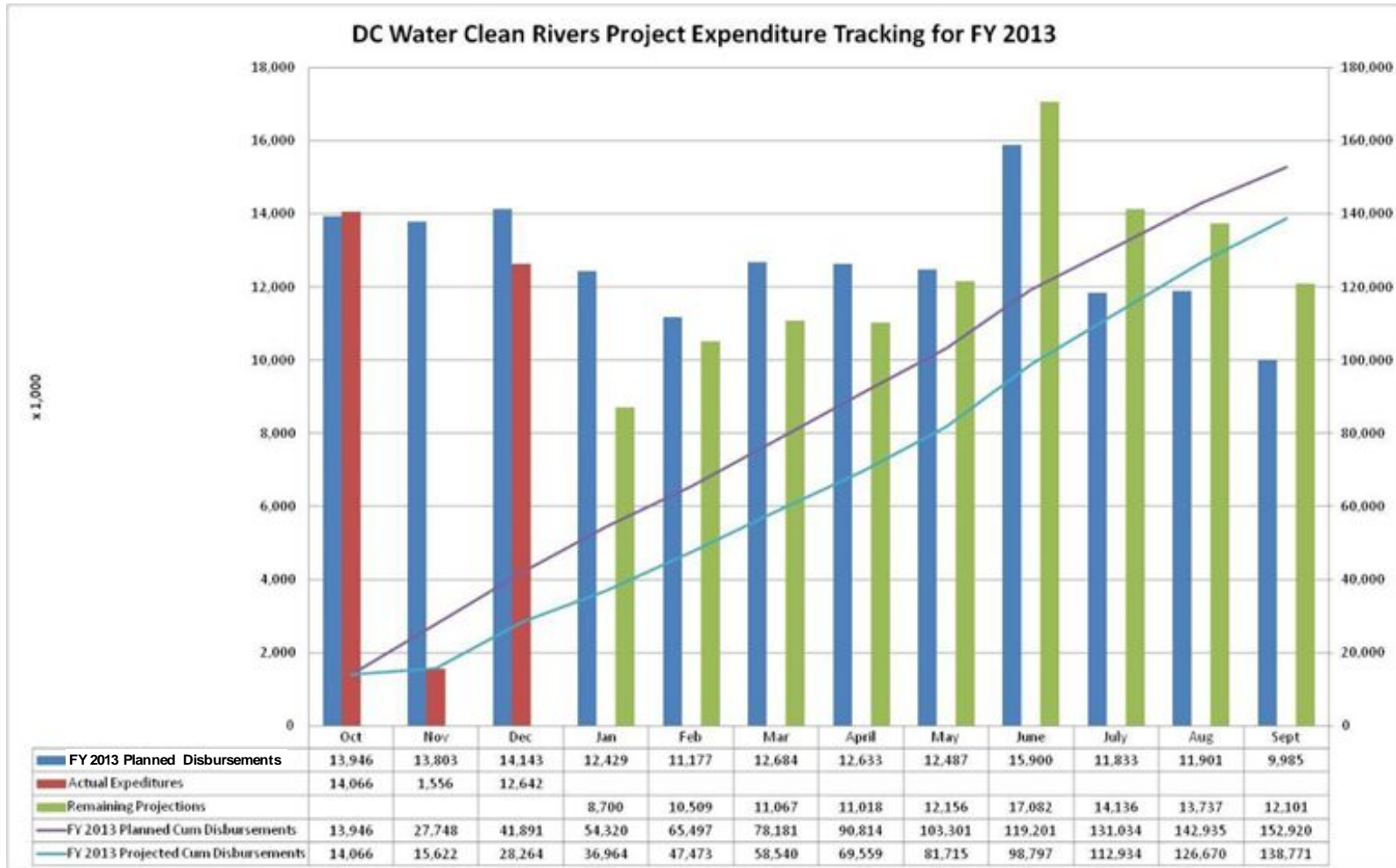




# FISCAL YEAR 2013 SPENDING STATUS



# FY 2013 Spending Status



- Project on schedule to meet Consent Decree milestones
- Project expected to achieve 90% of spending goals for fiscal year 2013



# APPENDIX



= Construction



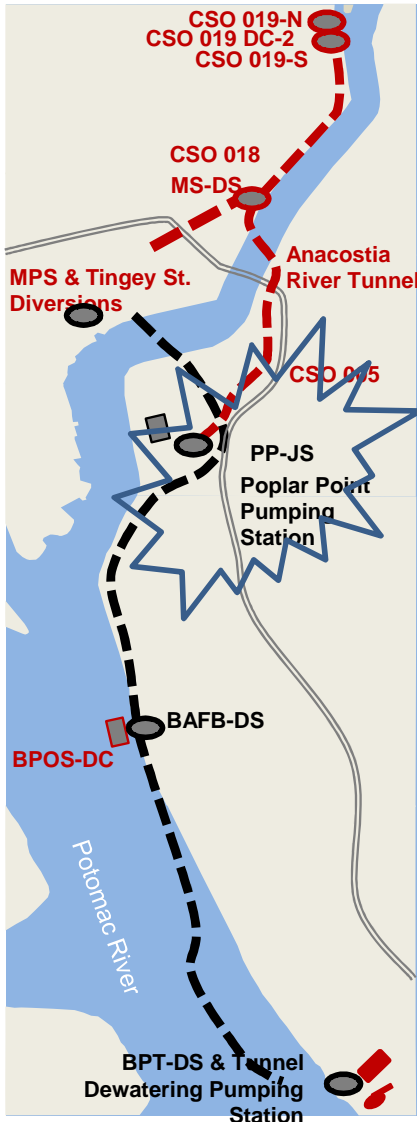
= Design

## OTHER MAJOR ACCOMPLISHMENTS



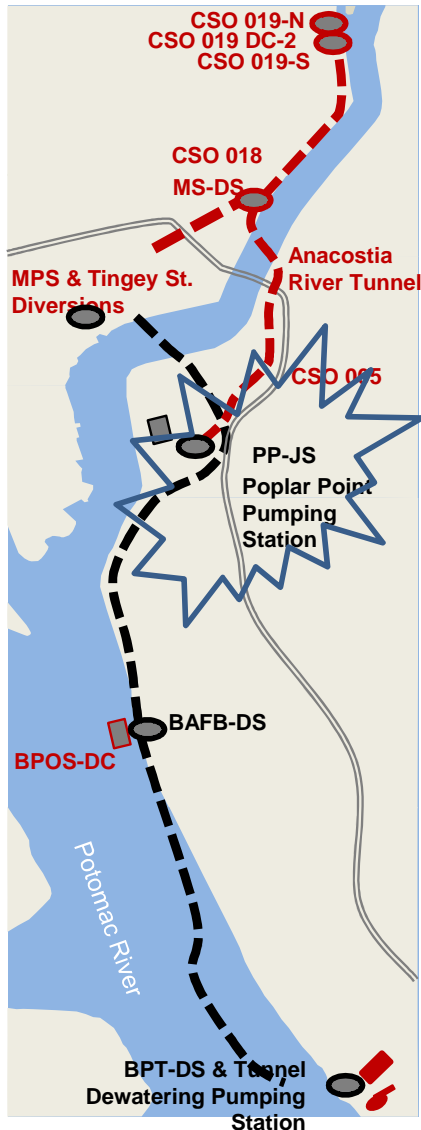


# Div A – Blue Plains Tunnel Poplar Point Site

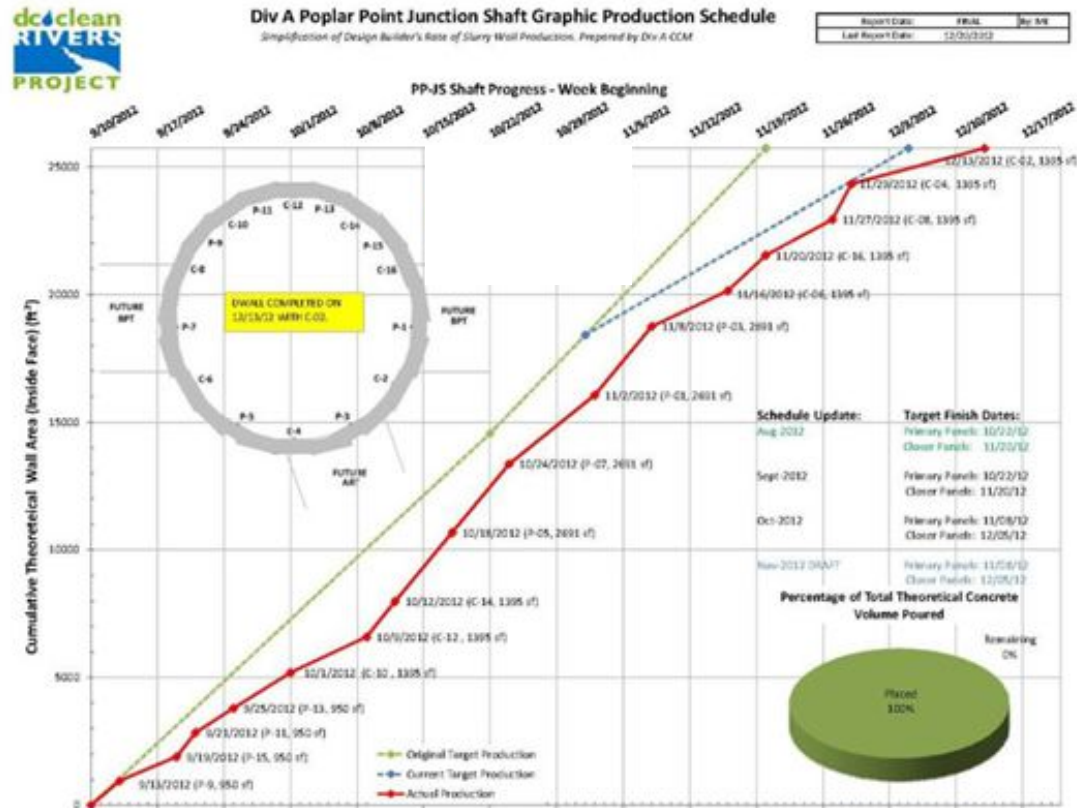




# Div A – Blue Plains Tunnel Poplar Point Site



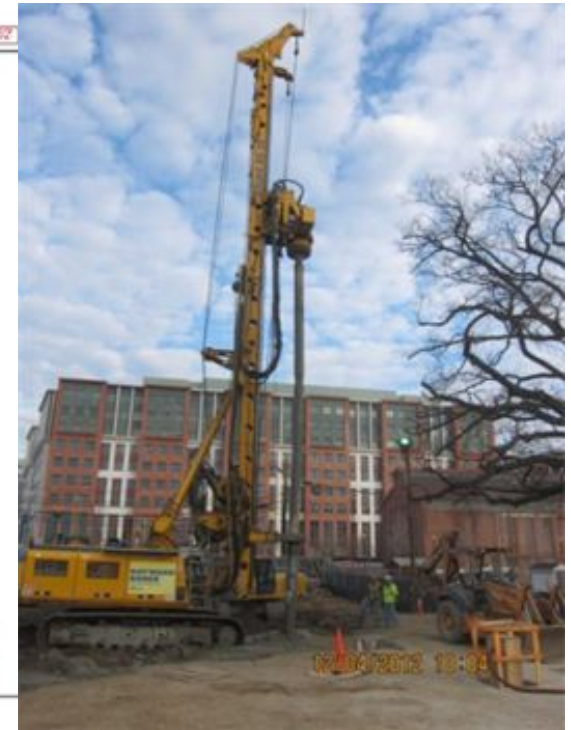
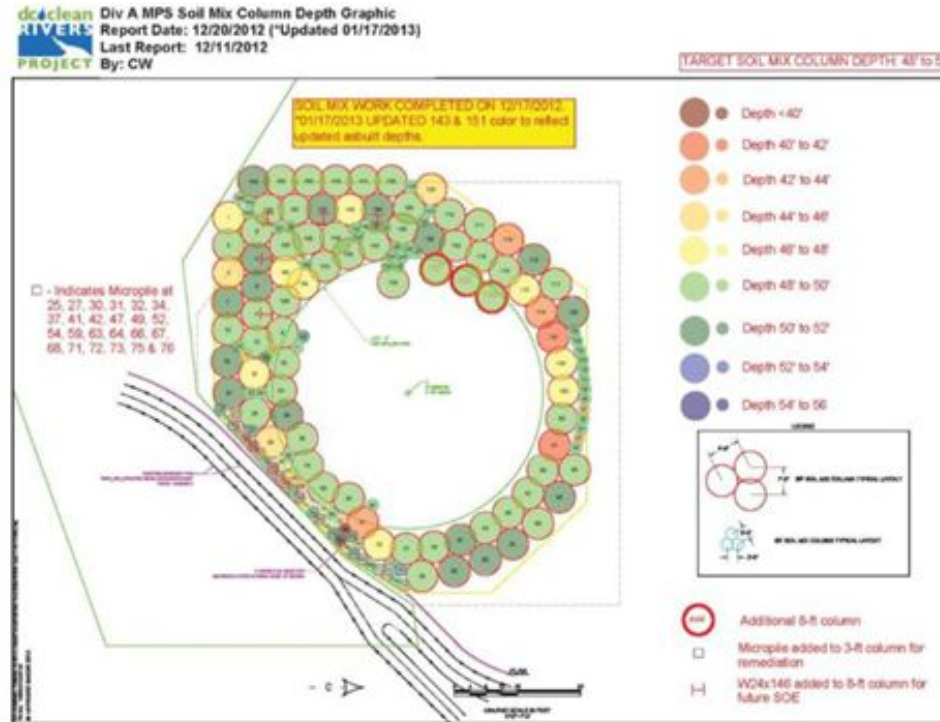
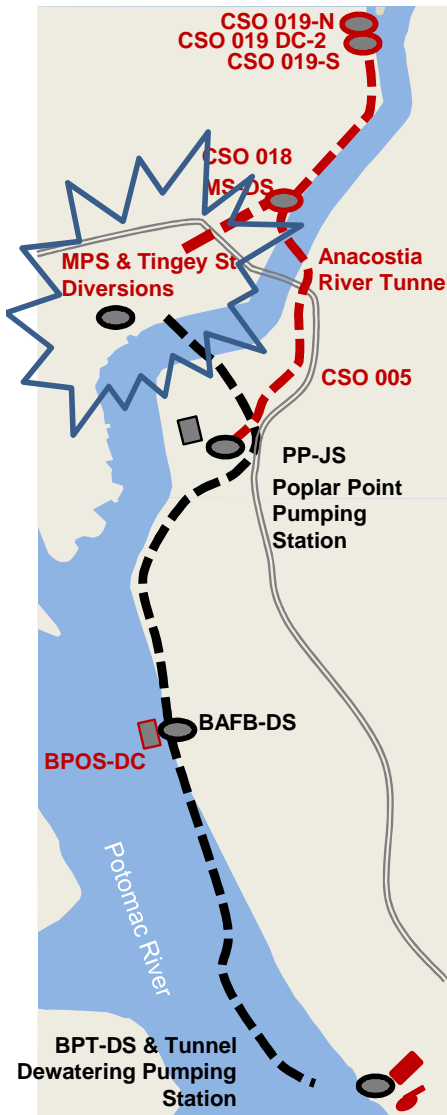
- Completed diaphragm wall construction.
- Continued approach channel excavation.





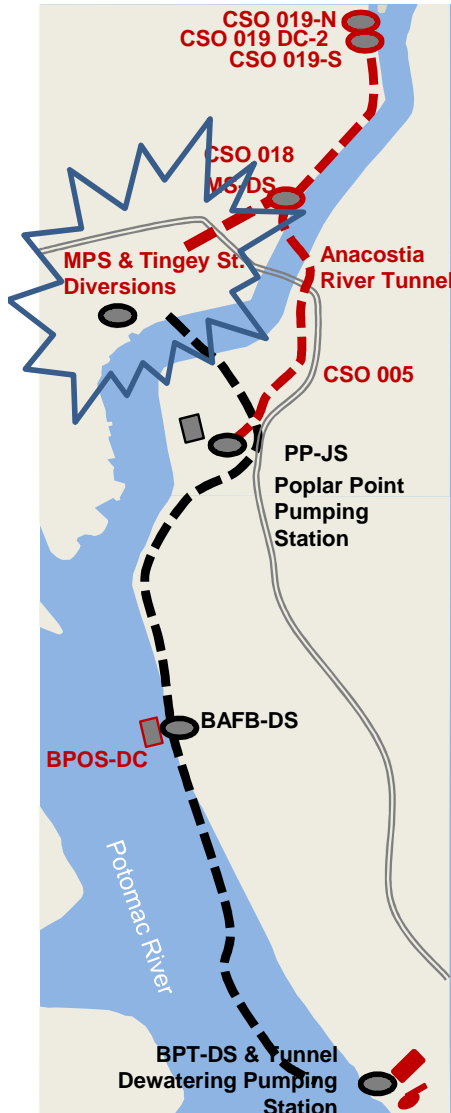
# Div A – Blue Plains Tunnel Main Pumping Station Site

- Completed installation of concrete protective slabs.
- Completed deep soil mixing.





# Div A – Blue Plains Tunnel Main Pumping Station Site



- Installed inclinometers.
- Installing steel ribs inside the Tiber Creek Sewer.

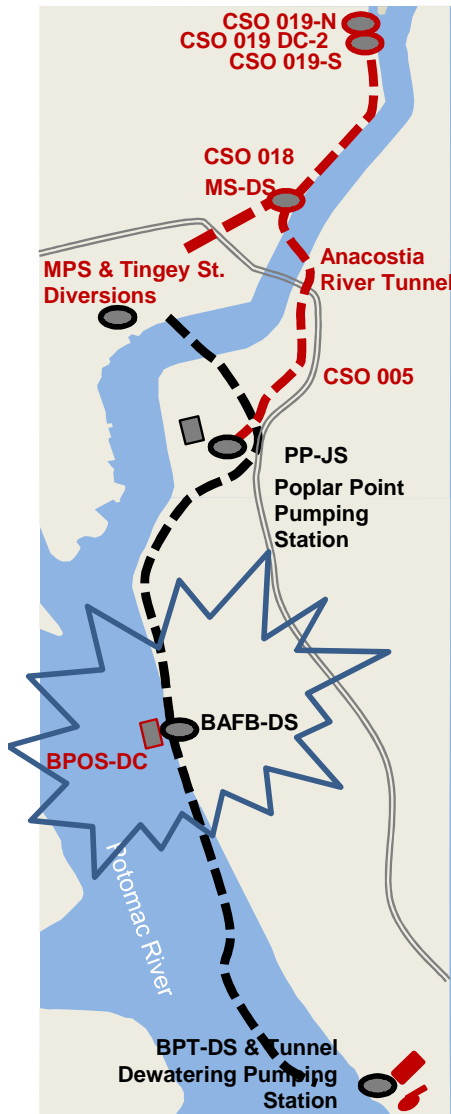




## Div D – JBAB Overflow and Diversion Structures

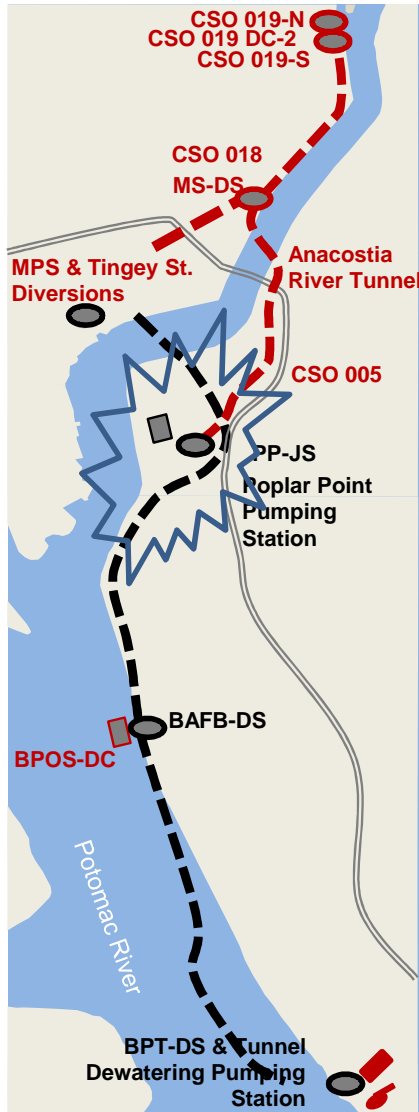
*JBAB Diversion Structure is designed to capture flow from the Potomac Outfall Sewers to convey it to the BPAWWTP via BPT. JBAB Overflow Structure will allow overflow to the Anacostia when BPT is at capacity.*

- Navy signed off on amenities package and easements.
- Received CFA approval for concept design.
- Plan to release RFQ package on 4/1/2013 and RFP package on 11/1/2013.





## Div Z - Poplar Point Pumping Station Replacement



*The Poplar Point Pumping Station serves the sewer system on the east side of the Anacostia. It lifts sewage from the Anacostia Main Interceptor up into the outfall sewers for conveyance to Blue Plains.*

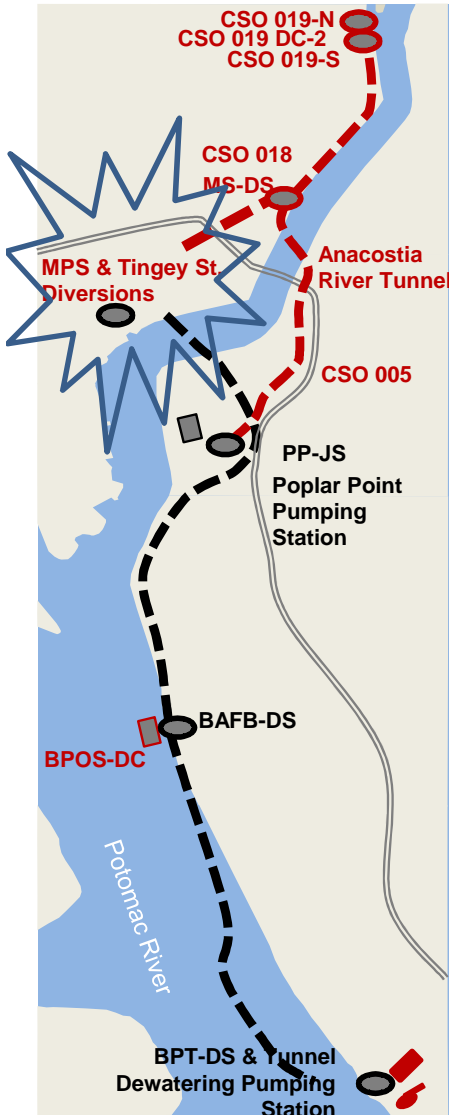
- Developing final design for 55 mgd pump station by O'Brien & Gere. Target completion of design in first quarter of 2014.
- Archaeological work plan approved by DC SHPO.
- Coordinating with other divisions regarding traffic plan submittals to DDOT.





# Div I – Main Pumping Station (MPS) Diversions and Main Outfall Sewers Diversion

*MPS Diversions intercept flows from Tiber Creek Street Sewer, Canal Street Sewer and New Jersey Ave Trunk Sewer and redirect them to BPT during wet weather.*





## Div I – Main Pumping Station Diversions and Main Outfall Sewers Diversion

- Developing final design by Parsons. Received intermediate design submittal on 1/18/2013. Target completion in third quarter 2013.
- Coordinating with Divisions A, B and Z on several issues including MOT, lay down area, structural interfaces, etc.

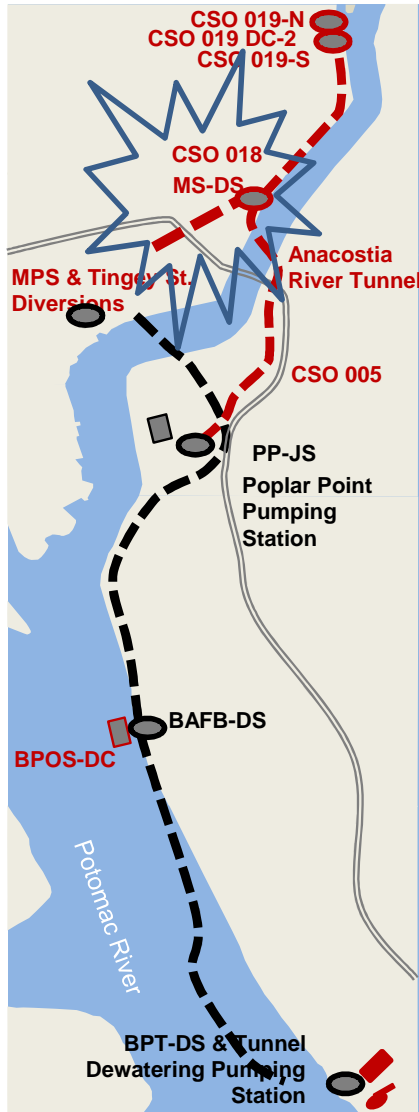






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## Div B – Tingey Street Diversion Sewer



*Tingey Street Diversion Sewer will intercept flows from CSOs 013 and 014 and redirect them to the BPT.*

- Public Private partnership with Forest City using design-build delivery (Designer CDM Smith / Builder Northeast Remsco Construction).
- Reviewing design submittals.
- Contractor mobilized on site in January 2013.



Before



Proposed

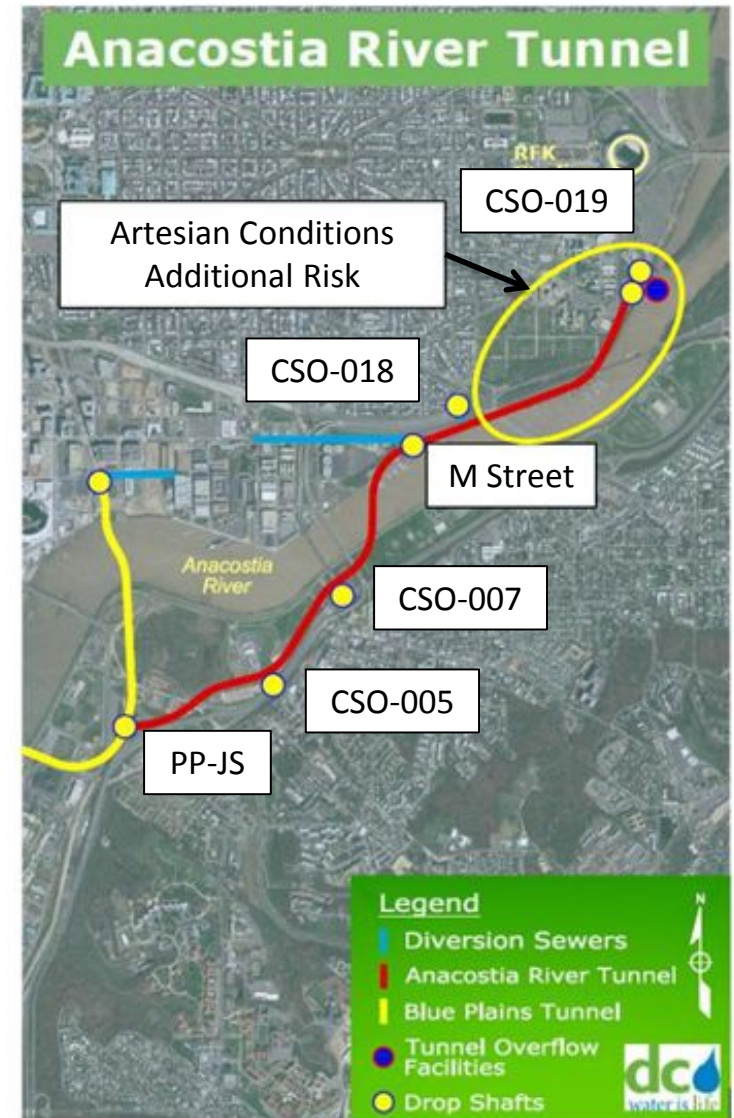




## Div H – Anacostia River Tunnel (ART)

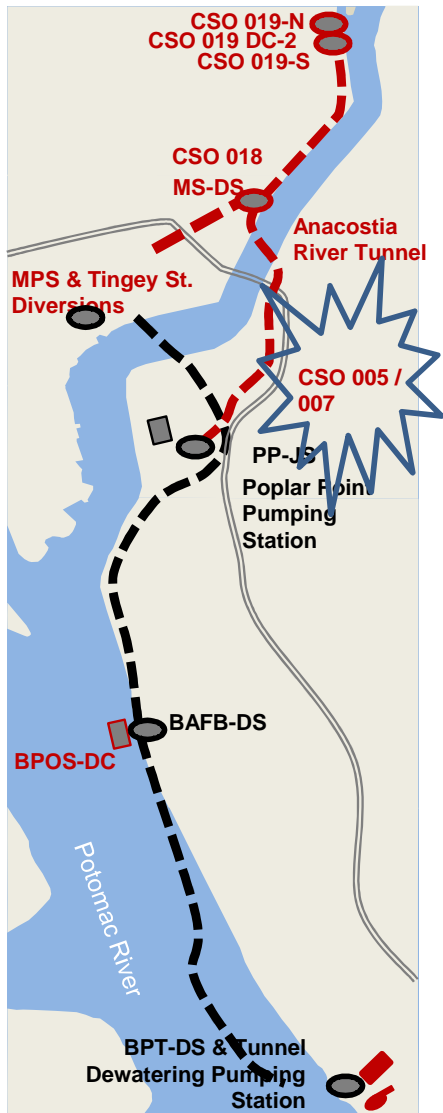
*The ART is a 12,000' long, 23' diameter tunnel which will intercept CSO flows from the Northeast Boundary Trunk Sewers at CSO 019 and other CSO sewers along the way, until connecting with the BPT at Poplar Point. This division also includes work for shaft construction, shaft internals construction, diversion chambers, adits, venting and odor control facilities for both ART and BPT.*

- Technical and cost proposals received from 3 shortlisted teams.
- Expect to select design builder on 2/22/2013.
- Target date for EQ&SS action 4/18/2013.
- Target date for board action 5/2/2013.



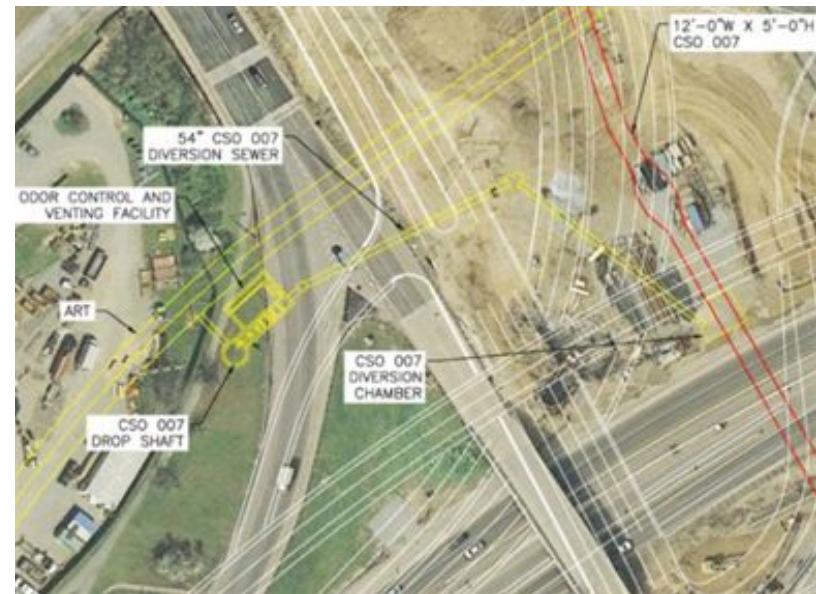


## Div G – CSO 007 Diversion Sewer



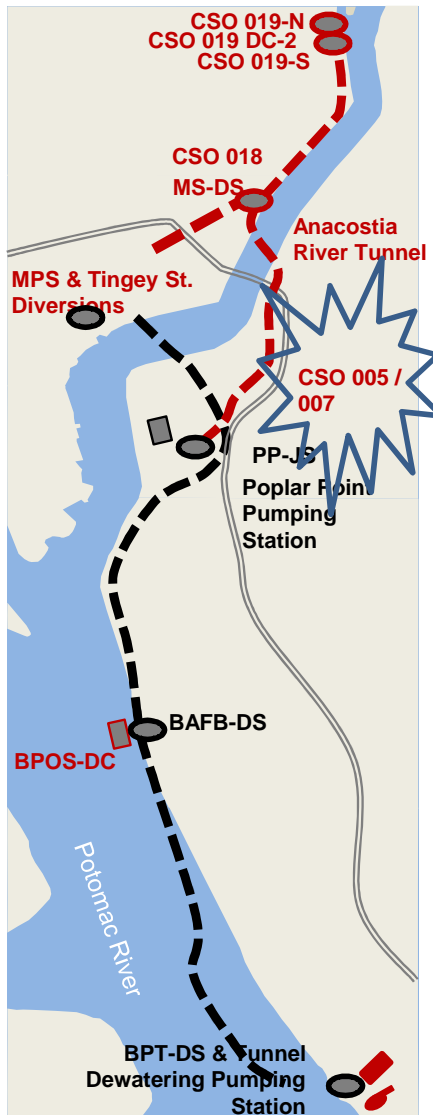
*The CSO 007 Diversion Sewer will intercept flow at CSO 007 and divert 44 mgd of flow to the ART. To coordinate with DDOT's 11<sup>th</sup> Street Bridge project, DC Water entered into agreement with DDOT to perform this work via a change order to the current DDOT construction contract (work performed by Skanska).*

- Work substantially completed.
- Performing punch list work items.





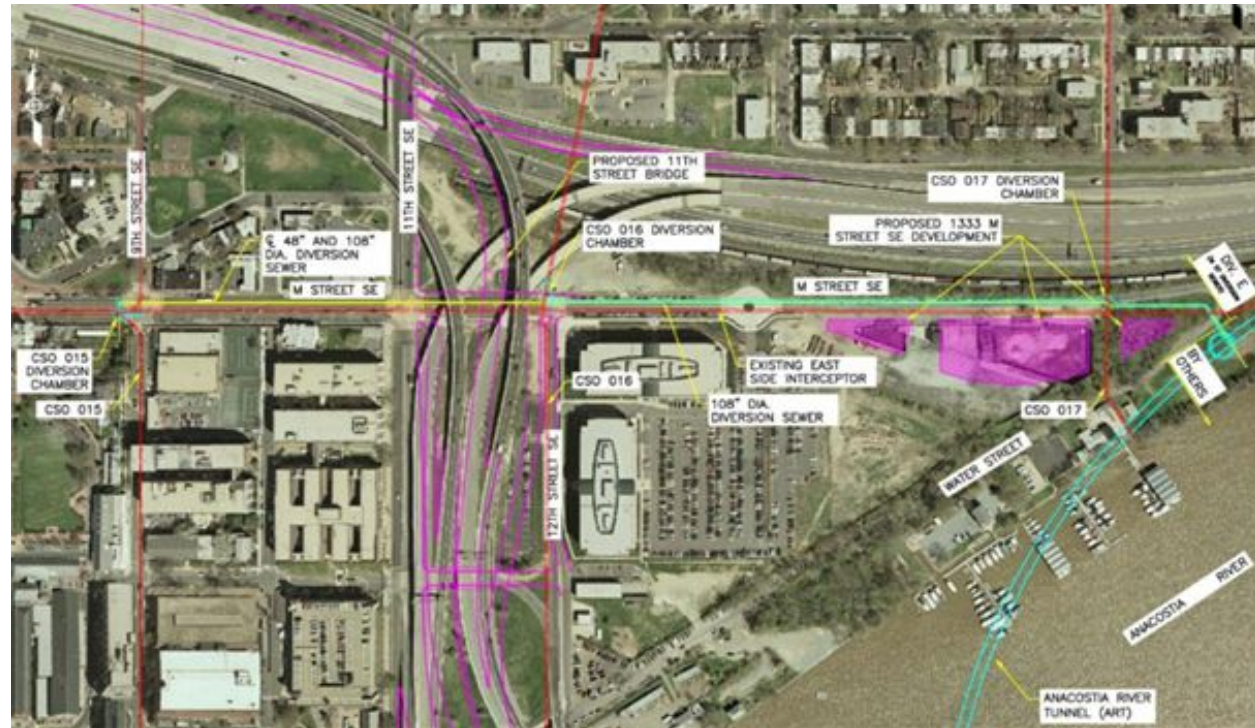
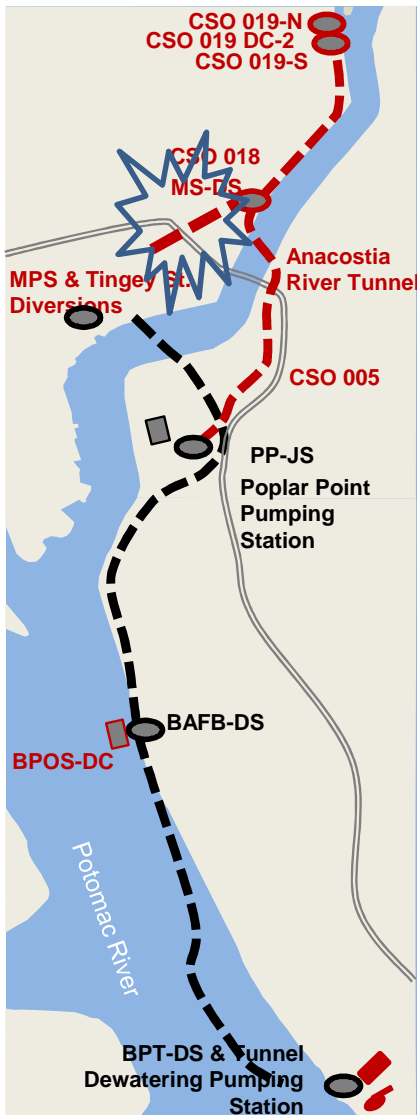
# Div G – CSO 007 Diversion Sewer





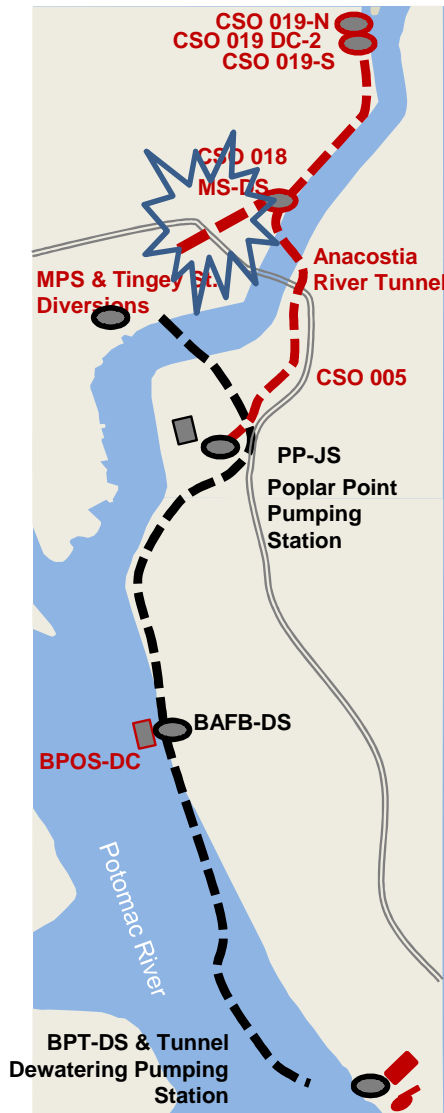
## Div E – M Street Diversion Sewer

*M Street Diversion Sewer will consolidate flow from CSOs 015, 016 and 017, diverting it to the ART via a series of diversion sewers.*





## Div E – M Street Diversion Sewer



- Completed utility relocations, cleaning of East Side Interceptor (ESI) and excavation of Southeast Relief Water Main.
- Completed installation of traffic signalization on M Street.
- Commenced excavation of approach channel.



DC WASA CONTRACT 110210  
CORMAN CONSTRUCTION, INC.  
© BERKSTON ASSOCIATES, PHOTOGRAPHERS  
WASHINGTON, DC

DATE: 12/10/12  
PHOTO NO. 18-202  
DESCRIPTION: UPPER APPROACH CHANNEL AREA



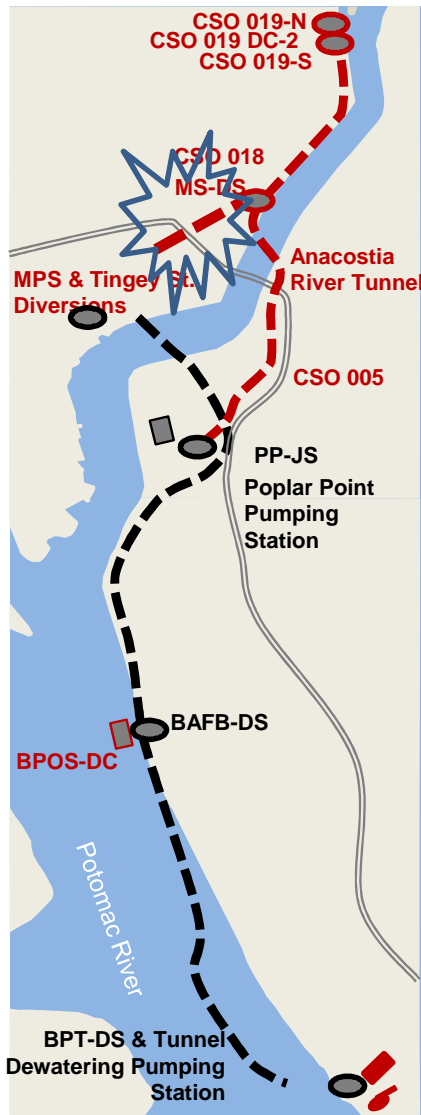
DC WASA CONTRACT 110210  
CORMAN CONSTRUCTION, INC.  
© BERKSTON ASSOCIATES, PHOTOGRAPHERS  
WASHINGTON, DC

DATE: 12/10/12  
PHOTO NO. 18-203  
DESCRIPTION: LOWER APPROACH CHANNEL AREA



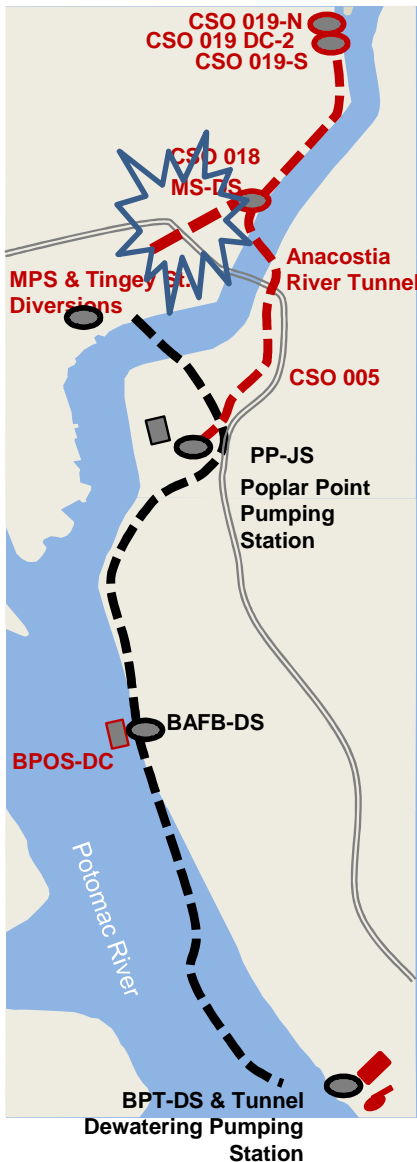
## Div E – M Street Diversion Sewer

- Commenced slip lining of East Side Interceptor.





## Div E – M Street Diversion Sewer



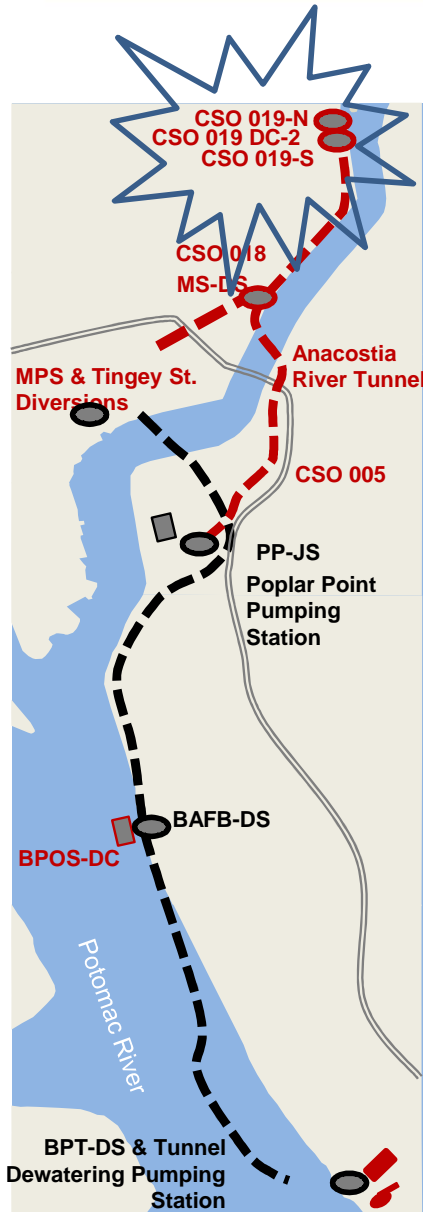
- To assist our partners DDOT and CSX, we are collaborating to install additional sewer lining allowing for upcoming CSX Gateway and DDOT 11<sup>th</sup> Street Bridge projects.
- Proposed funding to be equally shared among DC Water, CSX and DDOT.







## Div C – CSO 019 Overflow Structure



*CSO 019 Overflow and Diversion Structures will divert 1160 mgd from existing NEBTS. This facility is designed to provide a capacity of 2,400 mgd in order to provide relief for the tunnels during storm events and tunnel surge.*

- Resolved significant safety, quality and schedule performance issues with contractor (contractor replaced superintendent in last quarter).
- Removed Diversion Chamber from SOW to avoid potential schedule impacts to Div H.
- Completed driving all 737 H piles and continued concrete work on the overflow structure.



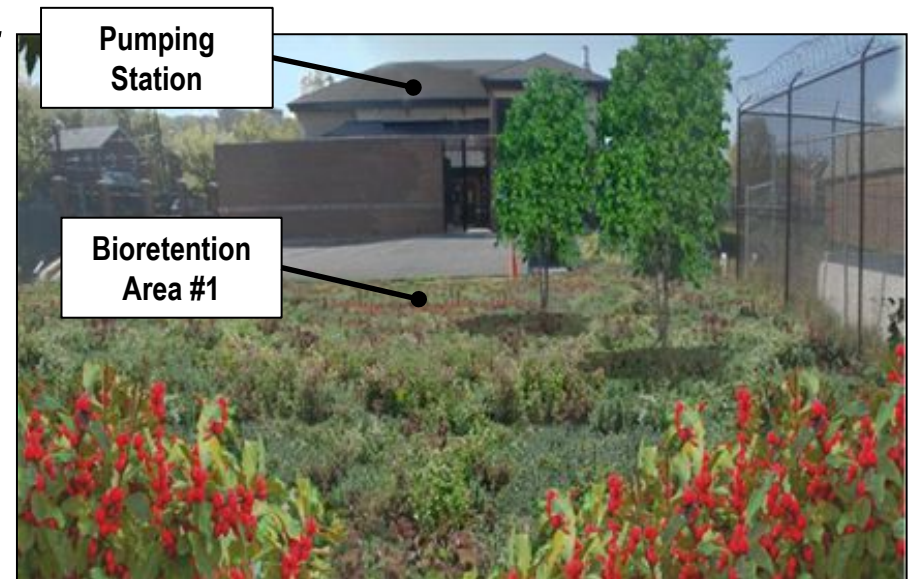
CONTRACT NO. DC WASA 11000  
 SULLIVAN SCHULTZ CONSTRUCTION LLC  
 8800 WASHINGTON AVENUE, WASHINGTON, DC  
 DATE: 12/18/13  
 PHOTO NO. 35-327  
 DESCRIPTION: OVERFLOW STRUCTURE UPPER DECK SHORING + S



## Div N – LID Retrofit at DC Water Facilities

*This job involves construction, monitoring, operation and maintenance of Low Impact Development techniques in three existing DC Water facilities (Anacostia Water Pumping Station – parking lot, East Side Pumping Station – driveway & green roof and Fort Reno Reservoir – parking lot and green roof) to reduce runoff volumes to the collection system.*

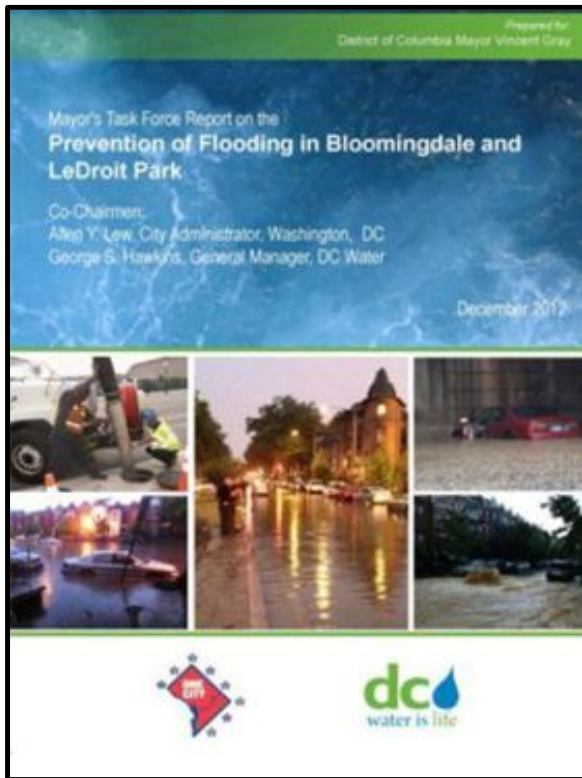
- Awarded construction contract to Fort Myer Construction Co. in December 2012.
- Contractor mobilized on site in January 2013.
- Obtained all required permits.



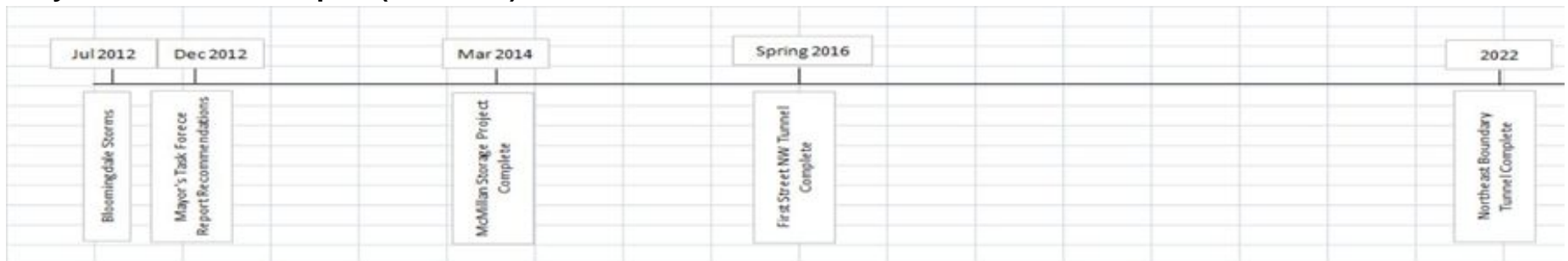
Anacostia Water Pumping Station  
Rendering



# Mayor's Task Force Report on the Prevention of Flooding in Bloomingdale and LeDroit Park



Mayor's Task Force Report (Dec 2012)





# Div J: Northeast Boundary Tunnel

- 23 foot diameter tunnel, 70 to 180 feet deep, 26,600 feet long, 5 shafts and 5 diversion structures.
- Estimated construction value : \$500 - \$600 million
- Delivery Method: Accelerated design build



Dates			
Design	Construction		
	RFP	NTP	Completion
DB	Feb 2015	2016	2022



## Div J: Northeast Boundary Tunnel

---

- Commenced planning phase including development of an MOU with district agencies to define relationships for work coordination.
- Started outreach for Amtrak, Mt. Olivet Cemetery and the district, including access permits for survey and soil borings and a meeting planned for early February to discuss the tunnel crossing.
- Continued to develop plans for DPW sites, including the W St and W Virginia Ave site for the Maintenance and Ventilation Shaft.
- Tunnel profile is being refined to coordinate with Division P.



## Div P: First Street Tunnel

- Tunnel drive in a densely populated urban neighborhood.
- 18.5 foot (min) diameter tunnel, 80 to 160 feet deep, 2,700 feet long, 4 shafts and a diversion structure.
- Estimated construction value: \$125 - \$140 million.
- Delivery method: Accelerated design build



Dates			
Design	Construction		
	RFQ	NTP	Completion
DB	Jan 2013	Oct 2013	early 2016



## Div P: First Street Tunnel

- Commenced planning phase including initial layout of structures along alignment, impact to structures due to tunneling, utility identification along alignment, aerial surveying and RFP drawing and specification lists.
- Obtained permits for and commenced geotechnical and environmental drilling programs.
- Working closely with district regarding permits, easements and environmental issues.



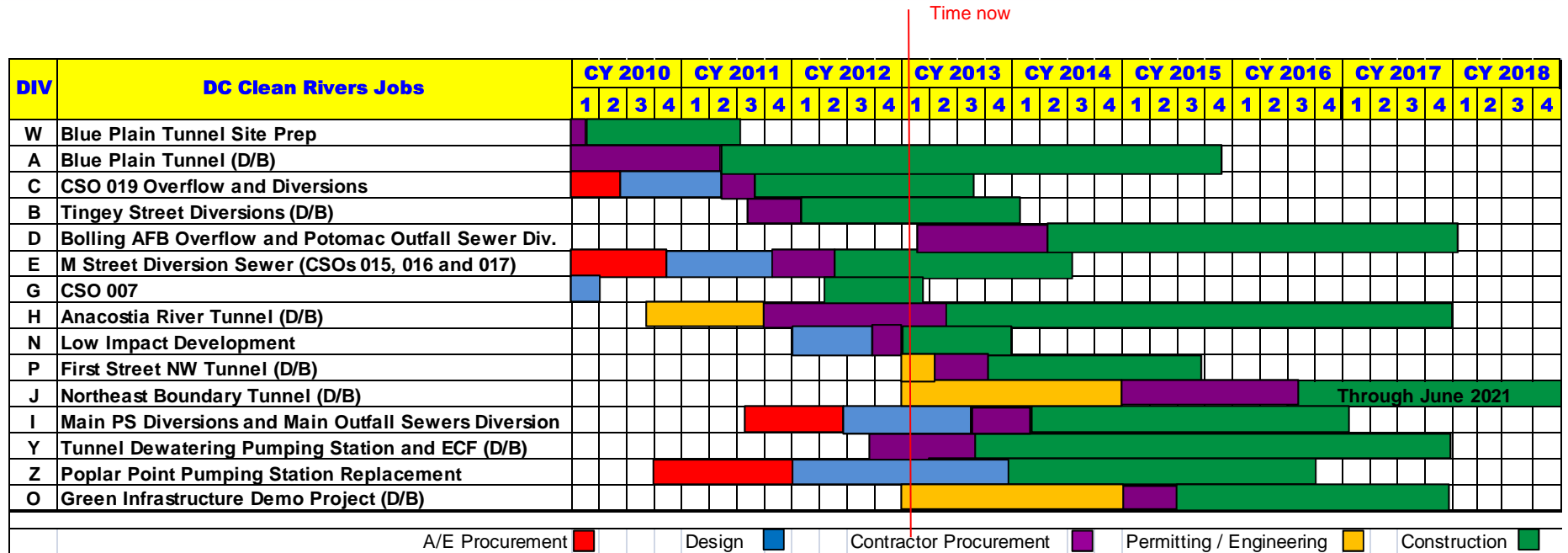


# PROGRAM SCHEDULE





# Clean Rivers Schedule



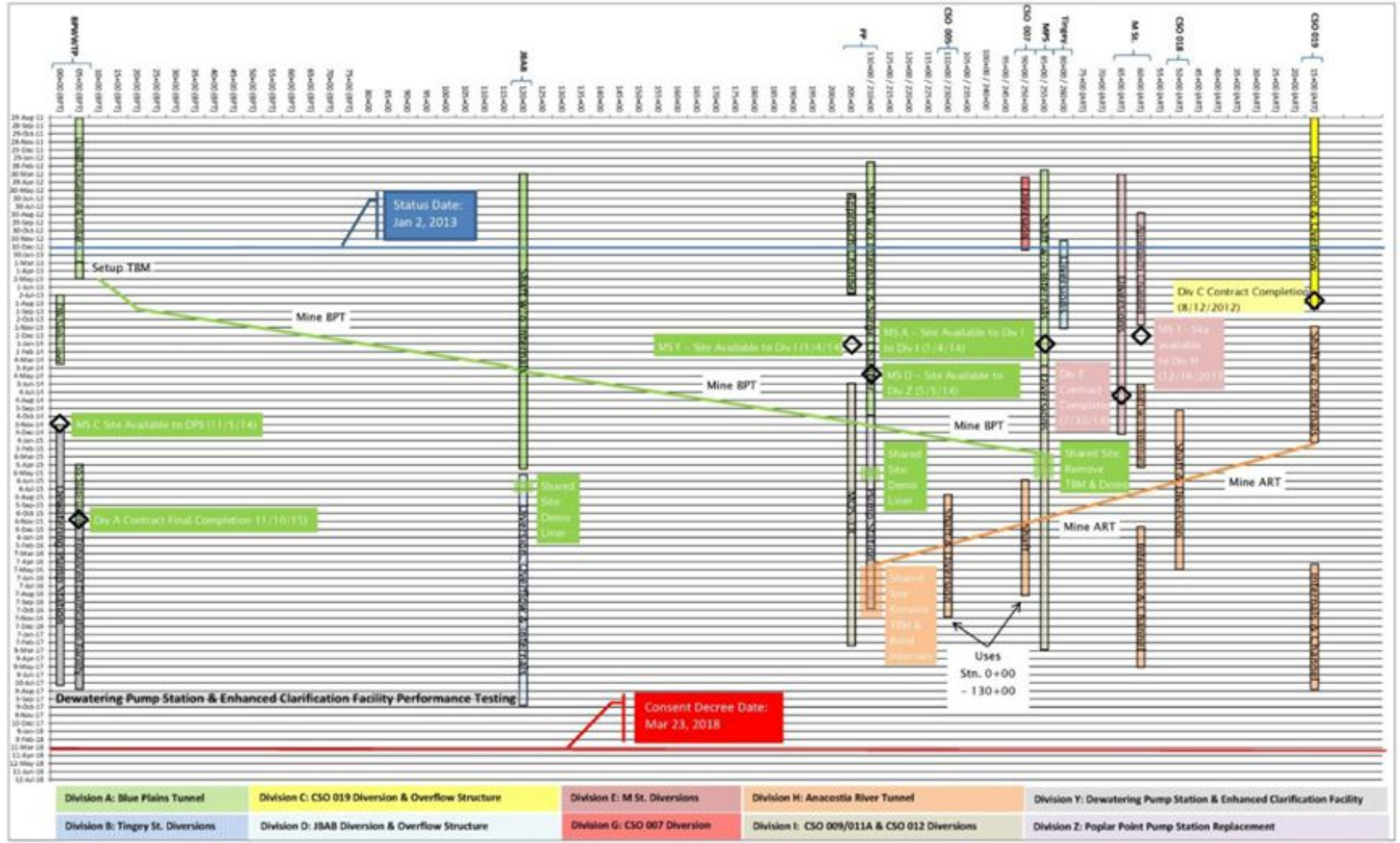
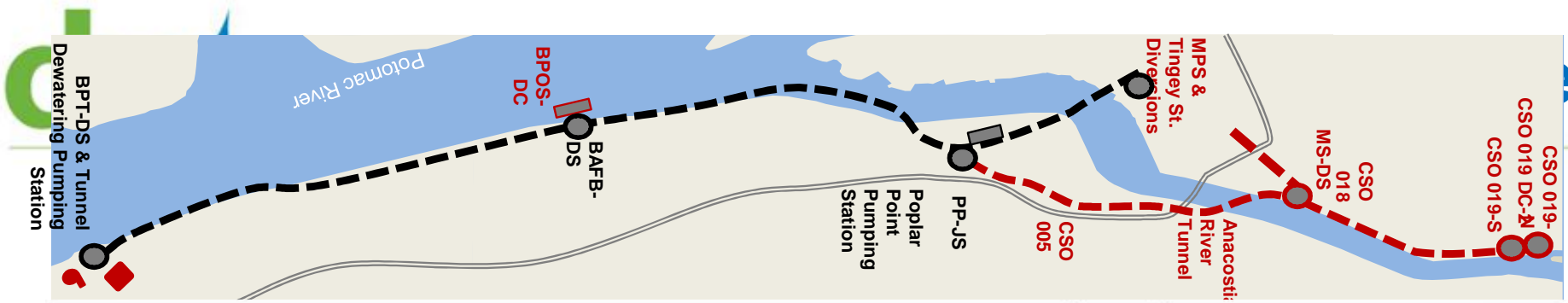
DIV	DC Clean Rivers Jobs	CY 2019				CY 2020				CY 2021				CY 2022				CY 2023				CY 2024				CY 2025							
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
	Potomac Projects																																
	Rock Creek Projects																																

Potomac and Rock Creek project schedules are subject to change pending final Consent Decree Modifications



# Clean Rivers Green Infrastructure Demo Project

Line	Activity	Duration (months)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
1	<b>Consent Decree Deadlines</b>																
2	Potomac	Per CD			3/23/15				3/23/18			3/23/21				3/23/25	
3	Rock Creek	Per CD				3/23/16			3/23/19			3/23/22				3/23/25	
4																	
5	<b>Assumed EPA/DOJ CD Recommendation</b>			▲ Summer 2013													
6																	
7	<b>GI Demonstration</b>																
8	GI Project Plan	3	█														
9	Address Institutional Issues	36 / 48	█	█	█	█	█	█	█	█	█	█	█	█			
10	Public Outreach For Demo. Projects	72		█	█	█	█	█	█	█	█	█	█	█			
11	Survey, Preplanning, Neighb'hd Outreach			█	█	█	█	█	█	█	█	█	█	█			
12	Prepare RFP for Design-Build *	18		█	█	█	█	█	█	█	█	█	█	█			
13	Bidding & Award	6				█	█	█	█	█	█	█	█	█			
14	Design-Build	30				█	█	█	█	█	█	█	█	█	█	█	█
15	Post construction monitoring	24							█	█	█	█	█	█	█	█	█
16	Reporting	6									█	█	█	█	█	█	█
17																	
18	<b>LTCP Update</b>																
19	Alternatives & WQ	18									█	█	█	█	█	█	█
20	Select Pot & Rock Creek Controls	12										█	█	█	█	█	█
21	Draft Report	6											█	█	█	█	█
22	Public Comment, EPA/DDOE Review	4												█	█	█	█
23	Final Report	4															█
24	Public Outreach																█





# CURRENT AND NEAR FUTURE CONSTRUCTION CONTRACTS



# Current and Near Future Construction Contracts

Construction Contracts Awarded							
Job	Description	CIP Budget	Amount Committed	Forecast at Completion	Owner Contingency	Owner Cntgncy %	Available Budget
CY22/H700	Blue Plains Site Prep (Div W)	7,504,139	6,793,851	7,460,071			44,068
CY19/EG01	Blue Plains Tunnel (Div A)	348,630,775	330,561,000	330,561,000	18,069,775	5.47%	0
CY02	CSO 019 Overflow and Diversion Structure (Div C)	32,057,222	27,890,000	27,890,000	4,167,222	14.94%	0
CY06	CSO 007 Diversion (Div G)	5,461,239	5,140,740	5,461,239	0		0
CY04	M Street Diversions (Div E)	31,075,050	25,700,000	25,700,000	5,000,000	19.46%	375,050
CY01	Tingey Street Diversions (Div B)	17,360,000	16,056,573	16,056,573	1,303,427	8.12%	0
BA01/CY29	Low Impact Development (Div N)	3,760,265	3,518,510	3,518,510	241,755	6.87%	0
		442,088,425	412,142,164	413,128,883	28,540,424		419,118
Construction Contracts anticipated to award during FY2013							
Job	Description	CIP Budget	Amount Committed	Forecast at Completion	Owner Contingency	Owner Cntgncy %	Available Budget
CY12	Anacostia River Tunnel (Div H)	300,638,513		285,606,587	15,031,926	5.26%	0
Construction Contracts anticipated to award during FY2014							
Job	Description	CIP Budget	Amount Committed	Forecast at Completion	Owner Contingency	Owner Cntgncy %	Available Budget
CY13	Main Pumping Station Diversions (Div I)	39,090,278		37,136,000	1,954,278	5.26%	0
CY25	First Street NW Tunnel (Div P)	132,000,000		124,888,000	7,112,000	5.69%	0
FS01	JBAB Overflow and Diversion Structure (Div D)	18,650,723		30,000,000	1,500,000		-12,849,277
Construction Contracts anticipated to award during FY2015							
Job	Description	CIP Budget	Amount Committed	Forecast at Completion	Owner Contingency	Owner Cntgncy %	Available Budget
LJ01	Clean Rivers Green Infrastructure	40,000,000		38,000,000	2,000,000	5.26%	0



## DC WATER FY 2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) AND AUDIT RESULTS

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- Fiscal year 2012 financial audit was completed on December 17, 2012 by Bazilio Cobb and Associates. The Federal Grants Audit (Circular A-133) was completed on January 25, 2013 by Bazilio Cobb and Associates.
- Copies of the final CAFR and A-133 were distributed to all members of the Board of Directors.
- The Authority received its sixteenth consecutive unqualified audit opinion.
- Operating revenues for the year were \$440.6 million, an increase of \$32.3 million, or 7.9% over prior year.
- Operating expenses for the year were \$321.0, an increase of \$1.8 million, or 0.6% over prior year.
- Income from operations for the year was \$119.5 million, an increase of \$30.5 million, or 34.3% over prior year.
- Unrestricted cash and investment balances were \$195.0 million, an increase of \$12.3 million, or 6.7 percent over prior year and 55.3% above the board established reserve requirement of \$125.5 million.
- Capital Assets including construction in progress were \$3.5 billion, an increase of \$412.0 million, or 13.5% over prior year.
- Long term debt including current maturities was \$1.8 billion, an increase of \$284.8 million, or 18.4 percent over prior year.
- The Authority' senior debt service coverage was 360.0 percent, 157% higher than the Board's policy which requires that senior debt service coverage be maintained at a minimum of 140.0 percent. Combined debt service coverage at year end was 152.0 percent.
- The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DC Water for its comprehensive annual financial report for the fiscal year ended September 30, 2011. DC Water has received this GFOA Award for every year of its existence. We plan to submit application for consideration of a similar award for fiscal year 2012.

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

**ACTION REQUESTED**

**GOODS AND SERVICES CONTRACTMODIFICATION:**

**Project Management Services  
(Joint-Use)**

Approval to execute a modification for project management and software implementation services in the amount of \$800,000.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b> Kinsey & Kinsey, Inc. 26 N. Park Blvd. Glen Ellyn, IL 60137	<b>SUBS:</b> N/A	<b>PARTICIPATION:</b> N/A
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**DESCRIPTION AND PURPOSE**

Original Contract Value: \$270,000  
 Original Contract Dates: 10-29-2012—10-28-2013  
 No. of Option Years in Contract: 1  
 This Contract Modification Value: \$800,000.00  
 This Contract Modification Dates: 03-10-2013—10-28-2013

**Purpose of the Contract:**  
 The purpose of the contract is to hire a consultant to provide project management and software implementation services for the Finance and Procurement business process improvement project.

**Modification Scope:**  
 The purpose of this modification request is to implement Phase II of the project. Phase II will consist of implementing Lawson Procurement and Finance modules. This will include training, testing and deploying the new processes and Lawson practices into production.

**Spending Previous Year:**  
 Cumulative Contract Value: 10-29-2012 to 10-28-2013—\$270,000.00  
 Cumulative Contract Spending: 10-29-2012 to 01-31-2013—\$ 68,818.74

**Contractor’s Past Performance:**  
 The contractor’s past performance has been satisfactory.

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Labor Hour	<b>Award Based On:</b>	Highest Qualified
<b>Commodity:</b>	Project Management Services	<b>Contract Number:</b>	WAS-13-004-AA-TS
<b>Contractor Market:</b>	Certified Lawson Partners		

**BUDGET INFORMATION**

<b>Funding:</b>	Capital (EG4)	<b>Department:</b>	Finance and Procurement
<b>Service Area:</b>	Capital Equipment (I.T.)	<b>Department Head:</b>	Yvette .Downs / Rosalind Inge

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	73.78%	\$590,240.00
Washington Suburban Sanitary Commission	19.67%	\$157,360.00
Fairfax County	4.43%	\$ 35,440.00
Loudoun County & Potomac Interceptor	2.12%	\$ 16,960.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$800,000.00</b>

 12/11/13  
 Rosalind R. Inge Date  
 Director of Procurement

 2/2/13  
 Yvette Downs Date  
 Director of Finance & Budget

 2/13/13  
 Katrina Wiggins Date  
 Assistant General Manager  
 Support Services

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 George S. Hawkins Date  
 General Manager





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

Thursday, March 28, 2013; 11:00 a.m.  
Blue Plains Wastewater Treatment Plant  
5000 Overlook Avenue, SW, DC  
AGENDA

<b>Call to Order</b>	Chairman
<b>February 2013 Financial Report</b>	Director of Finance & Budget
<b>Action Items</b>	Chairman
<b>Agenda for April Committee Meeting</b>	Chairman
<b>Adjournment</b>	Chairman

\*Detailed agenda can be found on DC Water's website at [www.dewater.com/about/board\\_agendas.cfm](http://www.dewater.com/about/board_agendas.cfm)