



DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY

Board of Directors

Finance and Budget Committee

Thursday, February 26, 2015

11:00 a.m.

- 1. **Call to Order**.....Timothy L. Firestine, Chairperson
- 2. **January 2015 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. **Series 2015A Refunding Transaction Update**..... Mark Kim
- 4. **Solar Panel Project Update**..... Mark Kim
- 5. **Capital Improvement Program Quarterly Update (Attachment 2)**Liliana Maldonado
- 6. **Action Item** Teresa Scott
 - A. Recommendation for Approval of Additional Funding to Provide Legal Services –
Douglas & Boykin, LLC (Attachment 3)
- 7. **Agenda for March Committee Meeting (Attachment 4)**..... Timothy L. Firestine
- 8. **Executive Session***
- 9. **Adjournment**

FOLLOW-UP ITEMS – There were no Follow-up Items from the meeting held January 22, 2015.

* The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10);proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.



Fiscal Year 2015

Monthly Financial Report

Period Ending January 31, 2015

DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET

Mark Kim, Chief Financial Officer

Gail Alexander-Reeves, Director, Budget

Robert Hunt, Finance Director

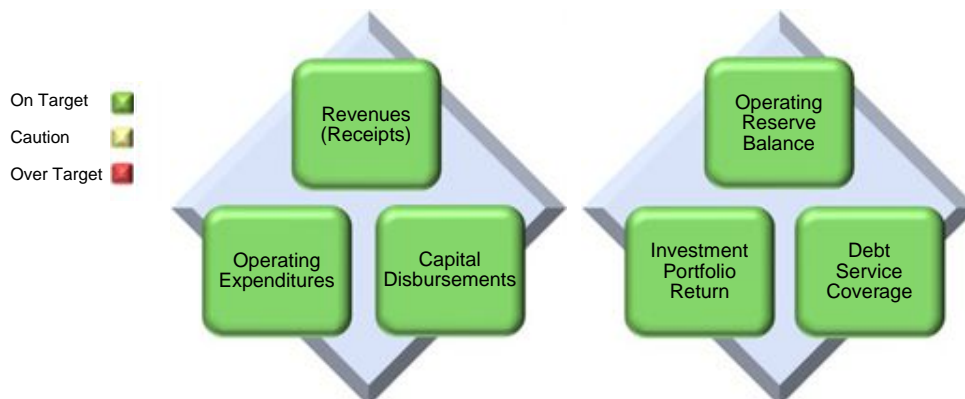
Syed Khalil, Manager, Financial Planning & Revenues

John Madrid, Controller

JANUARY 2015

EXECUTIVE SUMMARY

At the end of January 2015, with approximately 33 percent of the FY completed, we are on track with budgetary expectations and targeted performance metrics.



(\$ in millions)

	Revised Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)		% Revised Budget
Revenues (Receipts)*	\$542.6	\$180.9	\$189.2	\$8.3	4.6%	35%
Expenditures*	\$516.0	\$172.0	\$151.6	\$20.4	11.8%	29%
Capital Disbursements	\$625.3	\$214.8	\$202.1	\$12.7	5.9%	32%

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

Highlights:

- Debt Refinancing Update – Pricing and sale scheduled for February 18, 2015 has been postponed indefinitely based on market conditions
- Completion of FY 2014 Audits by external auditors
 - Unmodified “Clean” Opinion on financial statements issued on January 16, 2015
 - Unmodified “Clean” Opinion on A-133 Single Audit (Federal Grants) issued
 - Comprehensive Annual Financial Report (CAFR) available
 - The Authority ended FY 2014 with strong financial performance
- The DC Council Public Oversight Hearing for FY 2014 – FY 2015 Performance is scheduled for March 4, 2015
- Publication of FY 2016 Rates and Fees in the DC Municipal Register on February 20, 2015
- Approved FY 2016 Budget book production is underway

Mark T. Kim, Chief Financial Officer

Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2015

Operating Revenues (\$000's)

Category	A	B*	C	D = C/A	E = C - B	F = E/B
	FY 2015 BUDGET	YTD BUDGET	YTD ACTUAL	YTD % BUDGET	YTD \$ Fav/(Unfav)	YTD % Fav/(Unfav)
Res. / Comm. / Multi.	\$291,347	\$97,116	\$92,965	31.9%	(\$4,151)	(4.3%)
Federal	58,695	19,565	28,878	49.2%	9,313	47.6%
Municipal (DC Govt.)	15,735	5,245	4,277	27.2%	(968)	(18.5%)
DC Housing	7,472	2,491	2,539	34.0%	49	2.0%
Metering Fee	10,776	3,592	3,878	36.0%	286	8.0%
Wholesale	81,365	27,122	20,444	25.1%	(6,678)	(24.6%)
PILOT/ROW	20,547	6,849	8,209	40.0%	1,360	19.9%
All Other	56,706	18,902	28,030	49.4%	9,128	48.3%
TOTAL	\$542,643	\$180,881	\$189,219	34.9%	\$8,338	4.6%

Straight-lined (4/12 of revised budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of January 2015, cash receipts totaled \$189.2 million, or 34.9 percent of the revised FY 2015 budget. Several categories of customers make payments on a quarterly basis, including the Federal and wholesale customers.

Residential, Commercial and Multi-Family – Receipts for this category are slightly lower at \$93.0 million or 31.9 percent of the revised budget. The lower receipts are on account of slightly lower consumption as compared to budget.

District Government – Receipts are lower at \$4.3 million or 27.2 percent of the revised budget. The short payment is due to DC Government disputing the Clean Rivers Impervious Surface Area Charges (CRIAC) associated with RFK Stadium. Our Customer Care staff is holding discussions with the District to resolve the issue.

Wholesale – Receipts are lower at \$20.4 million or 25.1 percent of the revised budget. Wholesale customers' second quarter payment is anticipated to be received during the month of February 2015.

Other Revenue – Receipts are higher than the straight-lined budget at \$28.0 million or 49.4 percent of the budgeted category. This is primarily due to a onetime contribution of \$15 million, or 50 percent of the reserves in the PILOT Fund, as agreed to by the District Government per the PILOT MOU dated September 4, 2014.

Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2015

Operating Expenditures (\$000's)

Category	A	B*	C	D= C/A	E= B- C	F= E/B
	FY 2015 BUDGET	YTD BUDGET	YTD ACTUAL	YTD % BUDGET	YTD \$ Fav/(Unfav)	YTD % Fav/(Unfav)
Personnel	\$135,544	\$45,181	\$44,255	32.6%	\$926	2.1%
Contractual Services	76,944	25,648	21,581	28.0%	4,067	15.9%
Water Purchases	28,831	9,610	8,809	30.6%	801	8.3%
Supplies & Chemicals	36,187	12,062	9,382	25.9%	2,680	22.2%
Utilities	30,416	10,139	10,319	33.9%	(180)	(1.8%)
Small Equipment	1,028	343	105	10.2%	238	69.4%
SUBTOTAL O&M	\$308,950	\$102,983	\$94,451	30.6%	\$8,533	8.3%
Debt Service	160,264	53,421	50,378	31.4%	3,043	5.7%
PILOT/ROW	26,687	8,896	6,800	25.5%	2,096	23.6%
Cash Financed Capital Improvements	20,058	6,686	0	0.0%	6,686	100.0%
TOTAL OPERATING	\$515,959	\$171,986	\$151,629	29.4%	\$20,357	11.8%
Capital Labor	(17,266)	(5,755)	(6,388)	37.0%	633	(11.0%)
TOTAL NET OPERATING	\$498,693	\$166,231	\$145,241	29.1%	\$20,990	12.6%

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

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of January 2015, with approximately 33 percent of the fiscal year completed, operating expenditures totaled \$151.6 million, or 29.4 percent of the FY 2015 Board-revised budget of \$516.0 million. These numbers include estimated, incurred but unpaid, invoices and are subject to revision in subsequent months.

Personnel Services – The close trending of actual to budget reflects an increase in hiring efforts to reduce authority-wide vacancy rate. Of the 1222 positions budgeted (1260 positions authorized), 1095 positions were filled and 165 authorized positions were vacant. Overtime spending totals \$2.6 million of the annual budget of \$6.1 million, or 8.0 percent of regular payroll costs. Overtime costs to date are trending higher than budget primarily due to emergency responses related to infrastructure repairs, maintenance and water main breaks. We will continue to monitor and report overtime activities and associated risks to budget.

Supplies & Chemicals – YTD underspending in chemicals is mainly attributable to lower process demand for methanol and sodium hydroxide due to lower than anticipated ammonia nitrogen load in the recycle from digested solids, lower process demand for polymer due to optimized performance of solids thickening and dewatering and lower unit cost for methanol due to current pricing structure in the contract.

Utilities (Electricity) – YTD spending is on target with projections. We have 20MW or approximately 67 percent of the Authority's electricity load locked at an average Western Hub unit price of \$45.92/MWh for the remainder of the year. In order to ensure greater budget certainty, we have also hedged 15MW at \$40.43/MWh for FY 2016 and 5MW at \$37.35/MWh for FY 2017. Staff continues to work with Con Edison, our energy service providers to keep abreast of markets and pricing, in an effort to take advantage of opportunities to lock future loads.

Debt Service – YTD underspending is primarily due to lower interest than anticipated.

Payment In Lieu of Taxes (PILOT) – YTD expenditures of \$5.1 million is based on the current MOU with the District which totals \$15.3 million.

Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2015

Capital Disbursements (\$000's)						
	A	B	C	D=C/A	E=B-C	F=E/B
	FY 2015	YTD	YTD	YTD %	YTD \$	YTD %
Service Area	BUDGET	BUDGET	ACTUAL	BUDGET	Fav/(Unfav)	Fav/(Unfav)
Wastewater	\$206,260	\$75,100	\$71,148	34.5%	\$3,952	5.3%
Sanitary Sewer	40,258	12,038	10,922	27.1%	1,115	9.3%
Combined Sewer Overflow	271,101	91,795	92,704	34.2%	(909)	(1.0%)
Stormwater	2,559	1,030	342	13.4%	688	66.8%
Water	65,006	19,791	18,789	28.9%	1,002	5.1%
AMR/CIS	7,900	2,633	834	10.6%	1,799	68.3%
Washington Aqueduct	10,000	5,000	3,932	39.3%	1,068	21.4%
Capital Equipment	22,191	7,397	3,457	15.6%	3,940	53.3%
TOTAL	\$625,274	\$214,785	\$202,128	32.3%	\$12,657	5.9%

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At end of January 2015, capital disbursements are \$202.1 million or 32.3 percent of the revised FY 2015 budget. Lower than planned disbursements are largely attributable to favorable positions in Wastewater Treatment, AMR/CIS, and Capital Equipment service areas.

Wastewater Treatment - Slightly favorable spending attributable to Filtrate Treatment Facilities, where activities were decreased as a result of previously undocumented underground utilities encountered during site preparation that delayed the mass excavation start by 2.5 months. This resulted in a slower than expected major process equipment submittal approval that has delayed the payment schedule for those items. It is anticipated the contract will be complete within budget. This favorable position is offset by higher than planned disbursements in the Blue Plains Tunnel project due to a concrete shaft liner replacement. As this project is nearing completion, spending is anticipated to slow down for the remainder of the year.

Capital Equipment - The favorable position is driven by the unspent reserve funds in the Office of the CFO to accommodate requests for projects Authority-wide, if needed.

AMR/CIS – The favorable positions for Automated Meter Reading (AMR) and Customer Information and Billing System (CIS) are related to the timing of the projects. Both anticipate heavier spending in the latter half of the fiscal year for meters, aerial photographs of impervious surfaces, and technical/evaluation services for the CIS Request for Proposal.

Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2015

Cash and Investments (\$ in millions)

Cash Balances

Rate Stabilization Fund Account (RSF)	\$22.5
DC Insurance Reserve	1.0
Operating Reserve Accounts	<u>145.8</u>
Operating Cash Balance Including RSF	\$169.3
Debt Service Reserve - Series 1998	23.6
CSO LTCP Appropriations Account	27.4
Bond Fund- Construction Fund 2014A	226.1
Bond Fund- Construction Fund 2014B	<u>32.0</u>
Reserves and Bond Proceeds	309.1
Total All Funds	\$478.4

OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$145.8 million as compared to the operating reserve level objective of \$125.5 million for FY 2015
- Average cash balance for the month of January was \$181.0 million
- Total investment portfolio was 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 January (on a cash basis) was \$359,431; YTD total is \$498,833 as compared to the budget of \$511,652 for the year
- A detailed investment performance report is attached

Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2015

Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD 33% Cash Budget	YTD Actual Cash Oct. 1, 2014 - Jan. 31, 2015	Variance Favorable (Unfavorable)	
OPERATING BUDGET					
Cash Provided					
Retail	\$384,025	\$128,008	\$132,537	\$4,529	4%
Wholesale	81,365	27,122	20,444	(6,678)	-25%
Other	69,634	23,211	36,239	13,028	56%
Transfer from Rate Stabilization Fund	7,500	2,500		(2,500)	-100%
Total Cash Provided	542,524	180,841	189,219	8,378	5%
Operating Cash Used					
Personnel Services	118,278	39,426	39,992	(566)	-1%
Contractual Services	76,944	25,648	28,098	(2,450)	-10%
Chemicals & Supplies	36,187	12,062	11,930	132	1%
Utilities	30,416	10,139	5,092	5,047	50%
Water Purchases	28,831	9,610	9,256	355	4%
Small Equipment	1,028	343	131	211	62%
Total Operating Cash Used	291,684	97,228	94,499	2,729	3%
Defeasance D.S./Cash Financed Capital Construction	20,229	6,743		6,743	100%
Other Cash Used					
Debt Service	163,242	54,414	50,378	4,036	7%
Payment In Lieu of Taxes/Right of Way	20,437	6,812	5,109	1,703	25%
Total Other Cash Used	183,680	61,227	55,488	5,739	9%
Total Cash Used	495,592	165,197	149,986	15,211	9%
Net Cash Provided (Used) by Operating Act.	46,931	15,644	39,233	23,589	
CAPITAL BUDGET					
Cash Provided					
Debt Proceeds	281,590	93,863	50,676	(43,188)	-46%
EPA Grants	51,771	17,257	12,122	(5,135)	-30%
CSO Grants	22,200	7,400	18,899	11,499	155%
Interest Income	429	143	452	309	216%
Wholesale Capital Contributions	227,745	75,915	76,541	626	1%
Total Cash Provided	583,735	194,578	158,690	(35,889)	-18%
Cash Used					
DC Water Capital Program	615,275	205,092	198,195	6,897	3%
Washington Aqueduct Projects	10,000	3,333	3,933	(599)	-18%
Total Cash Used	625,275	208,425	202,128	6,297	3%
Net Cash/PAYGO Provided (Used) by Cap. Act.	(\$41,540)	(\$13,847)	(\$43,438)	(\$29,592)	
Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected	\$157,642		\$157,642		
Plus (Less) Operating Surplus	46,931	15,644	39,233		
Wholesale Customer Refunds from Prior Years/ROW	(18,100)	(6,033)	(5,100)		
Interest Earned From Bond Reserve	120	40			
Transfer to Rate Stabilization Fund					
Prior Year Federal Billing Reconciliation	(5,053)	(1,684)	(2,526)		
Customer Rebate					
Cash Used for Capital	(41,540)	(13,847)	(43,438)		
Balance Attributable to O&M Reserve	\$140,000		\$145,811		
OTHER CASH RESERVES					
Rate Stabilization Fund	\$22,450				
DC Insurance Reserve	\$1,039				
CSO Long-Term Control Plan Appropriation	\$27,431				

Monthly Financial Report

APPENDIX

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Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2015

Operating Revenues Detail

(\$ in millions)

Revenue Category	Budget	YTD Budget	Actual	Variance Favorable / (Unfavorable)		Actual % of Budget
Residential, Commercial, and Multi-family	\$291.3	\$97.1	\$93.0	(\$4.1)	-4.3%	31.9%
Federal	58.69	19.6	28.9	9.3	47.6%	49.2%
District Government	15.7	5.2	4.3	(1.0)	-18.5%	27.2%
DC Housing Authority	7.5	2.5	2.5	0.0	0.4%	34.0%
Customer Metering Fee	10.8	3.6	3.9	0.3	8.0%	36.0%
Wholesale	81.36	27.1	20.4	(6.7)	-24.6%	25.1%
Right-of-Way Fee/PILOT	20.6	6.9	8.2	1.4	19.9%	40.0%
Subtotal (before Other Revenues)	\$485.9	\$161.9	\$161.2	-\$0.8	-0.6%	33.2%
Other Revenue without RSF						
IMA Indirect Cost Reimb. For Capital Projects	10.0	3.3	0.0	(3.3)	-100.0%	0.0%
DC Fire Protection Fee	6.9	2.3	1.7	(0.6)	0.0%	24.6%
Stormwater (MS4)	1.0	0.3	0.4	0.1	0.0%	20.0%
Interest	0.6	0.2	0.5	0.3	150.0%	66.7%
Developer Fees (Water & Sewer)	7.7	2.6	2.3	(0.3)	0.0%	24.7%
Others	23.0	7.7	18.0	10.3	133.2%	78.0%
Subtotal	\$49.2	\$16.5	\$22.9	\$6.4	38.9%	46.6%
Rate Stabilization Fund Transfer	\$7.5	\$2.5	\$5.1	\$2.6	104.0%	68.0%
Other Revenue Subtotal	\$56.7	\$19.0	\$28.0	\$9.0	47.8%	49.4%
Grand Total	\$542.6	\$181.0	\$189.2	\$8.2	4.5%	34.9%

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

Customer Category	Water	Sewer	Clean Rivers		Total
			IAC	Metering Fee	
Residential	\$9,881	\$12,028	\$7,036	\$1,684	\$30,629
Commercial	16,764	17,304	9,101	1,196	44,365
Multi-family	8,342	9,952	2,557	401	21,251
Federal	10,765	10,219	7,894	407	29,284
District Govt	937	1,145	2,195	145	4,422
DC Housing Authority	1,005	1,214	320	46	2,585
Total:	\$47,694	\$51,861	\$29,104	\$3,878	\$132,537

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

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Retail Accounts Receivable (Delinquent Accounts)

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

Greater Than 90 Days by Month

	\$ in millions	# of accounts
September 30, 2012	\$5.5	13,063
September 30, 2013	\$4.9	11,920
September 30, 2014	\$5.3	12,442
October 31, 2014	\$5.4	12,034
November 30, 2014	\$5.6	12,261
December 31, 2014	\$6.5	13,180
January 31, 2015	\$6.5	13,111

Greater Than 90 Days by Customer

	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	12,105	3,370	15,475	1,377	1,937,117	161	99,639	1,681	\$ 1,932,765	1,538	\$ 2,036,755	31%
Multi-family	7,338	411	7,749	721	1,444,161	147	63,813	880	1,626,450	868	\$ 1,507,974	24%
Single-Family Residential	104,891	3,216	108,107	8,415	2,363,406	2,290	611,398	10,619	2,959,153	10,705	\$ 2,974,804	46%
Total	124,334	6,997	131,331	10,513	\$ 5,744,684	2,598	\$ 774,850	13,180	\$ 6,518,368	13,111	\$ 6,519,533	100%

Notes: Included in the above \$5.74M (or 10,513 accounts) of the DC Water Over 90 days delinquent accounts, \$1,500,812.21 (or 2,399 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.

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Overtime by Department

Department	FY 2015			
	Budget	Actual	Actual % of Budget	% of Regular Pay
Office of the Board Secretary	\$4,000	\$4,116	102.9%	5.8%
General Manager	5,000	1,769	35.4%	0.4%
General Counsel	2,000	0	0.0%	0.0%
External Affairs	27,000	181	0.7%	0.0%
Internal Audit	0	0	0.0%	0.0%
Information Technology	20,000	1,775	8.9%	0.2%
Procurement	30,000	22,516	75.1%	3.1%
Customer Service	240,000	61,821	25.8%	2.2%
Finance, Accounting & Budget	30,000	14,172	47.2%	0.9%
Assistant General Manager - Support Services	1,030	568	55.2%	0.5%
Human Capital Management	5,000	719	14.4%	0.1%
Occupational Safety and Health	2,000	0	0.0%	0.0%
Facilities Management	200,000	106,967	53.5%	8.2%
Department of Security	0	12	0.0%	0.0%
Distribution and Conveyance System	553,000	276,977	50.1%	13.5%
Engineering and Technical Services	1,070,000	382,728	35.8%	6.5%
Water Services	960,000	564,909	58.8%	14.6%
Clean Rivers	5,000	0	0.0%	0.0%
Sewer Services	767,000	331,417	43.2%	12.7%
Wastewater Treatment - Operations	1,233,890	402,437	32.6%	11.9%
Wastewater Treatment - Process Engineering	100,000	19,279	19.3%	2.3%
Maintenance Services	800,000	394,846	49.4%	13.8%
Permit Operations	11,000	57	0.5%	0.0%
Fleet Management	2,000	554	27.7%	0.3%
Total DC WATER	\$6,067,920	\$2,587,820	42.6%	8.0%

Notes:

- FY 2015 actual includes accruals for seven days (01/25/15 - 01/31/15)
- Engineering and Technical Services department includes overtime that will be charged/transferred to capital projects

Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2015

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

Service Areas	Budget		Actual			Percent of Year to Date Budget
	Annual	YTD	Oct.-Dec. 2014	Jan. 2015	YTD	YTD %
WASTEWATER TREATMENT						
Liquid Processing Projects	\$20,566	\$7,248	\$5,731	\$452	\$6,183	15%
Plantwide Projects	18,322	7,619	5,176	599	5,776	24%
Solids Processing Projects	58,333	21,759	18,048	3,189	21,237	2%
Enhanced Nitrogen Removal Facilities	109,039	38,475	28,303	9,650	37,953	1%
Subtotal	206,260	75,100	57,257	13,891	71,148	5%
SANITARY SEWER						
Sanitary Collection Sewers	5,933	838	213	146	359	57%
Sanitary On-Going Projects	8,256	2,422	3,897	1,060	4,956	-105%
Sanitary Pumping Facilities	1,377	506	339	80	419	17%
Sanitary Sewer Program Management	10,106	4,046	2,812	140	2,951	27%
Sanitary Interceptor/Trunk Force Sewers	14,586	4,226	1,892	344	2,237	47%
Subtotal	40,258	12,038	9,152	1,770	10,922	9%
COMBINED SEWER OVERFLOW						
CSO Program Management	4,423	3,029	2,958	-	2,958	2%
Combined Sewer Projects	10,769	4,711	4,080	356	4,436	6%
D.C. Clean Rivers Project	255,909	84,055	72,029	13,280	85,309	-1%
Subtotal	271,101	91,795	79,067	13,636	92,704	-1%
STORMWATER						
Stormwater Local Drainage	28	10	186	12	198	-1858%
Stormwater On-Going Program	489	164	121	-	121	26%
Stormwater Pumping Facilities	-	-	-	-	-	-
DDOT Stormwater Program	27	4	-	-	-	-
Stormwater Research and Program Management	518	240	17	-	17	93%
Stormwater Trunk/Force Sewers	1,497	612	7	-	7	99%
Subtotal	2,559	1,030	330	12	342	67%
WATER						
Water Distribution Systems	33,291	9,570	4,920	3,430	8,350	13%
Water Lead Program	2,350	666	784	106	890	-34%
Water On-Going Projects	7,070	2,376	2,001	410	2,410	-1%
Water Pumping Facilities	6,074	2,282	2,508	615	3,122	-37%
DDOT Water Projects	2,121	769	44	104	148	81%
Water Storage Facilities	6,323	1,184	219	55	274	77%
Water Projects Program Management	7,777	2,944	2,929	666	3,595	-22%
Subtotal	65,006	19,791	13,404	5,385	18,789	5%
Capital Projects	585,183	199,754	159,211	34,694	193,905	3%
AUTOMATED METER READING/CUSTOMER INFORMATION SYSTEM	7,900	2,633	402	433	834	68%
WASHINGTON AQUEDUCT	10,000	5,000	3,932	-	3,932	21%
CAPITAL EQUIPMENT	22,191	7,397	2,860	597	3,457	53%
Additional Capital Projects	40,091	15,030	7,193	1,029	8,222	45%
Total	\$625,274	\$214,785	\$166,404	\$35,724	\$202,128	6%

Monthly Financial Report

FY 2014 Budget to Actual Performance

Operating Revenues (\$ 000's)

Category	A	B	C = B/A	D = B - A
	BUDGET	ACTUAL	% of BUDGET	\$ Fav/(Unfav)
Res. / Comm. / Multi.	\$256,193	\$263,382	102.8%	\$7,189
Federal	55,141	55,725	101.1%	584
Municipal	9,675	12,734	131.6%	3,059
DC Housing	6,685	8,100	121.2%	1,415
Metering Fee	10,776	11,207	104.0%	431
Wholesale	71,126	70,763	99.5%	(363)
PILOT/ROW	25,181	23,618	93.8%	(1,563)
All Other	32,410	38,964	120.2%	6,554
TOTAL	\$467,187	\$484,492	103.7%	\$17,306

Operating Expenditures (\$ 000's)

Category	A	B	C = B/A	D = A - B
	BUDGET	ACTUAL	% of BUDGET	\$ Fav/(Unfav)
Personnel	\$119,765	\$125,756	105.0%	(\$5,991)
Contractual Services	76,044	68,178	89.7%	7,866
Water Purchases	27,991	28,407	101.5%	(416)
Supplies & Chemicals	30,909	30,718	99.4%	191
Utilities	30,715	29,939	97.5%	776
Small Equipment	993	317	31.9%	676
SUBTOTAL O&M	\$286,416	\$283,316	98.9%	\$3,100
Debt Service	130,120	120,165	92.3%	9,955
PILOT/ROW	25,181	11,458	45.5%	13,723
TOTAL OPERATING	\$441,717	\$414,939	93.9%	\$26,778
Capital Labor	(12,960)	(17,289)	133.4%	4,329
TOTAL NET OPERATING	\$428,758	\$397,650	92.7%	\$31,107

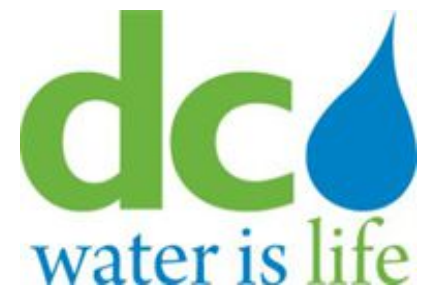
Capital Disbursements (\$000's)

Service Area	A	B	C = B/A	D = A - B
	BUDGET	ACTUAL	% of BUDGET	\$ Fav/(Unfav)
Wastewater	\$268,192	\$355,714	132.6%	(\$87,522)
Sewer	29,818	25,959	87.1%	3,859
Combined Sewer Overflow	166,508	218,555	131.3%	(52,047)
Stormwater	2,843	3,743	131.7%	(900)
Water	63,136	54,816	86.8%	8,320
Washington Aqueduct	10,000	11,258	112.6%	(1,258)
Capital Equipment	16,627	13,327	80.2%	3,300
TOTAL	\$557,125	\$683,374	122.7%	(126,249)



DC Water

Investment Performance Report – January 2015



DC Water
Finance Division
Economic Update

ECONOMIC COMMENTARY

- U.S. Gross Domestic Product (“GDP”) growth for the fourth quarter was 2.6%.
- In January, the U.S. economy added 257,000 jobs, making it the 52nd straight month of employment gains. The unemployment rate increased slightly from 5.6% to 5.7%. This rise in unemployment was viewed positively, because it suggests a growing confidence amongst job seekers to return to the potential workforce.
- In January, the Federal Open Market Committee (FOMC) stated that it can continue to be “patient” in its approach to raising rates.
- Oil prices continued to plummet and the US dollar strengthened further. Consumers continued to benefit from the oil price collapse as the average national price for gasoline decline to approximately \$2 per gallon.
- Despite generally positive domestic economic news, interest rates declined dramatically during January. The yield on the 2-year U.S. Treasury Note fell 0.22% from 0.67% to 0.45%. The yield on the 10-year U.S. Treasury Note fell 0.53%.

PORTFOLIO RECAP

- The portfolio is diversified among Bank Deposits, Commercial Paper, U.S. Treasuries, Federal Agencies, FDIC Insured CDs, Negotiable CDs, Corporate Notes/Bonds, and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 0.38%.
- The portfolio is in compliance with the Authority’s Investment Policy.

Operating Reserve Accounts

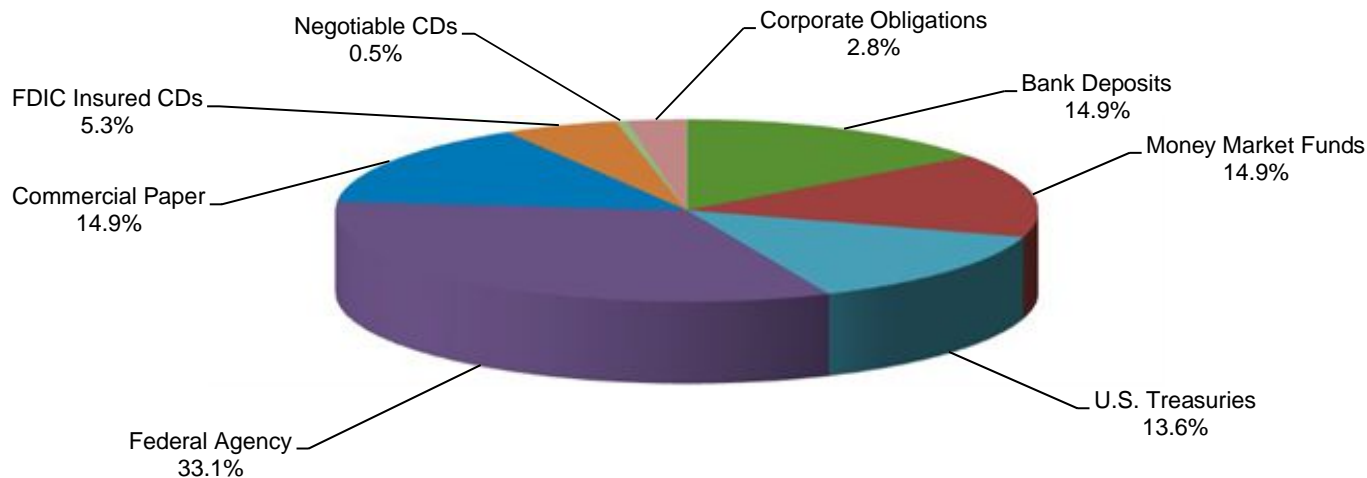
- PFM sold \$350,000 of 8-month U.S Treasuries and used the proceeds to purchase 3-year Toyota Motor Credit Corporate notes at an average yield of 1.50%. These trades are projected to generate 0.56% of additional yield.

2014A Construction Fund

- PFM purchased \$49.4 million of 6-7 month Federal Agencies at an average yield of 0.17%.



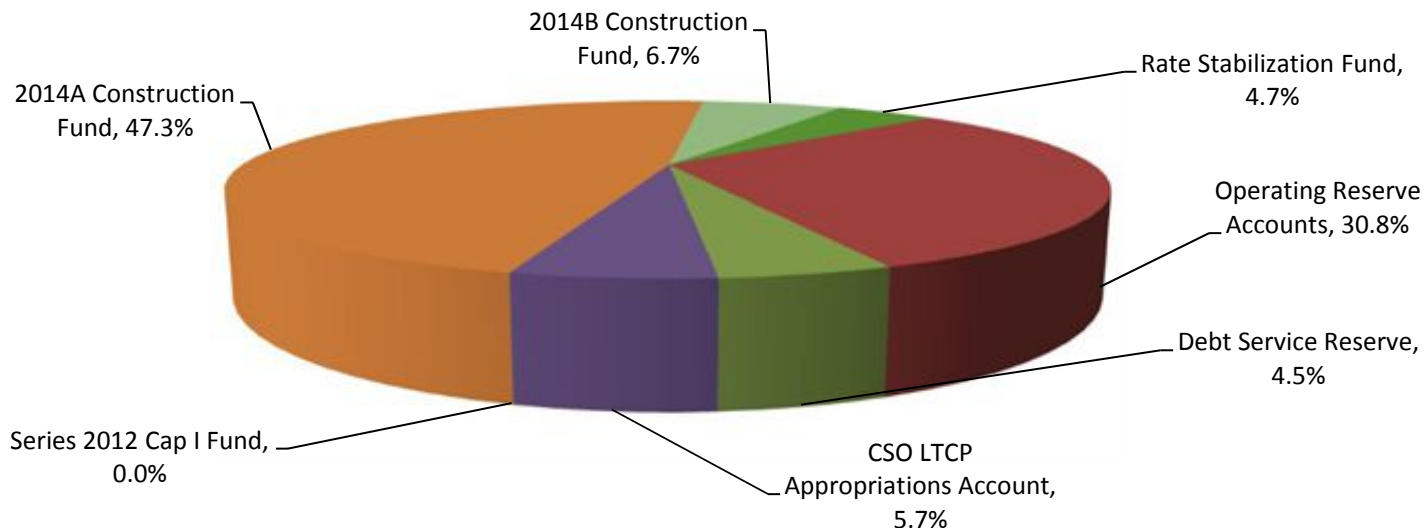
**DC Water
Finance Division
Investments - By Security Type
As of January 31, 2015**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	71,623,587	14.9%	100.0%
Money Market Funds	71,091,413	14.9%	100.0%
U.S. Treasuries	65,215,077	13.6%	100.0%
Federal Agency	158,217,972	33.1%	80.0%
Commercial Paper	71,440,497	14.9%	35.0%
FDIC Insured CDs	25,249,296	5.3%	30.0%
Negotiable CDs	2,405,756	0.5%	30.0%
Corporate Obligations	13,251,921	2.8%	30.0%
Total	\$ 478,495,520	100.0%	



**DC Water
Finance Division
Investment Analysis – By Fund
As of January 31, 2015**

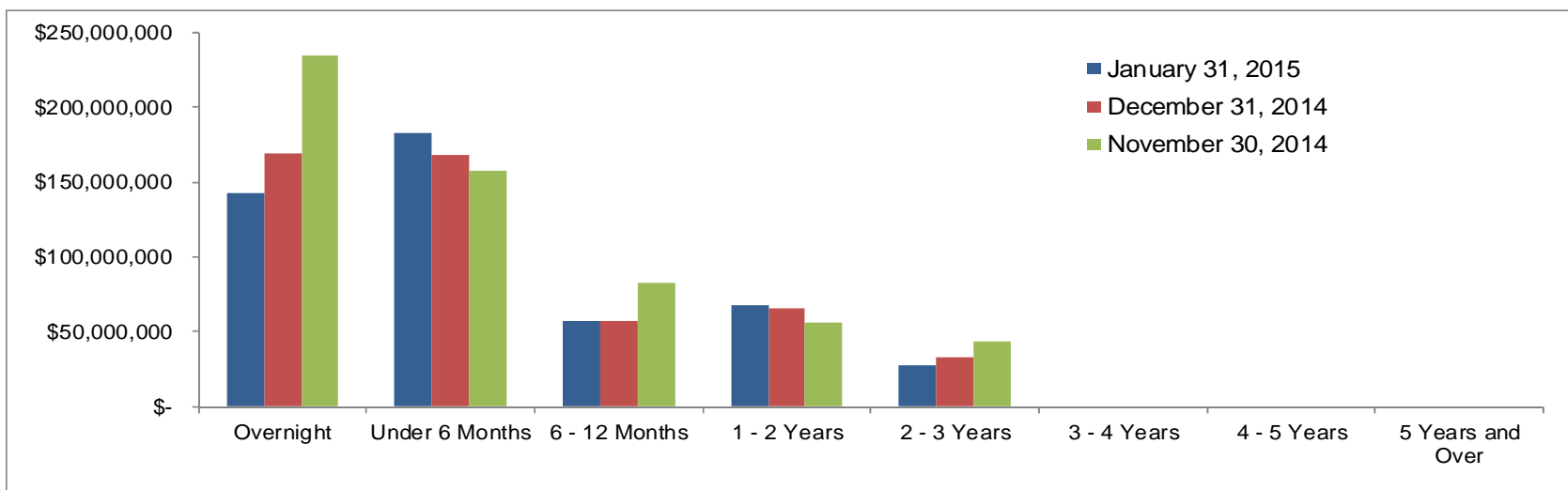


Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Rate Stabilization Fund	\$ 22,450,000	0.50%	0.00	1.0
Operating Reserve Accounts	\$ 147,167,523	0.64%	1.15	423.0
Debt Service Reserve	\$ 23,556,963	0.50%	1.16	427.6
CSO LTCP Appropriations Account	\$ 27,431,290	0.90%	0.00	1.0
Series 2012 Cap I Fund	\$ 40,644	0.01%	0.00	1.0
2014A Construction Fund	\$ 225,819,359	0.18%	0.29	105.9
2014B Construction Fund	\$ 32,029,740	0.01%	0.00	1.0
Total	\$ 478,495,520	0.38%	0.55	201.3



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

Maturity Distribution	January 31, 2015	December 31, 2014	November 30, 2014
Overnight \$	142,715,000.11 \$	169,425,535.05 \$	234,747,208.75
Under 6 Months	182,778,504.66	167,618,555.04	157,670,225.17
6 - 12 Months	57,123,638.86	57,096,825.67	82,003,380.20
1 - 2 Years	67,944,393.07	65,239,967.68	55,949,978.71
2 - 3 Years	27,933,983.20	33,075,096.23	43,014,032.42
3 - 4 Years	-	-	1,526,107.43
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
Totals \$	478,495,519.90 \$	492,455,979.67 \$	574,910,932.68





**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		66,546,224.48	13.9%	100.0%	Yes
Capital One Bank		5,077,362.72	1.1%	100.0%	Yes
Sub-Total Bank Deposits		71,623,587.20	15.0%	100.0%	Yes
Money Market Mutual Funds					
Wells Fargo Treasury Plus MMF	AAAm	60,997,130.16	12.7%	50.0%	Yes
Federated Government MMF	AAAm	10,094,282.75	2.1%	50.0%	Yes
Sub-Total Money Market Mutual Funds		71,091,412.91	14.9%	100.0%	Yes
U.S. Treasuries					
Treasury Note	AA+ / Aaa	65,215,077.17	13.6%	100.0%	Yes
Sub-Total Treasuries		65,215,077.17	13.6%	100.0%	Yes
Federal Agencies					
Fannie Mae	AA+ / Aaa	55,770,492.58	11.7%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	68,435,043.65	14.3%	40.0%	Yes
Freddie Mac	AA+ / Aaa	34,012,435.59	7.1%	40.0%	Yes
Sub-Total Federal Agencies		158,217,971.82	33.1%	80.0%	Yes
Commercial Paper					
Bank of Tokyo Mitsubishi	A-1 / P-1	1,499,211.68	0.3%	5.0%	Yes
BNP Paribas Finance Inc	A-1 / P-1	1,748,421.12	0.4%	5.0%	Yes
General Elec Cap Corp	A-1+ / P-1	16,747,766.72	3.5%	5.0%	Yes
J.P. Morgan Securities LLC	A-1 / P-1	16,738,172.66	3.5%	5.0%	Yes
PNC Bank NA	A-1 / P-1	1,223,256.42	0.3%	5.0%	Yes
Rabobank USA Fin Corp	A-1 / P-1	16,739,698.75	3.5%	5.0%	Yes
Toyota Motor Credit Corp	A-1+ / P-1	16,743,970.00	3.5%	5.0%	Yes
Sub-Total Commercial Paper		71,440,497.35	14.9%	35.0%	Yes



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
FDIC Insured Certificates of Deposit					
CDARS - Placed by Industrial Bank	NR / NR	15,139,401.47	3.2%	5.0%	Yes
CDARS - Placed by City First Bank	NR / NR	10,109,894.06	2.1%	5.0%	Yes
Sub-Total FDIC-Insured Certificates of Deposit		25,249,295.53	5.3%	30.0%	Yes
Negotiable Certificates of Deposit					
Citibank NA	A-1 / P-1	1,201,019.73	0.3%	5.0%	Yes
US Bank NA Cincinnati	AA- / Aa3	1,204,736.74	0.3%	5.0%	Yes
Sub-Total Negotiable Certificates of Deposit		2,405,756.47	0.5%	30.0%	Yes
Corporate Obligations					
ANZ Banking Group Ltd.	AA- / Aa2	1,755,762.29	0.4%	5.0%	Yes
Bank of Montreal	A+ / Aa3	1,752,663.03	0.4%	5.0%	Yes
Chevron	AA / Aa1	1,784,953.04	0.4%	5.0%	Yes
General Electric Capital Corporation	AA+ / A1	1,857,644.44	0.4%	5.0%	Yes
Royal Bank of Canada	AA- / Aa3	1,757,237.83	0.4%	5.0%	Yes
Toronto Dominion Bank NY	AA- / Aa1	1,993,679.13	0.4%	5.0%	Yes
Toyota	AA- / Aa3	589,657.16	0.1%	5.0%	Yes
Wells Fargo & Company	A+ / A2	1,208,998.23	0.3%	5.0%	Yes
US Bank	AA- / Aa3	551,326.30	0.1%	5.0%	Yes
Sub-Total Corporate Obligations		13,251,921.45	2.8%	30.0%	Yes
Grand Total		\$ 478,495,519.90	100.0%		



**DC Water
Finance Division
Book Value Performance
As of January 31, 2015**

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	0.04%	0.50%	0.15%	0.61%	0.30%	0.59%	0.54%
Operating Reserve Accounts	0.05%	0.60%	0.17%	0.69%	0.32%	0.64%	0.47%
Total Debt Service Reserve	0.05%	0.54%	0.13%	0.51%	0.25%	0.50%	0.42%
2014A Construction Fund	0.01%	0.17%	0.04%	0.18%	n/a	n/a	n/a
2014B Construction Fund	0.00%	0.01%	0.00%	0.01%	0.02%	0.04%	n/a
Short-Term	0.03%	0.31%	0.08%	0.32%	0.18%	0.35%	0.38%
Merrill Lynch 3-Month Treasury Index (Book Value) ¹	0.00%	0.02%	0.00%	0.02%	0.01%	0.02%	0.03%
Core (1+ Years)	0.06%	0.68%	0.17%	0.67%	0.32%	0.63%	0.56%
Merrill Lynch 1-3 Year Treasury Index (Book Value) ²	0.06%	0.67%	0.14%	0.56%	0.27%	0.54%	0.47%

- (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	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
Rate Stabilization Fund										
TD BANK BANK DEPOSIT		\$ 12,450,000		2/1/2015		0.90%	\$ 12,450,000	\$ 12,450,000	\$ 12,450,000	
FEDERATED GOVERNMENT MONEY MARKET FUND		10,000,000		2/1/2015		0.01%	10,000,000	10,000,000	10,000,000	
										\$ 22,450,000.00
Operating Reserve Accounts										
TD BANK BANK DEPOSIT		\$ 26,664,935		2/1/2015		0.90%	\$ 26,664,935	\$ 26,664,935	\$ 26,664,935	
CAPITAL ONE BANK		5,077,363		2/1/2015		0.50%	5,077,363	5,077,363	5,077,363	
FEDERATED GOVERNMENT MONEY MARKET FUND		94,283		2/1/2015		0.01%	94,283	94,283	94,283	
CITY FIRST BK OF WASHINGTON, DC (CDARS)		2,519,265	0.600	3/19/2015	3/21/2013	0.60%	2,519,265	2,547,575	2,547,575	
BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	06538CRU7	1,500,000	-	4/28/2015	11/24/2014	0.22%	1,498,579	1,499,126	1,499,212	
BNP PARIBAS FINANCE INC COMM PAPER	0556N1SU8	1,750,000	-	5/28/2015	11/24/2014	0.28%	1,747,482	1,748,521	1,748,421	
PNC BANK NA COMM PAPER	69349KV31	1,225,000	-	8/3/2015	11/24/2014	0.28%	1,222,599	1,222,954	1,223,256	
CITIBANK NA FLOATING CERT DEPOS	17304UYB0	1,200,000	0.373	8/11/2015	8/14/2014	0.37%	1,200,000	1,200,084	1,201,020	
INDUSTRIAL BANK CDARS		5,000,000	0.350	10/15/2015	10/16/2014	0.35%	5,000,000	5,005,221	5,005,221	
US TREASURY NOTES	912828WB2	4,450,000	0.250	10/31/2015	7/14/2014	0.18%	4,453,824	4,455,986	4,455,052	
INDUSTRIAL BANK CDARS		5,024,994	0.400	11/12/2015	11/13/2014	0.40%	5,024,994	5,029,461	5,029,461	
CITY FIRST BK OF WASHINGTON, DC (CDARS)		5,019,985	0.300	11/12/2015	11/13/2014	0.30%	5,019,985	5,023,332	5,023,332	
US TREASURY NOTES	912828PM6	5,000,000	2.125	12/31/2015	7/14/2014	0.24%	5,137,109	5,097,087	5,094,942	
INDUSTRIAL BANK CDARS		2,545,282	0.750	1/21/2016	1/23/2014	0.75%	2,545,282	2,564,952	2,564,952	
INDUSTRIAL BANK CDARS		2,539,450	0.450	1/21/2016	1/22/2015	0.45%	2,539,450	2,539,768	2,539,768	
FEDERAL HOME LOAN BANK GLOBAL NOTES	3130A0SD3	5,000,000	0.375	2/19/2016	7/11/2014	0.34%	5,002,550	5,013,568	5,010,108	
CITY FIRST BK OF WASHINGTON, DC (CDARS)		2,530,097	0.400	3/17/2016	3/20/2014	0.40%	2,530,097	2,538,987	2,538,987	
US TREASURY NOTES	912828QF0	5,000,000	2.000	4/30/2016	7/15/2014	0.39%	5,143,750	5,131,941	5,125,432	
US TREASURY NOTES	912828QP8	5,000,000	1.750	5/31/2016	11/21/2014	0.32%	5,108,789	5,110,454	5,109,853	
US TREASURY NOTES	912828WQ9	5,000,000	0.500	6/30/2016	7/15/2014	0.46%	5,004,102	5,016,665	5,005,169	
WELLS FARGO & COMPANY	94974BFL9	1,200,000	1.250	7/20/2016	7/16/2014	0.76%	1,211,664	1,208,197	1,208,998	
US TREASURY NOTES	912828QX1	3,035,000	1.500	7/31/2016	7/15/2014	0.50%	3,096,767	3,088,001	3,080,429	
FHLB NOTES	3130A2T97	1,595,000	0.500	9/28/2016	8/7/2014	0.61%	1,591,411	1,599,454	1,594,941	
US TREASURY NOTES	912828WF3	4,600,000	0.625	11/15/2016	7/15/2014	0.64%	4,598,563	4,623,085	4,605,098	
US TREASURY NOTES	912828MD9	6,000,000	3.250	12/31/2016	11/24/2014	0.61%	6,330,000	6,335,052	6,317,732	
US TREASURY NOTES	912828RX0	5,000,000	0.875	12/31/2016	11/21/2014	0.60%	5,029,102	5,042,147	5,030,268	
US TREASURY NOTES	912828RX0	3,075,000	0.875	12/31/2016	12/9/2014	0.69%	3,086,531	3,100,921	3,088,087	
GENERAL ELEC CAP CORP GLOBAL NOTES	36962G5N0	1,200,000	2.900	1/9/2017	7/15/2014	1.03%	1,254,912	1,250,537	1,245,117	
US BANK CORP NOTE (CALLABLE)	90331HMC4	550,000	1.100	1/30/2017	11/26/2014	0.98%	551,430	552,715	551,326	
US TREASURY NOTES	912828SC5	3,500,000	0.875	1/31/2017	7/14/2014	0.72%	3,513,945	3,526,335	3,511,043	
US TREASURY NOTES	912828SM3	1,850,000	1.000	3/31/2017	10/6/2014	0.80%	1,859,033	1,874,658	1,864,166	
FNMA NOTES	3135G0JA2	4,500,000	1.125	4/27/2017	11/21/2014	0.80%	4,535,370	4,564,937	4,545,787	
TORONTO DOMINION BANK NY CORP NT	89114QAQ1	1,200,000	1.125	5/2/2017	7/15/2014	1.14%	1,199,628	1,204,392	1,203,041	
TORONTO DOMINION BANK NY CORP NT	89114QAQ1	790,000	1.125	5/2/2017	11/26/2014	1.21%	788,317	792,892	790,638	
ANZ BANKING GROUP LTD CORP NOTES	05253JAF8	1,200,000	1.250	6/13/2017	10/30/2014	1.15%	1,203,084	1,205,475	1,204,794	
ANZ BANKING GROUP LTD CORP NOTES	05253JAF8	550,000	1.250	6/13/2017	11/26/2014	1.25%	550,055	552,509	550,969	
US TREASURY NOTES	912828TB6	1,850,000	0.750	6/30/2017	11/3/2014	0.79%	1,848,121	1,858,164	1,849,523	
BANK OF MONTREAL CORP NOTES (CALLABLE)	06366RVD4	1,200,000	1.300	7/14/2017	7/15/2014	1.27%	1,201,116	1,203,614	1,201,648	
BANK OF MONTREAL CORP NOTES (CALLABLE)	06366RVD4	550,000	1.300	7/14/2017	11/26/2014	1.25%	550,726	551,657	551,015	
FREDDIE MAC GLOBAL NOTES	3137EADJ5	750,000	1.000	7/28/2017	8/14/2014	1.00%	749,907	755,871	749,985	
FREDDIE MAC GLOBAL NOTES	3137EADJ5	1,215,000	1.000	7/28/2017	8/14/2014	1.00%	1,214,919	1,224,510	1,215,034	
US TREASURY NOTES	912828NR7	1,100,000	2.375	7/31/2017	7/14/2014	0.95%	1,147,094	1,147,681	1,138,771	



**DC Water
Finance Division
Portfolio Holdings by Fund**

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
Operating Reserve Accounts										
US TREASURY NOTES	912828NR7	975,000	2.375	7/31/2017	7/18/2014	0.97%	1,016,019	1,017,263	1,008,893	
US TREASURY NOTES	912828TG5	310,000	0.500	7/31/2017	7/31/2014	1.02%	305,217	309,036	306,013	
US BANK NA CINCINNATI (CALLABLE) CD	90333VPF1	1,200,000	1.375	9/11/2017	9/11/2014	1.41%	1,198,068	1,196,926	1,204,737	
US TREASURY NOTES	912828PA2	240,000	1.875	9/30/2017	9/4/2014	1.04%	246,019	248,958	246,756	
ROYAL BANK OF CANADA CORP NOTES	78010U4A2	1,200,000	1.400	10/13/2017	10/15/2014	1.41%	1,199,820	1,208,895	1,204,784	
ROYAL BANK OF CANADA CORP NOTES	78010U4A2	550,000	1.400	10/13/2017	11/26/2014	1.39%	550,198	554,077	552,454	
CHEVRON CORP NOTE	166764AL4	885,000	1.345	11/15/2017	11/18/2014	1.35%	885,000	894,575	887,414	
CHEVRON CORP (CALLABLE) GLOBAL NOTES	166764AA8	900,000	1.104	12/5/2017	11/26/2014	1.26%	895,743	901,390	897,539	
GENERAL ELECTRIC CO NOTES	369604BC6	550,000	5.250	12/6/2017	11/26/2014	1.45%	611,727	618,026	612,527	
TOYOTA MOTOR CREDIT CORP NOTE	89236TCA1	590,000	1.450	1/12/2018	1/12/2015	1.50%	589,192	595,249	589,657	
										\$ 147,167,522.65
Debt Service Reserve										
WELLS FARGO TREASURY PLUS MMF		\$ 71,857		2/1/2015		0.01%	\$ 71,857	\$ 71,857	\$ 71,857	
FEDERAL HOME LOAN BANK GLOBAL NOTES	313381YP4	5,000,000	0.250	2/20/2015	1/30/2013	0.30%	4,995,000	5,005,920	5,005,462	
FHLB NOTES	313375RN9	10,000,000	1.000	3/11/2016	5/22/2013	0.43%	10,158,100	10,109,039	10,101,793	
US TREASURY NOTES	912828QX1	3,550,000	1.500	7/31/2016	7/24/2014	0.51%	3,620,445	3,611,995	3,602,449	
US TREASURY NOTES	912828QX1	1,200,000	1.500	7/31/2016	9/17/2014	0.52%	1,221,844	1,220,956	1,217,562	
US TREASURY NOTES	912828TG5	3,600,000	0.500	7/31/2017	7/24/2014	0.98%	3,549,094	3,588,800	3,557,840	
										\$ 23,556,963.46
CSO LTCP Appropriations Account										
TD BANK BANK DEPOSIT		\$ 27,431,290		2/1/2015		0.90%	\$ 27,431,290	\$ 27,431,290	\$ 27,431,290	
										\$ 27,431,289.77
Series 2012 Cap I Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 40,644		2/1/2015		0.01%	\$ 40,644	\$ 40,644	\$ 40,644	
										\$ 40,644.32
2014A Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 28,854,888		2/1/2015		0.01%	\$ 28,854,888	\$ 28,854,888	\$ 28,854,888	
GENERAL ELEC CAP CORP COMM PAPER	36959JPR8	16,750,000	-	2/25/2015	7/30/2014	0.20%	16,730,458	16,748,794	16,747,767	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233HQT4	16,750,000	-	3/27/2015	7/31/2014	0.24%	16,723,312	16,745,963	16,743,970	
FNMA GLOBAL BENCHMARK NOTES	31359MA45	20,000,000	5.000	4/15/2015	7/31/2014	0.15%	20,684,120	20,491,704	20,493,798	
JP MORGAN SECURITIES LLC COMM PAPER	46640QRQ6	16,750,000	-	4/24/2015	7/31/2014	0.31%	16,711,489	16,742,178	16,738,173	
RABOBANK USA FIN CORP COMM PAPER	74977LRQ2	16,750,000	-	4/24/2015	8/1/2014	0.27%	16,716,584	16,742,027	16,739,699	
FEDERAL HOME LOAN BANK BONDS	313379ER6	12,235,000	0.500	6/12/2015	7/30/2014	0.17%	12,270,200	12,257,079	12,258,112	
FEDERAL HOME LOAN BANK BONDS	313379ER6	2,345,000	0.500	6/12/2015	7/31/2014	0.17%	2,351,623	2,349,232	2,349,387	
FHLB TAP BONDS	3133XWNB1	6,000,000	2.875	6/12/2015	7/30/2014	0.17%	6,140,616	6,083,185	6,082,541	
FHLB TAP BONDS	3133XWNB1	8,955,000	2.875	6/12/2015	7/31/2014	0.17%	9,164,205	9,079,154	9,078,196	
FANNIE MAE GLOBAL NOTES	3135G0LN1	6,000,000	0.500	7/2/2015	8/1/2014	0.19%	6,016,950	6,010,661	6,010,153	
FHLMC NOTES	3134G4TH1	24,000,000	0.300	7/8/2015	7/30/2014	0.20%	24,022,994	24,016,120	24,015,286	
FNMA NOTES	31398AU34	24,450,000	2.375	7/28/2015	1/21/2015	0.16%	24,730,931	24,720,317	24,720,755	
FHLB AGENCY NOTES	3130A2WK8	16,950,000	0.125	8/28/2015	1/21/2015	0.17%	16,945,237	16,954,886	16,954,505	
FREDDIE MAC GLOBAL NOTES	3134G3ZA1	8,000,000	0.500	8/28/2015	1/21/2015	0.17%	8,015,840	8,032,568	8,032,131	
										\$ 225,819,359.29
2014B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 32,029,740		2/1/2015		0.01%	\$ 32,029,740	\$ 32,029,740	\$ 32,029,740	
										\$ 32,029,740.41
							\$ 478,790,594.80	\$ 478,778,455.93	\$ 478,495,519.90	\$ 478,495,519.90



DC Water
Finance Division
Security Purchases
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts							
3130A2T97	FHLB NOTES	1,595,000.00	0.50	9/28/2016	8/7/2014	0.61	1,591,411.25
3137EADJ5	FREDDIE MAC GLOBAL NOTES	750,000.00	1.00	7/28/2017	8/14/2014	1.00	750,240.33
3137EADJ5	FREDDIE MAC GLOBAL NOTES	1,215,000.00	1.00	7/28/2017	8/14/2014	1.00	1,215,458.60
17304UYB0	CITIBANK NA FLOATING CERT DEPOS	1,200,000.00	0.37	8/11/2015	8/14/2014	0.38	1,200,000.00
912828PA2	US TREASURY NOTES	2,650,000.00	1.88	9/30/2017	9/4/2014	1.04	2,737,771.07
90333VPF1	US BANK NA CINCINNATI (CALLABLE) CD	1,200,000.00	1.38	9/11/2017	9/11/2014	1.41	1,198,068.00
912828SM3	US TREASURY NOTES	1,850,000.00	1.00	3/31/2017	10/6/2014	0.80	1,859,338.15
78010U4A2	ROYAL BANK OF CANADA CORP NOTES	1,200,000.00	1.40	10/13/2017	10/15/2014	1.41	1,199,820.00
RE0908153	INDUSTRIAL BANK CDARS	5,000,000.00	0.35	10/15/2015	10/16/2014	0.35	5,000,000.00
05253JAF8	ANZ BANKING GROUP LTD CORP NOTES	1,200,000.00	1.25	6/13/2017	10/30/2014	1.15	1,208,792.33
912828TB6	US TREASURY NOTES	1,850,000.00	0.75	6/30/2017	11/3/2014	0.79	1,852,871.77
RE0908161	INDUSTRIAL BANK CDARS	5,024,994.20	0.40	11/12/2015	11/13/2014	0.41	5,024,994.20
RE0908179	CITY FIRST BK OF WASHINGTON, DC (CDARS)	5,019,985.06	0.30	11/12/2015	11/13/2014	0.30	5,019,985.06
166764AL4	CHEVRON CORP NOTE	885,000.00	1.35	11/15/2017	11/18/2014	1.35	885,000.00
3135G0JA2	FNMA NOTES	4,500,000.00	1.13	4/27/2017	11/21/2014	0.80	4,538,745.00
912828QP8	US TREASURY NOTES	5,000,000.00	1.75	5/31/2016	11/21/2014	0.32	5,150,387.42
912828RX0	US TREASURY NOTES	5,000,000.00	0.88	12/31/2016	11/21/2014	0.60	5,046,221.13
912828MD9	US TREASURY NOTES	6,000,000.00	3.25	12/31/2016	11/24/2014	0.61	6,407,894.02
0556N1SU8	BNP PARIBAS FINANCE INC COMM PAPER	1,750,000.00	-	5/28/2015	11/24/2014	0.28	1,747,481.94
06538CRU7	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	1,500,000.00	-	4/28/2015	11/24/2014	0.22	1,498,579.17
69349KV31	PNC BANK NA COMM PAPER	1,225,000.00	-	8/3/2015	11/24/2014	0.28	1,222,599.00
90331HMC4	US BANK CORP NOTE (CALLABLE)	550,000.00	1.10	1/30/2017	11/26/2014	0.98	553,379.44
05253JAF8	ANZ BANKING GROUP LTD CORP NOTES	550,000.00	1.25	6/13/2017	11/26/2014	1.25	553,167.85
06366RVD4	BANK OF MONTREAL CORP NOTES (CALLABLE)	550,000.00	1.30	7/14/2017	11/26/2014	1.25	553,347.67
166764AA8	CHEVRON CORP (CALLABLE) GLOBAL NOTES	900,000.00	1.10	12/5/2017	11/26/2014	1.26	900,462.60
369604BC6	GENERAL ELECTRIC CO NOTES	550,000.00	5.25	12/6/2017	11/26/2014	1.45	625,361.92
78010U4A2	ROYAL BANK OF CANADA CORP NOTES	550,000.00	1.40	10/13/2017	11/26/2014	1.39	551,074.94
89114QAQ1	TORONTO DOMINION BANK NY CORP NT	790,000.00	1.13	5/2/2017	11/26/2014	1.21	788,909.80
912828RX0	US TREASURY NOTES	3,075,000.00	0.88	12/31/2016	12/9/2014	0.69	3,098,375.85
89236TCA1	TOYOTA MOTOR CREDIT CORP NOTE	590,000.00	1.45	1/12/2018	1/12/2015	1.50	589,191.70
RE0908229	INDUSTRIAL BANK CDARS	2,539,450.42	0.45	1/21/2016	1/22/2015	0.46	2,539,450.42
Total Debt Service Reserve							
912828QX1	US TREASURY NOTES	1,200,000.00	1.50	7/31/2016	9/17/2014	0.52	1,224,191.58
2014A Construction Fund							
3135G0LN1	FANNIE MAE GLOBAL NOTES	6,000,000.00	0.50	7/2/2015	8/1/2014	0.19	6,019,366.67
74977LRQ2	RABOBANK USA FIN CORP COMM PAPER	16,750,000.00	-	4/24/2015	8/1/2014	0.27	16,716,583.75
3134A4UX0	FHLMC NOTES	3,500,000.00	4.50	1/15/2015	8/8/2014	0.10	3,577,160.16

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



DC Water
Finance Division
Security Purchases
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
2014A Construction Fund							
313385J98	FEDERAL HOME LOAN BANKS DISC NOTE	30,000,000.00	-	10/10/2014	8/8/2014	0.07	29,996,325.00
313396AN3	FREDDIE MAC DISC NOTE	2,050,000.00	-	1/13/2015	8/8/2014	0.09	2,049,235.24
313396AP8	FREDDIE MAC DISC NOTE	925,000.00	-	1/14/2015	8/8/2014	0.09	924,632.31
313588AP0	FANNIE MAE DISC NOTE	5,274,000.00	-	1/14/2015	8/8/2014	0.09	5,271,903.59
313588AP0	FANNIE MAE DISC NOTE	12,231,000.00	-	1/14/2015	8/8/2014	0.09	12,226,408.28
313588AP0	FANNIE MAE DISC NOTE	946,000.00	-	1/14/2015	8/8/2014	0.09	945,623.97
313589T37	FANNIE MAE DISC NOTE	35,000,000.00	-	12/15/2014	8/12/2014	0.08	34,990,277.70
3130A2WK8	FHLB AGENCY NOTES	16,950,000.00	0.13	8/28/2015	1/21/2015	0.17	16,953,653.20
3134G3ZA1	FREDDIE MAC GLOBAL NOTES	8,000,000.00	0.50	8/28/2015	1/21/2015	0.17	8,031,728.89
31398AU34	FNMA NOTES	24,450,000.00	2.38	7/28/2015	1/21/2015	0.16	25,009,983.10
2014B Construction Fund							
313385J98	FEDERAL HOME LOAN BANKS DISC NOTE	15,000,000.00	-	10/10/2014	8/8/2014	0.07	14,998,162.50
313588AP0	FANNIE MAE DISC NOTE	5,000,000.00	-	1/14/2015	8/8/2014	0.09	4,998,012.50
313588AP0	FANNIE MAE DISC NOTE	5,000,000.00	-	1/14/2015	8/8/2014	0.09	4,998,122.92
313589T37	FANNIE MAE DISC NOTE	20,000,000.00	-	12/15/2014	8/12/2014	0.08	19,994,444.40

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

Investment Performance Report – January 2015



**DC Water
Finance Division
Security Sales
Last 6 Months**

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts							
912828QX1	US TREASURY NOTES	1,565,000.00	1.50	7/31/2016	8/7/2014	0.48	1,596,868.81
912828TG5	US TREASURY NOTES	760,000.00	0.50	7/31/2017	8/14/2014	0.93	750,585.20
912828TG5	US TREASURY NOTES	1,230,000.00	0.50	7/31/2017	8/14/2014	0.93	1,214,955.06
83051HA89	SKANDINAVISKA ENSKILDA BANKEN NY CD	1,200,000.00	0.23	12/11/2014	8/14/2014	0.22	1,200,554.28
3134G3ZA1	FREDDIE MAC GLOBAL NOTES	2,725,000.00	0.50	8/28/2015	9/4/2014	0.20	2,733,320.33
912828SS0	US TREASURY NOTES	1,200,000.00	0.88	4/30/2017	9/11/2014	0.92	1,202,417.12
912828WB2	US TREASURY NOTES	550,000.00	0.25	10/31/2015	10/6/2014	0.13	551,324.56
0556N1LC5	BNP PARIBAS FINANCE INC COMM PAPER	1,200,000.00	-	11/12/2014	10/6/2014	0.14	1,199,827.33
912828PA2	US TREASURY NOTES	1,175,000.00	1.88	9/30/2017	10/15/2014	0.94	1,207,944.99
912828SS0	US TREASURY NOTES	1,300,000.00	0.88	4/30/2017	10/30/2014	0.65	1,312,918.31
86562YFF6	SUMITOMO MITSUI BANK NY CERT DEPOS	1,200,000.00	0.22	11/7/2014	11/3/2014	0.13	1,200,884.66
06538CNC1	BANK OF TOKYO MITSUBISHI COMM PAPER	500,000.00	-	1/12/2015	11/3/2014	0.19	499,815.28
912828PA2	US TREASURY NOTES	885,000.00	1.88	9/30/2017	11/18/2014	0.98	909,669.90
06538CNC1	BANK OF TOKYO MITSUBISHI COMM PAPER	700,000.00	-	1/12/2015	12/9/2014	0.19	699,874.39
46640QR78	JP MORGAN SECURITIES LLC COMM PAPER	1,200,000.00	-	4/7/2015	12/9/2014	0.24	1,199,048.00
74977LPH4	RABOBANK USA FIN CORP COMM PAPER	1,200,000.00	-	2/17/2015	12/9/2014	0.19	1,199,556.67
912828PA2	US TREASURY NOTES	350,000.00	1.88	9/30/2017	1/12/2015	0.93	360,679.69
2014A Construction Fund							
313385J98	FEDERAL HOME LOAN BANKS DISC NOTE	30,000,000.00	-	10/10/2014	9/23/2014	0.01	29,999,929.17
313396AN3	FREDDIE MAC DISC NOTE	2,050,000.00	-	1/13/2015	10/3/2014	0.05	2,049,709.58
313396AP8	FREDDIE MAC DISC NOTE	925,000.00	-	1/14/2015	10/3/2014	0.05	924,867.67
313588AP0	FANNIE MAE DISC NOTE	5,274,000.00	-	1/14/2015	10/3/2014	0.05	5,273,320.97
313588AP0	FANNIE MAE DISC NOTE	946,000.00	-	1/14/2015	10/3/2014	0.05	945,878.20
313588AP0	FANNIE MAE DISC NOTE	12,231,000.00	-	1/14/2015	10/3/2014	0.05	12,229,425.26
313589T37	FANNIE MAE DISC NOTE	35,000,000.00	-	12/15/2014	10/3/2014	0.05	34,996,451.39
2014B Construction Fund							
313385J98	FEDERAL HOME LOAN BANKS DISC NOTE	15,000,000.00	-	10/10/2014	10/3/2014	0.03	14,999,924.17
313588AP0	FANNIE MAE DISC NOTE	5,000,000.00	-	1/14/2015	10/3/2014	0.05	4,999,356.25
313588AP0	FANNIE MAE DISC NOTE	5,000,000.00	-	1/14/2015	10/3/2014	0.05	4,999,356.25
313589T37	FANNIE MAE DISC NOTE	20,000,000.00	-	12/15/2014	10/3/2014	0.05	19,997,972.22

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



DC Water
Finance Division
Security Maturities
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts							
RE0937269	INDUSTRIAL BANK CDARS	5,000,000.00	0.65	10/16/2014	10/16/2014	0.00	5,064,821.92
RE1002089	INDUSTRIAL BANK CDARS	5,030,006.63	0.35	10/16/2014	10/16/2014	0.00	5,047,807.26
RE0907890	CITY FIRST BK OF WASHINGTON, D.C (CDARS)	5,000,000.00	0.40	11/13/2014	11/13/2014	0.00	5,020,000.00
RE0907908	INDUSTRIAL BANK CDARS	5,000,000.00	0.50	11/13/2014	11/13/2014	0.00	5,025,000.00
RE0907981	INDUSTRIAL BANK CDARS	2,528,079.57	0.45	1/22/2015	1/22/2015	0.00	2,539,455.93
Total Rate Stabilization Fund							
19121BHM4	COCA-COLA COMPANY COMM PAPER	10,000,000.00	-	8/21/2014	8/21/2014	0.00	10,000,000.00
2014A Construction Fund							
06538CMW8	BANK OF TOKYO MITSU UFJ LTD COMM PAPER	16,750,000.00	-	12/30/2014	12/30/2014	0.00	16,750,000.00
3134A4UX0	FHLMC NOTES	3,500,000.00	4.50	1/15/2015	1/15/2015	0.00	3,500,000.00
0556N1NU3	BNP PARIBAS FINANCE INC COMM PAPER	16,750,000.00	-	1/28/2015	1/28/2015	0.00	16,750,000.00
13607FNU6	CANADIAN IMPERIAL HOLDING COMM PAPER	16,750,000.00	-	1/28/2015	1/28/2015	0.00	16,750,000.00

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>									
02/11/15	INTEREST	17304UYB0	CITIBANK NA FLOATING CERT DEPOS	0.373	08/11/15	1,200,000.00	0.00	1,136.84	1,136.84
02/19/15	INTEREST	3130A0SD3	FEDERAL HOME LOAN BANK GLOBAL NOTES	0.375	02/19/16	5,000,000.00	0.00	9,375.00	9,375.00
02/20/15	MATURITY	313381YP4	FEDERAL HOME LOAN BANK GLOBAL NOTES	0.250	02/20/15	5,000,000.00	5,000,000.00	6,250.00	5,006,250.00
02/25/15	MATURITY	36959JPR8	GENERAL ELEC CAP CORP COMM PAPER		02/25/15	16,750,000.00	16,730,458.33	19,541.67	16,750,000.00
02/28/15	INTEREST	3130A2WK8	FHLB AGENCY NOTES	0.125	08/28/15	16,950,000.00	0.00	10,593.75	10,593.75
02/28/15	INTEREST	3134G3ZA1	FREDDIE MAC GLOBAL NOTES	0.500	08/28/15	8,000,000.00	0.00	20,000.00	20,000.00



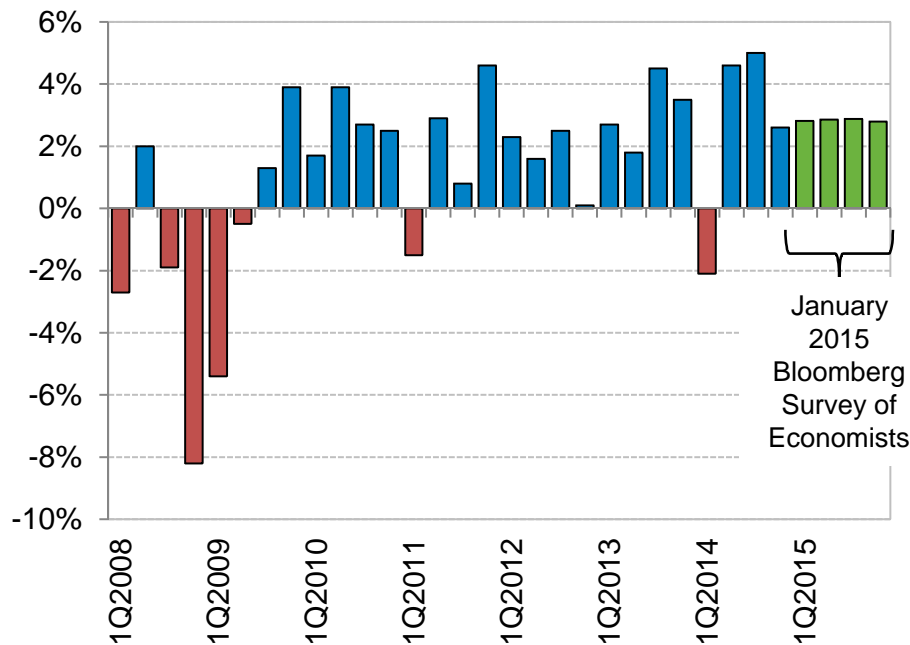
Appendix: Economic Update



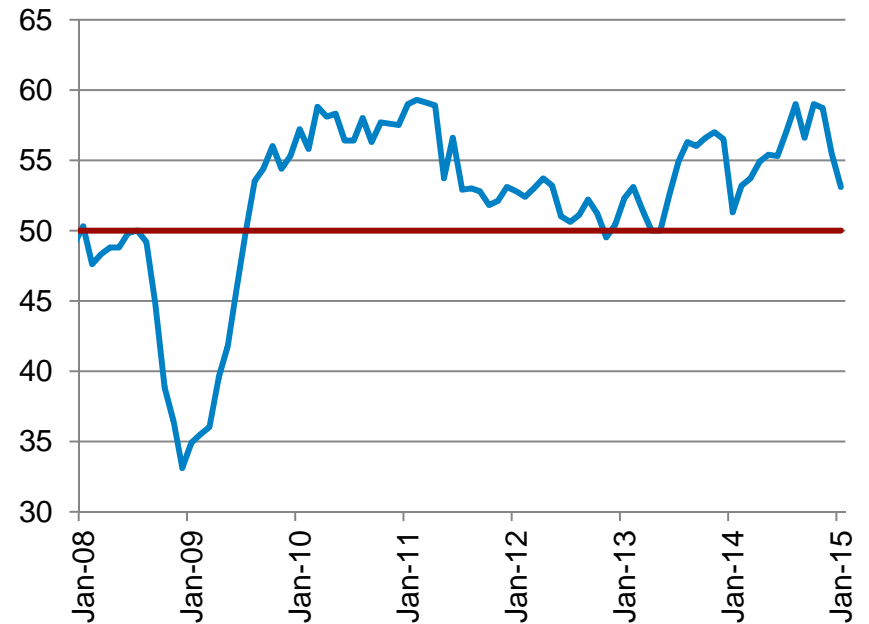
Gross Domestic Product

- Fourth quarter U.S. Gross Domestic Product (“GDP”) increased at an annual rate of 2.6%. Third quarter GDP was 5.0%, the fastest pace in over a decade and the highest rate since the third quarter of 2003.
- The Institute for Supply Management Manufacturing Index indicated healthy expansion in January.

Gross Domestic Product
January 2008 – December 2015 (Projected)



ISM Manufacturing Index
January 2008– January 2015

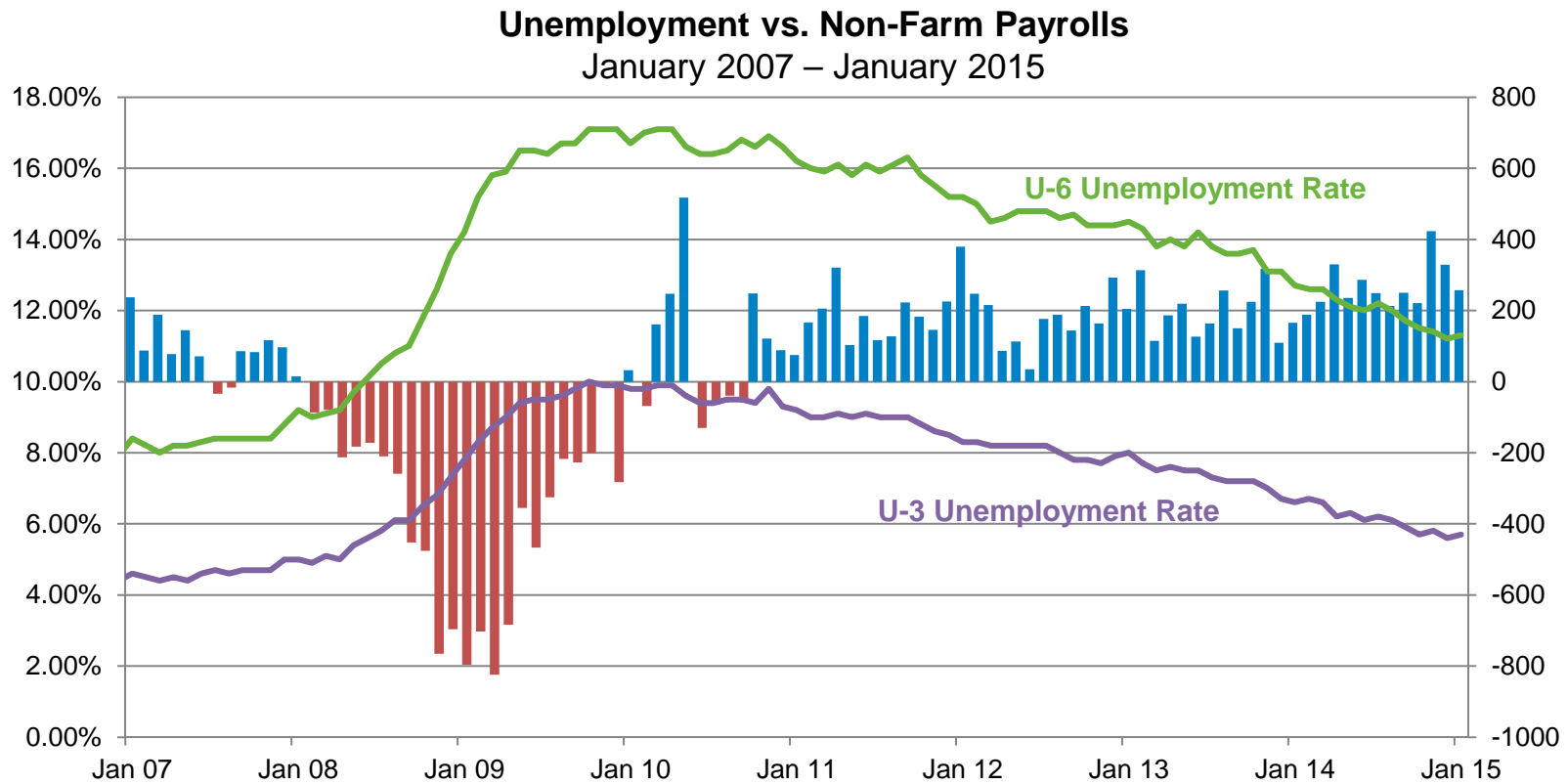


Source: Bloomberg



Employment Continues to Grow In January

- In January, the U.S. economy added 257,000 jobs, making it the 52nd straight month of employment gains.
- The unemployment rate increased slightly from 5.6% to 5.7%.

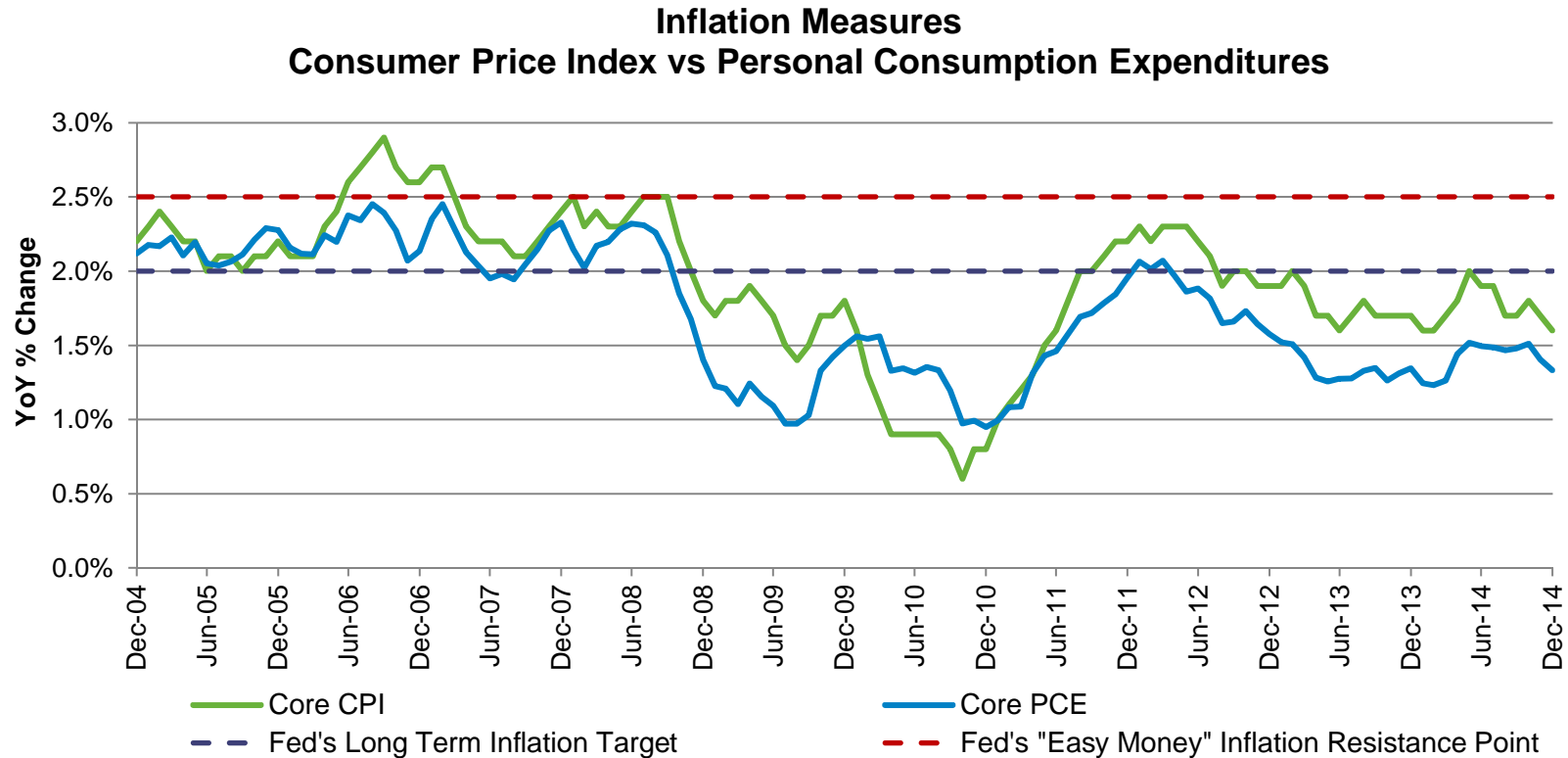


Source: Bloomberg



Inflation Remains Muted

- The personal consumption expenditures (PCE) price index, the Fed's preferred gauge of core inflation, continues to undershoot the 2% target; it advanced 1.3% year-over-year in December.
- The Core Consumer Price Index (CPI) registered 1.6% year-over-year growth in December.

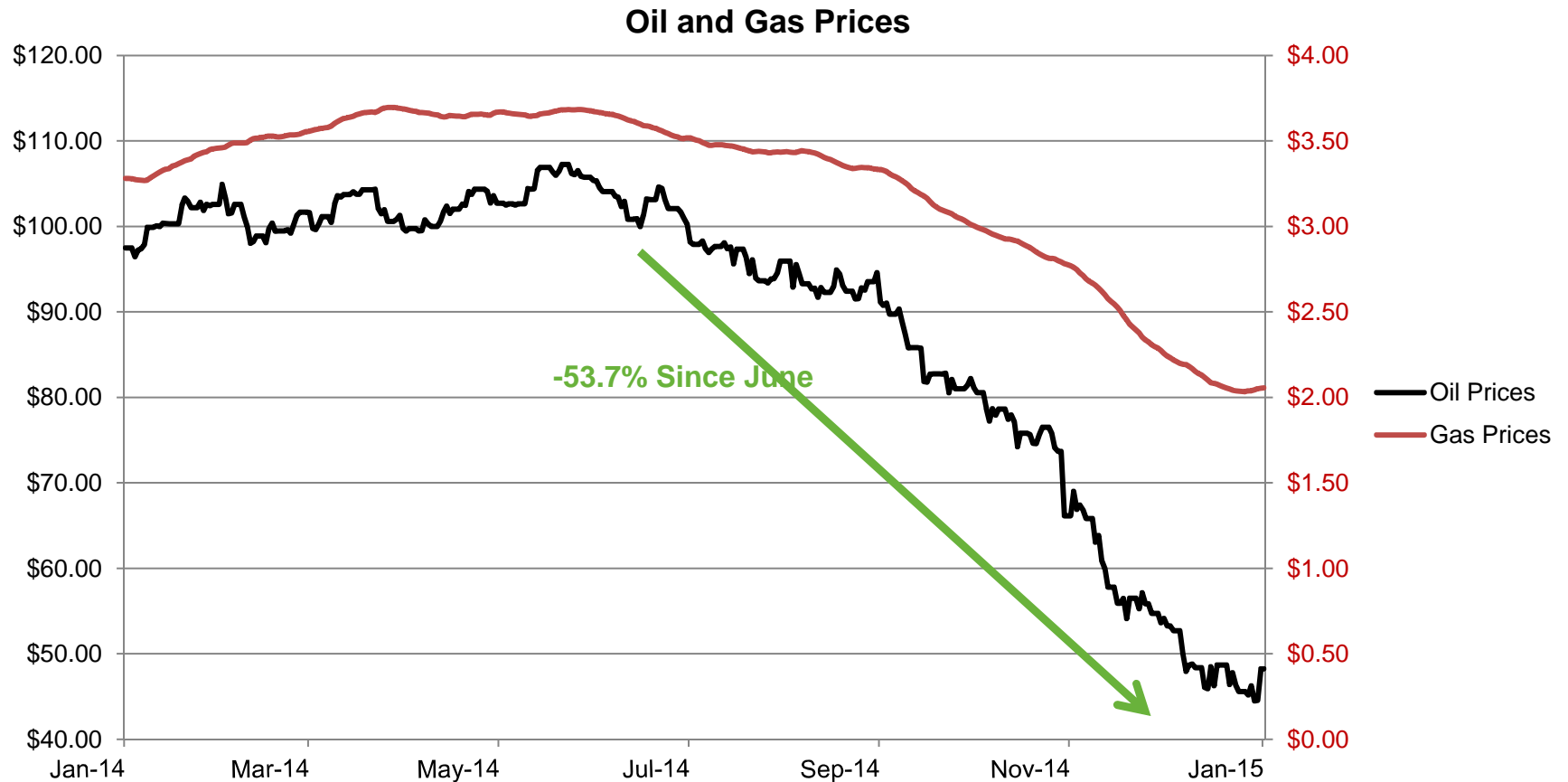


Source: Bloomberg



Oil Prices Continue to Fall

- Oil prices have fallen to five-year lows as strong supply growth has outpaced weakening global demand.
- Lower fuel prices help to support consumer spending; however, significantly lower oil prices may have a heavy toll on oil exporting countries, such as Russia.

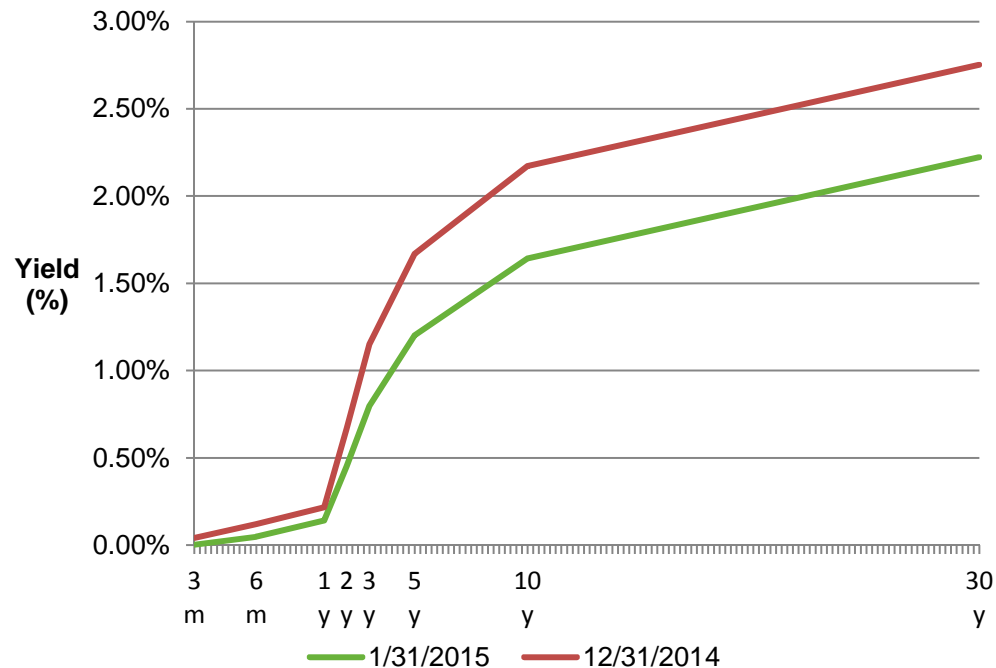


Source: Bloomberg NYMEX West Texas Intermediate Crude Oil Futures



Interest Rates Fell Dramatically in January

U.S. Treasury Yield Curve
January 31, 2015 vs. December 31, 2014



	12/31/2014	1/31/2015	Change
3 month	0.04%	0.00%	-0.04%
6 month	0.12%	0.05%	-0.07%
1 year	0.22%	0.14%	-0.08%
2 year	0.67%	0.45%	-0.22%
3 year	1.15%	0.80%	-0.35%
5 year	1.67%	1.20%	-0.47%
10 year	2.17%	1.64%	-0.53%
30 year	2.75%	2.22%	-0.53%

Source: Bloomberg



Disclosure

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. 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.

District of Columbia Water and Sewer Authority

Capital Improvement Program Report



FY-2015 1st Quarter
October 1st through December 31st, 2014

Board of Directors
Finance and Budget Committee

George S. Hawkins, General Manager
Leonard R. Benson, Chief Engineer

February 2015

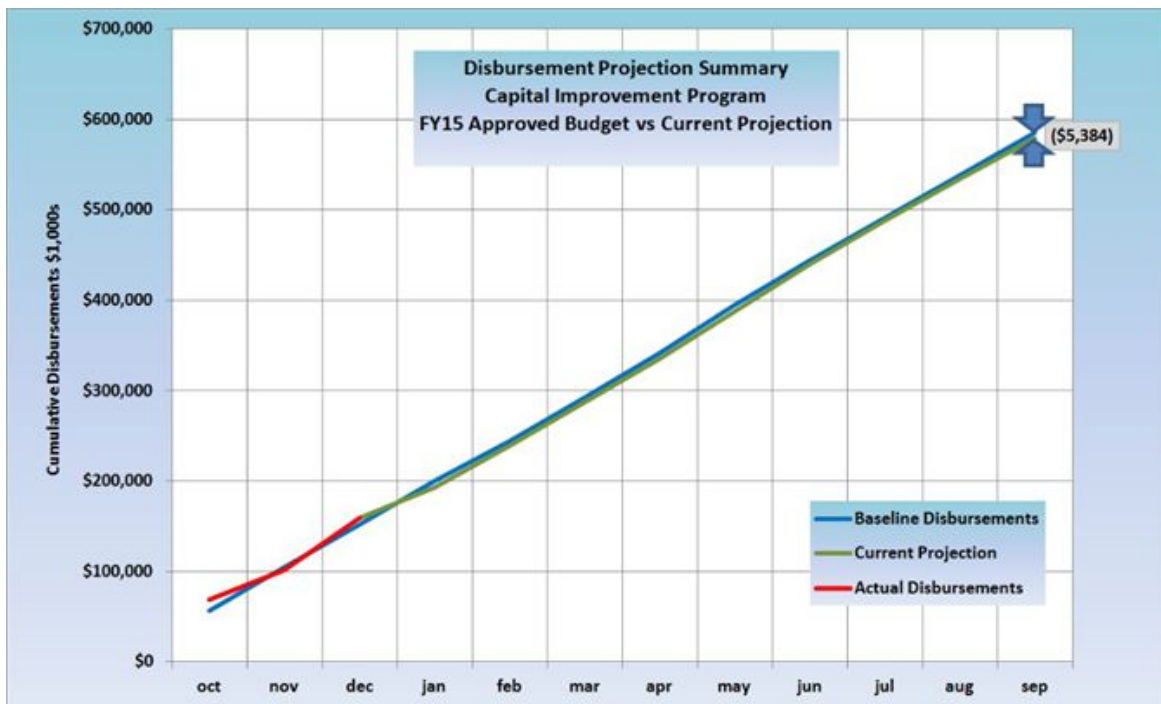


Capital Improvement Program Report 1st Quarter FY2015

Program Performance

Current projected program disbursements through the end of the fiscal year compared with the approved FY15 projections are shown in the chart below:

Disbursement Projections Summary



Current projected fiscal year 2015 CIP disbursements are \$579,799,000 through the end of December, which is 1% below the baseline disbursement projections of \$585,182,000.

Current disbursement projections within the service areas are as follows:

Wastewater Treatment Service Area

Baseline Disbursements \$206,259,000
 Projected Disbursements \$200,767,000 (\$5.5M below baseline projection)

Significant project variances listed below

- *Enhanced Nitrogen Removal Program Area – (Projected to be \$4.6M below baseline)*
 - The projected disbursements are expected to be \$7.0 million below baseline for Project EE - Filtrate Treatment Facilities, this is a result of undocumented underground utilities encountered during site preparation, that delayed the mass excavation start by 2.5 months,



Capital Improvement Program Report 1st Quarter FY2015

and slower than expected major process equipment submittal approval that has delayed the payment schedule for those items. It is anticipated the contract will be complete within budget.

- Project EG - Blue Plains Tunnel is proceeding favorably with mining expected to be complete mid to late summer 2015 when disbursements are projected to reduce. At fiscal yearend disbursements are anticipated to be \$4.3 million above baseline projection.

CSO Service Area

Baseline Disbursements \$271,100,000
 Projected Disbursements \$278,731,000 (\$7.63M above baseline projection)
 Significant project variance listed below:

- *Clean Rivers Program – (Projected to be \$6.3M above baseline)*
 - Currently projected disbursements in Project CY – Anacostia LTCP Projects are \$6.3M above baseline due to work on the Blue Plains Tunnel Division A and Anacostia River Tunnel Division H design build contracts proceeding favorably, with anticipated on time completion. In addition, the acceleration of the First Street Tunnel as part of the Bloomingdale flood alleviation is also proceeding well. The projects remain within budget.

Stormwater Service Area

Baseline Disbursements \$2,559,000
 Projected Disbursements \$1,018,000 (\$1.5M below baseline projection)

Sanitary Sewer Service Area

Baseline Disbursements \$40,258,000
 Projected Disbursements \$35,363,000 (\$4.9M below baseline projection)

- *Sanitary Collection Sewers Program Area – (Projected to be \$3.5M below baseline)*
 - Currently projected disbursements are \$2.1 million below baseline in Project G1 – Small Local Sewer Rehab 1 due to delayed construction procurement resulting from development of the Cured in Place Pipe specifications to better align level of quality with economic viability.
- *Sanitary Interceptor/Trunk/ Force Sewers – (Projected to be \$1.9M Below Baseline)*
 - Preliminary inspection in Project IN – Upper East Side Trunk Sewer Rehabilitation revealed less debris than anticipated and therefore, the cost for full cleaning and inspection was greatly reduced. As a result projected disbursements are \$0.7 million below baseline.

Water Service Area

Baseline Disbursements \$65,006,000
 Projected Disbursements \$63,920,000 (\$1.1M below baseline projection)



Capital Improvement Program Report 1st Quarter FY2015

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

All priority 1 projects are on schedule and within budget.

Large Contract Actions Anticipated – 6 Month Look-Ahead

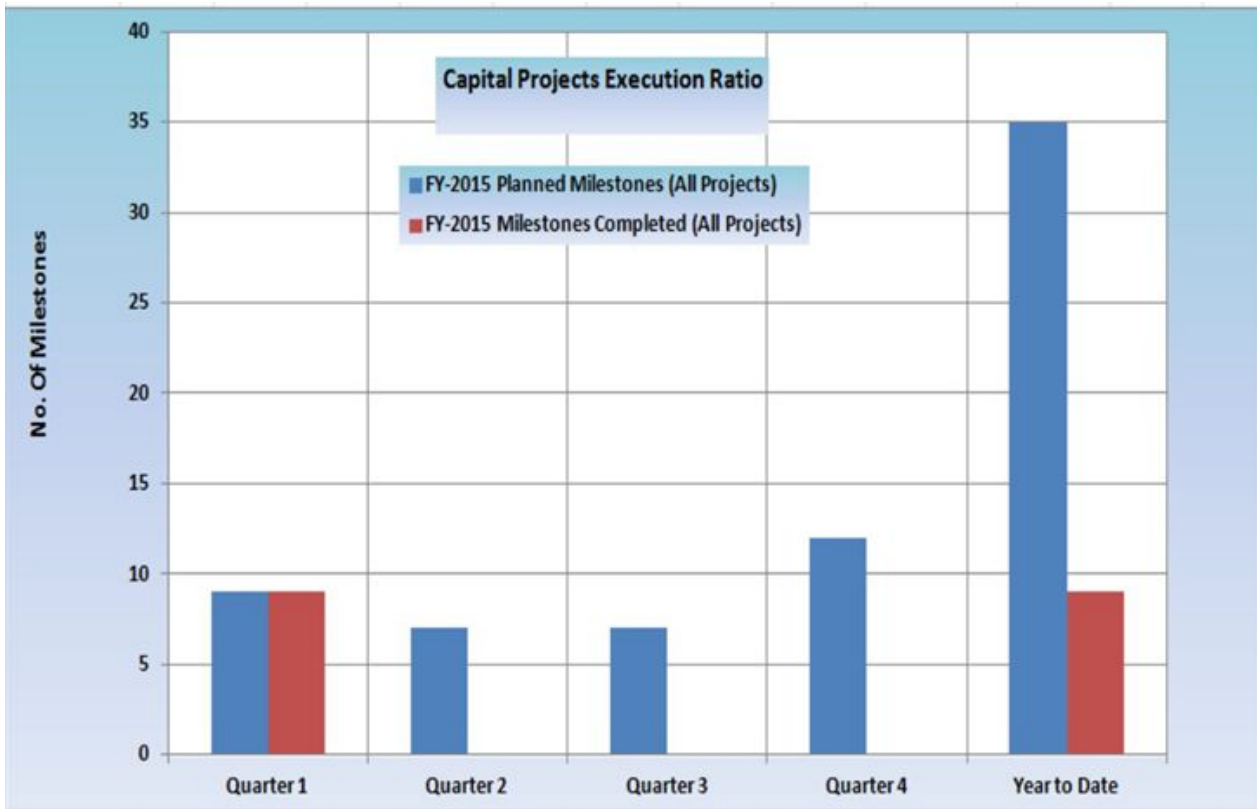
- Project MA – Saint Elizabeth’s Water Tank
Construction Contract (\$20M - \$25M), WQ&WS Jun, BOD Jul
- Project J3 – National Arboretum Sewer Rehab Contract 1
Construction Contract (\$5M - \$10M), EQ&SS Apr, BOD May
- Project O3 – Small Diameter Watermain Rehab 11a
Construction Contract (\$5M - \$10M), WQ&WS Jun, BOD Jul



Capital Improvement Program Report 1st Quarter FY2015

Key Performance Indicators, Capital Improvement Program

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

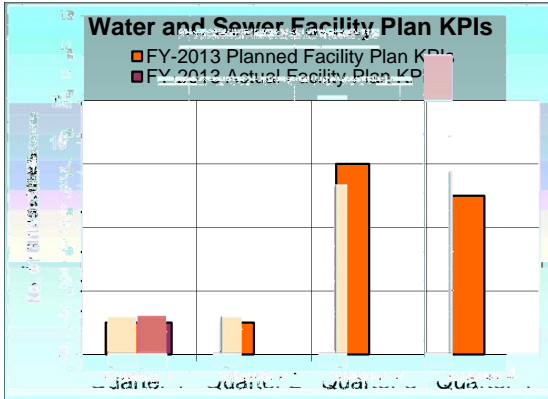


Note: Capital Projects Execution Ratio measures the completion of critical project milestones for large capital projects during the fiscal year. Critical project milestones include: Design Starts, Construction Starts and Construction Substantial Completions as well as Consent Decree and Permit mandated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

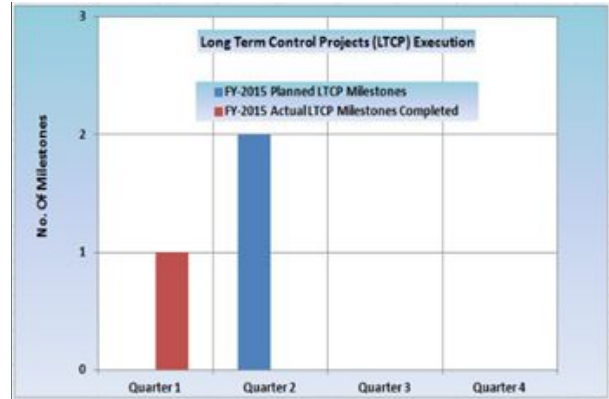
For the 1st Quarter, five of the nine planned KPI milestones were met. The missed KPI milestones included the construction substantial completion milestones for the Biosolids Main Process Train (MPT), Biosolids Combined Heat and Power (CHP), Biosolids Final Dewatering Contract 1 and Biosolids Final Dewatering Contract 2. These missed milestones were due to the contractor not completing all items needed for final contract closeout. In addition, four KPIs planned for the second quarter were achieved in the first quarter. These were the design start milestone for Creekbed Sewer Rehab at Bingham Drive, the construction start milestone for Small Diameter Watermain Replacement 10b, the construction substantial completion milestone for Div E - CSO 015-017 Structures/Diversions, and the Permit Compliance milestone for the Nitrogen Removal Facilities.



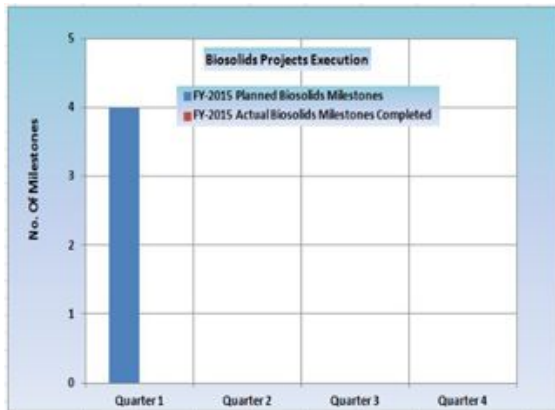
Capital Improvement Program Report 1st Quarter FY2015



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. For variance, see note above.



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. For variance, see note above.



Note: Biosolids Project Execution measures the completion of critical project milestones for the Biosolids projects during the fiscal year. For variance, see note above.

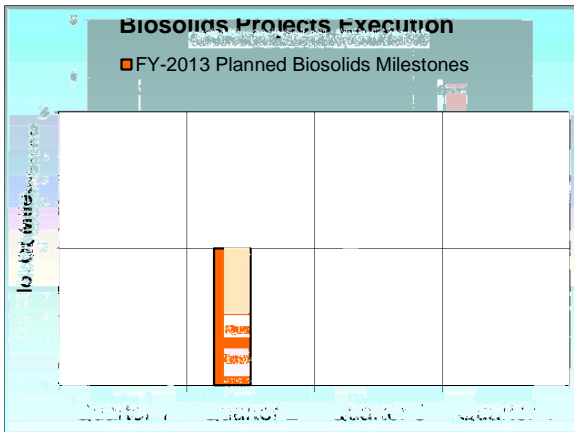
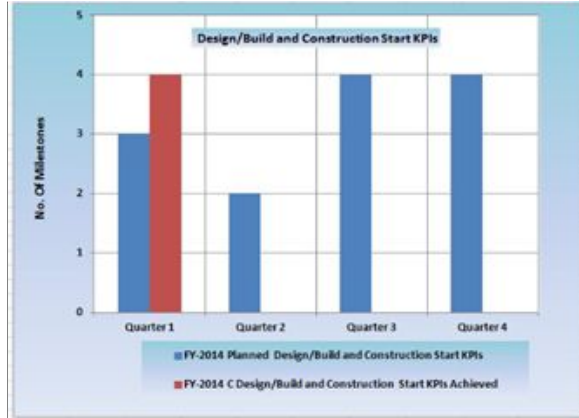
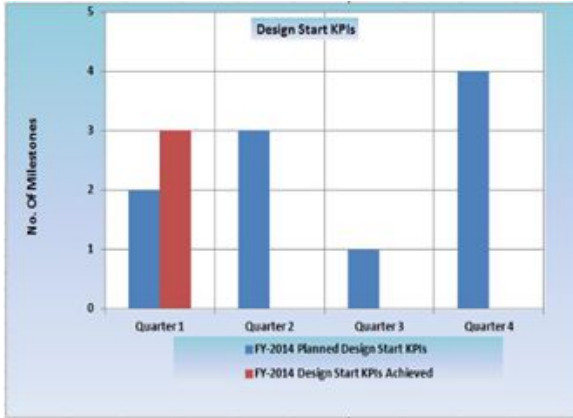


Note: Enhanced Nitrogen Removal Execution measures the completion of critical project milestones for the Enhanced Nitrogen Removal (ENR) projects during the fiscal year. For variance, see note above.



Capital Improvement Program Report 1st Quarter FY2015

Key Performance Indicators by category: Design Start, Construction Start and Construction Substantial Completion





Capital Improvement Program Report
1st Quarter FY2015

For FY15, the following KPI Milestones will be monitored:

Qtr.	Project	Job Name	KPI Name	KPI Achieved?
1st	XA12	Biosolids Final Dewatering	Construction Substantial Completion	N
1st	XA08	Biosolids Main Process Train (MPT)	Construction Substantial Completion	N
1st	XA10	Biosolids Combined Heat and Power (CHP)	Construction Substantial Completion	N
1st	XA12	Biosolids Final Dewatering	Construction Substantial Completion	N
1st	FY01	Rehab Upper Part of Rock Creek Main Interceptor	Design Start Milestone	Y
1st	FA06	Brentwood Reservoir Upgrade	Construction Start Milestone	Y
1st	FA04	Ft. Stanton Reservoir No. 1 Upgrade	Construction Start Milestone	Y
1st	FS01	Div D - JBAB Overflow and Diversion Structures	Construction Start Milestone	Y
1st	IF02	Sanitary Sewer Rehab and Repair Phase 6	Design Start Milestone	Y
2nd	CY04	Div E - CSO 015-017 Structures/Diversions	Construction Substantial Completion	Y (1st Q)
2nd	E901	Nitrogen Removal Facilities - Contract 2	Permit Compliance	Y (1st Q)
2nd	CY21	Div Z - Poplar Point Pumping Sta. Replacement	Construction Start Milestone	
2nd	DE01	Small Diameter Water Main Repl 12A	Design Start Milestone	
2nd	IL07	Creekbed Sewer Rehabilitation Bingham Drive	Design Start Milestone	Y (1st Q)
2nd	DS01	New Headquarters Building	Design Start Milestone	
2nd	O202	Small Dia Watermain Repl 10b	Construction Start Milestone	Y (1st Q)
3rd	F603	Steel Water Mains Contract 3	Design Start Milestone	
3rd	GA01	Small Local Sewer Rehab 4	Construction Start Milestone	
3rd	O001	Small Dia Watermain Rehab 8-1	Construction Substantial Completion	
3rd	BZ03	Large Valve Replacements 10	Construction Substantial Completion	
3rd	Q302	Pope Branch Stream Restoration	Construction Start Milestone	
3rd	G100	Lining & Repair of Local Sewers	Construction Start Milestone	
3rd	J306	National Arboretum Sewer Rehab	Construction Start Milestone	
4th	MA01	St. Elizabeth Water Tank	Construction Start Milestone	
4th	N712	Potomac Sewer - Odor Remedy (VA Sites)	Construction Substantial Completion	
4th	E901	Nitrogen Removal Facilities - Contract 2	Construction Substantial Completion	
4th	FA02	Ft. Reno Reservoir No. 1 Upgrade	Construction Substantial Completion	
4th	FH01	Discharge Piping Bryant Street Pump Station	Construction Substantial Completion	
4th	O301	Small Dia Watermain Repl 11a	Construction Start Milestone	
4th	I802	Large Valve Replacements 12	Construction Start Milestone	
4th	I803	Large Valve Replacements 13	Construction Start Milestone	



Capital Improvement Program Report
1st Quarter FY2015

Qtr.	Project	Job Name	KPI Name	KPI Achieved?
4th	FA03	Soldiers Home Reservoir Upgrade	Design Start Milestone	
4th	DE02	Small Diameter Water Main Repl 12B	Design Start Milestone	
4th	BP01	Grit Chamber Facilities Phase II	Design Start Milestone	
4th	BQ01	Primary Treatment Facilities Ph II	Design Start Milestone	

**DC WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT MODIFICATION:

**Legal Services
(Joint Use – Indirect Cost)**

Approval requested to expend additional funds in the amount of \$1,000,000 with Douglas & Boykin LLC for legal services.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Douglas & Boykin, LLC 1850 M. Street, N.W. Washington, D.C. 20036	N/A	N/A

DESCRIPTION AND PURPOSE

Original Contract Value:	\$ 832,625.87
Value of this Modification:	\$1,000,000.00
Cumulative Mod. Value, including this Mod.:	\$4,374,033.21
Original Agreement Time:	September 2003
Agreement Start Date:	September 2003
Agreement Completion Date:	N/A

Purpose of the Contract:

- To provide legal services as assigned, that includes, but not limited to civil litigation defense.

Previous Change Order Scope:

- N/A

Current Change Order Scope:

- Request to expend additional funds with Douglas & Boykin, LLC
- The additional funds will be used for major construction litigation which will affect the Clean Rivers Project. The funding will also cover the remaining of Fiscal Year 2015 legal services, and to perform Fiscal Year 2016 legal work.

Contractor's Past Performance:

- Contractor's performance has been satisfactory.

PROCUREMENT INFORMATION

Contract Type:	Fixed Unit Price	Award Based On:	Non-Competitive
Commodity:	Services	Contract Number:	N/A
Contractor Market:			


BUDGET INFORMATION


Funding:	Operating	Department:	General Counsel
Service Area:	Blue Plains	Department Head:	Randy Hayman

USER SHARE INFORMATION

User (Operating)	Share %	Dollar Amount
District of Columbia	84.40%	\$422,000.00
Washington Suburban Sanitary Commission	11.41%	\$ 57,050.00
Fairfax County	2.87%	\$ 14,350.00
Loudoun County	1.16%	\$ 5,800.00
Potomac Interceptor	.16%	\$ 800.00
Total Estimated Dollar Amount	100.00%	\$500,000.00

User (Capital) – CY13141-LTCP	Share %	Dollar Amount
District of Columbia	100%	\$ 500,000.00
Washington Suburban Sanitary Commission	0%	\$ 0.00
Fairfax County	0%	\$ 0.00
Loudoun County	0%	\$ 0.00
Potomac Interceptor	0%	\$ 0.00
Total Estimated Dollar Amount	100.00%	\$500,000.00

 2/20/15
 Dan Bae Date
 Director of Procurement

 02/20/15
 Gail Alexander-Reeves Date
 Director of Budget

 2/20/15
 Randy Hayman Date
 General Counsel

 George S. Hawkins Date
 General Manager



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

Thursday, March 26, 2015; 11:00 a.m.
Blue Plains Wastewater Treatment Plant
5000 Overlook Avenue, SW, DC
AGENDA

Call to Order	Chairman
February 2015 Financial Report	Budget Director, Finance Director
Agenda for April Committee Meeting	Chairman
Adjournment	Chairman

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