

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Finance and Budget Committee

Tuesday, February 25, 2020

11:00 a.m.

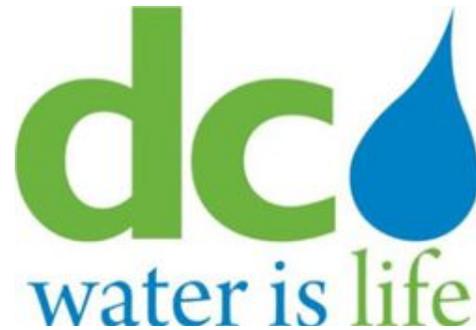
1. **Call to Order**..... Major Riddick, Chairperson
2. **January 2020 Financial Report (Attachment 1)** Lola Oyeyemi
3. **Capital Improvement Program Quarterly Update (Attachment 2)** Paul Guttridge
4. **Proposed FY 2021 Budget (Attachment 3)**..... Matthew T. Brown
5. **Merchant Credit Card Fees Update (Attachment 4)** Ivan Boykin
6. **Rolling Owner Controlled Insurance Program (ROCIP V) Update (Attachment 5)**... Tanya DeLeon
7. **Action Items**..... Matthew T. Brown
 - A. **Recommendation for Approval of the FY 2021 Proposed Budget (Attachment 6)**
 Action Item 6A: Fiscal Year 2021 Proposed Operating Budget
 Action Item 6B: Fiscal Year 2020 – FY 2029 Capital Improvement Program and Lifetime Budget
 Action Item 6C: Fiscal Year 2020 – FY 2029 Ten-Year Financial Plan
 Action Item 6D: Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing
 - B. **Recommendation for Approval for Financial Staff Augmentation Services (Attachment 7)**
8. **Agenda for March Committee Meeting (Attachment 8)**..... Major Riddick
9. **Executive Session***
10. **Adjournment**

FOLLOW-UP ITEMS

Follow-up items from the Finance and Budget Committee meeting held on January 23, 2020.

1. Explore cost benefit analysis of hiring full time legal staff compared to outsourcing legal services to meet OPC demand. **(Mr. Giancola) Status:** *Response provided to the committee via email from Board Secretary in February*
2. Provide update on the Authority’s plan, if any, to replace DC Water’s fleet assets with energy efficient and electric vehicles. **(Mr. Giancola) Status:** *Scheduled for March 2020 Board Meeting*

1 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)(2); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4)(A); 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); train and develop members of a public body and staff under D.C. Official Codes § 2-575(b)(12); 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 2020

Monthly Financial Report

Period Ending January 31, 2020

DEPARTMENT OF FINANCE

Matthew T. Brown, CFO & Executive Vice President, Finance and Procurement

Ivan Boykin, Director, Finance

Syed Khalil, Director, Rates & Revenue

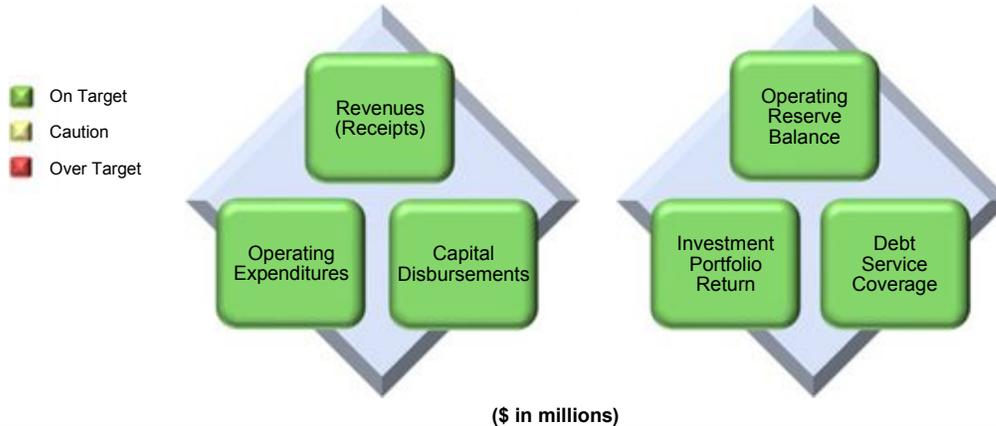
Genes Malasy, Controller (Acting)

Lola Oyeyemi, Director, Budget

JANUARY 2020

EXECUTIVE SUMMARY

As of the end of January 2020, with approximately 33 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance metrics.



(\$ in millions)

	Budget	YTD Budget	Actual	Variance		Actual % Budget
				Favorable	(Unfavorable)	
Revenues (Receipts)	\$694.0	\$236.9	\$245.0	\$8.1	3.4%	35.3%
Expenditures	\$614.5	\$191.8	\$175.8	\$16.0	8.3%	28.6%
Capital Disbursements	\$425.2	\$150.5	\$103.2	\$47.3	31.4%	24.3%

Highlights:

- FY 2019 Year-End Closeout Status Update
 - FY 2019 Comprehensive Annual Financial Report (CAFR) has been completed and can be viewed on DC Water’s [website](#)
 - The OMB Uniform Guidance report has been completed and submitted to the Federal Audit Clearing House
 - FY 2019 Green Bond Report will be completed by the end of February 2020
 - FY 2019 IMA Operating & Maintenance Settlement is underway with expected completion by end of March 2020
- DC Council Public Oversight Hearing for FY 2019 - FY 2020 Performance is scheduled for February 27, 2020

Matthew T. Brown, Executive Vice President & Chief Financial Officer

Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2020

Operating Revenues (\$000's)

FY 2019 Actual		CATEGORY	FY 2020					
Total Annual	YTD January		Annual Budget	YTD Budget	YTD Actual	% of Budget	Variance \$	Variance % Fav(Unfav)
\$394,202	\$133,661	Residential / Commercial / Multi-Family	\$399,063	\$133,021	\$135,519	34.0%	\$2,498	1.9%
68,163	32,844	Federal	71,887	35,943	36,357	50.6%	414	1.2%
17,356	5,248	Municipal (DC Govt.)	17,585	5,862	6,218	35.4%	356	6.1%
11,136	4,370	DC Housing Authority	10,525	3,508	3,662	34.8%	154	4.4%
11,613	4,012	Metering Fee	10,776	3,723	3,992	37.0%	269	7.2%
40,660	14,556	Water System Replacement Fee (WSRF)	39,717	14,201	14,536	36.6%	335	2.4%
82,116	20,603	Wholesale	82,539	20,635	20,370	24.7%	(265)	(1.3%)
21,076	7,594	PILOT/ROW	22,113	7,804	7,856	35.5%	52	0.7%
48,116	20,785	All Other	39,774	12,214	16,525	41.5%	4,311	35.3%
\$694,438	\$243,673	TOTAL	\$693,979	\$236,911	\$245,036	35.3%	\$8,125	3.4%



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of January 2020, cash receipts totaled \$245.0 million, or 35.3 percent of the FY 2020 budget. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their second quarterly payment in January), and wholesale customers (who made their first quarter payment in November).

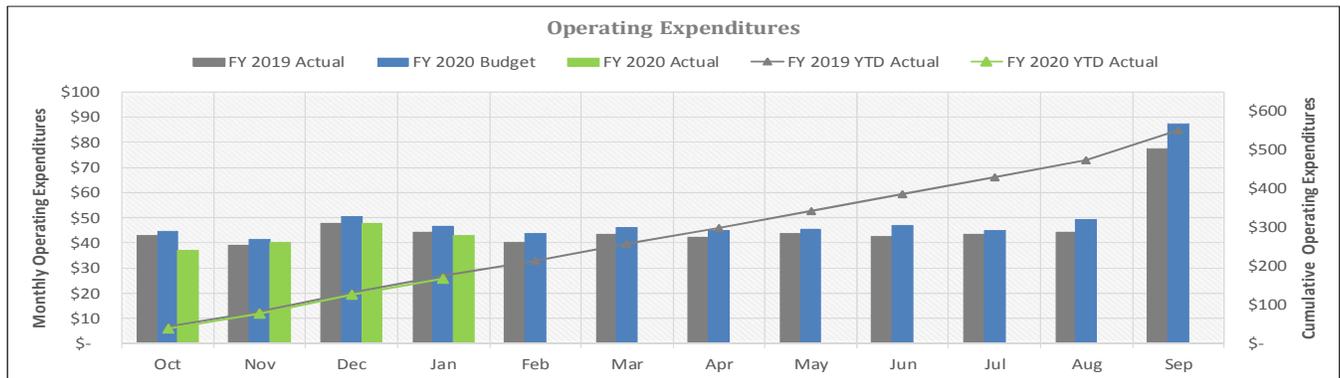
Areas of Overcollection	Areas of Undercollection
<p>Residential, Commercial and Multi-Family - Receipts for this category are higher at \$135.5 million or 34.0 percent of the budget. The higher receipts are due to increased year-end billing of the unbilled accounts.</p> <p>Federal - Actual receipts through January 2020 total \$36.4 million or 50.6 percent of the budget. The Federal government made their second quarter payment in January 2020.</p> <p>DC Housing - Receipts are slightly higher at \$3.7 million or 34.8 percent of the budget.</p> <p>District Government - Receipts are slightly higher at \$6.2 million or 35.4 percent of the budget due to higher CRIAC receipts than the budget.</p> <p>Other Revenue - Actual receipts through January 2020 total \$16.5 million or 41.5 percent of the budget category. The receipts are higher due to (i) \$1.7 million payment received in October 2019 from the District Government for the fourth quarter 2019 short-payment of Fire Protection Service Fee that was due in August 2019 and (ii) higher Development Contractor Water and Sewer Service Fees.</p>	<p>Wholesale - The wholesale customer actual receipts through January 2020 total \$20.4 million or 24.7 percent of FY 2020 budget. The second quarter payment for wholesale customers is expected to be received in February 2020.</p>

Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2020

Operating Expenditures (\$000's)

FY 2019		CATEGORY	FY 2020					
Total Annual	YTD January		Annual Budget	YTD Budget	YTD Actual	% of Budget	Variance \$	Variance % Fav(Unfav)
\$157,979	\$51,979	Personnel	\$170,680	\$ 56,666	\$52,150	30.6%	\$4,516	8.0%
76,206	24,323	Contractual Services	81,886	26,940	25,122	30.7%	1,818	6.7%
32,430	10,095	Water Purchases	34,929	10,254	9,413	26.9%	841	8.2%
34,979	12,014	Supplies & Chemicals	33,158	11,189	10,407	31.4%	782	7.0%
25,778	8,501	Utilities	26,953	8,922	8,393	31.1%	529	5.9%
731	158	Small Equipment	989	319	262	26.5%	57	17.8%
\$328,104	\$107,070	SUBTOTAL O&M	\$348,595	\$114,290	\$105,747	30.3%	\$8,543	7.5%
193,035	63,914	Debt Service	215,340	70,196	62,738	29.1%	7,458	10.6%
21,702	7,234	PILOT/ROW	22,034	7,344	7,345	33.3%	(0)	(0.0%)
26,999	0	Cash Financed Capital Improvements	28,556	0	0	0.0%	0	0.0%
\$569,840	\$178,218	TOTAL OPERATING	\$614,523	\$191,830	\$175,829	28.6%	\$16,001	8.3%
(17,588)	(4,500)	Capital Labor	(22,748)	(6,927)	(7,891)	34.7%	964	(13.9%)
\$552,252	\$173,718	TOTAL NET OPERATING	\$591,775	\$184,904	\$167,938	28.4%	\$16,965	9.2%



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

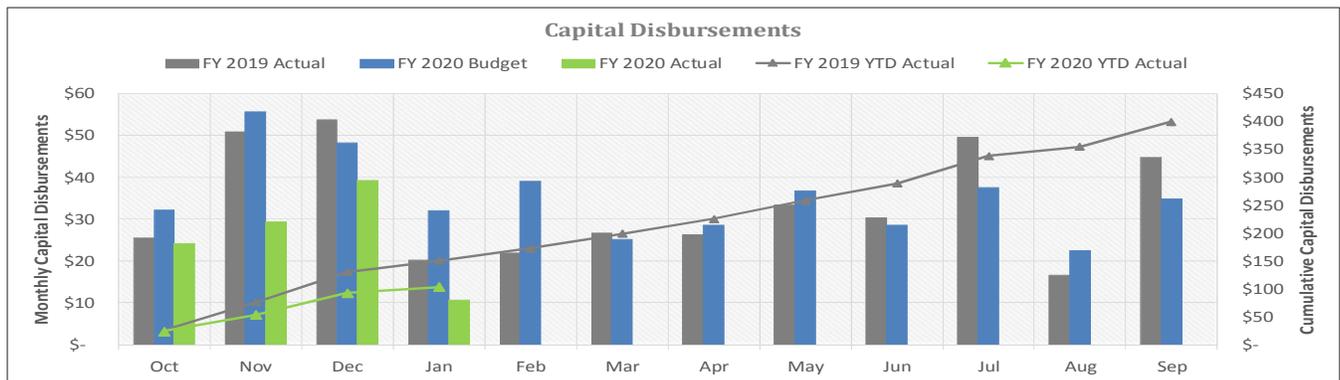
Total operating expenditures for this period (including debt service and the Right-of-Way & PILOT fees) totaled \$175.8 million or 28.6 percent of the FY 2020 Board-approved budget of \$614.5 million. These numbers include estimated incurred but unpaid invoices and are subject to revision in subsequent months.

Areas of Underspending
Personnel Services – Underspending is primarily due to vacancies and lower than anticipated benefits costs. Of the 1226 positions authorized, 1097 were filled at the end of January with a vacancy rate of 11 percent. Overtime is at \$2.7 million or 34% of the annual budget.
Contractual Services – Spending is in line with expectations at this time of the fiscal year.
Water Purchases – Reflect DC Water’s share of Washington Aqueduct expenditures.
Supplies & Chemicals – Spending is in line with trends at this time of the fiscal year.
Utilities – Underspending is primarily due to lower than budgeted electricity unit prices. A total of 15MW of the Authority’s electric load is locked at an average Western Hub price of \$29.81/MWh for the remainder of the fiscal year.
Debt Service – YTD underspending is due to the refunding of the 2013 Series A bonds of roughly \$2.4 - \$2.7 million. In addition, the projected debt service cost in the proposed financial plan is lower than the Board-approved budget.

Fiscal Year-to-Date
As of January 31, 2020

Capital Disbursements (\$'000's)

FY 2019		CATEGORY	FY 2020					
Total Annual	YTD January		Amended Budget	YTD Budget	YTD Actual	% of Budget	Variance \$	Variance % Fav(Unfav)
\$8,529	\$4,260	Non Process Facilities	\$36,002	\$6,144	\$4,719	13.1%	\$1,425	23.2%
53,127	19,833	Wastewater Treatment	66,620	21,345	13,934	20.9%	7,412	34.7%
221,752	85,741	Combined Sewer Overflow	151,427	61,285	52,929	35.0%	8,355	13.6%
2,210	576	Stormwater	8,571	3,146	2,408	28.1%	738	23.5%
36,224	13,185	Sanitary Sewer	43,646	14,390	8,631	19.8%	5,759	40.0%
45,310	17,535	Water	71,720	24,629	13,106	18.3%	11,523	46.8%
\$367,152	\$141,130	SUBTOTAL CAPITAL PROJECTS	\$377,987	\$130,938	\$95,727	25.3%	\$35,212	26.9%
21,367	8,347	Capital Equipment	31,703	15,665	7,504	23.7%	8,161	52.1%
10,847	588	Washington Aqueduct	15,515	3,996	0	0.0%	3,996	0.0%
\$32,214	\$8,935	SUBTOTAL ADD'L CAPITAL PROGRAMS	\$47,218	\$19,661	\$7,504	15.9%	\$12,157	61.8%
\$399,366	\$150,065	TOTAL	\$425,205	\$150,599	\$103,231	24.3%	\$47,369	31.5%



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of January 2020, capital disbursements are \$103.2 million or 24.3 percent of the FY 2020 ammended budget, which is subject to revision as part of the FY 2021 budget process.

Capital Projects	Additional Capital Programs
<p>YTD disbursements remain low in various service areas with anticipated uptick in spending expected during the year end. Overall project performance will be reviewed in detail as part of the quarterly CIP update by the Department of Engineering & Technical Services to the Environmental Quality & Operations and Finance & Budget Committees in February 2020.</p>	<p><u>Capital Equipment</u> – Lower than planned disbursements for vehicles and major equipment. Fleet management and Procurement are working on a new collaborative effort to streamline the vehicle purchasing process. Spending is expected to increase during the year for major projects including the Automated Meter Infrastructure (AMI) and Enterprise Resource Planning (ERP).</p> <p><u>Washington Aqueduct</u> – YTD underspending is due to delay in invoicing for the first quarter. The second quarter payment of \$3.9 million is anticipated to be paid in February 2020.</p>

Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2020

Cash Investments (\$ in millions)

Cash Balances

Rate Stabilization Fund Balance \$61.45
DC Insurance Reserve Balance 1.00

<i>Operating Reserve Accounts</i>	
Renewal & Replacement Balance	35.00
O & M Reserve per Indenture	54.14
Undesignated Reserve Balance	36.36
O & M Reserve per Board Policy	125.50
Excess Above O & M Reserve	39.50
Management O & M Reserve Target	165.00
Project Billing Refunds	15.00
Excess Revenue	56.42
Operating Reserve Accounts	236.42

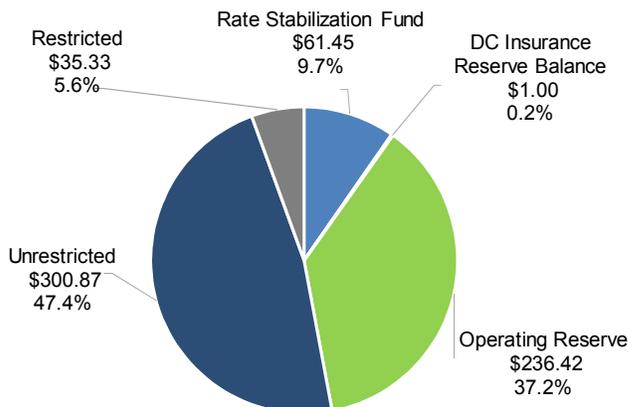
Operating Cash Balance Including RSF 298.87

<i>Additional Reserve Accounts</i>	
Unrestricted	
Bond Fund - Construction 2016B	0.87
Bond Fund - Construction 2019A	125.00
Bond Fund - Construction 2019B	75.00
Bond Fund - Construction 2019C	100.00
Unrestricted Total	300.87

Restricted	
Debt Service Reserve - Series 1998	19.94
District Funds	2.83
DC Water - CAP2	5.76
DOEE - CAP3/Non-Profit	3.50
Lead Pipe Replacement (LPRAP)	1.80
Lead Service Line Replacement (ERW)	1.00
Damages Against Deposits	0.50
Restricted Total	35.33

Total All Funds \$635.07

Breakdown of Cash Balances



Overall Portfolio Performance

- The operating reserve balance was \$236.4 million as compared to the operating reserve level of \$165.0 million for FY 2020
- Average cash balance for the month of January was \$211.1 million; year end target is \$180 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for January (on a cash basis) was \$467,421; YTD \$1,394,995
- A detailed investment performance report is attached

Monthly Financial Report

Fiscal Year-to-Date As of January 31, 2020

Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD Cash Budget	YTD Actual Cash Oct. 1, 2019 - Jan 31, 2020	Variance Favorable (Unfavorable)	
OPERATING BUDGET					
Cash Provided					
Retail	\$549,553	\$196,259	\$200,285	\$4,026	2%
Wholesale	82,539	20,635	20,370	(265)	0%
Other	61,317	20,018	24,374	4,356	22%
Total Cash Provided	693,409	236,912	245,029	8,117	3%
Operating Cash Used					
Personnel Services	147,932	49,740	48,196	1,544	3%
Contractual Services	81,886	26,940	31,374	(4,434)	-16%
Chemicals & Supplies	33,158	11,189	11,228	(39)	0%
Utilities	26,953	8,922	8,131	791	9%
Water Purchases	34,929	10,254	10,973	(719)	-7%
Small Equipment	989	319	386	(67)	-21%
Total Operating Cash Used	325,847	107,364	110,287	(2,923)	-3%
Defeasance D.S./Cash Financed Capital Construction	28,556	9,519	0	9,519	100%
Other Cash Used					
Debt Service	215,340	70,196	62,738	7,458	11%
Payment In Lieu of Taxes/Right of Way	22,034	7,344	5,508	1,836	25%
Total Other Cash Used	237,374	77,540	68,246	9,294	12%
Total Cash Used	591,776	194,423	178,534	15,889	8%
Net Cash Provided (Used) by Operating Act.	101,633	33,878	66,495	32,618	
CAPITAL BUDGET					
Cash Provided					
Debt Proceeds	183,845	61,282	69,492	8,210	13%
Cash Financed Capital Improvements	28,556	9,519		(9,519)	0%
System Availability Fee	5,775	1,925		(1,925)	-100%
EPA Grants	38,990	12,997	986	(12,011)	-92%
CSO Grants					0%
Interest Income	3,658	1,219	253	(966)	-79%
Wholesale Capital Contributions	67,321	22,440	16,105	(6,335)	-28%
Total Cash Provided	328,145	109,382	86,837	(22,544)	-21%
Cash Used					
DC Water Capital Program	409,673	146,603	103,231	43,372	30%
Washington Aqueduct Projects	15,532	3,879		3,879	0%
Total Cash Used	425,205	150,482	103,231	47,251	31%
Net Cash/PAYGO Provided (Used) by Cap. Act.	(\$97,060)	(\$32,353)	(\$16,394)	\$15,960	
Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected					
Plus (Less) Operating Surplus	\$186,764		\$186,764		
Wholesale Customer Refunds from Prior Years	101,633	33,878	66,495		
DC Fleet Reimbursement	(3,448)	(1,149)	(800)		
Interest Earned From Bond Reserve	570	190	8		
Transfer to Rate Stabilization Fund					
Transfer to CAP Fund					
Transfer from CAP Fund			231		
Transfer from SAF	(5,775)				
Prior Year Federal Billing Reconciliation	1,317	439	113		
Project Billing Refunds	(4,000)	(1,333)			
Cash Used for Capital	(97,060)	(32,353)	(16,394)		
Balance Attributable to O&M Reserve	\$180,000		\$236,418		
OTHER CASH RESERVES					
Current Balance					
Rate Stabilization Fund	\$61,450				
DC Insurance Reserve	1,000				
Unrestricted Reserves	300,870				
Restricted Reserves	35,335				

APPENDIX

Operating Revenues Detail	9
Retail Accounts Receivable.....	10
Overtime Spending.....	11
Capital Disbursements Detail	12
Investment Report.....	13

Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2020

Operating Revenues Detail

(\$ in millions)

Revenue Category	FY 2020 Budget	YTD Budget	Actual	Variance Favorable / (Unfavorable)		Actual % of Budget
Residential, Commercial, and Multi-family	\$399.1	\$133.0	\$135.5	\$2.5	1.9%	34.0%
Federal	71.9	35.9	36.4	0.4	1.2%	50.6%
District Government	17.6	5.9	6.2	0.4	6.1%	35.4%
DC Housing Authority	10.5	3.5	3.7	0.2	4.4%	34.8%
Customer Metering Fee	10.8	3.7	4.0	0.3	7.2%	37.0%
Water System Replacement Fee (WSRF)	39.7	14.2	14.5	0.3	2.4%	36.6%
Wholesale	82.5	20.6	20.4	(0.3)	-1.3%	24.7%
Right-of-Way Fee/PILOT	22.1	7.8	7.9	0.1	0.7%	35.5%
Subtotal (before Other Revenues)	\$654.2	\$224.7	\$228.5	\$3.8	1.7%	34.9%
Other Revenue without RSF						
IMA Indirect Cost Reimb. For Capital Projects	4.6	1.5	0.9	(0.6)	-40.0%	19.6%
DC Fire Protection Fee	12.5	3.1	4.9	1.8	58.1%	39.2%
Stormwater (MS4)	1.0	0.3	0.5	0.2	66.7%	50.0%
Interest	4.0	1.3	1.4	0.1	7.7%	35.0%
Developer Fees (Water & Sewer)	6.0	2.0	3.9	1.9	95.0%	65.0%
Transfer From Rates Stabilization	0.0	0.0	0.0	0.0	0.0%	0.0%
System Availability Fee (SAF)	5.8	1.9	1.6	(0.3)	-15.8%	27.6%
Others	5.9	2.0	3.4	1.4	70.0%	57.6%
Subtotal	\$39.8	\$12.2	\$16.5	\$4.3	35.3%	41.5%
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
Other Revenue Subtotal	\$39.8	\$12.2	\$16.5	\$4.3	35.3%	41.5%
Grand Total	\$694.0	\$236.9	\$245.0	\$8.1	3.4%	35.3%

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

Customer Category	Water	Sewer	Clean Rivers			Total
			IAC	Metering Fee	WSRF	
Residential	\$12,548	\$19,793	\$10,095	\$1,731	\$3,128	\$47,296
Commercial	21,319	24,007	11,826	1,150	5,310	63,612
Multi-family	12,475	19,187	4,268	530	2,351	38,811
Federal	11,412	12,972	11,973	393	2,886	39,636
District Govt	1,394	1,886	2,938	143	659	7,020
DC Housing Authority	1,300	1,926	436	45	201	3,909
Total:	\$60,449	\$79,772	\$41,536	\$3,992	\$14,536	\$200,285

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)

Customer Category	FY 2020 Budget	Year-To-Date Budget	Actual Received	Variance		Actual % of Budget
				Favorable / <Unfavorable>	Variance % of YTD Budget	
Residential	\$26,357	\$8,786	\$10,095	\$1,310	15%	38%
Commercial	28,804	9,601	11,826	2,224	23%	41%
Multi-family	11,193	3,731	4,268	537	14%	38%
Federal	23,947	11,974	11,973	(0)	0%	50%
District Govt	7,533	2,511	2,938	427	17%	39%
DC Housing Authority	1,289	430	436	6	1%	34%
Total:	\$99,123	\$37,032	\$41,536	\$4,504	12%	42%

Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2020

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
September 30, 2015	\$6.5	11,981
September 30, 2016	\$7.7	12,406
September 30, 2017	\$8.4	11,526
September 30, 2018	\$13.4	16,273
September 30, 2019	\$10.6	8,744
October 31, 2019	\$11.0	8,985
November 30, 2019	\$11.5	9,153
December 31, 2019	\$12.3	10,214
January 31, 2020	\$12.1	9,612

Notes: The increase in the accounts receivable over 90 days is due to the temporary suspension of collections procedures because of the new billing system VertexOne, which was implemented in December 2017.

Greater Than 90 Days by Customer

	Number of Accounts			Month of Dec (All Categories)				Total Delinquent				
	W & S	Impervious Only	Total No. of	Active		Inactive		December		January		
				No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	%
a/c	a/c	a/c	a/c	(\$)	a/c	(\$)	a/c	(\$)	a/c	(\$)		
Commercial	9,051	2,384	11,435	980	\$3,977,286	26	\$114,376	1,036	\$4,246,228	1,006	\$4,091,662	34%
Multi-family	8,396	356	8,752	800	\$3,890,525	10	\$74,501	814	\$3,848,619	810	\$3,965,026	33%
Single-Family Residential	106,257	2,714	108,971	7,719	\$4,010,353	77	\$63,216	8,364	\$4,184,288	7,796	\$4,073,569	34%
Total	123,704	5,454	129,158	9,499	\$11,878,164	113	\$252,093	10,214	\$12,279,135	9,612	\$12,130,258	100%

Notes: Included in the above \$12.1M (or 9,612 accounts) of the DC Water over 90 days delinquent accounts, \$4,330,356.42 (or 1,620 accounts) represents Impervious only accounts over 90 days delinquent.

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

Monthly Financial Report

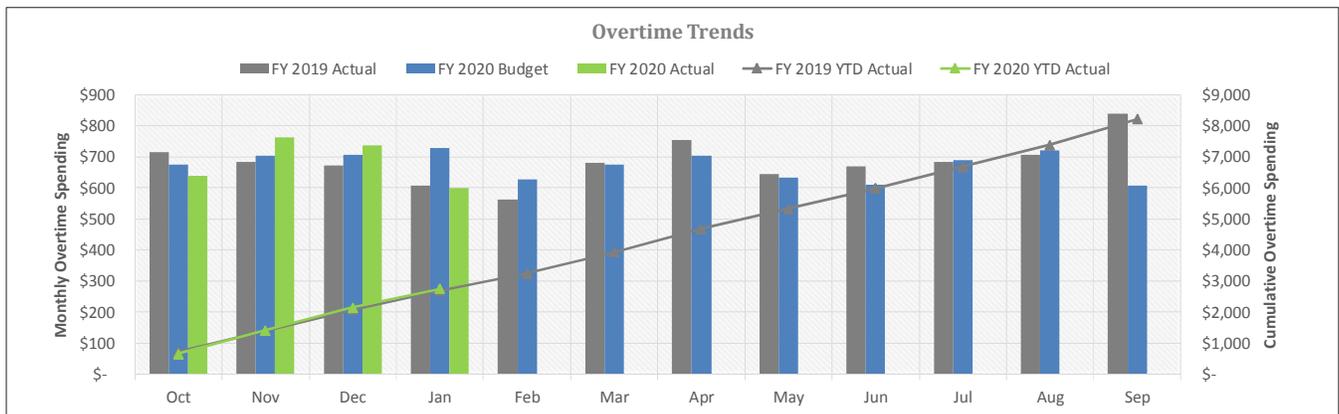
Fiscal Year-to-Date
As of January 31, 2020

Overtime by Department

Department	FY 2020			
	Budget	Actual	YTD Actual % of Budget	% of Regular Pay
Office of the Board Secretary	\$9,000	\$2,562	28.5%	2.7%
General Manager	3,000	1,249	41.6%	0.1%
Legal Affairs	3,000	761	25.4%	0.2%
Office of Marketing and Communications*	1,000	2,111	211.1%	0.4%
Internal Audit	-	-	0.0%	0.0%
Information Technology	10,000	1,754	17.5%	0.1%
Procurement	30,000	7,999	26.7%	0.7%
Customer Service	302,000	123,530	40.9%	4.0%
Finance	40,000	17,287	43.2%	0.8%
Assistant General Manager - Administrative Services	1,000	-	0.0%	0.0%
Office of Emergency Management	-	-	0.0%	0.0%
Human Capital Management	5,000	13	0.3%	0.0%
Occupational Safety and Health	1,000	0	0.0%	0.0%
Facilities Management	275,000	112,129	40.8%	9.5%
Department of Security	-	93	0.0%	0.0%
Wastewater Engineering	25,000	377	1.5%	0.1%
CIP Infrastructure Management	-	-	0.0%	0.0%
Distribution and Conveyance System	750,000	292,325	39.0%	11.7%
Engineering and Technical Services	938,000	465,380	49.6%	6.9%
Water Services	1,815,000	445,318	24.5%	10.5%
Clean Rivers	-	-	0.0%	0.0%
Sewer Services	1,318,000	398,126	30.2%	19.6%
Wastewater Treatment - Operations	1,845,000	649,283	35.2%	17.4%
Wastewater Treatment - Process Engineering	50,000	9,322	18.6%	0.8%
Maintenance Services	610,000	199,027	32.6%	7.2%
Permit Operations	50,000	8,257	16.5%	1.2%
Fleet Management**	3,000	3,394	113.1%	1.3%
Total DC WATER	\$8,084,000	\$2,740,296	33.9%	7.3%

* Marketing & Communication - Includes overtime costs incurred in support of Blue Drop events at HQO

** Fleet Management - The change in contract requires more administration; limited resources



Monthly Financial Report

Fiscal Year-to-Date
As of January 31, 2020

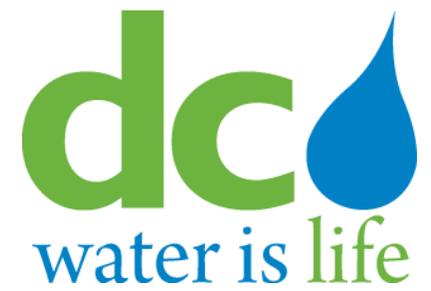
Capital Disbursements Detail by Program (\$000's)

Service Areas	Budget		Actual			Variance		
	AMENDED BUDGET	YTD BUDGET	Oct 2019 - Dec 2019	Jan 2020	YTD	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
NON PROCESS FACILITIES								
Facility Land Use	\$36,002	\$6,144	\$4,584	\$135	\$4,719	13.1%	\$1,425	23.2%
Subtotal	36,002	6,144	4,584	135	4,719	13.1%	1,425	23.2%
WASTEWATER TREATMENT								
Liquids Processing	30,915	7,511	3,726	1,392	5,118	16.6%	2,392	31.9%
Plantwide	20,223	5,512	2,950	898	3,848	19.0%	1,664	30.2%
Solids Processing	10,511	3,120	1,307	834	2,141	20.4%	979	31.4%
Enhanced Nitrogen Removal Facilities	4,972	5,202	2,119	706	2,826	56.8%	2,376	45.7%
Subtotal	66,620	21,345	10,103	3,831	13,934	20.9%	7,412	34.7%
COMBINED SEWER OVERFLOW								
D.C. Clean Rivers	147,208	58,953	50,813	728	51,541	35.0%	7,412	12.6%
Program Management	1,241	452	95	84	179	14.4%	273	60.5%
Combined Sewer	2,978	1,880	1,129	81	1,210	40.6%	670	35.6%
Subtotal	151,427	61,285	52,036	893	52,929	35.0%	8,355	13.6%
STORMWATER								
Local Drainage	17	8	-	-	-	0.0%	8	100.0%
On-Going	511	580	733	38	771	150.8%	(191)	-33.0%
Pumping Facilities	7,877	2,445	1,547	90	1,637	20.8%	809	33.1%
DDOT	-	-	-	-	-	0.0%	-	0.0%
Research and Program Management	-	81	-	-	-	0.0%	81	100.0%
Trunk/Force Sewers	166	32	-	-	-	0.0%	32	100.0%
Subtotal	8,571	3,146	2,280	128	2,408	28.1%	738	23.5%
SANITARY SEWER								
Collection Sewers	2,476	1,364	572	-	572	23.1%	792	58.1%
On-Going	12,842	3,448	1,842	150	1,992	15.5%	1,456	42.2%
Pumping Facilities	1,619	660	18	32	49	3.1%	610	92.5%
Program Management	2,452	968	672	30	701	28.6%	266	27.5%
Interceptor/Trunk Force Sewers	24,257	7,952	3,490	1,827	5,317	21.9%	2,635	33.1%
Subtotal	43,646	14,390	6,593	2,038	8,631	19.8%	5,759	40.0%
WATER								
Distribution Systems	40,948	13,725	3,257	99	3,355	8.2%	10,370	75.6%
Lead Program	5,928	2,076	732	395	1,127	19.0%	950	45.7%
On-Going	10,238	3,638	4,859	1,477	6,336	61.9%	(2,698)	-74.2%
Pumping Facilities	2,513	960	85	7	93	3.7%	867	90.3%
DDOT	76	562	-	-	-	0.0%	562	100.0%
Storage Facilities	5,223	1,924	870	44	914	17.5%	1,011	52.5%
Program Management	6,795	1,744	887	395	1,282	18.9%	462	26.5%
Subtotal	71,720	24,629	10,690	2,417	13,106	18.3%	11,523	46.8%
Capital Projects	377,987	130,938	86,285	9,441	95,727	25.3%	35,212	26.9%
CAPITAL EQUIPMENT	31,703	15,665	6,290	1,214	7,504	23.7%	8,161	52.1%
WASHINGTON AQUEDUCT	15,515	3,996	-	-	-	0.0%	3,996	0.0%
Additional Capital Programs	47,218	19,661	6,290	1,214	7,504	15.9%	12,157	61.8%
Total	\$425,205	\$150,599	\$92,575	\$10,656	\$103,231	24.3%	\$47,368	31.5%



DC Water

Investment Performance Report – January 2020



**DC Water
Finance Division
Economic Update**

ECONOMIC COMMENTARY

- The U.S. economy continues to grow at a moderate pace entering into the 11th year of the economic expansion. For the first estimate for the fourth quarter of 2019, U.S. Gross Domestic Product (“GDP”) increased at an annual rate of 2.1%, according to the Bureau of Economic Analysis. The growth in the fourth quarter was attributed an increase in trade activity and moderate consumer spending.
- The Federal Open Market Committee (“FOMC”) elected to maintain their target rate range of 1.50% and 1.75% at their January meeting, as expected. Consumer spending was described as “moderate” in January, while business investment remained weak. The January FOMC statement described the current stance of monetary policy as appropriate to support “inflation returning to the committee’s symmetric 2% objective.”
- U.S. Treasury yields declined as investors flocked to safe-haven assets due to the concerns that surrounded the coronavirus. Due to the increased number of coronavirus cases, companies closed factories and retail stores in China and officials from various countries discouraged unnecessary travel to and from China. On January 31, 2019, the day ended with a slight yield curve inversion between the 10-year and 3-month Treasuries, which historically was one of the first signals of a recession.
- According to the U.S. Bureau of Labor Statistics, employers added a robust 225,000 jobs in January, a sign that the U.S. labor market is still in a good position to continue economic growth into 2020. Significant job gains occurred in the construction, healthcare, transportation, and warehousing sectors. Over the past three months, the U.S. economy added an average of 211,000 jobs. The unemployment rate steadied at 3.6% as the labor participation rate slightly up ticked to 63.4% in January.

PORTFOLIO RECAP

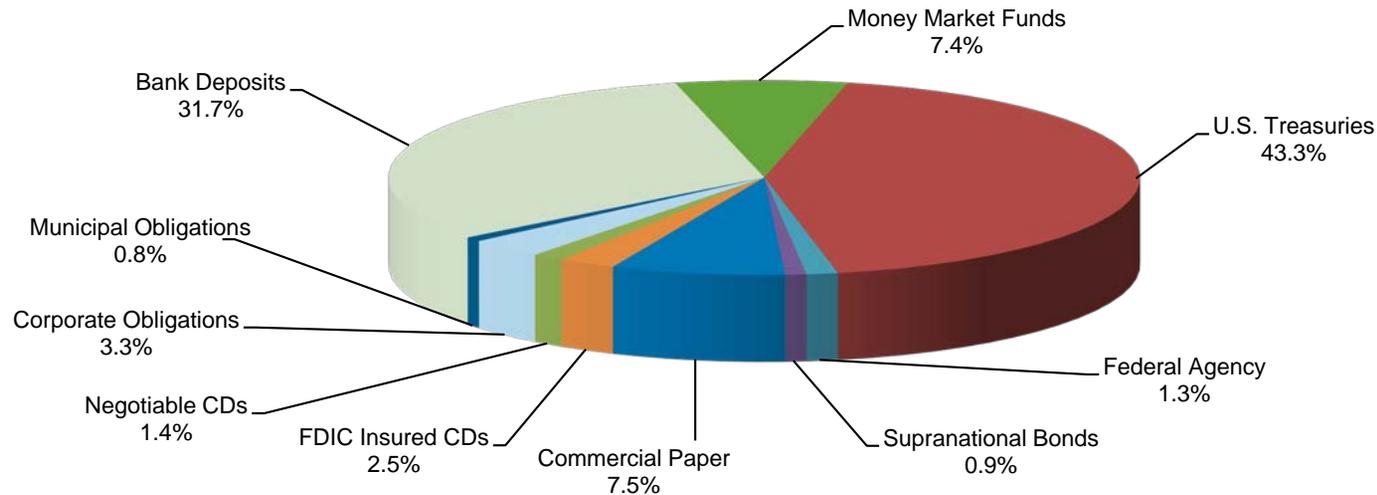
- The portfolio is diversified among Bank Deposits, U.S. Treasuries, Federal Agencies, Commercial Paper, Supranational Bonds, Negotiable CDs, Corporate Notes/Bonds, Municipal Bonds, FDIC Insured CDs, and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 1.56%.

Operating Reserve

- The investment advisor (PFMAM) purchased \$2.7 million of U.S. Treasury notes at a yield of 1.75%.
- PFMAM also purchased \$0.3 million of a corporate note in the 3-year maturity range at a yield of 1.85%.
- The Authority purchased a combined \$5.3 million in 1-year Industrial Bank CDARs.



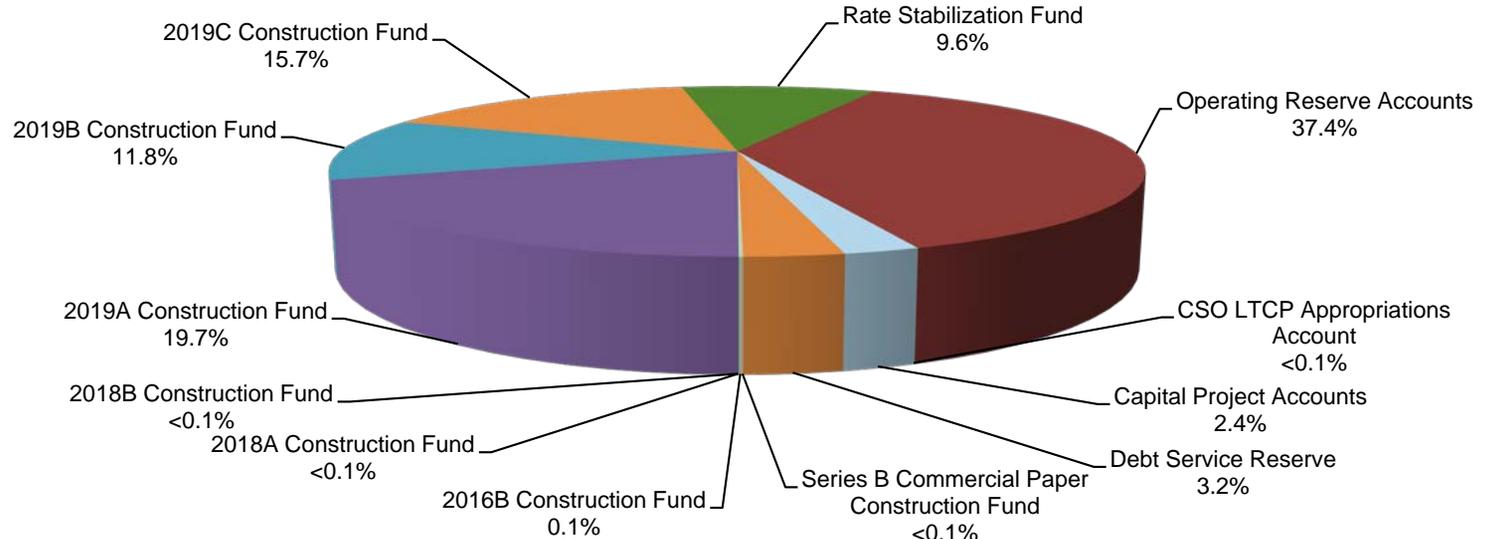
**DC Water
Finance Division
Investments - By Security Type
As of January 31, 2020**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	202,230,157	31.7%	100.0%
Money Market Funds	47,080,853	7.4%	100.0%
U.S. Treasuries	275,816,492	43.3%	100.0%
Federal Agency	8,562,855	1.3%	80.0%
Supranational Bonds	5,773,053	0.9%	30.0%
Commercial Paper	47,537,384	7.5%	35.0%
FDIC Insured CDs	15,686,875	2.5%	30.0%
Negotiable CDs	8,772,768	1.4%	30.0%
Corporate Obligations	20,854,462	3.3%	30.0%
Municipal Obligations	4,811,430	0.8%	20.0%
Total	\$ 637,126,329	100.0%	



**DC Water
Finance Division
Investment Analysis – By Fund
As of January 31, 2020**

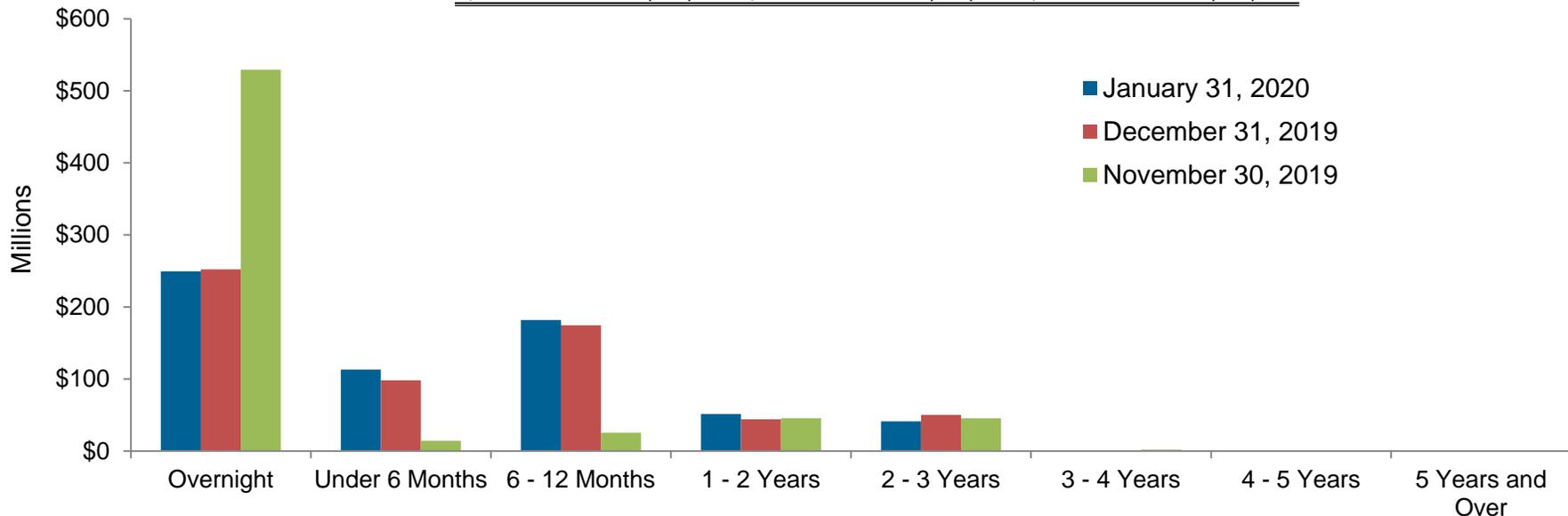


Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Rate Stabilization Fund	\$ 61,450,000	1.65%	0.00	1.0
Operating Reserve Accounts	\$ 238,148,226	1.48%	0.78	293.4
CSO LTCP Appropriations Account	\$ 12,900	1.78%	0.00	1.0
Capital Project Accounts	\$ 15,392,151	0.75%	0.00	1.0
Debt Service Reserve	\$ 20,165,604	2.43%	0.93	349.2
Series B Commercial Paper Construction Fund	\$ 1,726	1.04%	0.00	1.0
2016B Construction Fund	\$ 870,239	1.44%	0.00	1.0
2018A Construction Fund	\$ 30,062	1.44%	0.00	1.0
2018B Construction Fund	\$ 76,379	1.44%	0.00	1.0
2019A Construction Fund	\$ 125,412,665	1.11%	0.27	97.3
2019B Construction Fund	\$ 75,240,773	1.11%	0.55	204.5
2019C Construction Fund	\$ 100,325,603	1.11%	0.67	247.7
Total	\$ 637,126,329	1.56%	0.54	203.1



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

Maturity Distribution	January 31, 2020	December 31, 2019	November 30, 2019
Overnight \$	249,311,009.93 \$	252,150,900.51 \$	529,260,254.11
Under 6 Months	113,087,986.11	98,053,896.71	14,233,567.31
6 - 12 Months	181,851,754.68	174,567,909.67	25,267,178.44
1 - 2 Years	51,227,908.27	44,066,878.25	45,528,707.95
2 - 3 Years	41,167,591.81	49,994,975.62	45,371,387.73
3 - 4 Years	480,077.75	893,048.58	1,867,544.17
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
Totals \$	637,126,329 \$	619,727,609 \$	661,528,640





**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		202,230,157.42	31.7%	100.0%	Yes
Sub-Total Bank Deposits		202,230,157.42	31.7%	100.0%	Yes
Money Market Mutual Funds					
Wells Fargo Treasury Plus MMF	AAAm	981,794.52	0.2%	50.0%	Yes
Wells Fargo Government MMF	AAAm	290,597.10	0.0%	50.0%	Yes
Wells Fargo 100% Treasury MMF	AAAm	45,806,734.76	7.2%	50.0%	Yes
First American Treasury	AAAm	1,726.13	0.0%	50.0%	Yes
Sub-Total Money Market Mutual Funds		47,080,852.51	7.4%	100.0%	Yes
U.S. Treasuries					
Treasury Note	AA+ / Aaa	275,816,492.18	43.3%	100.0%	Yes
Sub-Total Treasuries		275,816,492.18	43.3%	100.0%	Yes
Federal Agencies					
Fannie Mae	AA+ / Aaa	3,186,223.52	0.5%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	5,376,631.28	0.8%	40.0%	Yes
Sub-Total Federal Agencies		8,562,854.80	1.3%	80.0%	Yes
Supranational Bonds					
African Development Bank	AAA / Aaa	807,203.88	0.1%	5.0%	Yes
Asian Development Bank	AAA / Aaa	700,233.79	0.1%	5.0%	Yes
Inter-American Development Bank	AAA / Aaa	1,066,915.95	0.2%	5.0%	Yes
International Bank for Reconstruction and Development	AAA / Aaa	2,264,349.78	0.4%	5.0%	Yes
International Finance Corporation Note	AAA / Aaa	934,349.36	0.1%	5.0%	Yes
Sub-Total Supranational Bonds		5,773,052.76	0.9%	30.0%	Yes
Commercial Paper					
Bank of Montreal Chicago	A-1 / P-1	8,766,892.67	1.4%	5.0%	Yes
BNP Paribas NY Branch	A-1 / P-1	2,765,653.32	0.4%	5.0%	Yes
Cooperatieve Rabobank U.A.	A-1 / P-1	3,759,720.00	0.6%	5.0%	Yes
Credit Agricole CIB	A-1 / P-1	5,259,363.81	0.8%	5.0%	Yes
JP Morgan	A-1 / P-1	7,711,022.23	1.2%	5.0%	Yes
MUFG Bank Ltd. NY	A-1 / P-1	5,256,544.21	0.8%	5.0%	Yes

CDARS holdings are not managed by PFMAM, and we therefore cannot guarantee the accuracy of holdings information provided.



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
Commercial Paper					
Natixis NY	A-1 / P-1	5,255,876.23	0.8%	5.0%	Yes
Toyota Motor Credit Corporation	A-1+ / P-1	8,762,311.20	1.4%	5.0%	Yes
Sub-Total Commercial Paper		47,537,383.67	7.5%	35.0%	Yes
FDIC Insured Certificates of Deposit					
CDARS - Placed by Industrial Bank	NR / NR	15,686,875.04	2.5%	5.0%	Yes
Sub-Total FDIC-Insured Certificates of Deposit		15,686,875.04	2.5%	30.0%	Yes
Negotiable Certificates of Deposit					
Bank of Montreal Chicago	A-1 / P-1	939,753.75	0.1%	5.0%	Yes
Bank of Nova Scotia Houston	A-1 / P-1	929,369.46	0.1%	5.0%	Yes
Canadian Imperial Bank NY	A-1 / P-1	1,401,911.31	0.2%	5.0%	Yes
HSBC Bank USA	A-1+ / P-1	946,020.63	0.1%	5.0%	Yes
Nordea Bank AB NY	AA- / Aa3	1,461,624.17	0.2%	5.0%	Yes
Royal Bank of Canada NY	AA- / Aa2	703,402.00	0.1%	5.0%	Yes
Skandinaviska Enskilda Bank	A+ / Aa2	1,461,312.42	0.2%	5.0%	Yes
Swedbank NY	A-1+ / P-1	929,374.48	0.1%	5.0%	Yes
Sub-Total Negotiable Certificates of Deposit		8,772,768.22	1.4%	30.0%	Yes
Corporate Obligations					
3M Company	AA- / A1	343,497.67	0.1%	5.0%	Yes
Apple	AA+ / Aa1	1,122,244.24	0.2%	5.0%	Yes
Bank of Montreal	A- / A2	1,448,339.06	0.2%	5.0%	Yes
Bank of New York Mellon	A / A1	1,400,294.50	0.2%	5.0%	Yes
Bank of Nova Scotia Houston	A- / A2	1,390,658.86	0.2%	5.0%	Yes
Berkshire Hathaway Inc.	AA / Aa2	490,181.03	0.1%	5.0%	Yes
Blackrock	AA- / Aa3	929,482.97	0.1%	5.0%	Yes
Chevron	AA / Aa2	479,283.22	0.1%	5.0%	Yes
Costco Wholesale	A+ / Aa3	202,534.03	0.0%	5.0%	Yes
Exxon Mobil Corporation	AA+ / Aaa	348,007.54	0.1%	5.0%	Yes
JP Morgan	A- / A2	1,409,310.78	0.2%	5.0%	Yes
Merck & Co.	AA / A1	900,015.63	0.1%	5.0%	Yes
Northern Trust Company	A+ / A2	485,492.73	0.1%	5.0%	Yes
Pfizer Inc.	AA- / A1	854,018.32	0.1%	5.0%	Yes

CDARS holdings are not managed by PFMAM, and we therefore cannot guarantee the accuracy of holdings information provided.



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
Corporate Obligations					
Procter & Gamble Co	AA- / Aa3	959,738.71	0.2%	5.0%	Yes
Royal Bank of Canada	AA- / Aa2	876,773.52	0.1%	5.0%	Yes
Toronto Dominion Bank NY	AA- / Aa1	1,906,081.72	0.3%	5.0%	Yes
Total Capital	A+ / Aa3	967,420.47	0.2%	5.0%	Yes
Toyota	AA- / Aa3	926,769.07	0.1%	5.0%	Yes
US Bank Cincinnati	A+ / A1	989,107.87	0.2%	5.0%	Yes
Visa	AA- / Aa3	923,002.23	0.1%	5.0%	Yes
Wal-Mart Stores Inc.	AA / Aa2	576,882.24	0.1%	5.0%	Yes
Westpac Banking	AA- / Aa3	925,325.48	0.1%	5.0%	Yes
Sub-Total Corporate Obligations		20,854,461.89	3.3%	30.0%	Yes
Municipal Obligations					
California State	AA- / Aa2	1,085,045.97	0.2%	5.0%	Yes
Honolulu, Hawaii	NR / Aa1	393,014.27	0.1%	5.0%	Yes
NYC Transitional Finance Authority	AAA / Aa1	930,827.50	0.1%	5.0%	Yes
New York State	NR / Aa1	845,244.58	0.1%	5.0%	Yes
San Jose, California	AA+ / Aa1	441,555.60	0.1%	5.0%	Yes
New York City, New York	AA / Aa1	773,567.99	0.1%	5.0%	Yes
University of California	AA / Aa2	342,174.15	0.1%	5.0%	Yes
Sub-Total Municipal Obligations		4,811,430.06	0.8%	20.0%	Yes
Grand Total		\$ 637,126,328.55	100.0%		

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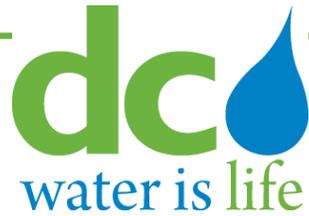


**DC Water
Finance Division
Book Value Performance
As of January 31, 2020**

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

	Trailing 1 Month		Trailing 3 Months		Trailing 6 Months		Trailing 12 Months	Trailing 24 Months
	Periodic	Annualized	Periodic	Annualized	Periodic	Annualized		
Rate Stabilization Fund	0.14%	1.66%	0.45%	1.79%	0.99%	1.97%	1.99%	1.82%
Operating Reserve Accounts	0.20%	2.36%	0.60%	2.40%	1.65%	3.29%	2.74%	2.12%
Debt Service Reserve	0.20%	2.45%	0.65%	2.59%	1.23%	2.45%	2.43%	2.16%
2019A Construction Fund	0.21%	2.50%	n/a	n/a	n/a	n/a	n/a	n/a
2019B Construction Fund	0.21%	2.47%	n/a	n/a	n/a	n/a	n/a	n/a
2019C Construction Fund	0.20%	2.35%	n/a	n/a	n/a	n/a	n/a	n/a
Short-Term	0.12%	1.40%	0.36%	1.45%	0.78%	1.56%	1.78%	1.81%
ICE BoAML 3-Month Treasury Index (Book Value) ¹	0.13%	1.48%	0.38%	1.53%	0.83%	1.66%	1.98%	2.10%
Core (1+ Years)	0.20%	2.37%	0.58%	2.34%	1.21%	2.41%	2.46%	2.35%
ICE BoAML 1-3 Year Treasury Index (Book Value) ²	0.12%	1.39%	0.39%	1.55%	0.80%	1.58%	1.87%	2.32%

- (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		\$ 61,450,000		2/1/2020		1.65%	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000.00
Operating Reserve Accounts										
TD BANK BANK DEPOSIT		\$ 124,375,106		2/1/2020		0.75%	\$ 124,375,106	\$ 124,375,106	\$ 124,375,106	
DC RESERVES TD BANK DEPOSIT		1,000,000		2/1/2020		1.78%	1,000,000	1,000,000	1,000,000	
WELLS FARGO GOVERNMENT MMF		290,597		2/1/2020		1.44%	290,597	290,597	290,597	
CANADIAN IMP BK COMM NY FLT CERT DEPOS	13606BVF0	1,400,000	2.234	4/10/2020	4/10/2018	2.78%	1,400,000	1,403,017	1,401,911	
BANK OF NOVA SCOTIA HOUSTON CD	06417GU22	925,000	3.080	6/5/2020	6/7/2018	3.10%	924,649	934,191	929,369	
BANK OF MONTREAL CHICAGO CERT DEPOS	06370REU9	925,000	3.190	8/3/2020	8/3/2018	3.23%	925,000	947,256	939,754	
INTL BANK OF RECONSTRUCTION AND DEV NOTE	45905UP32	925,000	1.561	9/12/2020	9/19/2017	1.64%	922,780	929,992	930,109	
HSBC BANK USA NA CERT DEPOS	40435RCN9	925,000	2.700	10/2/2020	4/4/2019	2.70%	925,000	951,324	946,021	
INDUSTRIAL BANK CDARS		2,694,154	2.000	1/14/2021	1/16/2020	1.99%	2,694,154	2,696,517	2,696,517	
INDUSTRIAL BANK CDARS		2,652,037	2.000	1/14/2021	1/16/2020	1.99%	2,652,037	2,654,363	2,654,363	
INDUSTRIAL BANK CDARS		5,103,271	1.500	10/8/2020	10/10/2019	1.49%	5,103,271	5,127,235	5,127,235	
INDUSTRIAL BANK CDARS		5,187,939	1.700	11/5/2020	11/7/2019	1.69%	5,187,939	5,208,760	5,208,760	
SWEDBANK (NEW YORK) CERT DEPOS	87019U6D6	925,000	2.270	11/16/2020	11/17/2017	2.30%	925,000	932,369	929,374	
US TREASURY NOTES	912828N48	1,975,000	1.750	12/31/2020	12/5/2017	1.91%	1,965,588	1,981,742	1,975,189	
US TREASURY NOTES	912828N48	975,000	1.750	12/31/2020	12/6/2017	1.96%	968,830	978,328	974,629	
ASIAN DEVELOPMENT BANK NOTE	045167EF6	700,000	2.250	1/20/2021	1/19/2018	2.29%	699,251	705,181	700,234	
US TREASURY NOTES	912828N89	1,750,000	1.375	1/31/2021	1/4/2018	2.05%	1,715,000	1,747,879	1,738,471	
US TREASURY NOTES	912828N89	800,000	1.375	1/31/2021	1/4/2018	2.08%	783,188	799,030	794,458	
US TREASURY NOTES	912828P87	1,100,000	1.125	2/28/2021	2/16/2018	2.42%	1,058,707	1,100,939	1,090,235	
INTERNATIONAL FINANCE CORPORATION NOTE	45950VLQ7	925,000	2.635	3/9/2021	3/16/2018	2.66%	924,306	945,715	934,349	
NY ST DORM AUTH PITS TXBL REV BONDS	64990FJN5	390,000	3.100	3/15/2021	12/21/2018	3.10%	390,000	400,827	394,567	
AFRICAN DEVELOPMENT BANK NOTE	00828ECZ0	800,000	2.625	3/22/2021	3/22/2018	2.66%	799,176	817,695	807,204	
CA ST TXBL GO BONDS	13063DGA0	1,075,000	2.800	4/1/2021	4/25/2018	2.80%	1,075,043	1,098,890	1,085,046	
TOYOTA MOTOR CREDIT CORP	89236TCZ6	475,000	1.900	4/8/2021	3/6/2018	2.82%	462,223	479,620	472,801	
TOYOTA MOTOR CREDIT CORP NOTES	89236TEU5	290,000	2.950	4/13/2021	4/13/2018	2.96%	289,884	297,221	292,519	
TOYOTA MOTOR CREDIT CORP NOTES	89236TEU5	160,000	2.950	4/13/2021	4/13/2018	2.93%	160,082	163,984	161,449	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406FAA1	190,000	2.500	4/15/2021	2/16/2018	2.93%	187,528	193,205	190,432	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406FAA1	410,000	2.500	4/15/2021	2/16/2018	2.99%	404,022	416,916	410,679	
INTER-AMERICAN DEVELOPMENT BANK NOTE	4581X0DB1	1,060,000	2.625	4/19/2021	4/19/2018	2.70%	1,057,668	1,082,113	1,066,916	
ROYAL BANK OF CANADA CORP NOTES	78013XKG2	870,000	3.200	4/30/2021	4/30/2018	3.23%	869,382	893,673	876,774	
US TREASURY NOTES	9128284P2	1,900,000	2.625	5/15/2021	2/11/2019	2.45%	1,907,348	1,939,188	1,914,942	
UNIV OF CAL TXBL REV BONDS	91412HBH5	340,000	3.029	5/15/2021	6/5/2018	3.03%	340,000	347,924	342,174	
US TREASURY NOTES	912828WN6	975,000	2.000	5/31/2021	6/6/2018	2.62%	957,671	985,669	970,483	
ROYAL BANK OF CANADA NY CD	78012UEE1	700,000	3.240	6/7/2021	6/8/2018	3.24%	700,000	716,838	703,402	
TORONTO DOMINION BANK CORP NOTES	89114QBZ0	925,000	3.250	6/11/2021	6/12/2018	3.27%	924,584	949,326	928,981	
TOTAL CAPITAL INTL SA CORP NOTE	89153VAP4	475,000	2.750	6/19/2021	7/10/2019	2.24%	479,536	483,287	479,777	
FANNIE MAE NOTES	3135G0U35	1,320,000	2.750	6/22/2021	6/25/2018	2.76%	1,319,696	1,348,535	1,323,787	
WAL-MART STORES INC CORP NOTES	931142EJ8	575,000	3.125	6/23/2021	6/27/2018	3.13%	574,971	589,187	576,882	
INTL BANK OF RECONSTRUCTION AND DEV NOTE	459058GH0	1,335,000	2.750	7/23/2021	7/25/2018	2.83%	1,331,876	1,361,402	1,334,241	
US TREASURY NOTES	9128284W7	3,500,000	2.750	8/15/2021	9/7/2018	2.72%	3,502,871	3,616,104	3,546,014	
US TREASURY NOTES	9128284W7	1,100,000	2.750	8/15/2021	9/28/2018	2.91%	1,095,316	1,113,490	1,111,436	
US TREASURY NOTES	9128284W7	450,000	2.750	8/15/2021	10/4/2018	2.89%	448,295	464,928	454,789	
US TREASURY NOTES	9128284W7	425,000	2.750	8/15/2021	10/11/2018	2.97%	422,443	439,098	428,996	
US TREASURY NOTES	912828RC6	2,850,000	2.125	8/15/2021	10/4/2019	1.42%	2,886,850	2,908,704	2,908,464	

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**DC Water
Finance Division
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Operating Reserve Accounts										
3M COMPANY	88579YBA8	340,000	3.000	9/14/2021	9/14/2018	3.07%	339,303	351,342	343,498	
PFIZER INC CORP NOTE	717081EM1	575,000	3.000	9/15/2021	9/7/2018	3.05%	574,224	594,714	581,090	
NYC, NY TXBL GO BONDS	64966QED8	385,000	1.680	10/1/2021	10/22/2019	1.68%	385,000	387,233	386,779	
FEDERAL HOME LOAN BANKS NOTES	3130AF5B9	1,850,000	3.000	10/12/2021	11/6/2018	3.02%	1,848,927	1,917,202	1,866,186	
FEDERAL HOME LOAN BANKS NOTES	3130AF5B9	1,575,000	3.000	10/12/2021	12/12/2018	2.85%	1,581,395	1,632,212	1,593,219	
UNITED STATES TREASURY NOTES	9128285F3	1,000,000	2.875	10/15/2021	12/12/2018	2.77%	1,002,852	1,033,562	1,010,310	
US TREASURY NOTES	912828T67	540,000	1.250	10/31/2021	11/5/2019	1.61%	536,224	540,628	538,403	
US TREASURY NOTES	912828T67	925,000	1.250	10/31/2021	11/12/2019	1.69%	917,195	926,075	921,022	
FANNIE MAE NOTES	3135G0U92	935,000	2.625	1/11/2022	1/11/2019	2.65%	934,327	958,648	935,921	
FANNIE MAE NOTES	3135G0U92	925,000	2.625	1/11/2022	1/31/2019	2.62%	925,241	948,395	926,515	
WESTPAC BANKING CORP NY CORP NOTES	961214DG5	925,000	2.800	1/11/2022	4/10/2019	2.86%	923,418	943,001	925,325	
US TREASURY NOTES	9128285V8	4,600,000	2.500	1/15/2022	1/31/2019	2.55%	4,593,352	4,706,714	4,600,942	
US TREASURY NOTES	9128285V8	1,000,000	2.500	1/15/2022	2/11/2019	2.43%	1,001,992	1,023,199	1,002,520	
US TREASURY NOTES	912828V72	3,800,000	1.875	1/31/2022	1/9/2019	2.50%	3,730,828	3,839,383	3,754,467	
MERCK & CO INC CORP NOTES	58933YAA8	450,000	2.350	2/10/2022	1/16/2019	2.99%	441,639	462,165	449,421	
NY ST DORM AUTH PITS TXBL REV BONDS	64990FQN7	450,000	1.935	2/15/2022	1/3/2020	1.94%	450,000	453,409	450,677	
US TREASURY NOTES	9128286C9	5,150,000	2.500	2/15/2022	3/5/2019	2.54%	5,144,367	5,328,571	5,205,567	
US TREASURY NOTES	9128286C9	1,250,000	2.500	2/15/2022	4/3/2019	2.29%	1,257,275	1,293,342	1,269,663	
TOTAL CAPITAL SA CORP NOTE	89153VAB5	475,000	2.875	2/17/2022	7/19/2019	2.20%	483,047	492,489	487,643	
CHEVRON CORP (CALLABLE) NOTES	166764BN9	475,000	2.498	3/3/2022	5/17/2019	2.56%	474,202	488,520	479,283	
PFIZER INC CORP BONDS	717081ER0	270,000	2.800	3/11/2022	3/11/2019	2.80%	269,984	279,640	272,928	
US BANCORP (CALLABLE) NOTE	91159HHC7	965,000	3.000	3/15/2022	6/18/2019	2.33%	982,032	1,003,139	989,108	
BANK OF MONTREAL	06367WJM6	465,000	2.900	3/26/2022	3/26/2019	2.99%	463,819	480,839	468,824	
UNITED STATES TREASURY NOTES	9128286M7	1,685,000	2.250	4/15/2022	5/3/2019	2.23%	1,686,185	1,729,991	1,697,189	
APPLE INC CORP NOTES	037833BF6	500,000	2.700	5/13/2022	1/10/2019	3.08%	494,015	515,695	498,779	
APPLE INC CORP NOTES	037833BF6	475,000	2.700	5/13/2022	6/14/2019	2.25%	481,056	489,910	482,560	
BERKSHIRE HATHAWAY INC CORP NOTE	084664BT7	475,000	3.000	5/15/2022	8/15/2019	1.85%	489,559	492,918	490,181	
COSTCO WHOLESALE CORP CORP NOTES	22160KAK1	200,000	2.300	5/18/2022	8/16/2019	1.94%	201,910	204,507	202,534	
BLACKROCK INC CORP NOTES	09247XAJ0	925,000	3.375	6/1/2022	11/9/2018	3.41%	923,909	968,111	929,483	
FEDERAL HOME LOAN BANK	313379Q69	1,900,000	2.125	6/10/2022	7/1/2019	1.86%	1,914,269	1,939,481	1,917,226	
JPMORGAN CHASE & CO CORP NOTES	46647PAS5	925,000	3.514	6/18/2022	6/26/2018	3.50%	925,564	949,732	929,233	
US TREASURY NOTES	9128282P4	3,050,000	1.875	7/31/2022	6/5/2019	1.85%	3,052,502	3,091,618	3,052,172	
HONOLULU, HI TXBL GO BONDS	438687KR5	390,000	1.739	8/1/2022	8/21/2019	1.74%	390,000	394,656	393,014	
NORTHERN TRUST COMPANY CORP NOTES	665859AN4	475,000	2.375	8/2/2022	8/13/2019	1.95%	480,767	487,761	485,493	
PROCTER & GAMBLE CO/THE CORP NOTES	742718EU9	950,000	2.150	8/11/2022	6/21/2019	2.15%	950,105	975,543	959,739	
EXXON MOBIL CORPORATION	30231GBB7	345,000	1.902	8/16/2022	8/16/2019	1.90%	345,000	351,300	348,008	
BANK OF NY MELLON CORP CORP NOTES	06406RAK3	295,000	1.950	8/23/2022	8/23/2019	1.96%	294,906	299,697	297,444	
BANK OF NY MELLON CORP CORP NOTES	06406RAK3	175,000	1.950	8/23/2022	9/5/2019	1.85%	175,483	177,786	176,917	
NORDEA BANK ABP NEW YORK CERT DEPOS	65558TLL7	1,450,000	1.850	8/26/2022	8/29/2019	1.87%	1,450,000	1,461,098	1,461,624	
SKANDINAV ENSKILDA BANK LT CD	83050PDR7	1,450,000	1.860	8/26/2022	9/3/2019	1.88%	1,450,000	1,461,298	1,461,312	
US TREASURY NOTES	9128282S8	600,000	1.625	8/31/2022	10/4/2019	1.34%	604,922	608,813	608,500	
SAN JOSE, CA TXBL GO BONDS	798135H44	435,000	2.300	9/1/2022	7/25/2019	2.08%	437,854	446,686	441,556	
APPLE INC	037833DL1	140,000	1.700	9/11/2022	9/11/2019	1.71%	139,976	141,552	140,905	
MERCK & CO INC CORP NOTES	589331AT4	450,000	2.400	9/15/2022	3/15/2019	2.71%	445,401	463,458	450,595	
VISA INC (CALLABLE) NOTE	92826CAG7	925,000	2.150	9/15/2022	5/24/2019	2.56%	913,086	946,153	923,002	
NYC, NY TXBL GO BONDS	64966QEE6	385,000	1.690	10/1/2022	10/22/2019	1.69%	385,000	387,475	386,789	
UNITED STATES TREASURY NOTES	912828YK0	625,000	1.375	10/15/2022	11/4/2019	1.55%	621,826	628,536	624,643	

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Operating Reserve Accounts										
UNITED STATES TREASURY NOTES	912828YK0	3,175,000	1.375	10/15/2022	12/4/2019	1.63%	3,152,676	3,192,962	3,166,916	
BANK OF MONTREAL	06367WRC9	975,000	2.050	11/1/2022	10/21/2019	2.09%	973,859	988,866	979,515	
NYC TRANS FIN AUTH, NY TXBL REV BONDS	64971XHY7	925,000	2.520	11/1/2022	4/12/2019	2.52%	925,000	954,434	930,828	
BANK OF NOVA SCOTIA HOUSTON CORP NOTES	064159SH0	975,000	2.000	11/15/2022	10/15/2019	2.01%	974,698	987,687	980,471	
TORONTO-DOMINION BANK	89114QCD8	975,000	1.900	12/1/2022	10/10/2019	1.94%	973,918	983,441	977,101	
BANK OF NOVA SCOTIA	064159QD1	410,000	2.375	1/18/2023	7/18/2019	2.39%	409,807	418,953	410,187	
BANK OF NY MELLON CORP	06406RAM9	325,000	1.850	1/27/2023	1/28/2020	1.87%	324,773	327,075	324,823	
US TREASURY NOTES	912828P38	2,650,000	1.750	1/31/2023	1/6/2020	1.61%	2,660,766	2,684,495	2,660,662	
JPMORGAN CHASE & CO BONDS	46647PBB1	475,000	3.207	4/1/2023	3/22/2019	3.21%	475,000	492,618	480,078	
										\$ 238,148,226.19
Debt Service Reserve										
WELLS FARGO TREASURY PLUS MMF		\$ 5,115		2/1/2020		1.44%	\$ 5,115	\$ 5,115	\$ 5,115	
US TREASURY N/B NOTES	9128284C1	7,475,000	2.250	3/31/2020	2/6/2019	2.56%	7,449,013	7,538,989	7,528,310	
US TREASURY NOTES	912828VZ0	4,275,000	2.000	9/30/2020	4/5/2019	2.40%	4,249,951	4,315,991	4,292,728	
US TREASURY NOTES	912828F21	7,025,000	2.125	9/30/2021	4/2/2018	2.49%	6,940,206	7,161,193	7,034,372	
US TREASURY NOTES	912828L57	1,290,000	1.750	9/30/2022	11/1/2019	1.53%	1,298,113	1,312,564	1,305,078	
										\$ 20,165,604.05
CSO LTCP Appropriations Account										
TD BANK BANK DEPOSIT		\$ 12,900		2/1/2020		1.78%	\$ 12,900	\$ 12,900	\$ 12,900	
										\$ 12,900.05
Capital Project Accounts										
TD BANK BANK DEPOSIT - DISTRICT FUNDS		\$ 2,828,556		2/1/2020		1.25%	\$ 2,828,556	\$ 2,828,556	\$ 2,828,556	
TD BANK BANK DEPOSIT - DC WATER CAP2		5,760,000		2/1/2020		1.25%	5,760,000	5,760,000	5,760,000	
TD BANK BANK DEPOSIT - DOEE CAP3/NON-PROFIT		3,500,000		2/1/2020		1.25%	3,500,000	3,500,000	3,500,000	
TD BANK BANK DEPOSIT - DANBURY MTR PROJECT		1,803,595		2/1/2020		1.25%	1,803,595	1,803,595	1,803,595	
TD BANK BANK DEPOSIT - DOEE - LEAD SERVICE-ERW FY2020		1,000,000		2/1/2020		1.25%	1,000,000	1,000,000	1,000,000	
TD BANK BANK DEPOSIT - DEVELOPER DEPOSITS > \$250K		500,000		2/1/2020		1.25%	500,000	500,000	500,000	
										\$ 15,392,151.09
Series B Commercial Paper Construction Fund										
FIRST AMERICAN FUNDS TREASURY MMF		\$ 1,726		2/1/2020		1.04%	\$ 1,726	\$ 1,726	\$ 1,726	
										\$ 1,726.13
2016B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 870,239		2/1/2020		1.44%	\$ 870,239	\$ 870,239	\$ 870,239	
										\$ 870,238.86
2018A Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 30,062		2/1/2020		1.44%	\$ 30,062	\$ 30,062	\$ 30,062	
										\$ 30,061.50
2018B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 76,379		2/1/2020		1.44%	\$ 76,379	\$ 76,379	\$ 76,379	
										\$ 76,378.69

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2019A Construction Fund										
WELLS FARGO 100% TREASURY MMF		\$ 27,591,869		2/1/2020		1.11%	\$ 27,591,869	\$ 27,591,869	\$ 27,591,869	
US TREASURY NOTES	912828J84	16,060,000	1.375	3/31/2020	12/20/2019	1.58%	16,050,590	16,127,286	16,129,372	
US TREASURY NOTES	912828J84	9,985,000	1.375	3/31/2020	1/22/2020	1.53%	9,981,880	10,026,834	10,028,847	
US TREASURY N/B NOTES	9128284J6	18,480,000	2.375	4/30/2020	12/20/2019	1.56%	18,534,141	18,626,787	18,628,640	
US TREASURY NOTES	912828X48	11,400,000	1.625	6/30/2020	1/3/2020	1.56%	11,403,563	11,419,848	11,419,271	
US TREASURY NOTES	912828X48	3,745,000	1.625	6/30/2020	1/22/2020	1.58%	3,745,731	3,751,520	3,751,036	
UNITED STATES TREASURY NOTES	912828XY1	14,750,000	2.500	6/30/2020	12/23/2019	1.59%	14,819,141	14,837,730	14,837,061	
US TREASURY NOTES	912828XM7	19,662,000	1.625	7/31/2020	1/22/2020	1.58%	19,666,608	19,665,949	19,667,276	
US TREASURY NOTES	912828VZ0	3,328,000	2.000	9/30/2020	1/22/2020	1.60%	3,337,100	3,359,910	3,359,294	
										\$ 125,412,665.39
2019B Construction Fund										
WELLS FARGO 100% TREASURY MMF		\$ 7,615,389		2/1/2020		1.11%	\$ 7,615,389	\$ 7,615,389	\$ 7,615,389	
BANK OF MONTREAL CHICAGO COMM PAPER	06366GCX5	3,770,000	-	3/31/2020	12/20/2019	1.96%	3,749,171	3,759,391	3,757,952	
COOPERATIEVE RABOBANK U.A. COMM PAPER	21687AHX4	3,800,000	-	8/31/2020	1/6/2020	1.82%	3,754,780	3,759,017	3,759,720	
US TREASURY NOTES	912828V99	1,685,000	2.125	8/31/2020	1/2/2020	1.64%	1,690,331	1,705,414	1,704,823	
CREDIT AGRICOLE CIB NY COMM PAPER	22533TJB3	2,280,000	-	9/11/2020	12/20/2019	1.87%	2,249,002	2,255,207	2,254,013	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GJB3	3,800,000	-	9/11/2020	12/20/2019	1.90%	3,747,495	3,757,660	3,755,982	
MUFG BANK LTD/NY COMM PAPER	62479LJE6	2,280,000	-	9/14/2020	12/20/2019	1.93%	2,247,630	2,254,024	2,252,805	
NATIXIS NY BRANCH COMM PAPER	63873JJE1	2,280,000	-	9/14/2020	12/20/2019	1.95%	2,247,290	2,254,309	2,252,518	
BNP PARIBAS NY BRANCH COMM PAPER	09659BJU5	2,800,000	-	9/28/2020	1/2/2020	1.87%	2,761,360	2,765,977	2,765,653	
JP MORGAN SECURITIES LLC COMM PAPER	46640PJU8	3,800,000	-	9/28/2020	1/2/2020	1.85%	3,748,130	3,753,632	3,753,893	
US TREASURY N/B	9128285B2	39,500,000	2.750	9/30/2020	12/23/2019	1.63%	39,836,367	40,176,613	40,157,012	
US TREASURY NOTES	912828VZ0	1,200,000	2.000	9/30/2020	1/2/2020	1.63%	1,203,234	1,211,506	1,211,013	
										\$ 75,240,773.27
2019C Construction Fund										
WELLS FARGO 100% TREASURY MMF		\$ 10,599,477		2/1/2020		1.11%	\$ 10,599,477	\$ 10,599,477	\$ 10,599,477	
BANK OF MONTREAL CHICAGO COMM PAPER	06366GCX5	5,025,000	-	3/31/2020	12/20/2019	1.96%	4,997,237	5,010,860	5,008,941	
JP MORGAN SECURITIES LLC COMM PAPER	46640PHX4	4,000,000	-	8/31/2020	1/2/2020	1.84%	3,951,062	3,957,116	3,957,129	
CREDIT AGRICOLE CIB NY COMM PAPER	22533TJB3	3,040,000	-	9/11/2020	12/20/2019	1.87%	2,998,670	3,006,943	3,005,351	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GJB3	5,065,000	-	9/11/2020	12/20/2019	1.90%	4,995,016	5,008,566	5,006,329	
MUFG BANK LTD/NY COMM PAPER	62479LJE6	3,040,000	-	9/14/2020	12/20/2019	1.93%	2,996,840	3,005,365	3,003,740	
NATIXIS NY BRANCH COMM PAPER	63873JJE1	3,040,000	-	9/14/2020	12/20/2019	1.95%	2,996,386	3,005,745	3,003,358	
US TREASURY NOTES	912828L99	30,565,000	1.375	10/31/2020	12/20/2019	1.64%	30,496,945	30,629,396	30,613,635	
UNITED STATES TREASURY NOTES	9128285S5	34,330,000	2.500	12/31/2020	12/20/2019	1.64%	34,629,046	34,705,838	34,670,548	
UNITED STATES TREASURY NOTES	9128285X4	1,445,000	2.500	1/31/2021	12/20/2019	1.66%	1,458,378	1,459,098	1,457,097	
										\$ 100,325,603.33
							\$ 635,287,011.72	\$ 638,800,674.21	\$ 637,126,328.55	\$ 637,126,328.55

CDARS holdings are not managed by PFMAM, and we therefore cannot guarantee the accuracy of holdings information provided.



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts								
9128282S8	US TREASURY NOTES	600,000.00	1.63	8/31/2022	8/2/2019	8/5/2019	1.69	602,990.83
438687KR5	HONOLULU, HI TXBL GO BONDS	390,000.00	1.74	8/1/2022	8/8/2019	8/21/2019	1.74	390,000.00
665859AN4	NORTHERN TRUST COMPANY CORP NOTES	475,000.00	2.38	8/2/2022	8/9/2019	8/13/2019	1.95	481,111.20
084664BT7	BERKSHIRE HATHAWAY INC CORP NOTE	475,000.00	3.00	5/15/2022	8/12/2019	8/15/2019	1.85	493,121.25
30231GBB7	EXXON MOBIL CORPORATION	345,000.00	1.90	8/16/2022	8/13/2019	8/16/2019	1.90	345,000.00
22160KAK1	COSTCO WHOLESALE CORP CORP NOTES	200,000.00	2.30	5/18/2022	8/14/2019	8/16/2019	1.94	203,034.44
06406RAK3	BANK OF NY MELLON CORP CORP NOTES	295,000.00	1.95	8/23/2022	8/20/2019	8/23/2019	1.96	294,905.60
65558TLL7	NORDEA BANK ABP NEW YORK CERT DEPOS	1,450,000.00	1.85	8/26/2022	8/27/2019	8/29/2019	1.87	1,450,000.00
83050PDR7	SKANDINAV ENSKILDA BANK LT CD	1,450,000.00	1.86	8/26/2022	8/29/2019	9/3/2019	1.88	1,450,000.00
06406RAK3	BANK OF NY MELLON CORP CORP NOTES	175,000.00	1.95	8/23/2022	9/3/2019	9/5/2019	1.85	175,596.75
037833DL1	APPLE INC	140,000.00	1.70	9/11/2022	9/4/2019	9/11/2019	1.71	139,976.20
9128282S8	US TREASURY NOTES	1,000,000.00	1.63	8/31/2022	9/19/2019	9/20/2019	1.72	998,275.67
9128282S8	US TREASURY NOTES	1,000,000.00	1.63	8/31/2022	10/3/2019	10/4/2019	1.34	1,009,720.99
912828RC6	US TREASURY NOTES	2,850,000.00	2.13	8/15/2021	10/3/2019	10/4/2019	1.42	2,895,078.21
64966QED8	NYC, NY TXBL GO BONDS	385,000.00	1.68	10/1/2021	10/4/2019	10/22/2019	1.68	385,000.00
64966QEE6	NYC, NY TXBL GO BONDS	385,000.00	1.69	10/1/2022	10/4/2019	10/22/2019	1.69	385,000.00
89114QCD8	TORONTO-DOMINION BANK	975,000.00	1.90	12/1/2022	10/7/2019	10/10/2019	1.94	973,917.75
064159SH0	BANK OF NOVA SCOTIA HOUSTON CORP NOTES	975,000.00	2.00	11/15/2022	10/9/2019	10/15/2019	2.01	974,697.75
RE1061747	INDUSTRIAL BANK CDARS	5,103,271.41	1.50	10/8/2020	10/10/2019	10/10/2019	1.52	5,103,271.41
06367WRC9	BANK OF MONTREAL	975,000.00	2.05	11/1/2022	10/16/2019	10/21/2019	2.09	973,859.25
912828YK0	UNITED STATES TREASURY NOTES	625,000.00	1.38	10/15/2022	11/1/2019	11/4/2019	1.55	622,295.77
912828T67	US TREASURY NOTES	540,000.00	1.25	10/31/2021	11/1/2019	11/5/2019	1.61	536,316.94
RE1061754	INDUSTRIAL BANK CDARS	5,187,938.73	1.70	11/5/2020	11/7/2019	11/7/2019	1.72	5,187,938.73
912828T67	US TREASURY NOTES	925,000.00	1.25	10/31/2021	11/8/2019	11/12/2019	1.69	917,576.49
912828YK0	UNITED STATES TREASURY NOTES	3,175,000.00	1.38	10/15/2022	12/2/2019	12/4/2019	1.63	3,158,639.75
64990FQN7	NY ST DORM AUTH PITS TXBL REV BONDS	450,000.00	1.94	2/15/2022	12/19/2019	1/3/2020	1.94	450,000.00
912828P38	US TREASURY NOTES	2,650,000.00	1.75	1/31/2023	1/2/2020	1/6/2020	1.61	2,680,802.65
06406RAM9	BANK OF NY MELLON CORP	325,000.00	1.85	1/27/2023	1/21/2020	1/28/2020	1.87	324,772.50
RE1061846	INDUSTRIAL BANK CDARS	2,694,153.89	2.00	1/14/2021	1/16/2020	1/16/2020	2.02	2,694,153.89
RE1061846	INDUSTRIAL BANK CDARS	2,652,037.12	2.00	1/14/2021	1/16/2020	1/16/2020	2.02	2,652,037.12
Total Debt Service Reserve								
912828L57	US TREASURY NOTES	1,290,000.00	1.75	9/30/2022	11/1/2019	11/1/2019	1.53	1,300,086.66
2019A Construction Fund								
9128285B2	US TREASURY N/B	3,300,000.00	2.75	9/30/2020	12/19/2019	12/20/2019	1.63	3,348,443.40
912828UL2	US TREASURY NOTES	14,495,000.00	1.38	1/31/2020	12/19/2019	12/20/2019	1.57	14,568,508.95
9128284J6	US TREASURY N/B NOTES	18,480,000.00	2.38	4/30/2020	12/19/2019	12/20/2019	1.56	18,594,429.09
912828J84	US TREASURY NOTES	16,060,000.00	1.38	3/31/2020	12/19/2019	12/20/2019	1.58	16,099,460.95
06366GCX5	BANK OF MONTREAL CHICAGO COMM PAPER	6,285,000.00	-	3/31/2020	12/19/2019	12/20/2019	1.99	6,250,275.38
62479LGW9	MUFG BANK LTD/NY COMM PAPER	3,790,000.00	-	7/30/2020	12/19/2019	12/20/2019	1.95	3,745,393.81
63873JGW4	NATIXIS NY BRANCH COMM PAPER	3,790,000.00	-	7/30/2020	12/19/2019	12/20/2019	1.97	3,744,924.27
89233GGW0	TOYOTA MOTOR CREDIT CORP COMM PAPER	6,315,000.00	-	7/30/2020	12/19/2019	12/20/2019	1.91	6,241,849.50
02665JJCQ1	AMERICAN HONDA FINANCE COMM PAPER	3,770,000.00	-	3/24/2020	12/19/2019	12/20/2019	1.87	3,751,694.56
22533TGW0	CREDIT AGRICOLE CIB NY COMM PAPER	3,790,000.00	-	7/30/2020	12/19/2019	12/20/2019	1.88	3,746,802.42
912828XY1	UNITED STATES TREASURY NOTES	14,750,000.00	2.50	6/30/2020	12/20/2019	12/23/2019	1.59	14,995,499.33

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



**DC Water
Finance Division
Security Purchases
Last 6 Months (Continued)**

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
2019A Construction Fund (continued)								
09659BFW5	BNP PARIBAS NY BRANCH COMM PAPER	3,780,000.00	-	6/30/2020	1/2/2020	1/2/2020	1.86	3,745,602.00
46640PGX5	JP MORGAN SECURITIES LLC COMM PAPER	2,320,000.00	-	7/31/2020	1/2/2020	1/2/2020	1.86	2,295,252.04
912828XH8	US TREASURY NOTES	11,400,000.00	1.63	6/30/2020	1/3/2020	1/3/2020	1.56	11,405,089.29
46640PJW4	JP MORGAN SECURITIES LLC COMM PAPER	3,400,000.00	-	9/30/2020	1/14/2020	1/14/2020	1.83	3,356,045.56
912828J84	US TREASURY NOTES	9,985,000.00	1.375	3/31/2020	1/21/2020	1/22/2020	1.535	10,024,643.32
912828VZ0	US TREASURY NOTES	3,328,000.00	2.000	9/30/2020	1/21/2020	1/22/2020	1.598	3,357,831.80
912828XH8	US TREASURY NOTES	3,745,000.00	1.625	6/30/2020	1/21/2020	1/22/2020	1.579	3,749,409.58
912828XM7	US TREASURY NOTES	19,662,000.00	1.625	7/31/2020	1/21/2020	1/22/2020	1.580	19,818,547.99
2019B Construction Fund								
06366GCX5	BANK OF MONTREAL CHICAGO COMM PAPER	3,770,000.00	0.000	3/31/2020	12/19/2019	12/20/2019	1.988	3,749,170.75
62479LJE6	MUFG BANK LTD/NY COMM PAPER	2,280,000.00	0.000	9/14/2020	12/19/2019	12/20/2019	1.948	2,247,630.33
63873JJE1	NATIXIS NY BRANCH COMM PAPER	2,280,000.00	0.000	9/14/2020	12/19/2019	12/20/2019	1.969	2,247,289.60
22533TJB3	CREDIT AGRICOLE CIB NY COMM PAPER	2,280,000.00	0.000	9/11/2020	12/19/2019	12/20/2019	1.886	2,249,002.13
89233GJB3	TOYOTA MOTOR CREDIT CORP COMM PAPER	3,800,000.00	0.000	9/11/2020	12/19/2019	12/20/2019	1.917	3,747,494.56
9128285B2	US TREASURY N/B	39,500,000.00	2.750	9/30/2020	12/20/2019	12/23/2019	1.632	40,085,670.47
09659BJU5	BNP PARIBAS NY BRANCH COMM PAPER	2,800,000.00	0.000	9/28/2020	1/2/2020	1/2/2020	1.886	2,761,360.00
21687AHX4	COOPERATIEVE RABOBANK U.A. COMM PAPER	3,800,000.00	0.000	8/31/2020	1/2/2020	1/6/2020	1.843	3,754,780.00
912828VV9	US TREASURY NOTES	1,685,000.00	2.125	8/31/2020	1/2/2020	1/2/2020	1.639	1,702,529.18
46640PJU8	JP MORGAN SECURITIES LLC COMM PAPER	3,800,000.00	0.000	9/28/2020	1/2/2020	1/2/2020	1.865	3,748,130.00
912828VZ0	US TREASURY NOTES	1,200,000.00	2.000	9/30/2020	1/2/2020	1/2/2020	1.632	1,209,398.31
2019C Construction Fund								
06366GCX5	BANK OF MONTREAL CHICAGO COMM PAPER	5,025,000.00	0.000	3/31/2020	12/19/2019	12/20/2019	1.988	4,997,236.88
62479LJE6	MUFG BANK LTD/NY COMM PAPER	3,040,000.00	0.000	9/14/2020	12/19/2019	12/20/2019	1.948	2,996,840.44
63873JJE1	NATIXIS NY BRANCH COMM PAPER	3,040,000.00	0.000	9/14/2020	12/19/2019	12/20/2019	1.969	2,996,386.13
9128285S5	UNITED STATES TREASURY NOTES	34,330,000.00	2.500	12/31/2020	12/19/2019	12/20/2019	1.643	35,032,517.27
9128285X4	UNITED STATES TREASURY NOTES	1,445,000.00	2.500	1/31/2021	12/19/2019	12/20/2019	1.657	1,472,317.08
912828L99	US TREASURY NOTES	30,565,000.00	1.375	10/31/2020	12/19/2019	12/20/2019	1.635	30,554,674.34
22533TJB3	CREDIT AGRICOLE CIB NY COMM PAPER	3,040,000.00	0.000	9/11/2020	12/19/2019	12/20/2019	1.886	2,998,669.51
89233GJB3	TOYOTA MOTOR CREDIT CORP COMM PAPER	5,065,000.00	0.000	9/11/2020	12/19/2019	12/20/2019	1.917	4,995,015.77
46640PHX4	JP MORGAN SECURITIES LLC COMM PAPER	4,000,000.00	0.000	8/31/2020	1/2/2020	1/2/2020	1.864	3,951,062.22

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



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts								
912828XH8	US TREASURY NOTES	500,000.00	1.63	6/30/2020	8/1/2019	8/5/2019	2.03	498,978.43
3135G0T60	FNMA NOTES	425,000.00	1.50	7/30/2020	8/12/2019	8/13/2019	1.83	423,904.21
912828XM7	US TREASURY NOTES	100,000.00	1.63	7/31/2020	8/13/2019	8/16/2019	1.88	99,832.37
9128282S8	US TREASURY NOTES	200,000.00	1.63	8/31/2022	8/14/2019	8/16/2019	1.53	202,047.22
9128282S8	US TREASURY NOTES	250,000.00	1.63	8/31/2022	8/20/2019	8/23/2019	1.46	253,192.93
65590ASN7	NORDEA BANK AB NY CD	1,850,000.00	2.72	2/20/2020	8/27/2019	8/29/2019	2.00	1,857,557.32
3135G0T60	FNMA NOTES	1,050,000.00	1.50	7/30/2020	8/29/2019	9/3/2019	1.77	1,048,850.25
912828XM7	US TREASURY NOTES	175,000.00	1.63	7/31/2020	9/3/2019	9/5/2019	1.76	175,066.28
912828XM7	US TREASURY NOTES	150,000.00	1.63	7/31/2020	9/5/2019	9/9/2019	1.80	150,036.43
3135G0T60	FNMA NOTES	375,000.00	1.50	7/30/2020	10/2/2019	10/4/2019	1.81	375,043.75
4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	915,000.00	2.13	11/9/2020	10/2/2019	10/4/2019	1.76	926,473.21
478160CH5	JOHNSON & JOHNSON CORP NOTE	195,000.00	1.95	11/10/2020	10/2/2019	10/4/2019	1.84	196,747.20
931142EG4	WAL-MART STORES INC CORP NOTES	925,000.00	2.85	6/23/2020	10/2/2019	10/4/2019	1.87	938,815.65
90275DHG8	UBS AG STAMFORD CT LT CD	925,000.00	2.90	3/2/2020	10/2/2019	10/4/2019	2.03	930,538.66
912828XM7	US TREASURY NOTES	400,000.00	1.63	7/31/2020	10/2/2019	10/4/2019	1.75	400,726.23
912828L99	US TREASURY NOTES	50,000.00	1.38	10/31/2020	10/3/2019	10/4/2019	1.63	50,158.54
89114QC71	TORONTO-DOMINION BANK	925,000.00	3.15	9/17/2020	10/7/2019	10/10/2019	1.87	937,767.31
9128282S8	US TREASURY NOTES	100,000.00	1.63	8/31/2022	10/7/2019	10/10/2019	1.42	100,760.60
064159JX5	BANK OF NOVA SCOTIA HOUSTON CORP BOND	500,000.00	2.15	7/14/2020	10/9/2019	10/15/2019	1.87	503,727.36
9128282S8	US TREASURY NOTES	50,000.00	1.63	8/31/2022	10/9/2019	10/15/2019	1.43	50,379.75
9128282S8	US TREASURY NOTES	425,000.00	1.63	8/31/2022	10/9/2019	10/15/2019	1.43	428,227.81
9128282S8	US TREASURY NOTES	575,000.00	1.63	8/31/2022	10/16/2019	10/21/2019	1.57	577,252.51
9128282S8	US TREASURY NOTES	400,000.00	1.63	8/31/2022	10/16/2019	10/21/2019	1.57	401,566.97
90275DHG8	UBS AG STAMFORD CT LT CD	675,000.00	2.90	3/2/2020	10/17/2019	10/21/2019	1.98	679,818.77
191216AR1	COCA-COLA CO/THE GLOBAL NOTES	370,000.00	3.15	11/15/2020	10/29/2019	10/31/2019	1.78	380,569.05
64971W5W6	NYC TRANS FIN AUTH, NY TXBL REV BONDS	540,000.00	1.96	5/1/2020	11/1/2019	11/5/2019	1.84	540,425.40
96121T4A3	WESTPAC BANKING CORP NY CD	900,000.00	2.05	8/3/2020	11/8/2019	11/12/2019	1.81	905,858.75
3130ACE26	FHLB NOTES	965,000.00	1.38	9/28/2020	12/2/2019	12/4/2019	1.67	965,106.95
3135G0U84	FANNIE MAE NOTES	1,850,000.00	2.88	10/30/2020	12/2/2019	12/4/2019	1.66	1,875,095.76
912828L99	US TREASURY NOTES	200,000.00	1.38	10/31/2020	12/2/2019	12/4/2019	1.69	199,694.37
912828M98	US TREASURY NOTES	350,000.00	1.63	11/30/2020	12/24/2019	1/3/2020	1.65	350,446.32
912828M98	US TREASURY NOTES	2,650,000.00	1.63	11/30/2020	1/2/2020	1/6/2020	1.63	2,654,249.79
06406FAA1	BANK OF NEW YORK MELLON CORP (CALLABLE)	325,000.00	2.50	4/15/2021	1/21/2020	1/28/2020	1.80	330,025.40
2019A Construction Fund								
9128285B2	US TREASURY N/B	3,300,000.00	2.75	9/30/2020	1/14/2020	1/14/2020	1.62	3,352,579.67
06366GCX5	BANK OF MONTREAL CHICAGO COMM PAPER	6,285,000.00	-	3/31/2020	1/21/2020	1/22/2020	1.73	6,264,521.38
09659BFW5	BNP PARIBAS NY BRANCH COMM PAPER	3,780,000.00	-	6/30/2020	1/21/2020	1/22/2020	1.83	3,749,928.00
22533TGW0	CREDIT AGRICOLE CIB NY COMM PAPER	3,790,000.00	-	7/30/2020	1/21/2020	1/22/2020	1.78	3,755,195.17
46640PGX5	JP MORGAN SECURITIES LLC COMM PAPER	2,320,000.00	-	7/31/2020	1/21/2020	1/22/2020	1.81	2,298,213.27
62479LGW9	MUFG BANK LTD/NY COMM PAPER	3,790,000.00	-	7/30/2020	1/21/2020	1/22/2020	1.83	3,754,195.03
63873JGW4	NATIXIS NY BRANCH COMM PAPER	3,790,000.00	-	7/30/2020	1/21/2020	1/22/2020	1.81	3,754,595.08
89233GGW0	TOYOTA MOTOR CREDIT CORP COMM PAPER	6,315,000.00	-	7/30/2020	1/21/2020	1/22/2020	1.79	6,256,673.96
02665JJCQ1	AMERICAN HONDA FINANCE COMM PAPER	3,770,000.00	-	3/24/2020	1/21/2020	1/22/2020	1.66	3,759,416.77
46640PJW4	JP MORGAN SECURITIES LLC COMM PAPER	3,400,000.00	-	9/30/2020	1/21/2020	1/22/2020	1.82	3,357,636.00

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

Investment Performance Report – January 2020



DC Water
Finance Division
Security Maturities
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	TRANSACTION AMOUNT
<u>Operating Reserve Accounts</u>							
20772J3D2	CT ST TXBL GO BONDS	985,000.00	1.30	8/15/2019	8/15/2019	8/15/2019	985,000.00
3130AEXV7	FHLB NOTES (CALLED OMD 09/20/2021)	925,000.00	3.00	9/20/2019	9/20/2019	9/20/2019	925,000.00
RE1061606	INDUSTRIAL BANK CDARS	5,077,887.90	0.50	10/10/2019	10/10/2019	10/10/2019	5,103,207.78
RE1061614	INDUSTRIAL BANK CDARS	5,110,911.79	1.50	11/7/2019	11/7/2019	11/7/2019	5,187,365.43
RE1061648	INDUSTRIAL BANK CDARS	2,640,951.83	2.00	1/16/2020	1/16/2020	1/16/2020	2,693,770.87
RE1061648	INDUSTRIAL BANK CDARS	2,599,666.74	2.00	1/16/2020	1/16/2020	1/16/2020	2,651,660.07
<u>Total Debt Service Reserve</u>							
912828TR1	US TREASURY NOTES	5,035,000.00	1.00	9/30/2019	9/30/2019	9/30/2019	5,035,000.00
<u>2018A Construction Fund</u>							
912828D80	US TREASURY NOTES	1,850,000.00	1.63	8/31/2019	8/31/2019	8/31/2019	1,850,000.00
<u>2018B Construction Fund</u>							
62479MVW0	MUFG BANK LTD/NY COMM PAPER	2,500,000.00	-	8/30/2019	8/30/2019	8/30/2019	2,500,000.00
89233HVW1	TOYOTA MOTOR CREDIT CORP COMM PAPER	5,000,000.00	-	8/30/2019	8/30/2019	8/30/2019	5,000,000.00
912828D80	US TREASURY NOTES	28,225,000.00	1.63	8/31/2019	8/31/2019	8/31/2019	28,225,000.00
912828F39	US TREASURY NOTES	14,250,000.00	1.75	9/30/2019	9/30/2019	9/30/2019	14,250,000.00
09659CWW4	BNP PARIBAS NY BRANCH COMM PAPER	4,000,000.00	-	9/30/2019	9/30/2019	9/30/2019	4,000,000.00
46640QWW7	JP MORGAN SECURITIES LLC COMM PAPER	6,500,000.00	-	9/30/2019	9/30/2019	9/30/2019	6,500,000.00
<u>2018B Construction Fund</u>							
912828UL2	US TREASURY NOTES	14,495,000.00	1.38	1/31/2020	1/31/2020	1/31/2020	14,495,000.00

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
02/01/20	INTEREST	438687KR5	HONOLULU, HI TXBL GO BONDS	1.739	08/01/22	390,000.00	0.00	3,014.27	3,014.27
02/02/20	INTEREST	665859AN4	NORTHERN TRUST COMPANY CORP NOTES	2.375	08/02/22	475,000.00	0.00	5,640.63	5,640.63
02/10/20	INTEREST	58933YAQ8	MERCK & CO INC CORP NOTES	2.350	02/10/22	450,000.00	0.00	5,287.50	5,287.50
02/11/20	INTEREST	742718EU9	PROCTER & GAMBLE CO/THE CORP NOTES	2.150	08/11/22	950,000.00	0.00	10,212.50	10,212.50
02/15/20	INTEREST	64990FQN7	NY ST DORM AUTH PITS TXBL REV BONDS	1.935	02/15/22	450,000.00	0.00	1,015.88	1,015.88
02/15/20	INTEREST	9128284W7	US TREASURY NOTES	2.750	08/15/21	425,000.00	0.00	5,843.75	5,843.75
02/15/20	INTEREST	9128284W7	US TREASURY NOTES	2.750	08/15/21	450,000.00	0.00	6,187.50	6,187.50
02/15/20	INTEREST	9128284W7	US TREASURY NOTES	2.750	08/15/21	1,100,000.00	0.00	15,125.00	15,125.00
02/15/20	INTEREST	9128284W7	US TREASURY NOTES	2.750	08/15/21	3,500,000.00	0.00	48,125.00	48,125.00
02/15/20	INTEREST	9128286C9	US TREASURY NOTES	2.500	02/15/22	1,250,000.00	0.00	15,625.00	15,625.00
02/15/20	INTEREST	9128286C9	US TREASURY NOTES	2.500	02/15/22	5,150,000.00	0.00	64,375.00	64,375.00
02/15/20	INTEREST	912828RC6	US TREASURY NOTES	2.125	08/15/21	2,850,000.00	0.00	30,281.25	30,281.25
02/16/20	INTEREST	30231GBB7	EXXON MOBIL CORPORATION	1.902	08/16/22	345,000.00	0.00	3,280.95	3,280.95
02/17/20	INTEREST	89153VAB5	TOTAL CAPITAL SA CORP NOTE	2.875	02/17/22	475,000.00	0.00	6,828.13	6,828.13
02/23/20	INTEREST	06406RAK3	BANK OF NY MELLON CORP CORP NOTES	1.950	08/23/22	175,000.00	0.00	1,706.25	1,706.25
02/23/20	INTEREST	06406RAK3	BANK OF NY MELLON CORP CORP NOTES	1.950	08/23/22	295,000.00	0.00	2,876.25	2,876.25
02/26/20	INTEREST	65558TLL7	NORDEA BANK ABP NEW YORK CERT DEPOS	1.850	08/26/22	1,450,000.00	0.00	13,487.01	13,487.01
02/26/20	INTEREST	83050PDR7	SKANDINAV ENSKILDA BANK LT CD	1.860	08/26/22	1,450,000.00	0.00	13,185.33	13,185.33
02/29/20	INTEREST	9128282S8	US TREASURY NOTES	1.625	08/31/22	600,000.00	0.00	4,875.00	4,875.00
02/29/20	INTEREST	912828P87	US TREASURY NOTES	1.125	02/28/21	1,100,000.00	0.00	6,187.50	6,187.50



Appendix: Economic Update



Economic Growth Consistent During Fourth Quarter

- U.S. economic activity continued to experience moderate growth during the final quarter of 2019.
 - The first estimate of U.S. GDP growth for the fourth quarter came in at 2.1%, consistent with the previous quarter's final estimate.
 - The growth last quarter is largely attributed to a boost from trade, as net exports comprised 1.5% of the 2.1% growth figure, the largest contribution in over ten years.
- For the year, GDP grew at 2.3%, which is equal to the average pace that has marked the current economic expansion since 2009.



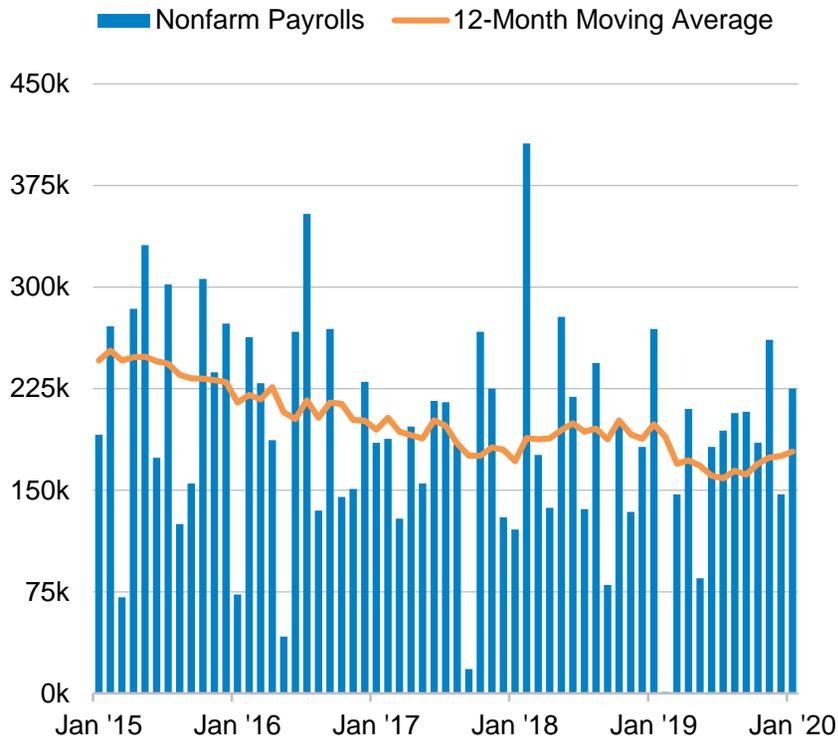
Source: Bloomberg, as of January 31, 2020. SAAR is seasonally adjusted annualized rate. Purple denotes rolling four-quarter averages.



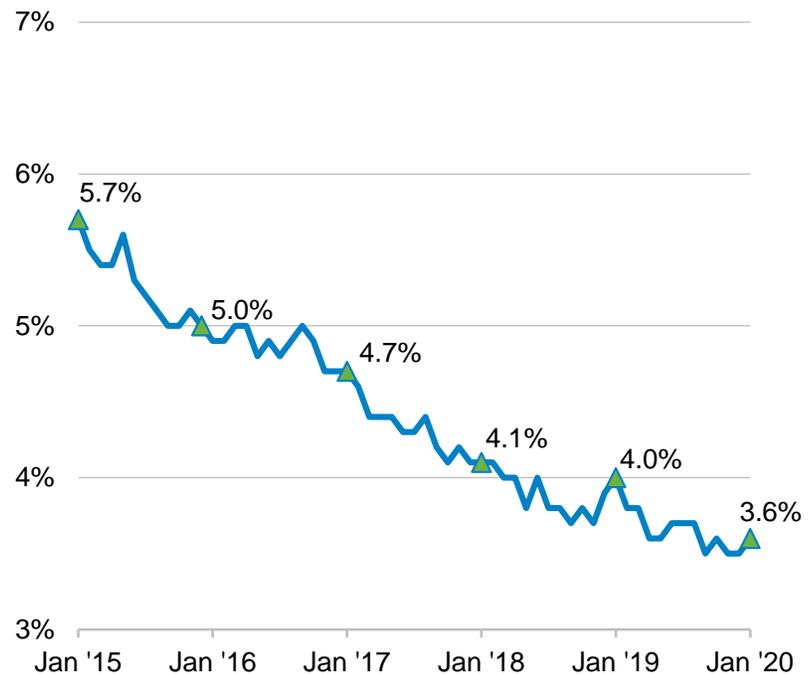
Labor Market Job Growth Above Expectations

- The U.S. economy added 225,000 jobs in January, above Bloomberg’s expectation of 165,000.
- The January unemployment rate came slightly above expectations at 3.6%, though still near all-time lows.

Monthly Change in Nonfarm Payrolls



Unemployment Rate



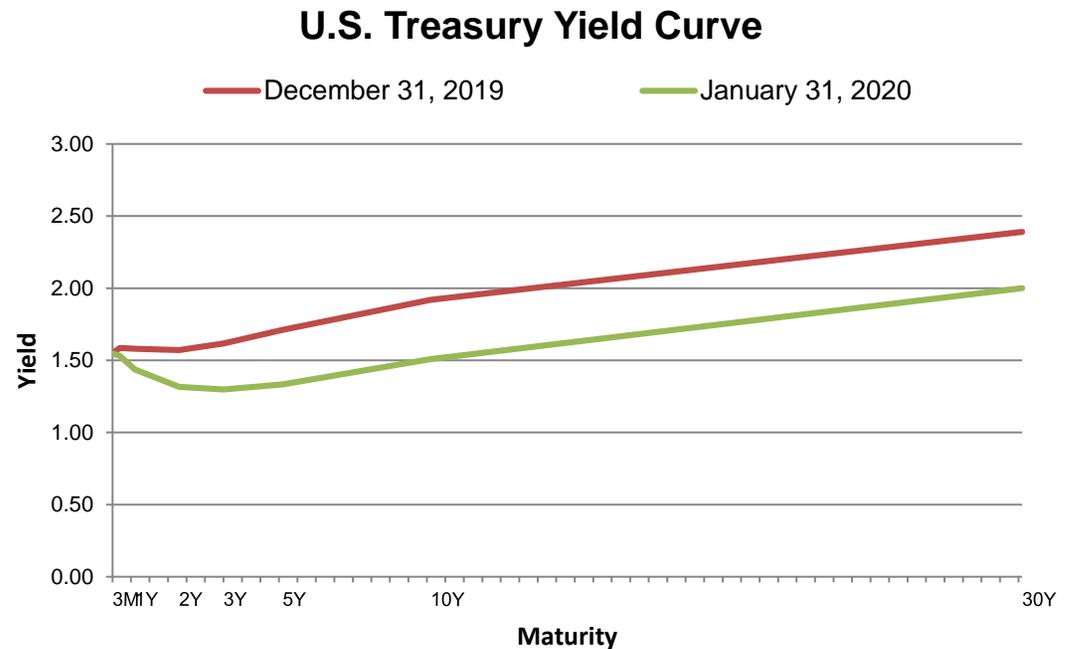
Source: Bloomberg, as of January 31, 2020.



The U.S. Treasury Yield Curve Re-Inverts

- U.S. Treasury rates declined during the January amid the coronavirus outbreak. Investors generally fled to quality as uncertainty surrounding the virus continued, causing a decline in yields.
- As of January 31, 2020, the yield curve re-inverted to have longer duration securities provide less income compared to those with shorter durations.

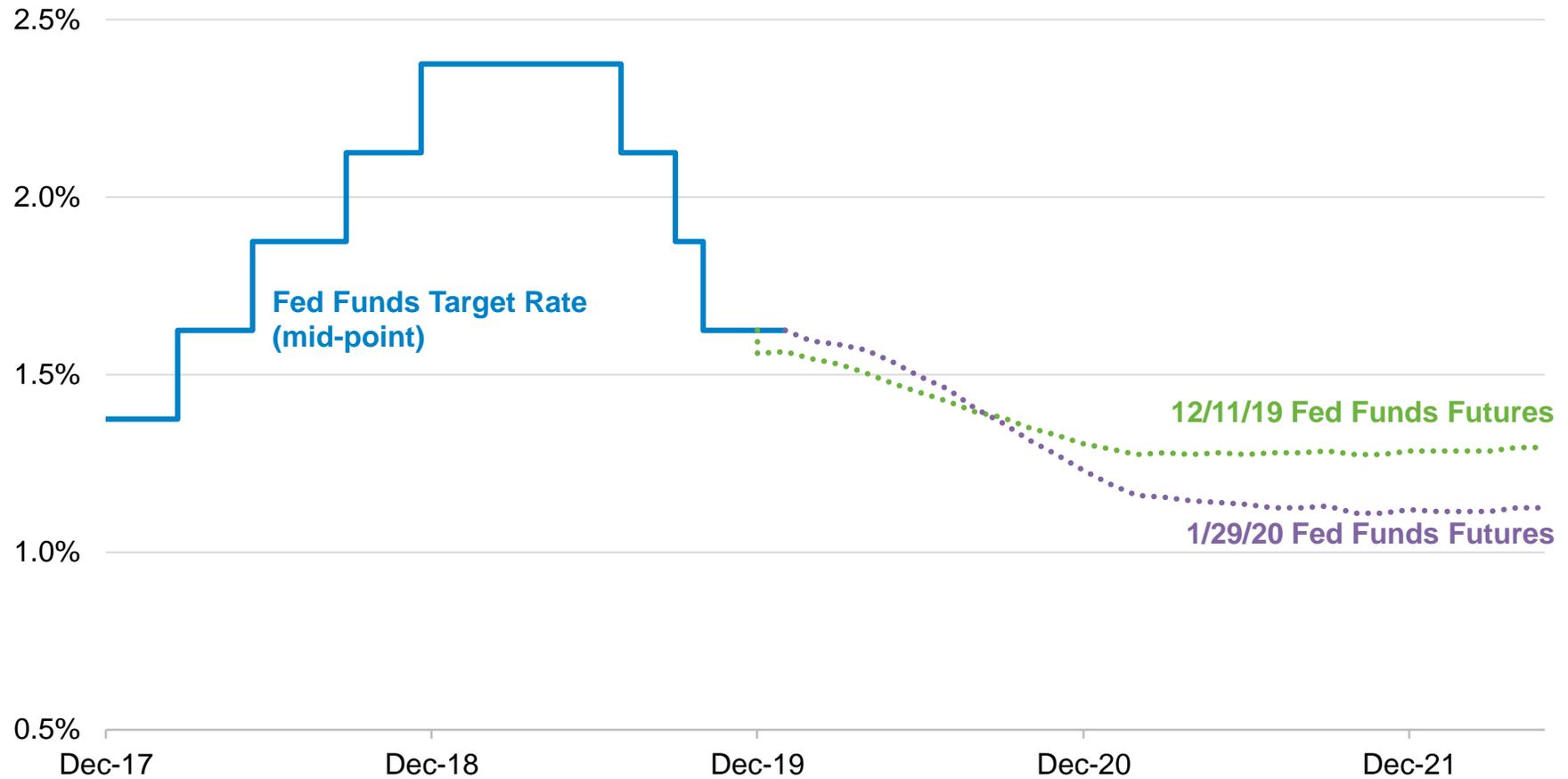
	<u>12/31/2019</u>	<u>1/31/2020</u>	<u>Change</u>
3 month	1.55%	1.55%	0.00%
6 month	1.59%	1.53%	-0.05%
1 year	1.58%	1.44%	-0.14%
2 year	1.57%	1.32%	-0.26%
3 year	1.62%	1.30%	-0.32%
5 year	1.71%	1.33%	-0.38%
10 year	1.92%	1.51%	-0.41%
30 year	2.39%	2.00%	-0.39%



Source: Bloomberg, as of January 31, 2020.



The Market Expects More Easing for 2020



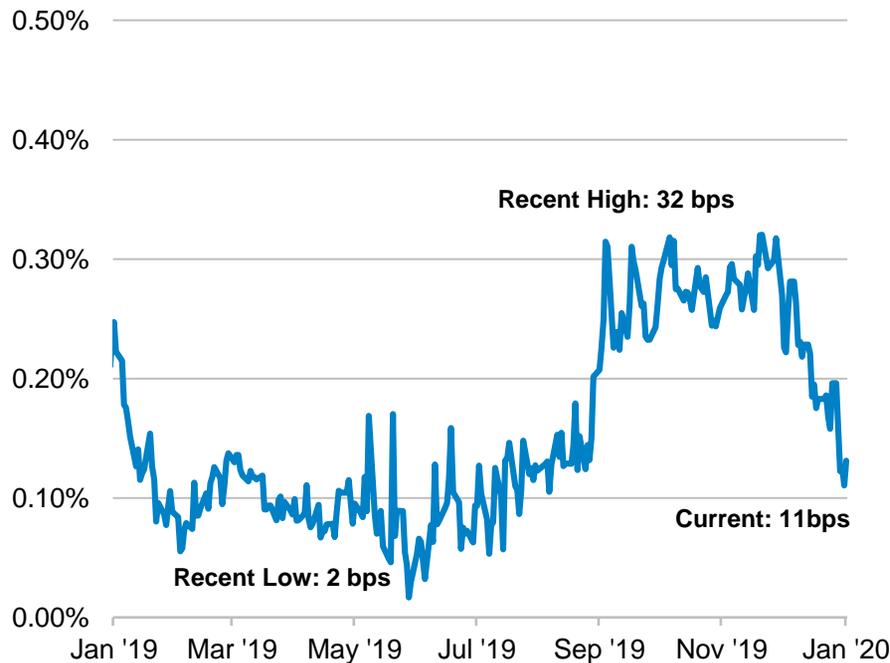
Source: Federal Reserve and Bloomberg. Fed funds futures as of Fed meeting dates of 12/11/2019 and 1/29/2020.



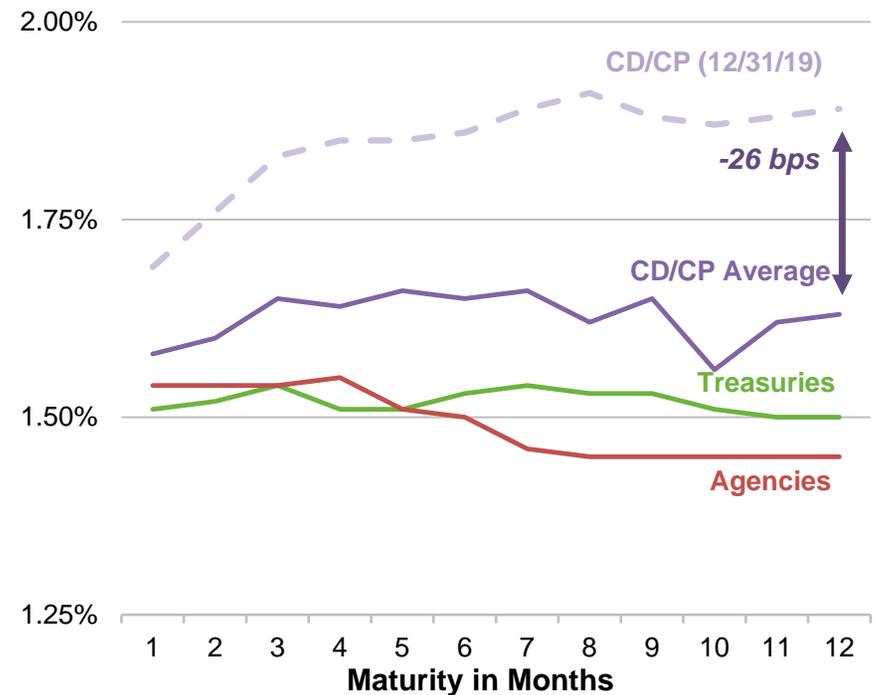
Current Short-Term Interest Rate Environment

- Commercial paper and bank certificate of deposit (CP/CD) yield spreads fell in January across all maturities, though still maintaining their attractive position relative to both Treasuries and Agencies.
- Treasuries continue to be relatively attractive versus agency discount notes.

Yield Spread on 6-month Commercial Paper over T-Bill



Money Market Yield Curves



Source: Bloomberg, PFMAM Trading Desk, as of 1/31/20. Not a specific recommendation. Actual yields may vary by issue.



Disclosure

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CDARS holdings and Bank Deposits are not managed by PFMAM, and therefore we cannot guarantee the accuracy of holdings.

District of Columbia Water and Sewer Authority

Capital Improvement Program Report



**FY-2020 1st Quarter
October 1st through December 31st, 2019**

**Board of Directors
Environmental Quality and Operations Committee**

**David L. Gadis CEO
Leonard R. Benson, Senior Vice President and Chief Engineer**

February 2020

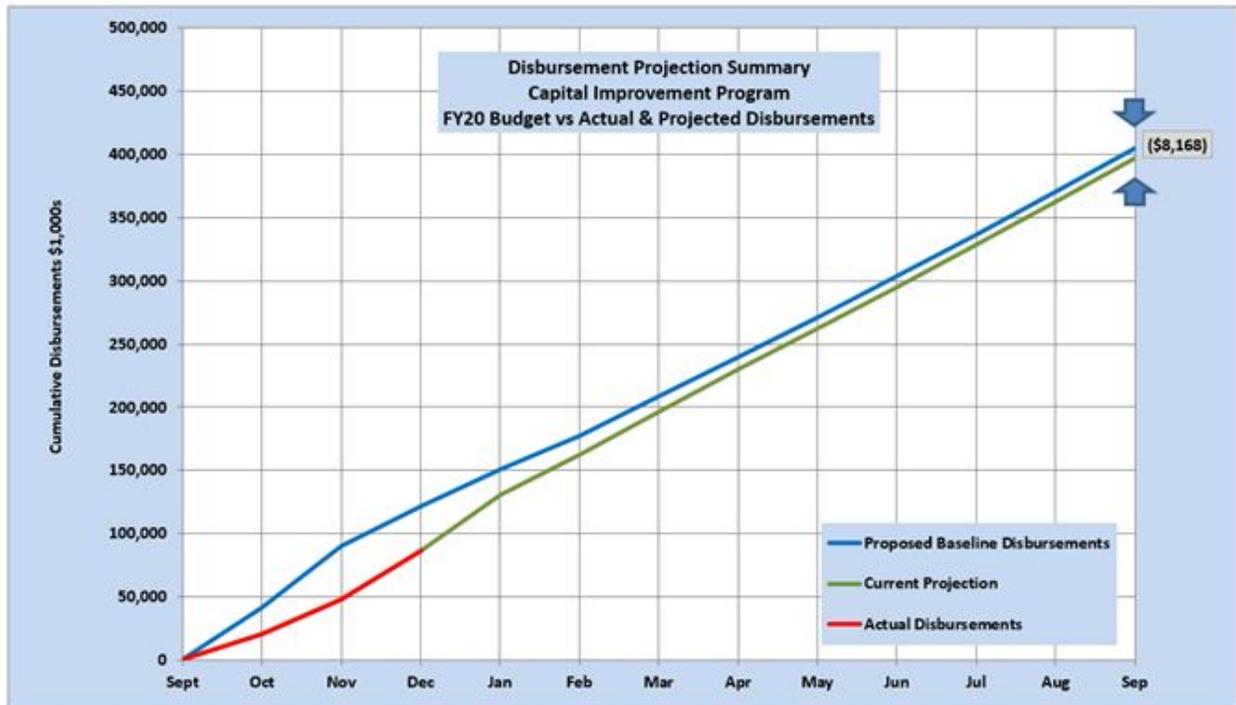


Capital Improvement Program Report 1st Quarter FY2020

CIP Disbursement Performance

Current projected program disbursements through the end of the fiscal year compared with the proposed FY20 baseline are shown in the chart below:

Disbursement Summary



Current projected fiscal year 2020 CIP disbursements are \$396,837,000 through the end of September 2019, which is on track to meet the proposed baseline disbursement projection of \$405,004,000.

Current disbursement projections within the service areas are as follows:

Non-Process Facilities

Baseline Disbursements	\$42,066,000
Projected Disbursements	\$40,464,000 (\$1.6M below baseline projection)

There are no significant project variances for this service area currently projected over the fiscal year.

The spending through the first Quarter is \$4.5M, which is \$2.0M below the baseline. This underspending is mainly due to the delay in awarding the Fleet Facility and Sewer Headquarters construction contracts.



Capital Improvement Program Report 1st Quarter FY2020

Wastewater Treatment Service Area

Baseline Disbursements	\$77,536,000
Projected Disbursements	\$75,488,000 (\$2.1M below baseline projection)

There are no significant project variances for this service area currently projected over the fiscal year.

The spending through the first Quarter is \$10.1M, which is \$14.8M below the baseline. This is primarily from underspending in the Liquid Processing Program Area (\$3.4M) due to disbursements for the Upgrades to Filtration Influent Pumps 1-10 and Replacement of Influent Screens being lower than anticipated during the construction startup period. The spending on these projects is expected to recover by the end of the fiscal year. Furthermore, lower disbursements in the ENR Facilities Program Area (\$8.9M below baseline) are due to continued negotiations to close out the contract for the Tunnel Dewatering Pumping Station/Enhanced Clarification Facility, which had been planned to be closed out in the first quarter.

For clarity, the Combined Sewer Overflow (CSO) Service Area comments are addressed separately by the CSO and DC Clean Rivers Program Areas:

CSO Service Area

Baseline Disbursements	\$7,952,000
Projected Disbursements	\$6,913,000 (\$1.0M below baseline projection)

Lower disbursements are due to invoicing lag on the work on the O Street Station ventilation system.

DC Clean Rivers Program Area

Baseline Disbursements	\$162,197,000
Actual Disbursements	\$165,941,000 (\$3.7M above baseline projection)

There are no significant project variances for this service area currently projected over the fiscal year.

The overspending through the first quarter is mainly attributable to the Northeast Boundary Tunnel work progress in the field. The DCCR team currently anticipates the spending to meet the baseline forecast by year end

Stormwater Service Area

Baseline Disbursements	\$6,869,000
Projected Disbursements	\$6,576,000 (\$0.3M below baseline projection)

There are no significant project variances for this service area currently projected over the fiscal year.



Capital Improvement Program Report 1st Quarter FY2020

Sanitary Sewer Service Area

Baseline Disbursements	\$44,934,000
Projected Disbursements	\$41,692,000 (\$3.6M below baseline projection)

Significant project variances are listed below:

- *Sanitary Trunk Sewers Program Area – (\$4.4M below baseline)*
 - The first quarter disbursements for project IL - Creekbed Sewer Rehabilitation 2 were \$1.4M below baseline, mainly attributable to a delay in the contract closeout.
 - The disbursements for project LZ00 - Potomac Interceptor Projects - Rehab Phase 2 were \$1.4M below baseline, mainly attributable to the administrative charges expected in the first quarter did not materialize.

Water Service Area

Baseline Disbursements	\$62,163,000
Projected Disbursements	\$58,602,000 (\$3.6M below baseline projection)

There are no significant project variances for this service area currently projected over the fiscal year.

Significant project variances for the first quarter are listed below:

- *Water Distribution System Program (\$9.5M below baseline projection)*
 - The first quarter underspending is mainly attributable to delays in closing out Small Diameter Water Main contracts in Project DE - Small Diameter Water Main Rehab 12 and Project O3 - Small Diameter Water Main Rehab 11.
- *Water Ongoing Program Area (\$1.8M below baseline projection)*
 - This area is below the forecast but within the expected limits of the forecasting accuracy as the number and size of water main breaks are difficult to predict year on year.



Capital Improvement Program Report
1st Quarter FY2020

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

All priority 1 projects are on schedule and within budget.

Significant Contract Actions Anticipated – 6 Month Look-Ahead

Project	Name	Contract Type	Joint Use?	Cost Range	Committee	BOD
F100	Small Diameter Water Main Repl. 13a	Construction	No	\$5M - \$10M	EQ & Ops Jan	Feb
F100	Small Diameter Water Main Repl. 13d	Construction	No	\$5M - \$10M	EQ & Ops Mar	Apr
F100	Small Diameter Water Main Repl. 13c	Construction	No	\$5M - \$10M	EQ & Ops Apr	May
F200	Small Diameter Water Main Repl. 14a	Construction	No	\$10M - \$15M	EQ & Ops Jun	Jul



Capital Improvement Program Report 1st Quarter FY2020

Schedule - Key Performance Indicators Capital Improvement Program

Summary:

For the 1st Quarter, all the Key Performance Indicators (KPIs) completed this period were achieved within 90 days of their target date.

#	Performance
4	KPIs completed within threshold
0	KPIs completed outside threshold
4	Total KPIs completed to date
30	Total KPIs due this year

Reasons for any KPIs not meeting the 90-day threshold this period:

N/A

The table below provides a detailed breakdown of each KPI due date grouped by Quarter:

Quarter	Job Code	Job Name	Activity Name	Due Date (Baseline)	Estimated Complete Date	Actual Complete Date	Variance (positive is early)	Met within 90 days
Q1	FA03	Soldiers Home Reservoir Upgrade	Construction Start Milestone	10-Oct-19	10-Oct-19	09-Oct-19	1	✓
Q1	NG02	Stormwater Pumping Stations Rehabilitation Phase 2	Design Start Milestone	30-Dec-19	30-Dec-19	26-Dec-19	4	✓
Q1	UC06	Upgrades to Filtration Influent Pumps 1-10	Construction Start Milestone	10-Oct-19	10-Oct-19	10-Oct-19	0	✓
Q2	F101	Small Diameter Water Main Repl 13A	Construction Start Milestone	12-Mar-20	12-Mar-20			☐
Q2	F102	Small Diameter Water Main Repl 13B	Construction Start Milestone	16-Feb-20	16-Feb-20			☐
Q2	FQ02	Main PS Upgrades - NFPA, Odor Control, LAPS	Design Start Milestone	29-Jan-20	29-Jan-20			☐
Q2	HX01	SDWM Renewal 16A	Design Start Milestone	02-Jan-20	02-Jan-20	27-Nov-19	36	✓
Q2	JF03	Construction of Flood Seawall Segment C	Construction Start Milestone	13-Jan-20	13-Jan-20			☐



Capital Improvement Program Report 1st Quarter FY2020

Quarter	Job Code	Job Name	Activity Name	Due Date (Baseline)	Estimated Complete Date	Actual Complete Date	Variance (positive is early)	Met within 90 days
Q2	LZ04	PI Phase 2 Pipe Rehab at Potomac Crossing	Design Start Milestone	03-Mar-20	03-Mar-20			
Q2	LZ06	PI Phase 4 Pipe Rehab at Fairfax & Loudoun Co.	Design Start Milestone	01-Jan-20	01-Jan-20			
Q2	LZ09	PI Phase 6 Pipe Rehab at Clara Barton Pkwy and I-495	Design Start Milestone	29-Feb-20	29-Feb-20			<input type="checkbox"/>
Q2	LZ07	PI Phase 5 Pipe Rehab between MH31 and MH30	Design-Build NTP	23-Feb-20	23-Feb-20			<input type="checkbox"/>
Q3	C904	66" Low Service Steel Main at 8th Street NE & SE	Construction Substantial Completion	30-Apr-20	30-Apr-20			<input type="checkbox"/>
Q3	F103	Small Diameter Water Main Repl 13C	Construction Start Milestone	15-Apr-20	15-Apr-20			<input type="checkbox"/>
Q3	F104	Small Diameter Water Main Repl 13D	Construction Start Milestone	15-May-20	15-May-20			<input type="checkbox"/>
Q3	HX02	Small Diameter Water Main Repl 16B	Design Start Milestone	01-Apr-20	01-Apr-20			
Q3	IL10	Creekbed Sewer Rehabilitation Rock Creek Oregon Avenue	Construction Substantial Completion	30-Apr-20	30-Apr-20			<input type="checkbox"/>
Q3	J001	B Street/New Jersey Ave. Trunk Sewer Rehab and Cleaning Phase 1	Construction Substantial Completion	22-May-20	22-May-20			<input type="checkbox"/>
Q3	RC07	Major Sewer Rehab 1-5 Northeast Boundary	Design Start Milestone	22-May-20	22-May-20			<input type="checkbox"/>
Q4	BV01	RWWPS No. 2 Upgrades	Construction Substantial Completion Milestone	02-Jul-20	02-Jul-20			<input type="checkbox"/>
Q4	DR02	Low Area Trunk Sewer - Rehabilitation	Construction Substantial Completion	10-Jul-20	10-Jul-20			<input type="checkbox"/>
Q4	F201	Small Diameter Water Main Repl 14A	Construction Start Milestone	05-Aug-20	05-Aug-20			<input type="checkbox"/>
Q4	F202	Small Diameter Water Main Repl 14B	Construction Start Milestone	15-Aug-20	15-Aug-20			<input type="checkbox"/>
Q4	F203	Small Diameter Water Main Repl 14C	Construction Start Milestone	03-Sep-20	03-Sep-20			<input type="checkbox"/>
Q4	HX03	Small Diameter Water Main Repl 16C	Design Start Milestone	01-Jul-20	01-Jul-20			<input type="checkbox"/>
Q4	I801	Large Valve Replacements 11R	Construction Substantial Completion	29-Sep-20	29-Sep-20			<input type="checkbox"/>



Capital Improvement Program Report 1st Quarter FY2020

Quarter	Job Code	Job Name	Activity Name	Due Date (Baseline)	Estimated Complete Date	Actual Complete Date	Variance (positive is early)	Met within 90 days
Q4	IC01	Electrical & Power Monitoring Systems	Design Start Milestone	28-Sep-20	28-Sep-20			<input type="checkbox"/>
Q4	LD00	Pre-Dewatering Additional Centrifuges	Design Start Milestone	21-Sep-20	21-Sep-20			<input type="checkbox"/>
Q4	NG05	Stormwater Pump Station Rehab - 1st and D	Construction Start Milestone	01-Sep-20	01-Sep-20			<input type="checkbox"/>
Q4	SC01	Main & O Seawall Restoration (Phase 2 HQO)	Design Start Milestone	29-Aug-20	29-Aug-20			<input type="checkbox"/>

Table Key: Positive variance = Finishing earlier than baseline plan **Bold** = Actual Date achieved



Overview of Proposed FY 2021 Budget

Presentation to the Finance and Budget Committee, February 25, 2020

District of Columbia Water and Sewer Authority



DC Water Headquarters from the Anacostia River



Agenda

- 💧 Review the budget proposal
- 💧 Obtain committee's recommendation to the Board on the following:
 - Proposed FY 2021 Operating Budget
 - Proposed FY 2020 – FY 2029 Capital Improvement Program (disbursements and lifetime)
 - Proposed FY 2020 – FY 2029 Financial Plan
 - Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing



Proposed FY 2021 Budget

- Doubles DC Water's current investment in water and sewer infrastructure by FY 2022 to reach a one percent replacement cycle, and triples the investment by FY 2027 to reach a 1.5 percent replacement cycle
- Fully funds the Clean Rivers program
- Adds five positions for the DC Water Consumer Protection Amendment Act of 2018
- Increases funds for fleet purchases by \$4 million to ensure crews have the equipment they need
- Invests \$0.5 million in the Apprenticeship Program to support fifteen entry level positions
- Makes the CAP2 program permanent
- Advances LeadFreeDC
- Continues capital procurement reform to help ensure that the capital program is delivered at the highest quality and lowest cost for ratepayers
- Holds the line on operating budget expenses, and FY 2021 budget is within the previous financial plan forecast
- Takes advantage of low interest rates and current year savings to deliver rate increases that are smaller than previously forecasted

DC Water Budget Overview

FY 2020-2029 Capital Investments of **\$5.45 billion**

\$1.3 billion for the DC Clean Rivers Project and CSOs



\$2.4 billion



Rehabilitation of water mains and sewer pipes



\$333 million

Capital Equipment including backhoes, jet-vacs and other specialized vehicles for crews to respond to emergencies

Improvements at Washington Aqueduct



\$195 million

\$59 million



Improve the condition and drainage of the stormwater pump stations



\$1.03 billion

Major upgrades and rehabilitation at our Wastewater Treatment Plant

\$137 million



Construct new Fleet and Sewer Facilities, renovate Historic Main Pump Station, restore Seawall

DC Water Budget Overview

FY 2021 Operating Budget of \$642.7 million



\$177.4 million

Pays the salaries, benefits and overtime costs for 1231 employees to achieve service levels

\$84.5 million



Other core operations like maintenance and repairs, software technology, legal, compliance, insurance, credit card fees, security and facilities



\$500,000

15 entry-level positions for the new apprenticeship program

\$101.3 million



For chemicals, supplies, water purchases, energy, telecoms and small equipment



\$4 million

Pay for Success for Green Infrastructure (GI) project, GI certification program and establishment of non-ratepayer expenditure fund

\$252.6 million pay go

Other non-operational needs including debt service, Paygo

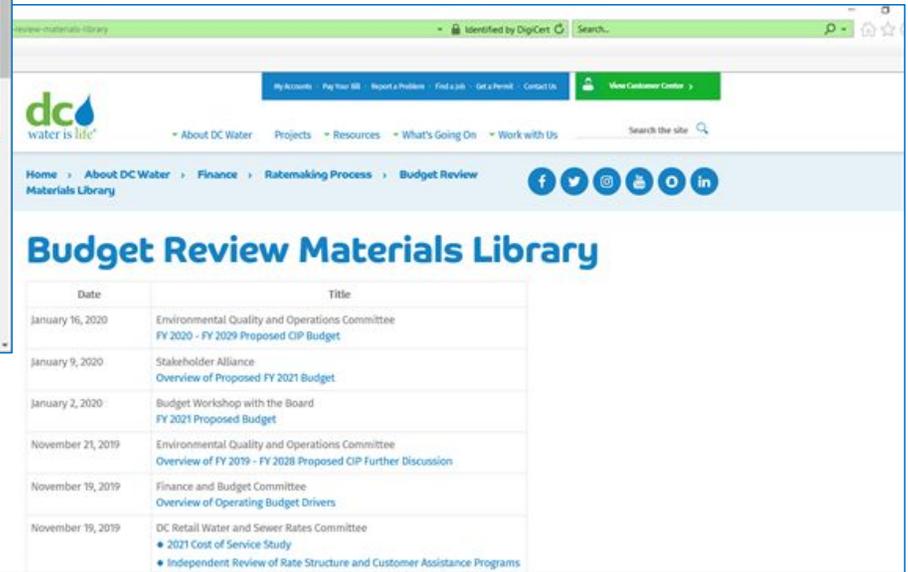
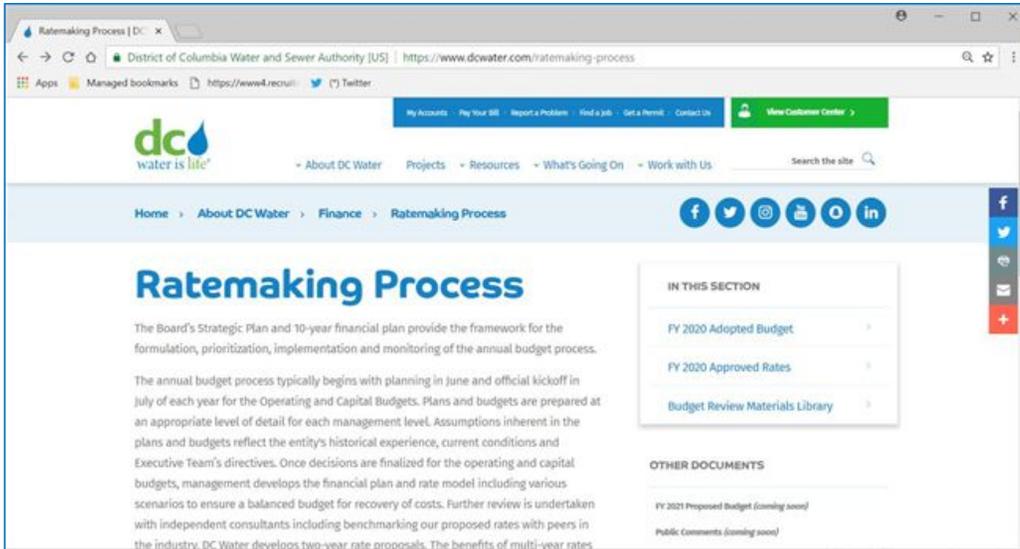


\$22.4 million

PILOT & ROW payments to the District



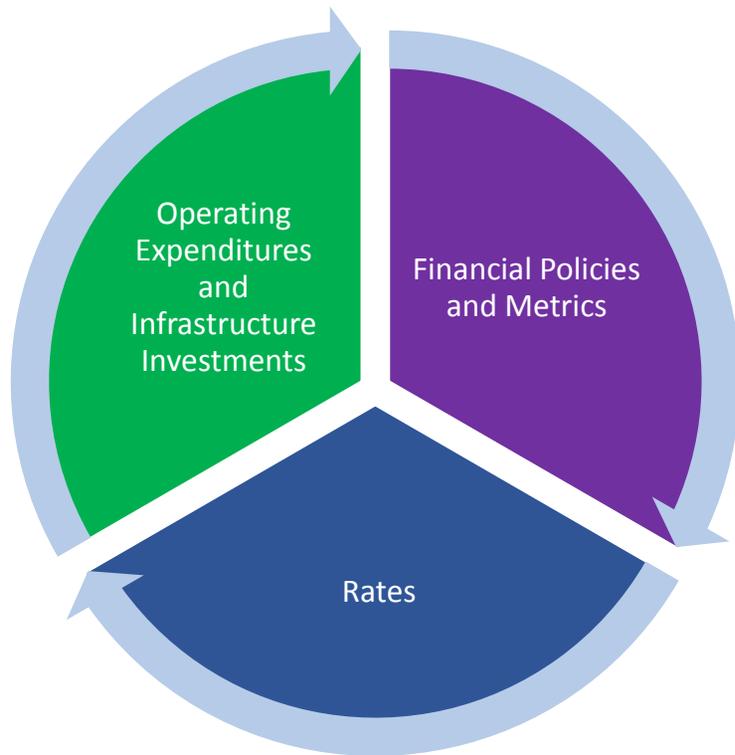
Public Communication



Complete Budget Briefing available online at <https://www.dewater.com/budget-review-materials-library>



FY2021 Budget, Rates, CIP, and Financial Plan



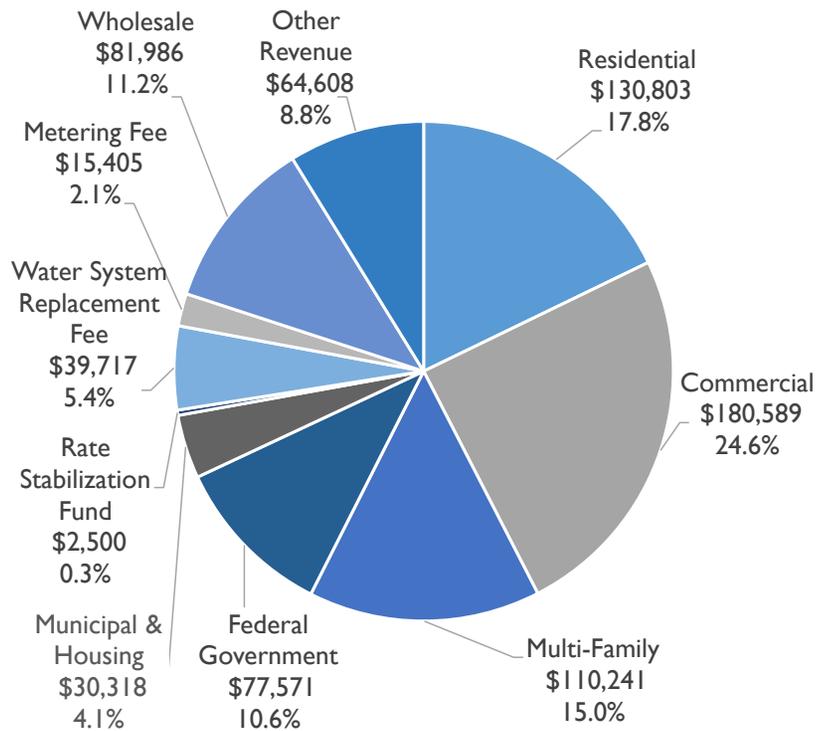
- DC Water’s operating and capital budgets rely on the rates that we charge retail and wholesale customers
- DC Water does not make a profit – all funds pay for operations and infrastructure improvements
- Financial Metrics and Policies ensure that DC Water can borrow to fund infrastructure projects, like the Clean Rivers program, at very low rates



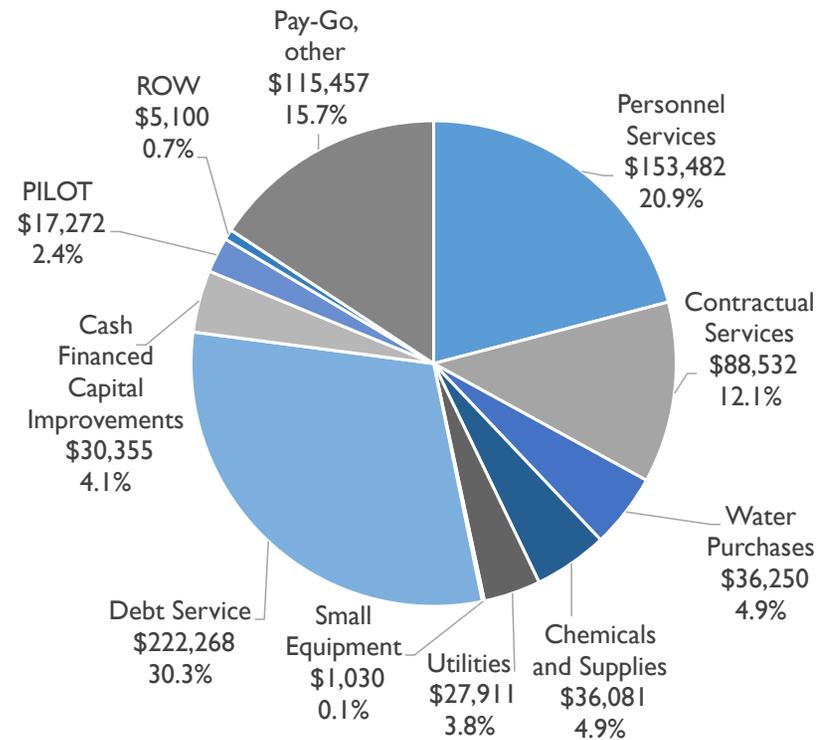
FY 2021 Operating: Sources and Uses of Funds

\$ in thousands

Sources - \$733.7 Million



Uses - \$733.7 Million

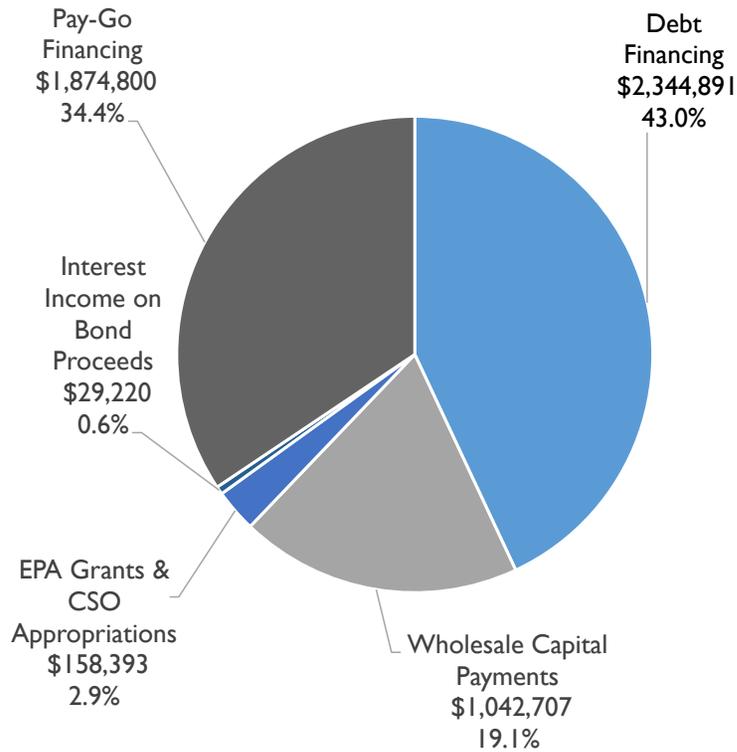




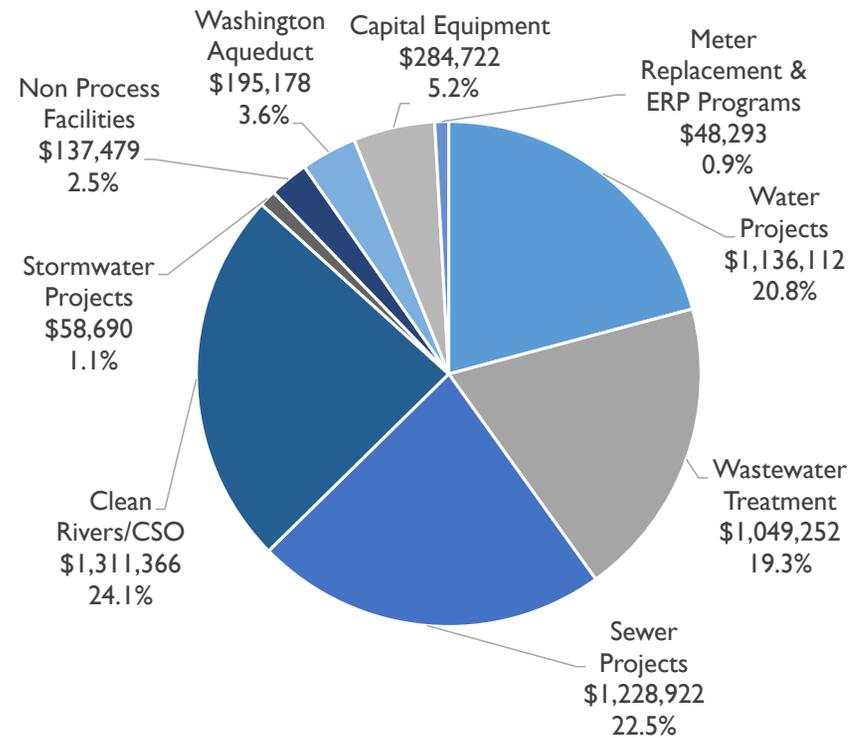
Ten Year CIP: Sources and Uses of Funds

\$ in thousands

Sources - \$5.45 Billion



Uses - \$5.45 Billion





Executive Summary



FY 2021 Budget Calendar, Deliverables & Timelines

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20
Budget Kickoff	█												
Budget Submissions			█										
Review Meetings			█	█									
Budget Adjustments				█									
Financial Plan					█								
Budget Proposals					█	█							
Budget Workshop with Board							█						
Wholesale Customer Briefing							█						
Stakeholder Alliance							█						
Committee Reviews							█	█					
Committee Recommendations								█					
Budget Adoption									█				
Rates Public Outreach										█	█		
Public Hearing											█	█	
Approved Rates												█	█



Proposed Operating and Capital Budgets

💧 FY 2021 Operating Budget of \$642.7 million, an increase of \$28.1 million

- Operations and Maintenance – \$367.7 million, an increase of \$19.1 million for personnel and non personnel
- Debt Service budget of \$222.3 million or an increase of \$6.9 million and Cash Financed Capital Improvements budget of \$30.4 million or an increase of \$1.8 million
- PILOT & ROW payments to the District of \$22.4 million or an increase of \$0.3 million

💧 10-year Capital Disbursements of \$5.45 billion, an increase of \$0.49 billion

- Capital Projects – Funded at \$4.92 billion with increased funding starting FY 2027 to ramp up to 1.5 percent per year replacements for the small water mains and sewer lines
- Capital Equipment – Funded at \$333 million for planned equipment spending including the procurement of backhoes, jet-vacs, catch basin trucks and other aged vehicles to meet operational needs
- Washington Aqueduct (WAD) – Total of \$195.2 million, an increase of \$8.1 million for DC Water’s share of WAD’s capital program



Proposed Rates, Fees and Charges

- Management recommends a multi-year rate proposal covering FY 2021 and FY 2022
 - Cost of Service Study advanced to align with rate proposal
- Combined rate increase for average household customer lowered from 8.1% forecasted last year to 6.6% for FY 2021 and from 6.9% to 6.7% for FY 2022 (calculated at 5.42Ccf)
 - Proposed annual water and sewer rate increase of 9.9% for FY 2021 and 7.8% FY 2022
 - Continue Shift of Clean Rivers Impervious Area Charge (CRIAC) to sewer volumetric of 28% and 37% for FY 2021 and FY 2022 respectively
 - Proposed CRIAC of \$19.52 per ERU in FY 2021 and \$18.40 per ERU in FY 2022
 - Water System Replacement Fee (WSRF) will remain the same as in FY 2020
 - Customer Metering Fee for 5/8” meters will increase from \$3.86 to \$4.96 in FY 2021 and to \$7.75 for FY 2022
 - PILOT Fee for FY 2021 and FY 2022 will increase by \$0.03 and \$0.02 per Ccf respectively
 - Right-of-Way Fee will remain the same at \$0.19 per Ccf
 - CAP2 Program made permanent



Capital Improvement Program



The CIP Budget

The proposed 10-year capital program begins the implementation of the “Modified Baseline”, and includes additional investments to balance infrastructure renewal and affordability

- Fully funds the **Clean Rivers** program to meet all consent decree deadlines
- Funds **non-process facilities** including the new Fleet and Sewer Facilities, renovations to the Historic Main Pump Station, and restoration of the Main & O campus seawall
- At **Blue Plains** funds upgrades to Screens, Grit and Primary Facilities, and Process Control Computer System, Efficiency Improvements, and Long-term Concrete Rehabilitation projects
- Advances major rehabilitation of **sanitary collection sewers**, upgrades to sewer pump stations, rehabilitation of the Potomac Interceptor and increased funding to ramp up to 1.5 percent replacements per year starting FY 2027 and onwards for the **small diameter water mains** and **small sewer lines**
- Increases funds for fleet purchases to reduce the backlog by investing \$12 million over two years to help ensure that crews have the equipment that they need
- Includes carryover from prior year to complete the Enterprise Resource Planning (ERP) and Advanced Meter Infrastructure (AMI) projects



Screens, Grit & Primary Facilities Upgrades



Large Equipment



Ten-Year Capital Improvement Program

Proposed ten-year CIP comprises of the following budgets -

- **Capital Disbursements** – Total of \$5.45 billion begins the implementation of the “Modified Baseline”, adds additional funds to reach 1.5% replacement plans for water and sewer infrastructure starting FY 2027, balancing infrastructure renewal and affordability; and includes funding requirements for capital equipment and the Washington Aqueduct’s capital projects
- **Lifetime Project** – Total of \$12.39 billion represents the historical spending prior to, during and beyond the ten-year period for projects active during the ten-year window, including the in-house labor costs

Service Area (\$ in thousands)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	10-Yr Total	Lifetime Budget
NON PROCESS FACILITIES	\$ 42,066	\$ 31,849	\$ 20,665	\$ 6,831	\$ 11,058	\$ 10,396	\$ 3,901	\$ 3,553	\$ 3,560	\$ 3,600	\$ 137,479	\$ 221,841
WASTEWATER TREATMENT	77,536	102,976	113,378	107,232	107,312	70,680	97,878	101,839	132,256	138,165	1,049,252	3,698,301
COMBINED SEWER OVERFLOW	171,436	157,058	192,649	145,824	84,267	68,476	155,470	110,837	97,863	127,484	1,311,366	3,041,740
STORMWATER	6,869	9,631	7,535	4,170	5,392	4,660	4,201	4,306	6,869	5,057	58,690	122,404
SANITARY SEWER	44,933	63,926	115,541	88,110	91,562	138,341	159,814	176,789	175,873	174,032	1,228,922	2,094,934
WATER	62,163	88,677	108,878	109,000	92,905	101,765	116,319	146,791	154,916	154,697	1,136,112	2,273,813
CAPITAL PROJECTS	405,004	454,118	558,645	461,168	392,496	394,318	537,584	544,115	571,337	603,035	4,921,821	11,453,033
CAPITAL EQUIPMENT	31,703	37,207	33,790	32,315	33,000	33,000	33,000	33,000	33,000	33,000	333,015	333,015
WASHINGTON AQUEDUCT	15,515	16,266	18,572	37,841	12,699	33,875	9,508	12,863	24,068	13,971	195,178	195,178
ADDITIONAL CAPITAL PROGRAMS	47,218	53,473	52,362	70,156	45,699	66,875	42,508	45,863	57,068	46,971	528,193	528,193
LABOR												409,370
TOTAL CAPITAL BUDGETS	\$ 452,223	\$ 507,590	\$ 611,008	\$ 531,323	\$ 438,195	\$ 461,193	\$ 580,092	\$ 589,978	\$ 628,404	\$ 650,006	\$ 5,450,013	\$ 12,390,596



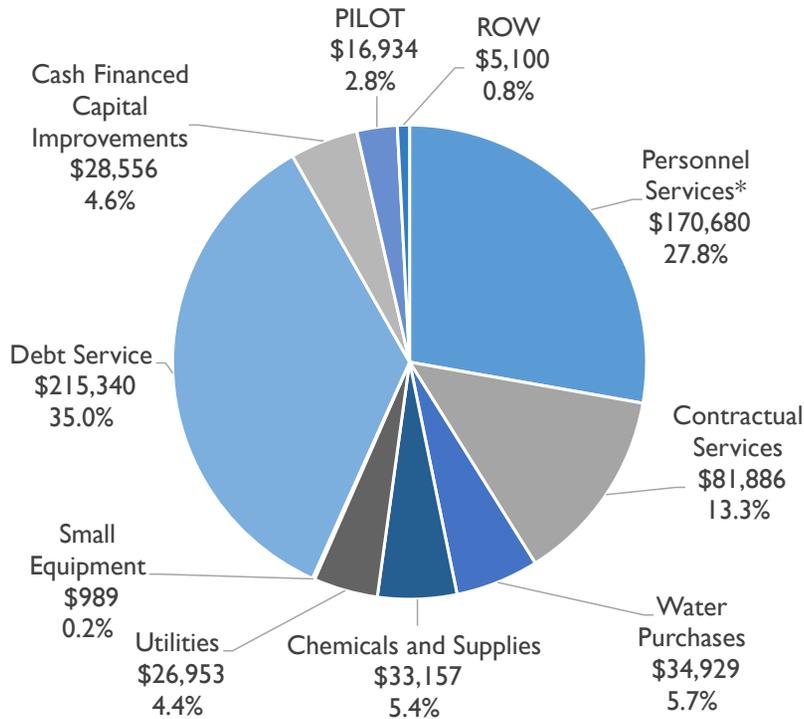
Operating Expenditures



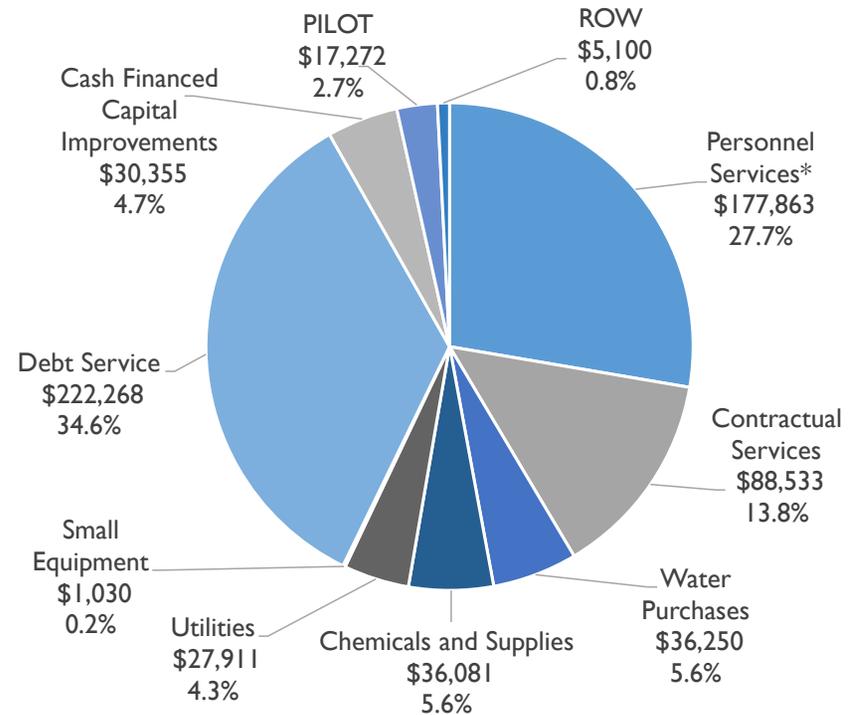
FY 2020 vs. FY 2021 Expenditure Budgets

\$ in thousands

Approved FY 2020
\$614,523



Proposed FY 2021
\$642,663



* Personnel Services includes capital labor charges



FY 2021 Proposed Operating Budget

- 💧 Total operating expenditure is projected to increase by \$28.1 million or 4.6 percent
- 💧 Total O&M expenditure is projected to increase by \$19.1 million or 5.5 percent

(\$000's)	FY 2019	FY 2019	FY 2019	FY 2020	FY 2021	(Increase)/	
	Approved	Actual	Variance	Approved	Proposed	Decrease	
Regular Pay	\$ 118,909	\$ 115,735	\$ 3,174	\$ 123,293	\$ 128,287	\$ (4,994)	-4.1%
Benefits	36,137	34,073	2,064	39,303	41,422	(2,119)	-5.4%
Overtime	7,575	8,171	(596)	8,084	8,154	(70)	-0.9%
Total Personnel Services	\$ 162,620	\$ 157,979	\$ 4,641	\$ 170,680	\$ 177,863	\$ (7,183)	-4.2%
Chemicals & Supplies	32,082	34,979	(2,897)	33,157	36,081	(2,924)	-8.8%
Utilities	26,915	25,778	1,137	26,953	27,911	(957)	-3.6%
Contractual Services	81,679	76,206	5,473	81,886	88,532	(6,647)	-8.1%
Water Purchases	30,520	32,430	(1,910)	34,929	36,250	(1,321)	-3.8%
Small Equipment	1,240	731	509	989	1,030	(41)	-4.1%
Total Non-Personnel Services	172,435	170,125	2,310	177,914	189,804	(11,891)	-6.7%
Total Operations & Maintenance	\$ 335,055	\$ 328,104	\$ 6,951	\$ 348,594	\$ 367,667	\$ (19,073)	-5.5%
Debt Service	199,025	193,035	5,990	215,340	222,268	(6,928)	-3.2%
PILOT & ROW	21,702	21,702	0	22,034	22,372	(339)	-1.5%
Cash Financed Capital Improvements	26,999	26,999	-	28,556	30,355	(1,800)	-6.3%
Total Non-O&M	247,726	241,736	5,990	265,929	274,996	(9,066)	-3.4%
Total Operating Expenditure	\$ 582,781	\$ 569,839	\$ 12,942	\$ 614,523	\$ 642,663	\$ (28,140)	-4.6%
Capital Labor Charges	(18,259)	(17,588)	(671)	(22,748)	(24,382)	1,634	-7.2%
Net Operating Expenditure	\$ 564,522	\$ 552,251	\$ 12,271	\$ 591,775	\$ 618,281	\$ (26,506)	-4.5%



FY 2020 vs. FY 2021: O&M Budget Drivers

- 💧 **Personnel Services** – \$7.2 million increase mainly for salaries, employee health benefits and overtime costs. This includes five new positions to support the DC Water Consumer Protection Amendment Act of 2018
- 💧 **Chemicals & Supplies** – \$2.9 million increase in fixed cost for major chemicals (methanol, sodium bisulfite and ferric chloride) used in the wastewater treatment process and for the maintenance requirements of the Tunnel Dewatering Pump Station (TDPS)
- 💧 **Utilities** – \$1 million increase includes the impacts of the Clean Energy DC Omnibus Act for increased renewable portfolio standards, and telecommunication costs for data network circuits, skype connectivity, backup internet and other technology solutions
- 💧 **Water Purchase** – \$1.3 million increase funds DC Water’s responsibility of approximately 75 percent of Washington Aqueduct’s operating budget
- 💧 **Contracts** – \$6.6 million increase is mainly for the Pay for Success based on the performance of the Green Infrastructure (GI) project, mandatory software maintenance, equipment maintenance and repairs, fire suppression and detection system, security guards for new facilities, credit card fees, insurance and other professional services
- 💧 **Small Equipment** – Budget is relatively flat and is mainly for the purchase of small items such as office equipment, cameras, small appliances and tools and rental of postage machines



FY 2020 vs. FY 2021: Non O&M Budget Drivers

- 💧 **Debt Service** – Increase of \$6.9 million due to existing debt and anticipated FY 2020 new money issuance
 - Refunded Series 2013A bonds for \$300 million in FY 2020; total Present Value (PV) savings of \$50.8 million and annual cash flow savings of \$2.4 to \$2.7 million through FY 2048 compared to the previous financial plan
- 💧 **PILOT** – Increase of \$0.3 million consistent with MOUs for payments to the District
- 💧 **ROW** – Remains at the FY 2020 level for payments to the District
- 💧 **Cash Financed Capital Improvements** – Increase of \$1.8 million mainly for PAYGO funding
- 💧 **Capital Labor Charges** – Increase of \$1.6 million funds personnel costs incurred on capital projects



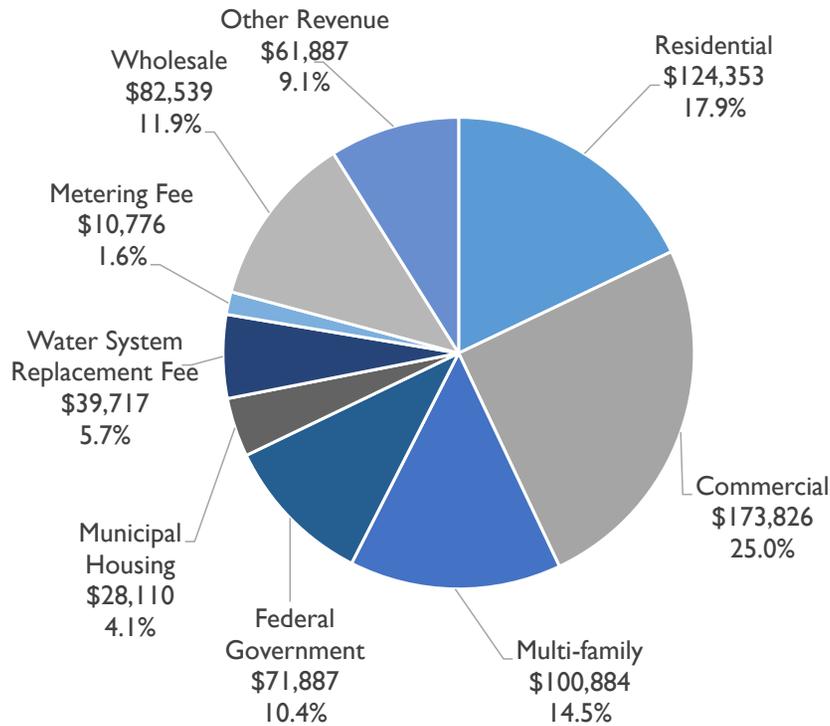
Operating Revenue



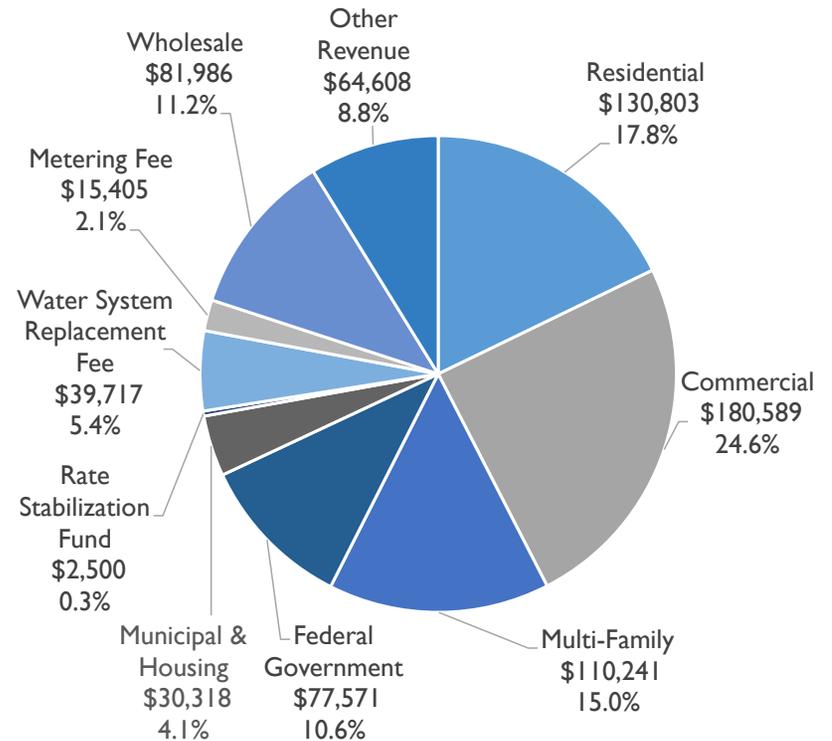
FY 2020 vs. FY 2021 Operating Revenues

\$ in thousands

Approved FY 2020
\$693,979



Proposed FY 2021
\$733,738





Revenue Comparison by Customer Class

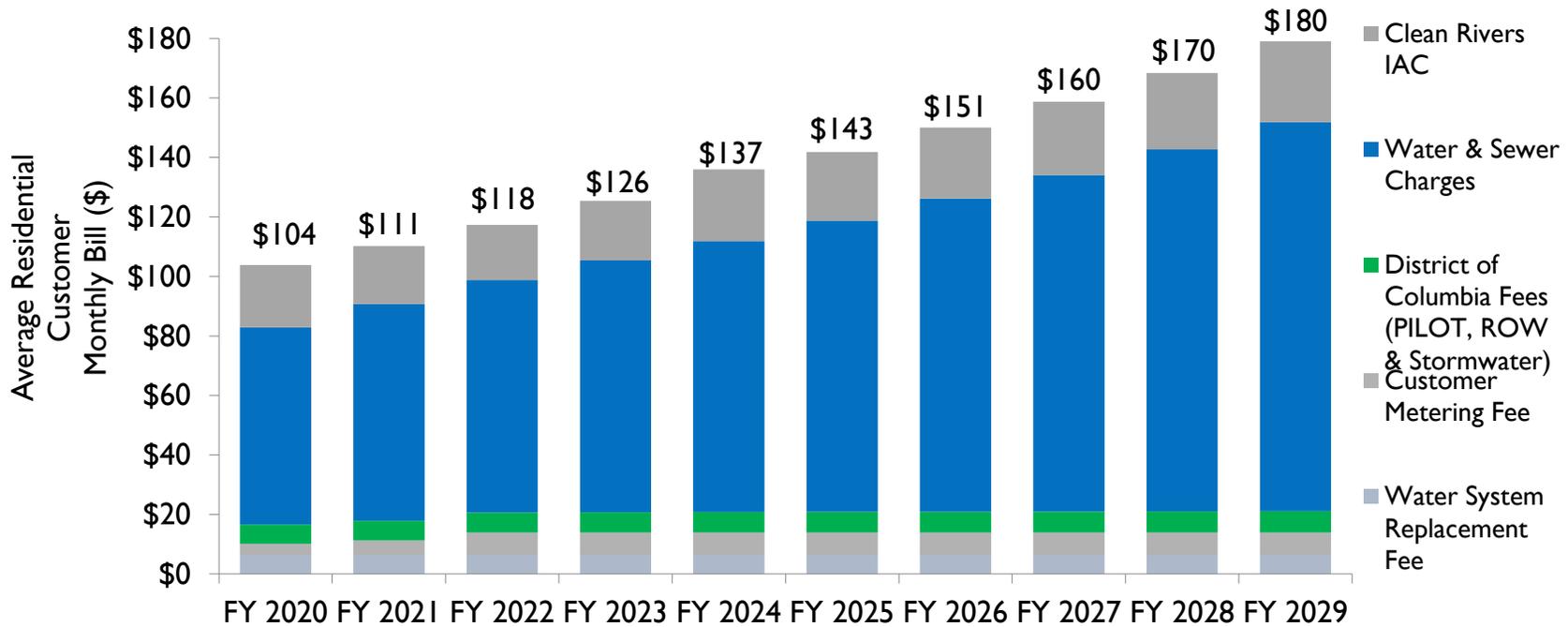
- 💧 Total revenue is projected to increase by \$39.7 million or 5.7% for FY 2021 and \$32.6 million or 4.4% for FY 2022 mainly due to rate increases
- 💧 Retail revenue is projected to increase by \$35.1 million or 6.4% for FY 2021 and \$23.0 million or 3.9% for FY 2022 due to rate increases for both years
- 💧 Wholesale revenue is projected to decrease by \$0.6 million or -0.7% for FY 2021 due to low flows and increase by \$2.5 million or 3.0% for FY 2022 due to 3.0 percent escalation

<i>\$ in thousands</i>	Approved FY 2020	Proposed FY 2021	Proposed FY 2022	FY 2021 vs FY 2020		FY 2022 vs FY 2021	
				Incr/(Decr) \$	%	Incr/(Decr) \$	%
	Retail Revenue	\$549,553	\$584,644	\$607,652	\$35,091	6.4%	\$23,008
Wholesale Revenue							
Potomac Interceptor (PI)	2,715	3,547	3,547	832	30.6%	-	-
Loudoun County Sanitation Authority (LCSA)	7,758	7,648	7,983	-110	-1.4%	335	4.4%
Washington Suburban Sanitary Commission (WSSC)	57,284	55,952	57,630	-1,332	-2.3%	1,678	3.0%
Fairfax County	14,782	14,839	15,285	57	0.4%	446	3.0%
Total Wholesale Revenue	\$82,539	\$81,986	\$84,445	-\$553	-0.7%	\$2,459	3.0%
Other Revenue	61,887	64,608	63,701	2,721	4.4%	-907	-1.4%
Rate Stabilization Fund	-	2,500	10,500	2,500	-	8,000	320.0%
Total Revenues	\$693,979	\$733,738	\$766,298	\$39,759	5.7%	\$32,560	4.4%



Projected Average Residential Customer Bill

Projected average monthly residential customer bill ranges from \$104 in FY 2020 to \$180 in FY 2029



* Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons



Rate Stabilization Fund

- Budget proposes \$13 million withdrawal over FY 2021 and FY 2022
 - \$8 million in debt service savings in the current fiscal year, plus remaining \$5 million withdrawal from Rate Stabilization Fund to be deposited in FY 2020
 - Budget makes CAP2 program permanent
- Apply \$2.5 million in FY 2021 and \$10.5 million in FY 2022
- Management recommends a Rate Stabilization Fund target that is ten percent of overall revenues
 - During the last recession, from 2007 through 2011, there was a \$41.8 million reduction in Rate Stabilization Fund balance as the Board drew funds to reduce the impact of rising rates



Customer Assistance Program Expansion

- 💧 CAP is being expanded to increase the CRIAC discount from 50% to 75%
 - Reduces bill for customers with average household consumption to 1.7% of Area Median Income (AMI)
 - Change consistent with Independent Rate Review recommendation
- 💧 CAP2 to be made permanent
- 💧 DC Water requested District Government to keep the CAP3 and CRIAC Non-Profit Relief programs



Financial Plan



Ten-Year Financial Plan Assumptions

- Maintain Debt Service as a percentage of revenue equal to 33.0 percent or less
- Maintain combined coverage of 160 percent
- Maintain 250 days of cash including Rate Stabilization Fund
- FY 2019 actual consumption declined by 1.8 percent. Assumed 1.5 percent conservation each for FY 2020 and FY 2021 and 1.0 percent in FY 2022 and onwards
- FY 2019 Debt Service was lower as compared to budget due to deferring bond issuance as well as achieving lower interest than projected. The new plan assumed lower interest rates with slightly lower Debt Service projections



Ten-Year Financial Plan

\$ in thousands

OPERATING	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<i>Retail*</i>	\$ 571,666	\$ 607,107	\$ 630,495	\$ 669,848	\$ 723,657	\$ 752,224	\$ 791,988	\$ 833,503	\$ 879,616	\$ 928,122
<i>Wholesale*</i>	82,539	81,986	84,445	86,978	89,588	92,275	95,044	97,895	100,832	103,857
<i>Other</i>	44,774	42,145	40,858	44,081	46,959	51,637	54,692	54,970	56,935	57,752
<i>RSF</i>	-	2,500	10,500	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 698,979	\$ 733,738	\$ 766,298	\$ 800,907	\$ 860,204	\$ 896,136	\$ 941,724	\$ 986,368	\$ 1,037,383	\$ 1,089,731
Operating Expenses	(347,881)	(365,658)	(376,303)	(387,553)	(399,149)	(411,101)	(423,421)	(436,120)	(449,209)	(462,701)
Debt Service	(205,137)	(222,268)	(240,497)	(257,460)	(271,238)	(286,756)	(299,489)	(315,321)	(332,807)	(348,316)
Cash Financed Capital Improvement	\$ (28,556)	\$ (30,355)	\$ (37,830)	\$ (46,889)	\$ (50,656)	\$ (60,178)	\$ (71,279)	\$ (75,015)	\$ (79,165)	\$ (83,531)
Net Revenues After Debt Service	\$ 117,405	\$ 115,456	\$ 111,668	\$ 109,005	\$ 139,161	\$ 138,101	\$ 147,535	\$ 159,912	\$ 176,202	\$ 195,183
Operating Reserve-Beg Balance	186,764	180,000	185,000	194,000	201,000	205,000	215,000	220,000	230,000	240,000
Other Misc (Disbursements)/Receipts										
<i>Wholesale/Federal True Up</i>	(5,372)	(3,184)	(5,490)	-	-	-	-	-	-	-
<i>Project Billing Refunds</i>	(4,000)	(4,000)	-	-	-	-	-	-	-	-
<i>Transfers To RSF</i>	(13,000)	-	-	-	-	-	-	-	-	-
<i>Pay-Go Financing</i>	(101,797)	(103,272)	(97,178)	(102,005)	(135,161)	(128,101)	(142,535)	(149,912)	(166,202)	(185,183)
Operating Reserve - Ending Balance	\$ 180,000	\$ 185,000	\$ 194,000	\$ 201,000	\$ 205,000	\$ 215,000	\$ 220,000	\$ 230,000	\$ 240,000	\$ 250,000
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ (74,450)	\$ (71,950)	\$ (61,450)	\$ (61,450)						
Senior Debt Service Coverage	459%	502%	533%	513%	616%	647%	632%	618%	660%	769%
Combined Debt Service Coverage	171%	172%	169%	170%	179%	177%	181%	182%	184%	187%
Actual/Projected Water/Sewer Rate Increases	11.5%	9.9%	7.8%	8.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
*Operating Receipts \$ Increase/Decrease										
<i>Retail</i>	7,460	35,441	23,388	39,353	53,809	28,567	39,764	41,514	46,113	48,507
<i>Wholesale</i>	423	(554)	2,460	2,533	2,609	2,688	2,768	2,851	2,937	3,025
*Operating Receipts % Increase/Decrease										
<i>Retail</i>	1.3%	6.2%	3.9%	6.2%	8.0%	3.9%	5.3%	5.2%	5.5%	5.5%
<i>Wholesale</i>	0.5%	-0.7%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

⁽¹⁾ Includes interest earnings on senior lien revenue bonds' debt service reserve fund

⁽²⁾ FY 2021 planned transfers of \$0.0 million to Rate Stabilization Fund and \$2.5 million utilization will bring the total fund balance to \$71.95 million



Financial Metrics

Metrics	Indenture Requirement	Board Policy	Management Target
Days of Cash on Hand	—	\$125.5 million or 120 Days	250 Days
Combined Coverage Ratio	—	—	1.6X
Senior Coverage	1.2X	1.4X	—
Subordinate Coverage	1.0X	1.0X	—
Debt Service as a % of Revenue	—	—	33% of Revenue or Less
Rate Stabilization Fund	—	—	10% of Revenue



Value of Robust Credit Ratings

- Upgrades beyond current credit ratings unlock significant value given size and scope of new money capital plan and potential refinancings
- 20-year average life for \$2 billion of capital borrowing

Rating	Yield Differential vs. AAA Rating	Individual Bond Sale (\$200 million)			Aggregate Capital Program (\$2 billion)		
		Annual Cost Differential (\$200 million)	Total Cost Differential (Through Maturity)	PV at 3.50%	Annual Cost (\$2 billion)	Total Cost Differential (Through Maturity)	PV at 3.50% (\$200MM Issued Annually)
AAA	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA+	0.10%	200,000	4,000,000	2,708,463	2,000,000	40,000,000	22,700,481
AA	0.20%	400,000	8,000,000	5,416,927	4,000,000	80,000,000	45,400,961
AA-	0.25%	500,000	10,000,000	6,771,158	5,000,000	100,000,000	56,751,201
A+	0.35%	700,000	14,000,000	9,479,622	7,000,000	140,000,000	79,451,682
A	0.45%	900,000	18,000,000	12,188,085	9,000,000	180,000,000	102,152,162
A-	0.60%	1,200,000	24,000,000	16,250,780	12,000,000	240,000,000	136,202,883

Note: for demonstrative purposes only. Assumes 20-year average credit spreads as of January 2020. Each \$100 million issue assumed structured as a 20-year bullet maturity at par.



Select Peer Group

Selected Peer	Type	Moody's Rating (Senior)	S&P Rating (Senior)	Total Operating Revenues (\$000s)	Total Annual Debt Service (\$000s)	Debt Ratio	Long Term Debt (\$000s)	Total Debt Service Coverage	DS as a % of Total Operating Revenues	Days Cash on Hand	Average Bill as % of Median Effective Buying Income
Atlanta, GA	Water & Sewer	Aa2	AA-	488,089	206,344	44.7%	3,158,564	2.6x	42.3%	1,356	4.1%
Charlotte, NC	Water & Sewer	Aaa	AAA	424,327	148,053	36.6%	1,471,334	1.9x	34.9%	960	1.8%
Dallas, TX	Water & Sewer	Aa2	AAA	668,624	202,597	46.3%	2,719,857	1.9x	30.3%	269	1.6% ¹
DC Water	Water & Sewer	Aa1	AAA	684,502	178,400	44.8%	3,273,034	2.2x	26.1%	280	1.6%
Louisville MSD, KY	Sewer	Aa3	AA	294,368	135,021	58.3%	1,959,198	1.6x	45.9%	283	1.3% ¹
Metro St. Louis Sewer District, MO	Sewer	Aa1	AAA	401,109	84,025	41.0%	1,510,664	2.9x	21.0%	516	1.2% ¹
NE Ohio Regional Sewer District	Sewer	Aa1	AA+	326,059	101,881	50.5%	1,619,111	2.1x	31.3%	798	2.8%
NYC Water	Water & Sewer	Aa1	AAA	3,819,799	694,100	92.0%	30,045,906	3.6x	18.2%	305	2.1%
San Antonio, TX	Water & Sewer	Aa1	AA+	691,046	152,442	44.2%	2,843,030	2.5x	22.1%	539	1.9%

Source: Moody's Financial Ratio Analysis database, as of January 31, 2020. Various S&P Reports for Bills as a % of Monthly EBI. All data as of FY2018 for San Antonio, DC Water, Dallas and NE Ohio. All other data as of FY2019
 1: Calculated based on S&P methodology. Not available from S&P



Rating Agency Viewpoint

Summary of Rating Agency Views		
Moody's Investors Service	Standard & Poor's	Fitch Ratings
Aa1 (Sr.) / Aa2 (Sub.) / P-1 (Short-term) Stable Outlook	AAA (Sr.) / AA (Sub.) / A-1+ (Short-term) Stable Outlook	AA+ (Sr.) / AA (Sub.) / FI+ (Short-term) Stable Outlook
Strengths		
<ul style="list-style-type: none"> — Large service area bolstered by considerable wealth and institutional presence — Excellent rate management record — Liquidity is solid, and indenture requirements and board policies will protect the authority's cash position in the future — Strong financial metrics because the utility has consistently raised rates to ensure good debt service coverage — No unfunded pension or OPEB liability 	<ul style="list-style-type: none"> — Robust service area that includes highly rated entities in D.C., Maryland, and Virginia — Strong financial management, including conservative financial forecasts and a detailed CIP — Governing board's demonstrated willingness to adjust rates — View that the management team remains committed to balancing environmental stewardship and a socially responsible agenda with ongoing financial commitments — Liquidity and reserves that include high levels of unrestricted cash and investments 	<ul style="list-style-type: none"> — Essential service provider to a large and economically diverse territory with an affluent customer base — Affordable user charges and demonstrated ability / willingness to raise rates, which is done independently of outside oversight — Rate structure aligned towards greater fixed cost recovery — Strong financial margins and healthy liquidity — Projections include rate increases sufficient for stable debt service coverage metrics
Challenges		
<ul style="list-style-type: none"> — Heavy capital needs, in part from regulatory mandates — Need for further rate increases to support substantial capital plan with falling consumption 	<ul style="list-style-type: none"> — Downward pressure could come from a precipitous collapse in financial performance, a change in the way the federal government pays the Authority, or prolonged interruption in operations 	<ul style="list-style-type: none"> — Elevated debt and large CIP — Rating stability will depend on the authority's ability and willingness to continue to adjust and structure rates to maintain financial results in line with historical results and to accommodate rising debt



Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing



Intent to Reimburse Capital Expenditures

- The Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing is approval to reimburse DC Water for “Costs of the System” as defined in the Master Indenture; allows DC Water to reimburse itself for capital expenditures with debt proceeds
- For FY 2020 and FY 2021 the amount requested is \$650 million; DC Water has three years from the time of the last expenditure to make the reimbursement
- As part of the request to issue a specific series of debt in the future, the Board will be asked to adopt a specific resolution that confirms the intent for the actual amount financed (i.e. \$350 million for 2021 Series A and B) with actual reimbursed expenses



Next Steps



Management Recommendations

Management recommends that the committee recommend the following to the full Board for approval:

- 💧 Proposed FY 2021 Operating Expenditure Budget of \$642.7 million
- 💧 Proposed FY 2020 – FY 2029 Capital Disbursements of \$5.45 billion and Lifetime Project Budget of \$12.39 billion
- 💧 Proposed FY 2020 – FY 2029 Financial Plan, including the revenue requirements to support the operating and capital budgets
- 💧 Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing



Committee Recommendations & Actions

	Environmental Quality & Operations	DC Retail Water & Sewer Rates	Finance & Budget
FY 2020 - FY 2029 Capital Budget (Disbursements & Lifetime)	Action Taken February 20, 2020		Action Required
FY 2021 Operating Budget			Action Required
Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing			Action Required
FY 2020 – FY 2029 Financial Plan		February 25, 2020	Action Required
FY 2021 & 2022 Rates, Charges & Fees		February 25, 2020	



Appendix



Proposed FY 2021 & FY 2022 Rates, Charges & Fees

	Units	Approved FY 2020	Proposed FY 2021	Proposed FY 2022	Incr./(Decr.) FY 2021		Incr./(Decr.) FY 2022	
					\$	%	\$	%
DC Water Retail Rates – Water:								
Residential – Lifeline (0- 4 Ccf)	Ccf	\$3.06	\$3.49	\$3.63	\$0.43	14.1%	\$0.14	4.0%
Residential – (> 4 Ccf)	Ccf	4.10	4.50	4.74	0.40	9.8	0.24	5.3
Multi-family	Ccf	3.54	3.96	4.15	0.42	11.9	0.19	4.8
Non-Residential	Ccf	4.25	4.65	4.91	0.40	9.4	0.26	5.6
DC Water Retail Rates – Sewer	Ccf	8.89	9.77	10.64	0.88	9.9	0.87	8.9
DC Water Clean Rivers IAC	ERU	20.94	19.52	18.40	-1.42	-6.8	-1.12	-5.7
DC Water Customer Metering Fee	5/8”	3.86	4.96	7.75	1.10	28.5	2.79	56.3
DC Water System Replacement Fee	5/8”	6.30	6.30	6.30	-	-	-	-
District of Columbia PILOT Fee	Ccf	0.51	0.54	0.56	0.03	5.9	0.02	3.7
District of Columbia Right of Way Fee	Ccf	0.19	0.19	0.19	-	-	-	-
District of Columbia Stormwater Fee	ERU	2.67	2.67	2.67	-	-	-	-



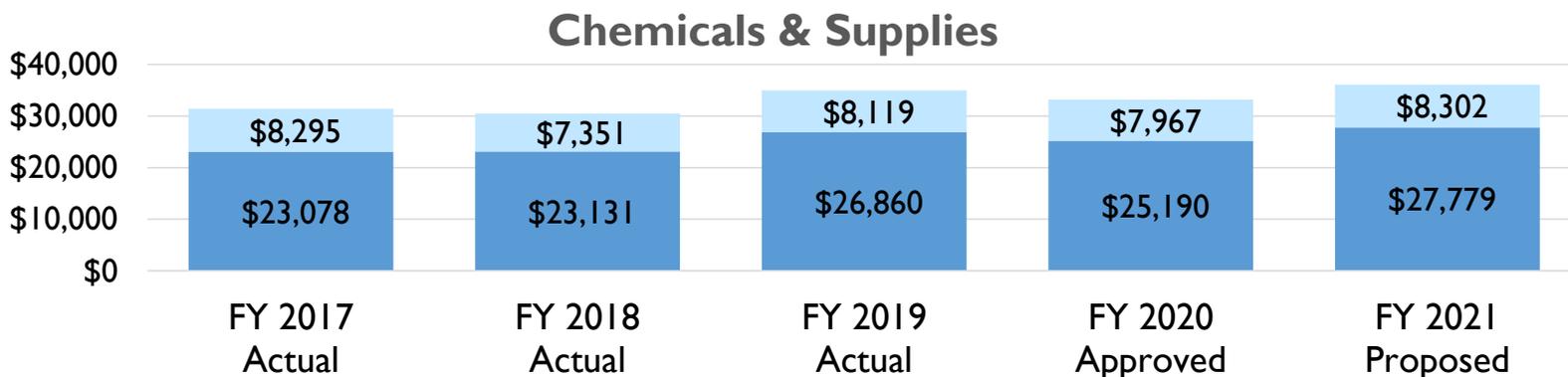
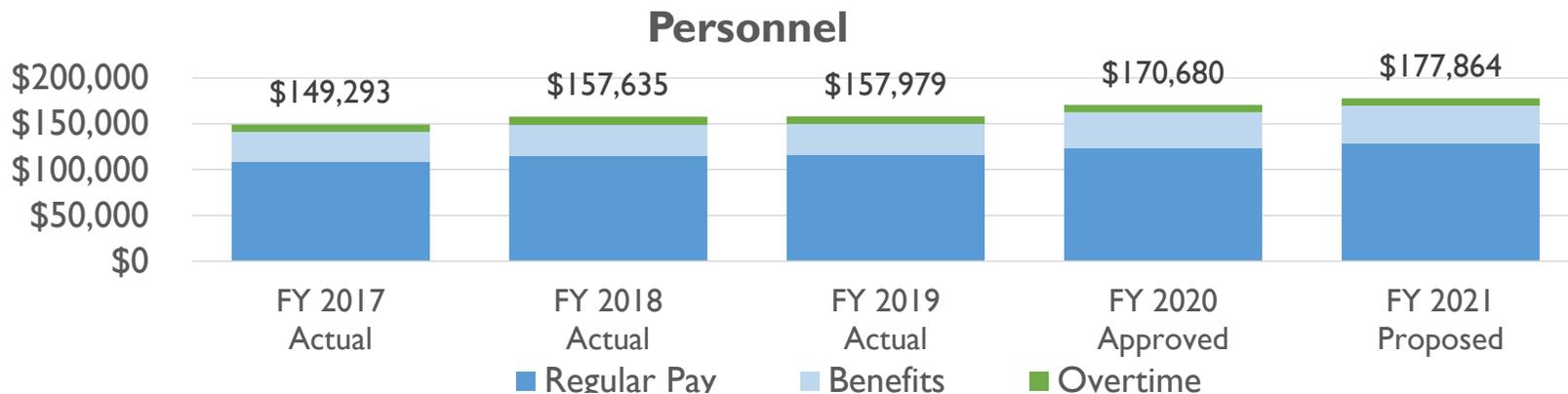
Customer Metering Fee

- In FY 2019, the Metering Fee recovered \$11.6 million
 - In FY 2003, established Metering Fee at \$2.01 for 5/8” meter
 - In FY 2011, increased Metering Fee to \$3.86 for 5/8” meter
 - Originally fee amount set to cover the capital costs of the original Automated Meter Infrastructure (AMI) system and meter purchase and installation (debt service) plus about \$4 million of Customer Service costs
- Current Cost of Service Study recommends recovering \$24.1 million in FY 2022, consistent with independent rate review recommendation
 - Includes costs associated with metering and billing
 - Customer assistance, shutoff/restore, and leak adjustment etc. remain in the volumetric charges
 - Proposed FY 2021 fee recovers \$15.4 million, all the debt service and coverage plus about half of the full Customer Service O&M allocation (\$4.96 for a 5/8” meter)
 - Proposed FY 2022 fee adds the additional half of Customer Service allocation for a total of about \$24.1 million (\$7.75 for a 5/8” meter)



Historical & Projected O&M Trends

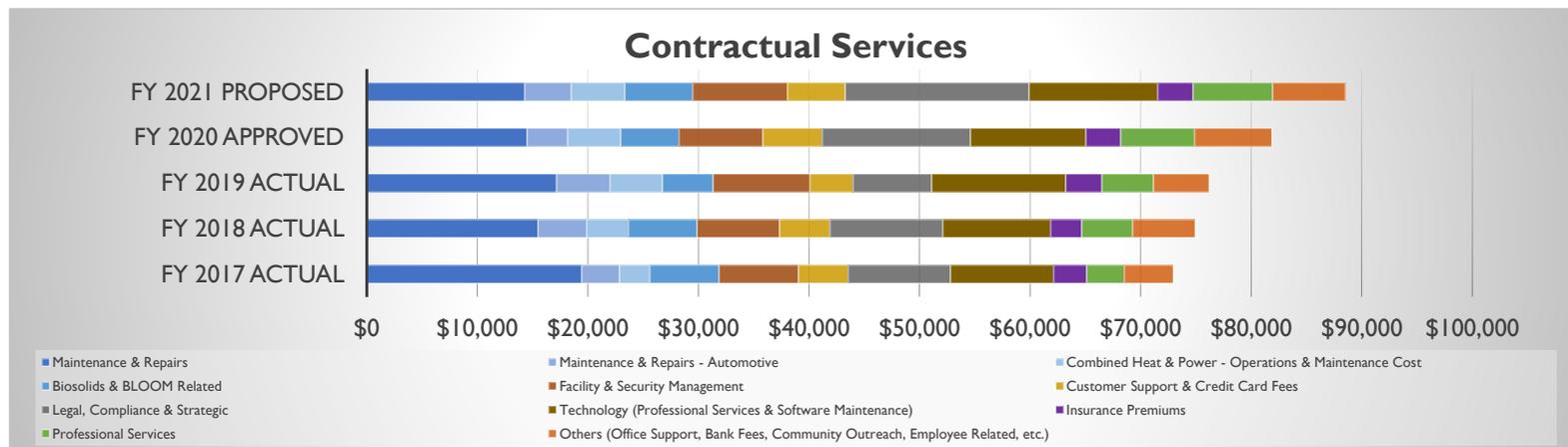
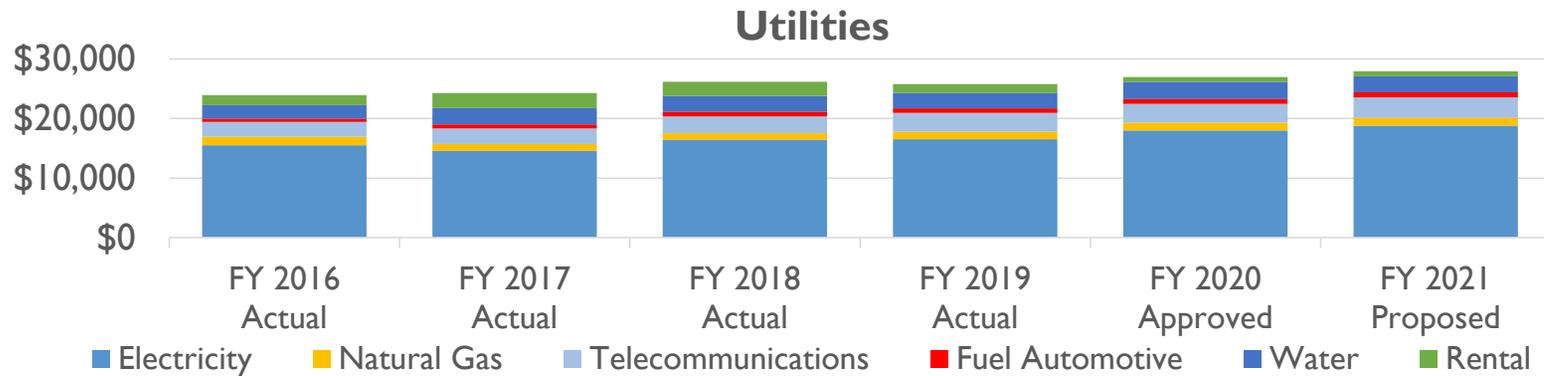
\$ in thousands





Historical & Projected O&M Trends, cont.

\$ in thousands





Historical & Projected O&M Trends, cont.

\$ in thousands

Water Purchases



Small Equipment



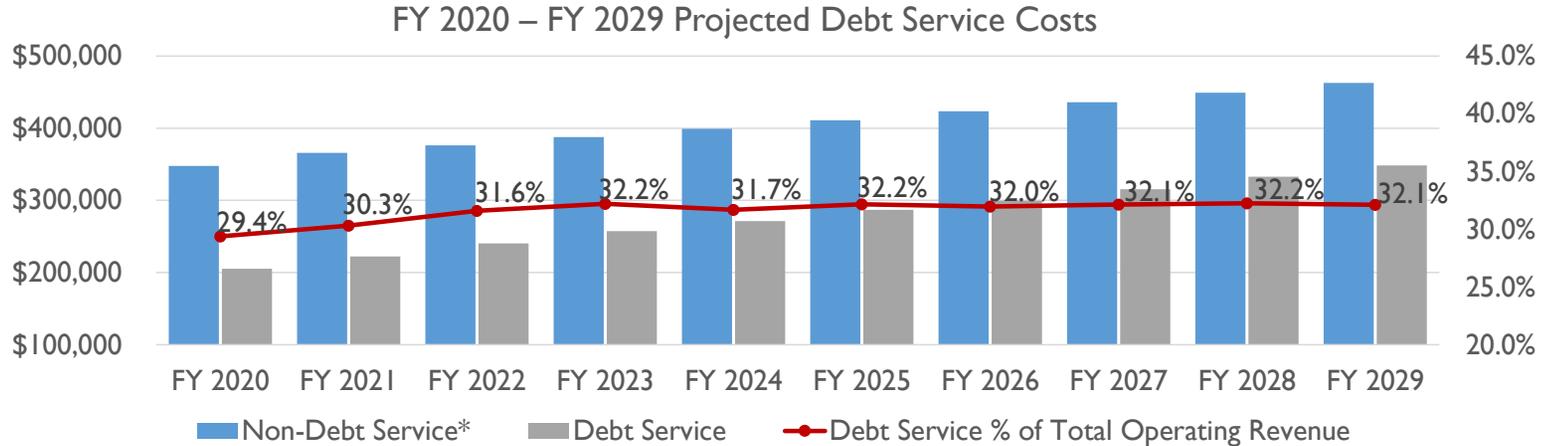


Projected Debt Service Costs

Debt service is the largest driver in the operating budget

- Represents 37.8% of the total operating expenditure budget and 30.3% of total revenue in FY 2021
- Over the next ten years, about \$2.4 billion is anticipated to be borrowed to fund capital expenditures
- Debt service cost is projected to grow from \$205.1 million in FY 2020 to \$348.3 million by FY 2029 (approx. 70% increase)

\$ in thousands



* Non-Debt Service includes O&M, PILOT, ROW and CFCI estimates



Merchant Credit Card Fees Update and Plan Forward

Presentation to the Finance and Budget Committee
February 25, 2020

District of Columbia Water and Sewer Authority





Purpose

- Update the Committee on efforts to reduce credit card costs



Payment Types

DC Water accepts customer payments various ways

Merchant Account	Payment Type	Payment Gateway
Alternate Payment Sites (Walk-Ins)	Cash (Cash or Debit)	Western Union
IVR (Interactive Voice Response)	Credit Card	PayPal
WEB (Website/Online)	Credit Card	Kubra
One-Time IVR or WEB	Debit Card (ACH)	Kubra
RCC (Recurring Credit Card)	Credit Card	Kubra
Permits (Construction)	Credit Card	Bank of America
Lockbox (PO Box 97200)	Checks	TD Bank
Bill Pay (Electronic Funds Transfer)	EFT (ACH)	TD Bank
Electronic Check	E-Check (ACH)	Kubra
Text to Pay	Text (ACH)	Kubra
PDF Secure Pay	Email (ACH)	Kubra
<i>Water Quality (Fire Hydrant)</i>	Credit Card	Bank of America



Brand Association for DC Water

- Currently, DC Water accepts the following merchant card (credit/debit) brand associations
 - VISA, Master Card, and Discover

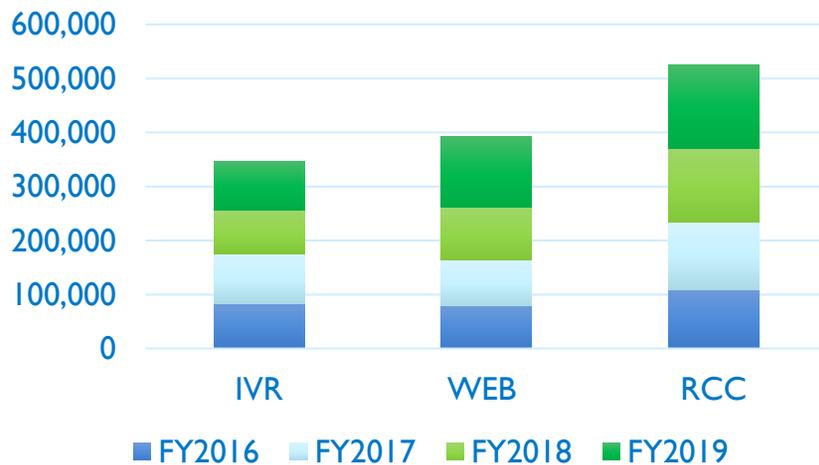




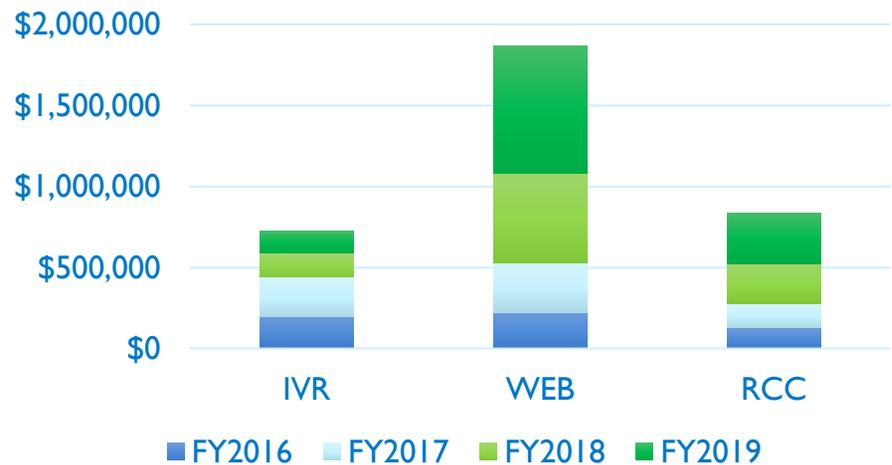
Credit Card History

- 💧 Total number of credit card transactions have increased from 272,742 in FY2016 to 378,399 in FY2019 (average growth of 12% per year)
- 💧 The credit card fees have increased from \$555 thousand in FY2016 to \$1.2 million in FY2019 (average growth of 34% per year)

Number of Transactions



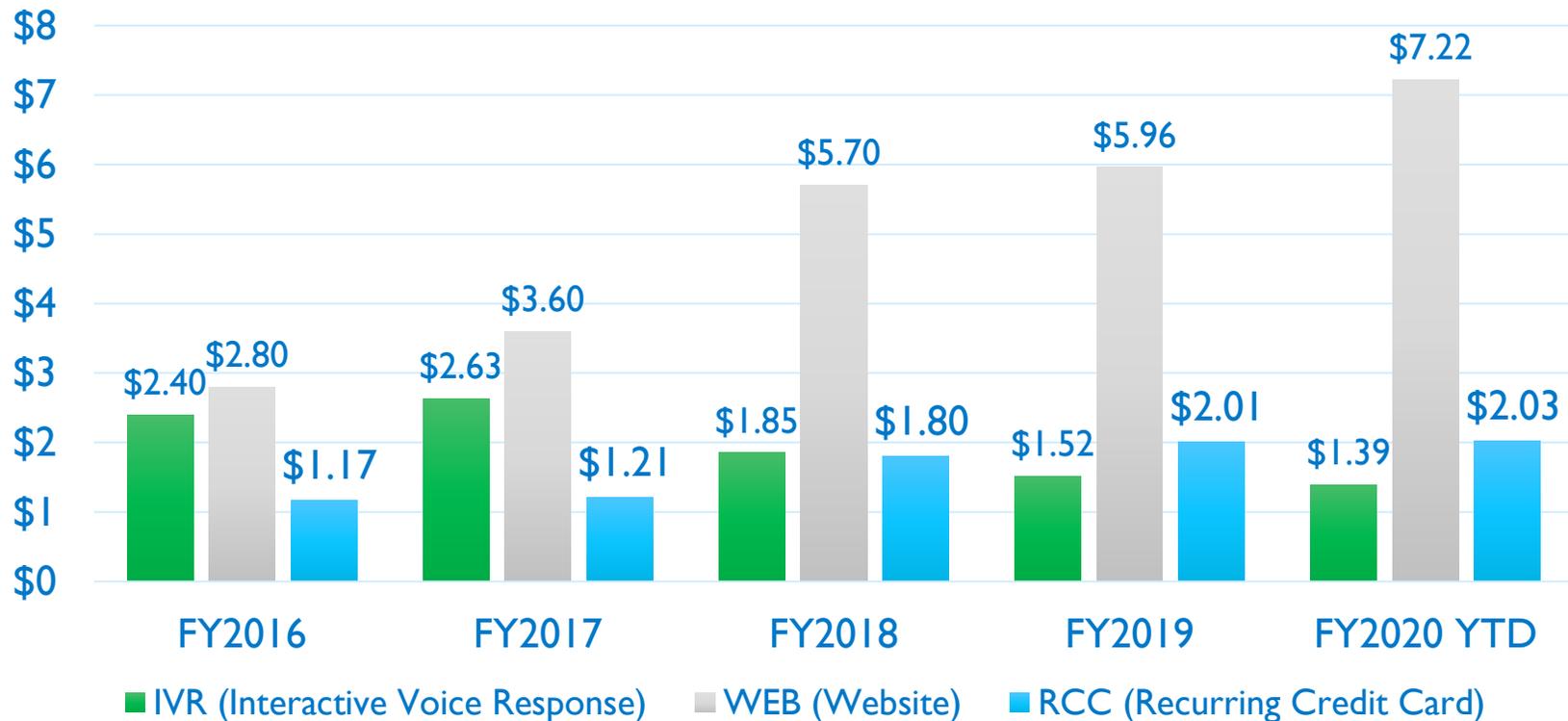
Total Amount of Fees





Average Credit Card Fee per Transaction

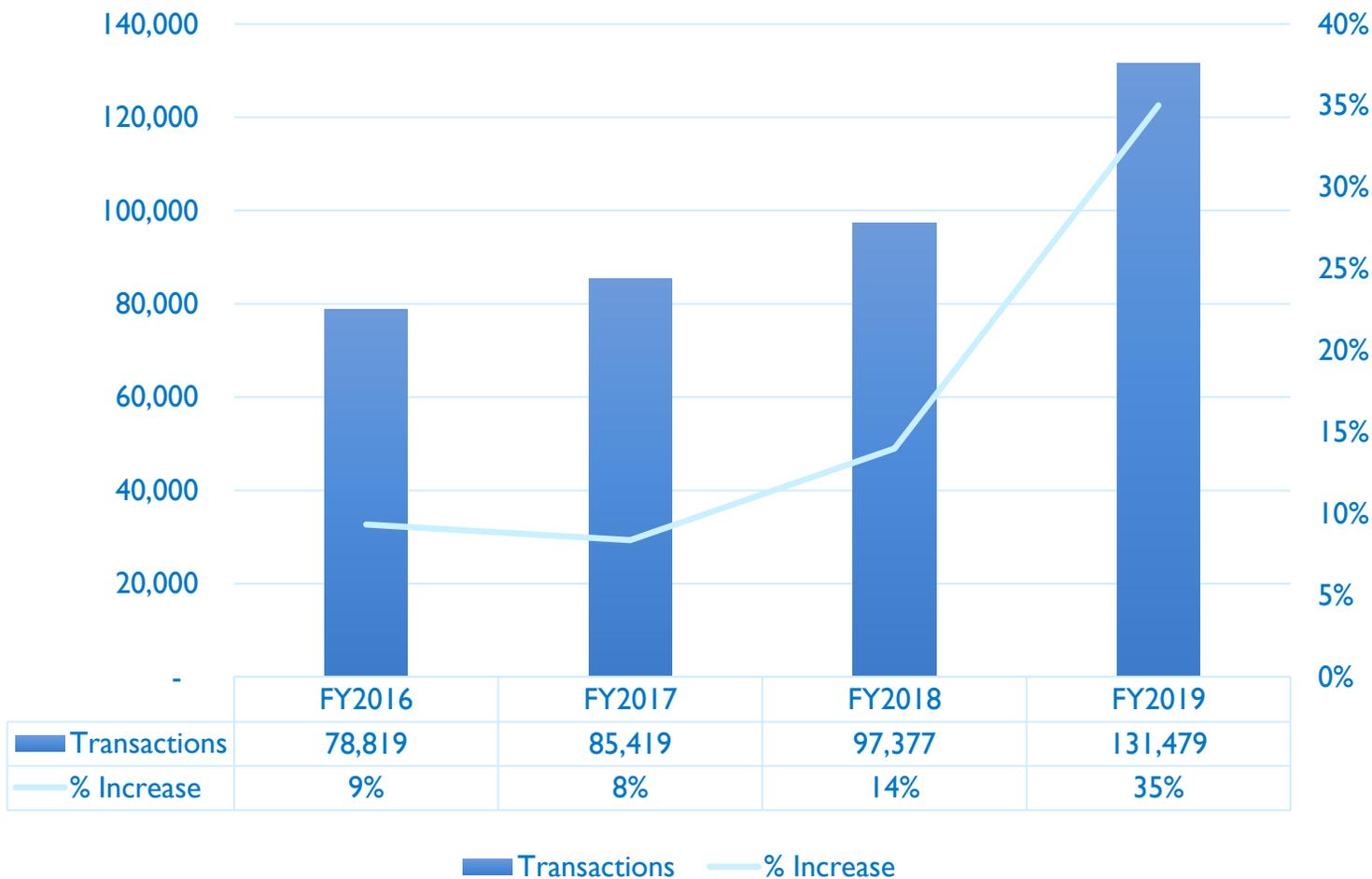
- 💧 Credit card payments projected to average \$3.71 per transaction for FY2020 (Q1 data from Oct-Dec)
- 💧 Credit card fees projected to cost \$1.6 million in FY2020





WEB Credit Card Transactions

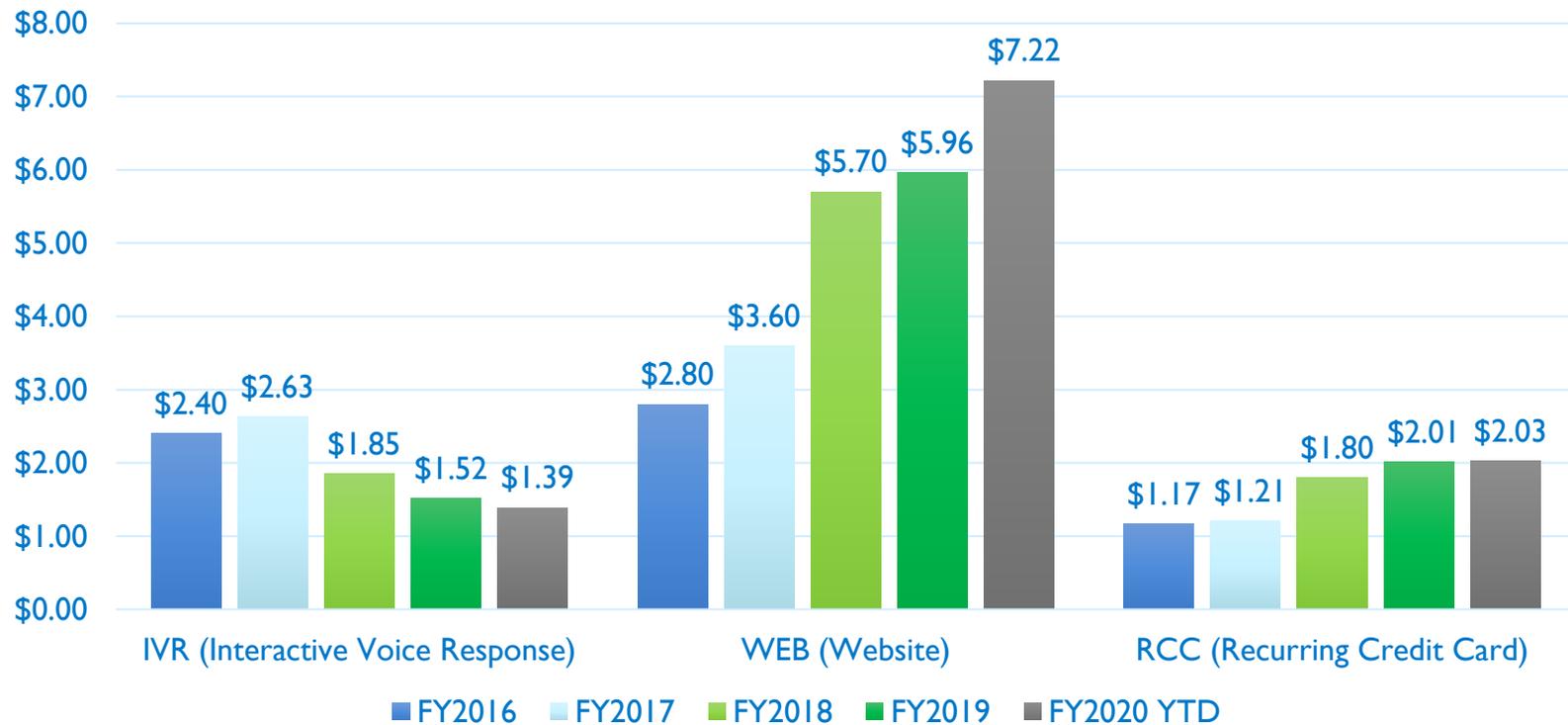
💧 The number of WEB credit card transactions have increased by 12% on average from FY2016 – FY2019





WEB Average Fee per Transaction

- WEB credit card payments are projected to average \$7.22 per transaction for FY2020 (Q1 data from Oct-Dec)
- WEB credit card fees projected to cost \$1 million for FY2020





WEB Processing Concerns

- The increase in WEB transactions and fees have increased costs for DC Water each year from FY2016 – FY2019
- Payment aggregators or proxies are using their rewards cards via corporate credit cards (i.e. fleet card, fuel cards, etc.) to process payments, while DC Water absorbs the fees
 - Aggregators or management companies create accounts for business owners and make WEB credit/debit card payments on their behalf
 - Aggregators are shifting from lower cost ACH payments averaging \$0.20 per transaction to higher cost WEB payments averaging \$7.22 per transaction
 - DC Water cannot discriminate against different card types



ACH Shift to WEB Processing Comparison

Example of one commercial customer who converted from ACH payment processing to WEB from FY2017 – FY2019

- DC Water average costs, via ACH, total \$335 from FY2017 – FY2019
- DC Water comparison costs via, merchant card, total \$10,547

DC Water non-residential cost comparison shows a projected percentage increase at 2001% over four years

Fiscal Year	No of Transactions	ACH Revenue Amount	Average ACH Cost	DC Water Average Cost
FY2017	838	\$ 17,326,656.74	\$ 0.20	\$ 167.60
FY2018	727	17,921,195.97	0.20	145.40
FY2019	109	8,327,811.48	0.20	21.80
Sub Totals	1,674	\$ 43,575,664.19		\$ 334.80
* FY2020	836	\$ 26,249,007.45	\$ 0.20	\$ 167.20
* FY2020 statistics are not actual			4 Year Total	\$ 502.00

Fiscal Year	No of Transactions	Merchant Card Amount	Merchant Card Cost	DC Water Comparison Cost
FY2017	838	\$ 17,326,656.74	\$ 2.33	\$ 1,952.54
FY2018	727	17,921,195.97	3.03	2,202.81
FY2019	109	8,327,811.48	3.27	356.43
FY2020	836	26,249,007.45	7.22	6,035.92
			4 Year Total	\$ 10,547.70
			Increase (\$)	\$ 10,045.70
			Increase (%)	2001%



WEB Profile vs WEB Guest

- The WEB portal is one of several payment channels for DC Water customers

Profile Account	Non-Profile Account
<ul style="list-style-type: none"> • Authenticated • Customers create a profile account with DC Water to input their account number, service address, and credit card information to make payments 	<ul style="list-style-type: none"> • Unauthenticated or Guest portal • Customers enter account number and dollar amount only • Bypasses critical credit card steps to validate card information
<ul style="list-style-type: none"> • Customers need to log-in • Validates a Level 2 or Level 3 authentication level for better merchant card pricing 	<ul style="list-style-type: none"> • Customers do not need to log in • Level 1 results in the most expensive way for a business to accept a credit card, and less information is required from customers



Plan Forward



Lower Fee Plan

💧 Non-Viable Options

- Payment gateway fee problem

💧 Viable Options

- Pass all fees to credit card processing customers
 - DC Water loses utility rate
- RFP for payment gateway services
- Block all non-residential credit card processing
 - DC Water fee solution



Payment Gateway Fee Problem

- DC Water could negotiate with a payment gateway vendor to provide a contractual lower flat fee for merchant card services where DC Water
 - Payment gateway services will provide a lower flat fee for merchant card processing, but ACH fee would increase
 - Potential average \$2.00 per transaction fee for merchant card and ACH payments combined
 - Credit card costs will decrease, but ACH costs will increase

Fee Type	Transactions	Fee	DC Water Cost
Merchant Card	420,000	\$2.00	\$840,000
ACH	550,000	\$2.00	\$1,100,000
Total	970,000	\$2.00	\$1,940,000



Pass Fee to CC Customers

- 💧 Contract payment gateway services for a lower flat fee
- 💧 Payment gateway vendor would charge an average of \$8.00 per transaction for merchant (credit/debit) card customers
 - Fees based on number of customers and transactions processed
 - Fewer customers equal increased fee costs
- 💧 Costs absorbed by DC Water
 - Credit/debit card costs will be \$0.00 annually
 - ACH costs could range from \$100,000 - \$125,000 annually

Fee Type	Transactions	Fee	DC Water Cost	Customer Cost
Merchant Card	420,000	\$8.00	\$0.00	\$3,360,000
ACH	550,000	\$0.20	\$110,000	\$0.00



DC Water Loses Utility Rate

- If a fee is passed to any customer, DC Water loses the utility rate
- Example – If DC Water wanted to pass fee to Com/MF/Merch and continue to absorb fee for Residential customers, DC Water would lose the utility rate of \$0.75 per customer
 - $\$0.75 + 1.00\% - 1.50\% \text{ rewards} = \$1.75 - \$2.25$ per transaction



RFP for Payment Gateway

- If DC Water issued a payment gateway RFP, it would include merchant card services to decrease the number of payment channels and potentially reduce contractual costs

- Current payment gateway vendors
 - Kubra

 - PayPal

 - Bank of America Merchant Services (BAMS)

- Current merchant card services contract through BAMS
 - Merchant services solicitation began Dec 2018



Block Non-Residential CC Processing

- Block all non-residential credit card processing to allow only residential customers to make credit card payments
- This will eliminate payment aggregators from processing high end rewards cards across all of DC Water's payment type platforms
- DC Water's credit card processing fees will be reduced



DC Water Fee Solution Example

- DC Water can use the Customer Service Information (CIS) system Vertex One/SAP (VI) to block all non-residential customers from processing credit card payments
- FY2019 breakdown of merchant card and ACH approximate transactions by customer class, according to CIS-VI data

FY2019	Approximate	Average Fee	DC Water Cost
Merchant Card	380,000	\$3.27	\$1.2 million
ACH	550,000	\$0.20	\$110,000
Current Process	FY2019	Average Cost	\$1.3 million

FY2020	Approximate	Average Fee	DC Water Cost
Merchant Card	370,000	\$2.00	\$740,000
ACH	600,000	\$0.20	\$120,000
Future Process	FY2020	Average Cost	\$860,000



Next Steps

💧 RFP for payment gateway services to include

- Lower merchant card (credit/debit) fee to a contractual fixed fee
 - Possibly \$2.00 or less
- Combine payment gateway services and merchant service

💧 Block all non-residential credit card processing options

- By blocking all non-residential credit card processing options, DC Water can maintain the utility rate
- Upgrade costs to customer information system (VI/SAP)



Appendix



Credit Card Historical Data

💧 The total number of credit card fees and transactions from FY2016 – FY2019

Merchant IDs	FY2016		FY2017		FY2018		FY2019	
	Transactions	Fees	Transactions	Fees	Transactions	Fees	Transactions	Fees
810 First St (Business Office)	1,182	2,814.49	-	178.75	-	-	-	-
IVR (Interactive Voice Response)	83,146	199,417.45	91,516	240,742.13	80,859	149,567.65	91,649	138,887.62
WEB (Website)	78,819	220,909.22	85,419	307,147.05	97,377	555,190.20	131,479	784,101.34
RCC (Recurring Credit Card)	109,333	127,683.99	124,953	151,146.10	136,996	246,235.91	154,723	310,356.76
Permits (Construction)	262	4,342.19	385	4,638.86	530	5,330.37	548	3,630.76
Total Credit Card Processing	272,742	555,167.34	302,273	703,852.89	315,762	956,324.13	378,399	1,236,976.48



Rolling Owner Controlled Insurance Program (ROCIP)

February 25, 2020

Purpose

- ~ Provide ROCIP Progress Update
- ~ Inform the Committee concerning plans to move forward with ROCIP 5

Agenda

	Slide
Background and History	5
Internal Audit Results	6
ROCIP Goals and Accomplishments	11
Current Programs Overview and Results	15
Status report on recent activity	19
Next Steps	22

Overview

An Owner Controlled Insurance Program - OCIP is an alternative insurance program in which a project owner provides and maintains insurance coverages to protect the owner, design builders, prime contractors and subcontractors working on identified projects; OCIP's are typically used on large construction projects involving multiple contractors and subcontractors.

OCIPs provide an opportunity to achieve:

- Strengthened construction risk management, risk reduction, alternative insurance program
- Multiple interest coverage using master insurance policies
 - Allows for multiple insureds to be bundled (or wrapped up) into one combined and controlled program
- Mutually identified insurance coverage including higher limits
- Uniform insurance claims handling, loss prevention and safety
- Joint defense, limited cross-liability and coordinated post-loss management

A “Rolling” OCIP (ROCIP) covers a long-term capital improvement program or similar group of separate projects.

Background and History

2003 Study	<ul style="list-style-type: none">• Project to improve the Authority's Insurable Risk Management and Construction Insurance Practices
2004 ROCIP 1	<ul style="list-style-type: none">• Program authorized to facilitate DCWASA Goals through 4-15-2012
2009 ROCIP 2	<ul style="list-style-type: none">• For Construction projects starting between 10-15-2009 and 10-15-2012 with project completion by 4-15-16
2012 ROCIP 3	<ul style="list-style-type: none">• For Construction projects starting 10-15-2012 / 11-15-2015 and complete by 10-15-17
2015 ROCIP 4	<ul style="list-style-type: none">• For Construction projects starting 11-15-2015 and complete by 10-15-2020. The Northeast Boundary Tunnel Project is extended to 12-30-22
2016 Internal Audit	<ul style="list-style-type: none">• DC Water's Internal Audit conducted a ROCIP savings review

Internal Audit Key Findings - July 2016

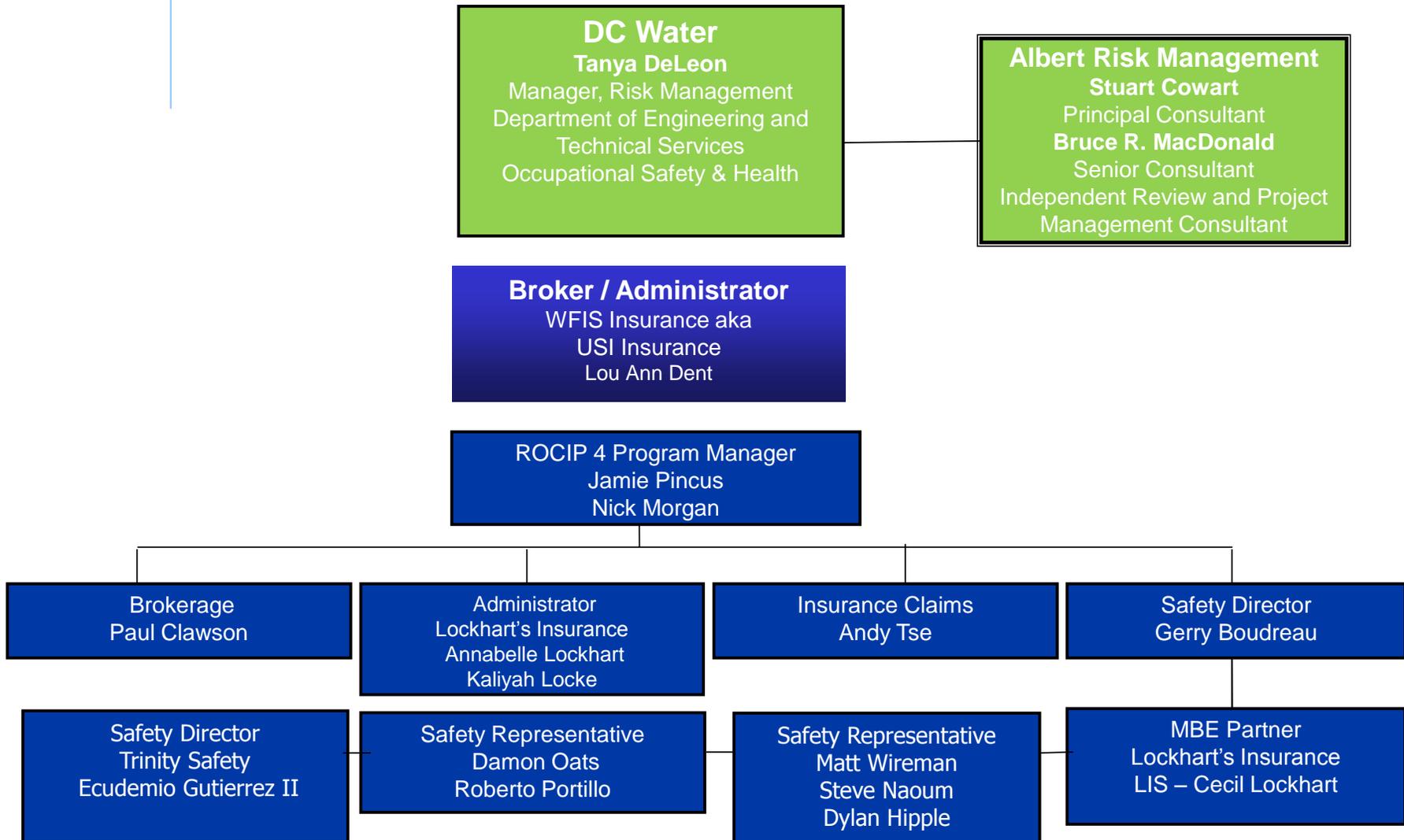
- Since inception, ROCIP covered over 140 projects with approximate construction value of \$3 billion
- In October 2015, original AON (Broker/Administrator 2004-2015) projected savings was \$22.9 million. Adjusted RSM (Internal Auditor) project savings was \$22 million
- As of February 2016, estimated project savings were \$23 million
- The audit validated the estimated project savings reported were reasonably stated

Other Entities Utilizing OCIPs

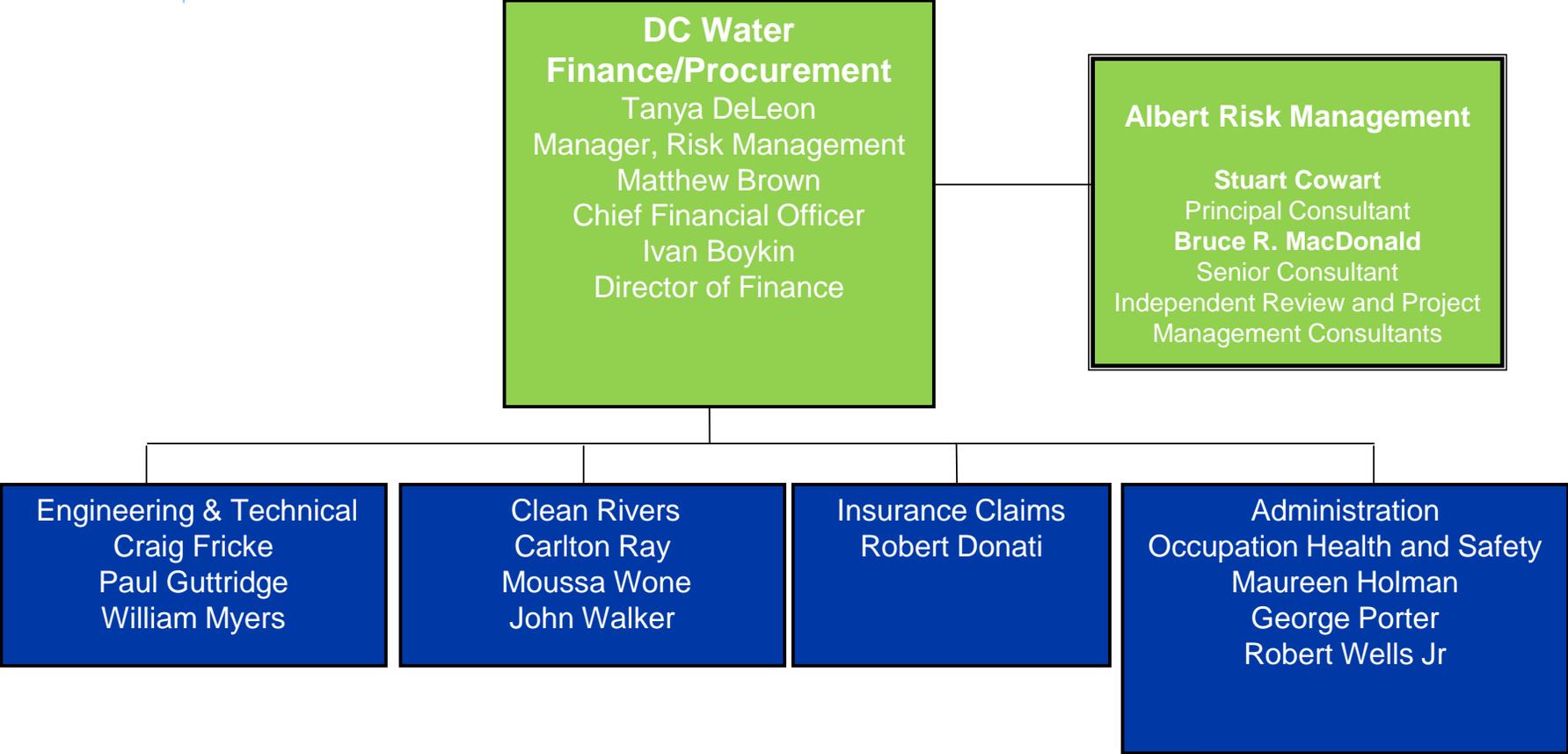
- Citizen's Energy Group
- Metropolitan Washington Airports Authority
- Utah Department of Transportation
- Silicon Valley Clean Water
- State of Maryland

DC WATER'S ROCIP PROGRAM

ROCIP 4 Team Composition



DC Water ROCIP Team



Program Goals

- Availability of controlled insurance terms and condition protection with higher dedicated limits for contractors (provides better protection for DC Water)

- An opportunity for lower construction costs resulting from:
 - Lower overall insurance costs
 - Volume discounts on insurance purchases;
 - Reduced losses from effective, comprehensive, safety and loss control programs;
 - Lock in insurance rates over several years

- Targeted, superior, safety programs are included
 - Multiple layers of oversight are initiated
 - Contractor accountability is enhanced

Program Goals (*Continued*)

- Simplified insurance claims procedures
 - Reduced litigation since one insurance company defends all protected parties in a lawsuit
 - Increased ability to influence the claim handling and outcome
 - Reduction in delays that may result from sorting out multiple insurers and agendas

- Substantial reduction in the amount of time required for obtaining certificates of insurance from contractors

- Insurance requirements no longer an obstacle for contractors bidding work
 - Barriers removed for Minority Business Enterprise and Women Business Enterprise firms

Major Accomplishments

Broader Insurance Coverage with Higher Limits

- All enrolled contractors have dedicated limits and comprehensive coverage
- \$200 million in excess liability coverage under the ROCIP
- Completed Operations coverage extended to Statute of Repose (Ten Years)

Lower Construction Costs with Reduced Avoided Insurance Costs

- Purchasing insurance for the Contractors on a wholesale basis generates insurance savings for DC Water; on target for significant avoided costs savings as demonstrated by successful avoided contractor costs for ROCIP 1, 2, 3 & 4
- DC Water has maximized its purchasing power because of the large volume of the Capital Improvement Program

Enhanced Risk Services for Claims Handling and Loss Prevention

- Quarterly insurance claim review with Insurers/ Adjusters
- All enrolled contractors are required to adhere to DC Water safety standards for their safety programs for their work
- Centralized oversight of all Contractor safety
- Additional safety staff reflects strong commitment to safety by DC Water

Major Accomplishments (*Continued*)

Reduced Litigation

- Single insurance carrier for all enrolled Contractors minimized claim costs
- No subrogation suits, Status ~16 Open claims - \$35,000 open reserves

Insurance requirements are no obstacle for Contractors

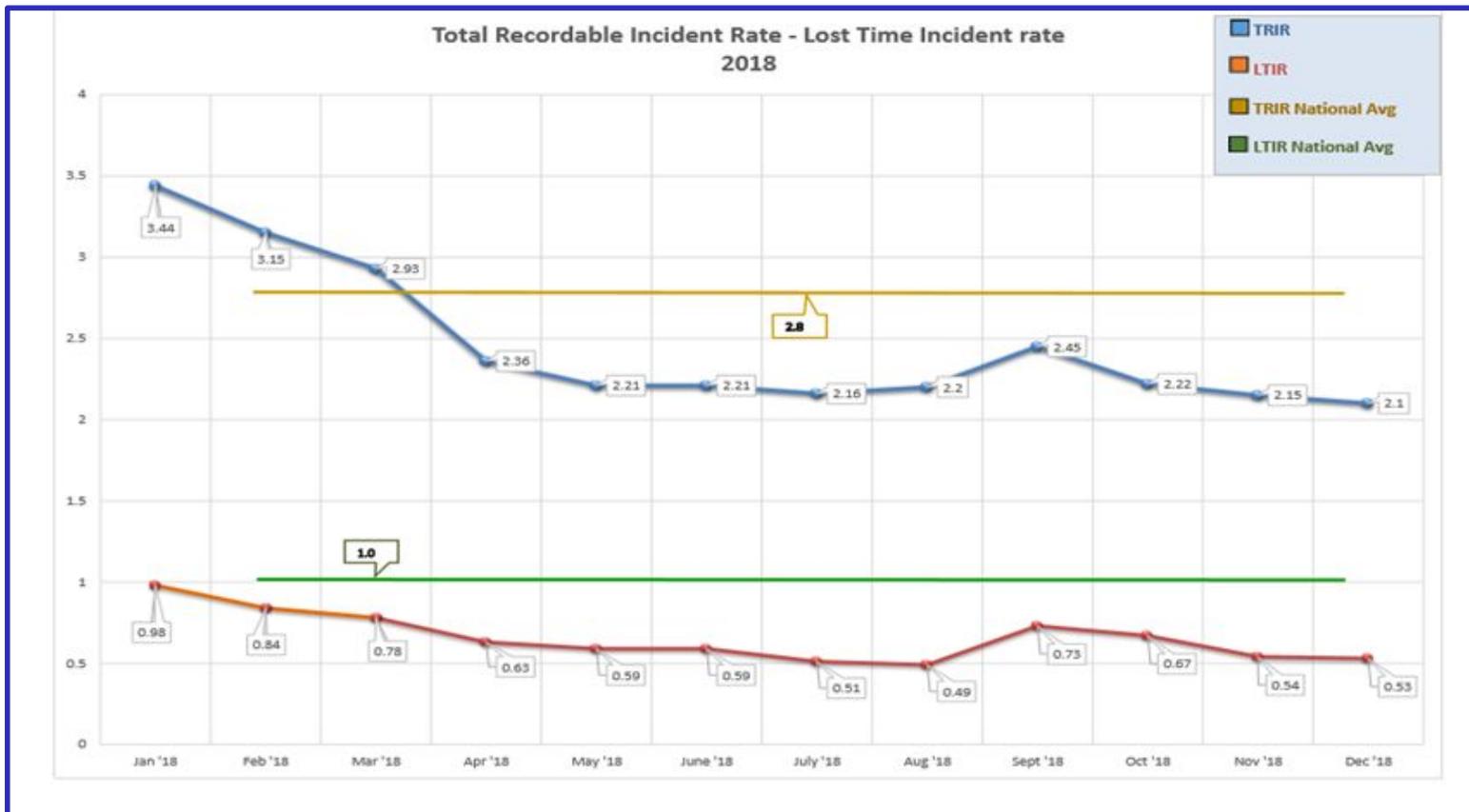
- Allows and encourages Design Builders & Prime Contractors to hire sub-contractors that might not be able to work without ROCIP program in place
- Contractors without high limits of insurance can win bids
- Helps local small business build experience to develop their businesses
- Qualified Minority Business Enterprise and Women Business Enterprise participants may evolve and end up bidding as Prime Contractors on future jobs
- DC Water Minority Business Enterprise and Women Business Enterprise participation rate has been above national wrap-up average participation rate

ROCIP 4 Program Overview

- Insurance Plan Components
 - Combined Workers Compensation and General Liability **paid** loss rating plan includes a fixed premium rate based upon Contractor site payroll
 - Deductible \$500,000 per line per loss deductible \$750,000 all lines per loss “clash”
 - Maximum aggregate stop loss rate locked, amount variable based on actual contractor payroll
- General Liability Limits are \$2 million/\$4 million per Occurrence/Aggregate
 - Extended Term Completed Operations
- Excess General Liability limits are \$200 million – **ROCIP 4 limit increased**
- Workers Compensation limits are statutory (DC)
- Employers Liability limits are \$1 million

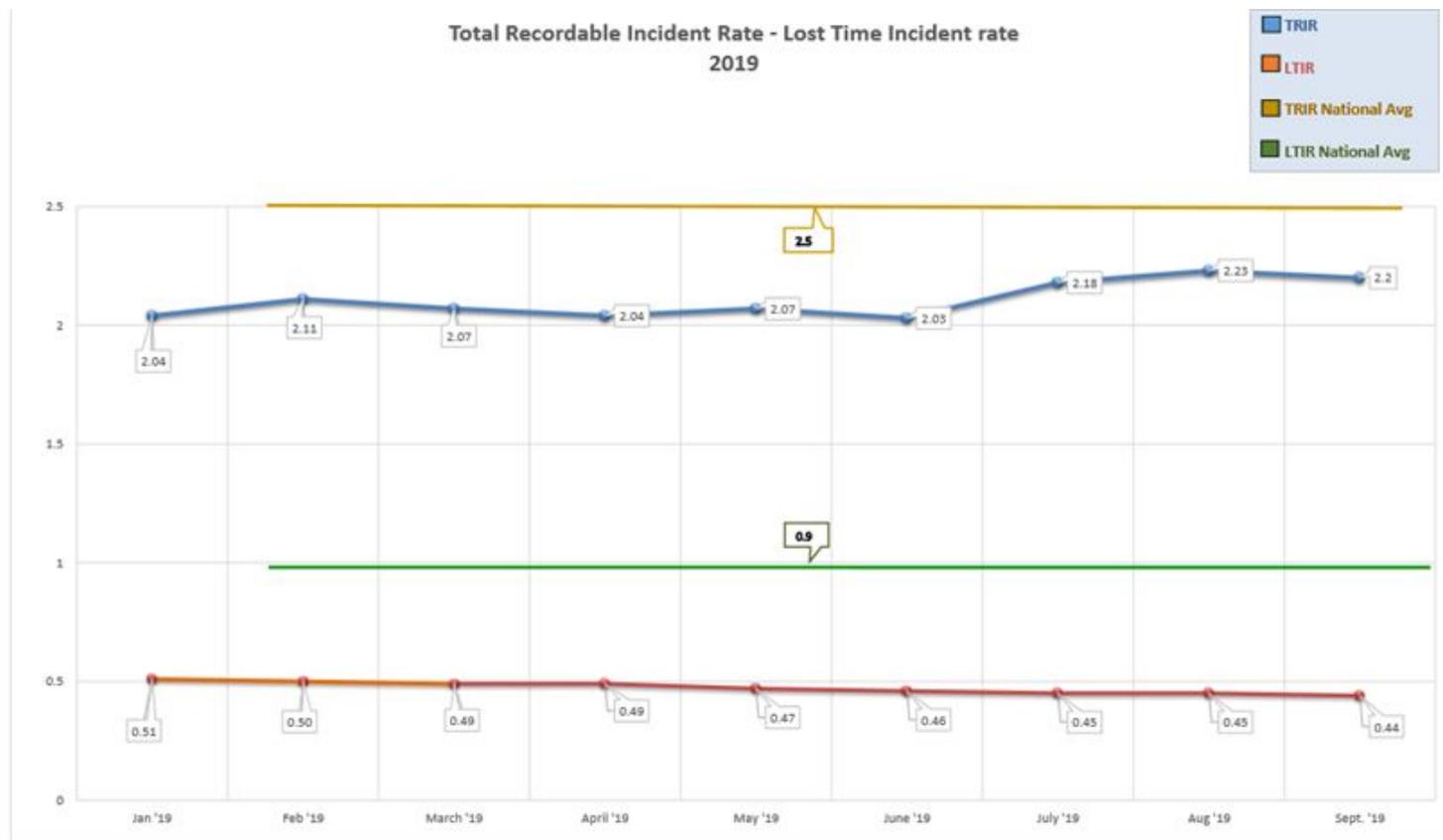
2018 Total Recordable and Lost Time Incidence Rates (TRIR and LTIR)

- DC Water's safety performance is below the national averages for the Total Recordable and Lost Time Incidence Rates (TRIR and LTIR)



2019 Total Recordable and Lost Time Incidence Rates (TRIR and LTIR)

- DC Water's safety performance continues to trend below the national averages for the Total Recordable and Lost Time Incidence Rates (TRIR and LTIR)



Program Utilization

	ROCIP 1 10/15/04 to 10/15/09	ROCIP 2 10/15/09 to 10/15/12	ROCIP 3 10/15/12 to 10/15/15	ROCIP 4 11/15/15 to 10/15/20*	ROCIP 1- 4 Total
# of Projects Included	65	47	46	51	209
# of Contractors Covered	403	771	841	382	2,397
Construction Value	\$ 598 M	\$1,185 M	\$1,191 M	\$ 981 M	\$ 3,995 M
Contractor Payroll	\$102 M	\$ 214 M	\$ 220 M	\$ 243 M	\$779 M
Verified Avoided Insurance Cost	\$ 5.4 M	\$ 11.2 M	\$ 8.1 M	\$ 5.8 M	\$ 30.5 M
As of 9/1/2019					

* North East Boundary Tunnel extended through 2022

Program Costs as of 9/1/19

	ROCIP 1 10/15/04 to 10/15/09	ROCIP 2 10/15/09 to 10/15/12	ROCIP 3 10/15/12 to 10/15/15	ROCIP 4 11/15/15 to 10/15/20*	ROCIP 1 - 4 Total	% of Construction Value
Construction Value	\$598 M	\$1,185 M	\$1,191 M	\$ 981 M	\$ 3,995 M	
Contractor Payroll	\$102 M	\$214 M	\$220 M	\$ 243 M	\$779 M	19%
Insurance Premium & Broker Administration	\$8.1M	\$14.1M	\$16.1M	\$15.4 M	\$53.7 M	1.3%
Insurance Claims	<u>\$5.1 M</u>	<u>\$5.8 M</u>	<u>\$8.6 M</u>	<u>\$2.4 M</u>	<u>\$21.9 M</u>	<u>0.6%</u>
ROCIP Program Total	\$13.2 M	\$19.9 M	\$24.7 M	\$17.8 M	\$75.6 M	1.9%
Contractor's Insurance Cost	(\$18.6) M	(\$31.1) M	(\$32.8) M	(\$23.6) M	(\$106.1) M	(2.7%)
Avoided Insurance Cost	\$ 5.4 M	\$ 11.2 M	\$ 8.1 M	\$ 5.8 M	\$ 30.5 M	0.8%
As of 9/1/2019						

* North East Boundary Tunnel extended through 2022

Key Observations

- Documented avoided insurance cost benefit opportunities (\$30.5M)
- Actual insurance claim loss rates are equal to or better than actuarial forecasts for ROCIP 1, ROCIP 2, ROCIP3, 3A and *ROCIP 4 (to date). *ROCIP 4 forecast at \$10,796,313 and actuals \$2,425,374.
- Utilization is high and all other program factors are on or exceeding forecast
- High level of Minority Business Enterprise and Women Business Enterprise contractor 26% participation rate - 144 contracts awarded
- Measurable safety performance benchmarks continue to surpass local and national comparison benchmarks
- This multi department initiative continues to promote an opportunity for enhanced internal information sharing/communication and construction risk management and risk reduction beneficial practices

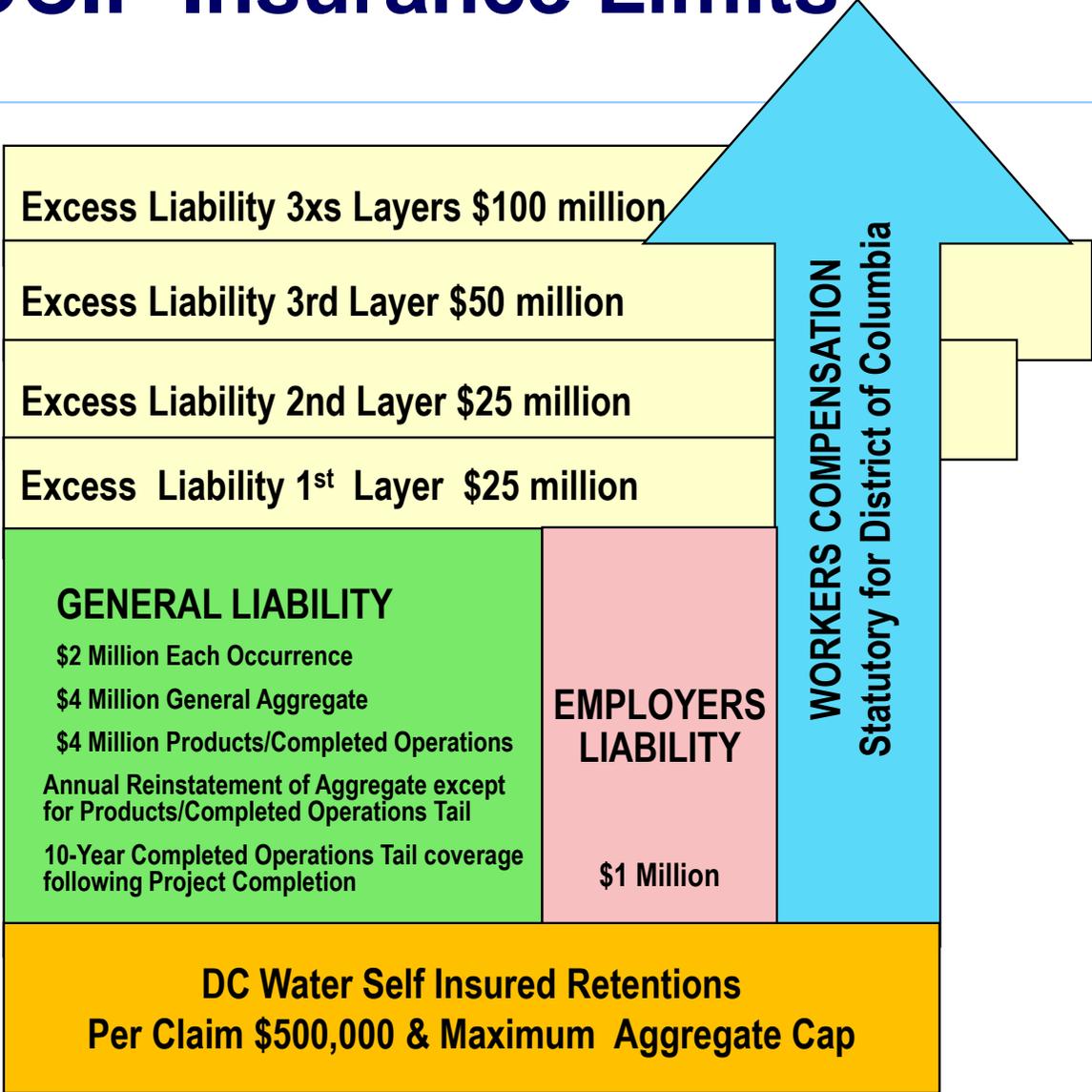
Program Costs ~ Feasibility

	ROCIP 3 Completed	ROCIP 4 In Progress	ROCIP 5 Forecast 7/20 - 10/25	
Construction Value	\$1,191 M	\$ 981 M	\$1,200 M	
Contractor Payroll	\$220 M	\$ 243 M	\$240 M	
Insurance Premium Broker Administration	\$16.1 M	\$15.4 M	\$17.0 M	
Insurance Claims Paid and Reserved-Incurred	<u>\$8.6 M</u>	<u>\$2.4 M</u>	<u>\$11.2 M</u>	
ROCIP Total	\$24.7 M	\$17.8 M	\$28.2 M	
Contractor's Insurance Cost	(\$32.8) M	(\$23.6) M	(\$32.4) M	
Verified/Estimated Avoided Insurance Cost	\$ 8.1 M	\$5.8 M	\$4.2 M	
As of 9/1/2019				

Next Steps

- Given our prior successes with avoided costs, extended coverage/protection and market availability, the team will move forward with a ROCIP 5 procurement action for term October 2020-October 2025.
- Continued Broker/Administrator/Safety Model
- Insurance Companies selected following completed Broker marketing
- Board Action anticipated April 2020

ROCIP Insurance Limits



ATTACHMENT 6

FINANCE & BUDGET COMMITTEE

ACTION ITEMS

FY 2021 BUDGET

**FINANCE AND BUDGET COMMITTEE
FISCAL YEAR 2021 PROPOSED OPERATING BUDGET ACTION ITEM**

ACTION ITEM 6A: Proposed FY 2021 Operating Budget

The Proposed FY 2021 Operating Budget to be considered by the Board of Directors totals \$642,663,000, including \$25,000 for representation and \$15,000 for official meetings.

Operations & Maintenance Expenditures	\$367,667,000
Debt Service	222,268,000
Cash Financed Capital Improvements (CFCI)	30,356,000
Payment In Lieu of Taxes (PILOT)	17,272,000
Right of Way Fee (ROW)	5,100,000
	\$274,996,000
Subtotal (Debt Service/CFCI/PILOT/ROW)	
Proposed FY 2021 Operating Budget	\$642,663,000

**FINANCE AND BUDGET COMMITTEE
FISCAL YEAR 2020 – FY 2029 PROPOSED CAPITAL IMPROVEMENT
PROGRAM
ACTION ITEM**

ACTION ITEM 6B: FY 2020 – FY 2029 Proposed Capital Improvement Program (10-Year Disbursement Plan and Lifetime Budget)

DC Water presents its capital improvement program on two different bases:

- a. **10-Year Disbursement Plan** – The cash disbursement-based capital plan is utilized to forecast the timing and amount of capital financing, which is the primary basis for projected retail rate increases. As shown in Attachment A-1, the Board of Directors will be asked to approve a 10-year disbursement plan of \$5.45 billion.
- b. **Lifetime Budget** – The project lifetime budget reflects the total costs of each project active during the 10-year planning period. These costs include historical and projected spending, project contingencies, and labor (listed as separate line item). As shown in Attachment A-1, the Board of Directors will be asked to approve a lifetime budget of \$12.39 billion.

Capital Improvement Program

10-Year Disbursement Plan - projected annual cash disbursements, \$ in thousands

Attachment A-1

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	10-Yr Total	Lifetime Budget
NON PROCESS FACILITIES												
Facility Land Use	42,066	31,849	20,665	6,831	11,058	10,396	3,901	3,553	3,560	3,600	137,479	221,841
Subtotal	42,066	31,849	20,665	6,831	11,058	10,396	3,901	3,553	3,560	3,600	137,479	221,841
WASTEWATER TREATMENT												
Liquid Processing	24,516	42,496	43,069	48,748	44,909	31,792	66,989	68,544	99,413	103,740	574,216	1,266,857
Plantwide	17,387	32,784	42,213	30,735	37,879	23,127	18,231	25,062	20,506	9,902	257,826	525,997
Solids Processing	19,847	27,314	27,424	25,852	22,754	15,761	12,658	6,027	10,476	12,858	180,971	924,507
Enhanced Nitrogen Removal Facilities	15,786	382	672	1,897	1,770	-	-	2,206	1,861	11,665	36,239	980,940
Subtotal	77,536	102,976	113,378	107,232	107,312	70,680	97,878	101,839	132,256	138,165	1,049,252	3,698,301
COMBINED SEWER OVERFLOW												
DC Clean Rivers Program	162,197	147,565	179,833	129,272	67,536	59,909	148,771	103,265	88,890	115,049	1,202,288	2,764,255
Combined Sewer Program Management	1,287	1,792	2,237	2,972	3,028	2,050	2,629	2,515	3,125	2,519	24,154	77,756
Combined Sewer Overflow Program	7,952	7,701	10,579	13,581	13,703	6,518	4,070	5,057	5,847	9,916	84,924	199,729
Subtotal	171,436	157,058	192,649	145,824	84,267	68,476	155,470	110,837	97,863	127,484	1,311,366	3,041,740
STORMWATER												
Storm Local Drainage Program	12	22	688	594	1,267	1,948	1,164	1,792	1,970	1,709	11,166	18,025
Storm On-Going Program	1,011	631	1,109	837	866	526	875	843	1,084	1,287	9,069	11,540
Storm Pumping Facilities	5,310	8,392	4,923	2,259	2,854	1,865	1,698	1,353	3,430	1,755	33,839	61,204
Storm DDOT Projects	-	-	-	-	-	-	-	-	-	-	-	3,237
Stormwater Program Managemet	410	445	582	367	405	321	464	318	385	306	4,003	12,889
Stormwater Trunk/Force Sewers	126	141	233	113	-	-	-	-	-	-	613	15,510
Subtotal	6,869	9,631	7,535	4,170	5,392	4,660	4,201	4,306	6,869	5,057	58,690	122,404
SANITARY SEWER												
Sanitary Collection System	4,613	8,134	33,564	18,009	24,312	33,040	52,923	68,745	65,771	61,043	370,154	569,040
Sanitary On-Going Projectsss	12,099	12,327	13,711	13,667	14,185	15,019	15,253	15,111	15,312	14,842	141,529	217,969
Sanitary Pumping Facilities	2,570	5,995	6,924	8,240	5,068	10,468	11,639	11,933	27,732	33,628	124,196	270,778
Sanitary Program Management	4,150	5,464	7,014	5,132	3,913	3,103	3,174	3,900	4,064	4,335	44,250	119,050
Interceptor/Trunk Force Sewers	21,501	32,006	54,327	43,062	44,084	76,710	76,826	77,100	62,993	60,184	548,794	918,096
Subtotal	44,933	63,926	115,541	88,110	91,562	138,341	159,814	176,789	175,873	174,032	1,228,922	2,094,934
WATER												
Water Distribution Systems	33,872	60,464	62,606	65,093	58,654	64,372	65,350	99,075	117,595	121,131	748,211	1,446,953
Water Lead Program	4,711	5,408	5,387	5,456	5,627	5,719	5,496	5,744	5,877	5,692	55,117	243,504
Water On-Going Projects	10,532	11,075	12,297	13,351	15,199	16,789	18,583	20,447	22,981	23,506	164,761	217,972
Water Pumping Facilities	1,525	2,650	12,169	6,284	2,567	4,218	7,446	4,163	2,328	-	43,350	85,344
DDOT Water Projects	1,721	10	8	-	-	-	-	-	-	-	-	1,739
Water Storage Facilities	6,216	4,318	10,399	13,963	5,610	4,783	11,334	8,985	694	1,360	67,662	155,164
Water Service Program Management	3,587	4,752	6,012	4,854	5,248	5,884	8,110	8,376	5,441	3,008	55,272	90,944
Subtotal	62,163	88,677	108,878	109,000	92,905	101,765	116,319	146,791	154,916	154,697	1,136,112	2,273,813
CAPITAL PROJECTS	405,004	454,118	558,645	461,168	392,496	394,318	537,584	544,115	571,337	603,035	4,921,821	11,453,035
CAPITAL EQUIPMENT												
	17,105	27,327	30,485	29,385	30,070	30,070	30,070	30,070	30,070	30,070	284,722	284,722
ONGOING METER REPLACEMENT												
	5,498	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	31,868	31,868
ERP PROJECT (Financial & HCM)												
	9,100	6,950	375	-	-	-	-	-	-	-	16,425	16,425
Subtotal	31,703	37,207	33,790	32,315	33,000	33,000	33,000	33,000	33,000	33,000	333,015	333,015
WASHINGTON AQUEDUCT												
	15,515	16,266	18,572	37,841	12,699	33,875	9,508	12,863	24,068	13,971	195,178	195,178
ADDITIONAL CAPITAL PROGRAMS	47,218	53,473	52,362	70,156	45,699	66,875	42,508	45,863	57,068	46,971	528,193	528,193
LABOR												
												409,370
TOTAL CAPITAL BUDGETS	452,223	507,590	611,008	531,323	438,195	461,193	580,092	589,978	628,404	650,006	5,450,013	12,390,598

**FINANCE AND BUDGET COMMITTEE
FISCAL YEAR 2020 – 2029 TEN-YEAR FINANCIAL PLAN ACTION ITEM**

ACTION ITEM 6C: FY 2020 – FY 2029 Ten-Year Financial Plan

1. Attached is a summary of the 10-year Financial Plan, which is based on the following key assumptions for FY 2021 and FY 2022:

FY 2021

- Operating receipts totaling \$733.7 million, an increase of \$39.8 million over FY 2020 funded through;
 - Retail Revenue – increase of \$35.1 million
 - Wholesale Revenue – decrease of \$0.5 million
 - Other Revenue – increase of \$5.2 million
- Operating disbursements of \$618.3 million in FY 2021; and
- A ten-year capital improvement plan (FY 2020 – FY 2029) of \$5.45 billion on a cash disbursement basis.

FY 2022

- Operating receipts totaling \$766.3 million, an increase of \$32.6 million over FY 2021 funded through;
 - Retail Revenue – increase of \$23.0 million
 - Wholesale Revenue – increase of \$2.5 million
 - Other Revenue – increase of \$7.1 million
- Operating disbursements of \$654.6 million in FY 2022; and
- A ten-year capital improvement plan (FY 2020 – FY 2029) of \$5.45 billion on a cash disbursement basis.

The FY 2020 – FY 2029 Financial Plan is projected to meet the Board’s policy requirement of senior debt coverage of 140 percent and an operating reserve of 120 days of budgeted operations and maintenance costs with the objective of maintaining at least \$125.5 million in operating reserves.

District of Columbia Water & Sewer Authority
FY 2020 – 2029 Financial Plan
(In 000's)

OPERATING	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Retail*	\$ 571,666	\$ 607,107	\$ 630,495	\$ 669,848	\$ 723,657	\$ 752,224	\$ 791,988	\$ 833,503	\$ 879,616	\$ 928,122
Wholesale*	82,539	81,986	84,445	86,978	89,588	92,275	95,044	97,895	100,832	103,857
Other	44,774	42,145	40,858	44,081	46,959	51,637	54,692	54,970	56,935	57,752
RSF	-	2,500	10,500	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 698,979	\$ 733,738	\$ 766,298	\$ 800,907	\$ 860,204	\$ 896,136	\$ 941,724	\$ 986,368	\$ 1,037,383	\$ 1,089,731
Operating Expenses	(347,881)	(365,658)	(376,303)	(387,553)	(399,149)	(411,101)	(423,421)	(436,120)	(449,209)	(462,701)
Debt Service	(205,137)	(222,268)	(240,497)	(257,460)	(271,238)	(286,756)	(299,489)	(315,321)	(332,807)	(348,316)
Cash Financed Capital Improvement	\$ (28,556)	\$ (30,355)	\$ (37,830)	\$ (46,889)	\$ (50,656)	\$ (60,178)	\$ (71,279)	\$ (75,015)	\$ (79,165)	\$ (83,531)
Net Revenues After Debt Service	\$ 117,405	\$ 115,456	\$ 111,668	\$ 109,005	\$ 139,161	\$ 138,101	\$ 147,535	\$ 159,912	\$ 176,202	\$ 195,183
Operating Reserve-Beg Balance	186,764	180,000	185,000	194,000	201,000	205,000	215,000	220,000	230,000	240,000
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(5,372)	(3,184)	(5,490)	-	-	-	-	-	-	-
Project Billing Refunds	(4,000)	(4,000)	-	-	-	-	-	-	-	-
Transfers To RSF	(13,000)	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(101,797)	(103,272)	(97,178)	(102,005)	(135,161)	(128,101)	(142,535)	(149,912)	(166,202)	(185,183)
Operating Reserve - Ending Balance	\$ 180,000	\$ 185,000	\$ 194,000	\$ 201,000	\$ 205,000	\$ 215,000	\$ 220,000	\$ 230,000	\$ 240,000	\$ 250,000
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ (74,450)	\$ (71,950)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)
Senior Debt Service Coverage	459%	502%	533%	513%	616%	647%	632%	618%	660%	769%
Combined Debt Service Coverage	171%	172%	169%	170%	179%	177%	181%	182%	184%	187%
Actual/Projected Water/Sewer Rate Increases	11.5%	9.9%	7.8%	8.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
*Operating Receipts \$ Increase/Decrease										
Retail	7,460	35,441	23,388	39,353	53,809	28,567	39,764	41,514	46,113	48,507
Wholesale	423	(554)	2,460	2,533	2,609	2,688	2,768	2,851	2,937	3,025
*Operating Receipts % Increase/Decrease										
Retail	1.3%	6.2%	3.9%	6.2%	8.0%	3.9%	5.3%	5.2%	5.5%	5.5%
Wholesale	0.5%	-0.7%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

⁽¹⁾ Includes interest earnings on senior lien revenue bonds' debt service reserve fund

⁽²⁾ FY 2021 planned transfers of \$0.0 million to Rate Stabilization Fund and \$2.5 million utilization will bring the total fund balance to \$71.95 million

**District of Columbia Water & Sewer Authority
Average Residential Customer Monthly Bill
FY 2020 - FY 2029**

	Units	Current FY 2020	Proposed FY 2021	Proposed FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 66.25	\$ 73.30	\$ 78.92	\$ 85.61	\$ 92.07	\$ 98.98	\$ 106.40	\$ 114.41	\$ 123.04	\$ 132.26
DC Water Clean Rivers IAC ⁽²⁾	ERU	20.94	19.52	18.40	19.58	24.07	23.07	23.82	24.56	25.64	26.78
DC Water Customer Metering Fee	5/8"	3.86	4.96	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
DC Water Water System Replacement Fee ⁽⁴⁾	5/8"	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 97.35	\$ 104.08	\$ 111.37	\$ 119.24	\$ 130.19	\$ 136.10	\$ 144.27	\$ 153.02	\$ 162.73	\$ 173.09
Increase / Decrease		\$ 5.01	\$ 6.73	\$ 7.29	\$ 7.87	\$ 10.95	\$ 5.91	\$ 8.17	\$ 8.75	\$ 9.71	\$ 10.36
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 2.76	\$ 2.93	\$ 3.04	\$ 3.09	\$ 3.14	\$ 3.20	\$ 3.25	\$ 3.31	\$ 3.36	\$ 3.41
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03	1.03	1.08	1.08	1.08	1.08	1.08	1.14
District of Columbia Stormwater Fee ⁽³⁾	ERU	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.46	\$ 6.63	\$ 6.74	\$ 6.79	\$ 6.89	\$ 6.95	\$ 7.00	\$ 7.06	\$ 7.11	\$ 7.22
Total Amount Appearing on DC Water Bill		\$ 103.81	\$ 110.71	\$ 118.11	\$ 126.03	\$ 137.08	\$ 143.05	\$ 151.27	\$ 160.08	\$ 169.84	\$ 180.31
Increase / Decrease Over Prior Year		\$ 5.11	\$ 6.90	\$ 7.40	\$ 7.92	\$ 11.05	\$ 5.97	\$ 8.22	\$ 8.81	\$ 9.76	\$ 10.47
Percent Increase in Total Bill		5.2%	6.6%	6.7%	6.7%	8.8%	4.4%	5.7%	5.8%	6.1%	6.2%

(1) Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)

(2) Assumes average 1 Equivalent Residential Unit (ERU)

(3) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(4) DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015

**District of Columbia Water & Sewer Authority
Retail Rates, Charges and Fees
FY 2020 - FY 2022**

	Units	FY 2020	Proposed FY 2021	Proposed FY 2022
DC Water Retail Rates Water (Residential Lifeline 0 - 4 Ccf)	Ccf	\$ 3.06	\$ 3.49	\$ 3.63
DC Water Retail Rates Water (Residential > 4 Ccf)	Ccf	\$ 4.10	\$ 4.50	\$ 4.74
DC Water Retail Rates Water (Multi-Family)	Ccf	\$ 3.54	\$ 3.96	\$ 4.15
DC Water Retail Rates Water (Non-Residential)	Ccf	\$ 4.25	\$ 4.65	\$ 4.91
DC Water Retail Rates Sewer	Ccf	\$ 8.89	\$ 9.77	\$ 10.64
DC Water Clean Rivers IAC	ERU	\$ 20.94	\$ 19.52	\$ 18.40
DC Water Customer Metering Fee	5/8"	\$ 3.86	\$ 4.96	\$ 7.75
DC Water Water System Replacement Fee	5/8"	\$ 6.30	\$ 6.30	\$ 6.30
District of Columbia PILOT Fee	Ccf	\$ 0.51	\$ 0.54	\$ 0.56
District of Columbia Right-of-Way Fee	Ccf	\$ 0.19	\$ 0.19	\$ 0.19
District of Columbia Stormwater Fee	ERU	\$ 2.67	\$ 2.67	\$ 2.67

FINANCE AND BUDGET COMMITTEE

**INTENT TO REIMBURSE CAPITAL EXPENDITURES WITH PROCEEDS
OF A BORROWING ACTION ITEM**

ACTION ITEM 6D: Capital Projects Reimbursement Resolution

The Board will be asked to approve a reimbursement resolution, which would allow for reimbursement of eligible capital project expenditures from bond proceeds. The action under consideration is to utilize the proceeds of tax-exempt bonds, taxable bonds or notes (the “bonds”) or other debt in an amount not currently expected to exceed \$650,000,000 to pay the costs of capital projects. These costs include amounts heretofore unreimbursed pursuant to Resolution 19-17 of the Board adopted on April 4, 2019, plus amounts projected to be reimbursed during Fiscal Year 2020 and Fiscal Year 2021.

EXHIBIT A – LIST OF PROJECTS

Blue Plains System
Non Process Facilities
Sanitary Sewer System
Combined Sewer System
DC Clean Rivers
Stormwater Sewer System
Water Pumping, Distribution and Storage
Washington Aqueduct

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT OPTION YEAR
FINANCIAL STAFF AUGMENTATION SERVICES
(Joint Use)**

Approval to exercise option year 2 for financial staff augmentation services in the amount of \$1,200,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
IBS Management & Consultancy Services, LLC* 1627 K Street, NW, Suite 5027 Washington, DC 20036	N/A	100%
Mb Staffing Services* 819 7th Street, NW Washington, DC 20001	N/A	100%
SOA Financial* 4200 Forbes Boulevard, Suite 101 Lanham MD 20706	N/A	100%
SPS Consulting* 1901 Research Blvd., Suite 320 Rockville, MD 20850	N/A	100%
vTech Solution Inc.* 1100 H Street, NW Suite 450 Washington, DC 20005 *LSBE	N/A	100%

DESCRIPTION AND PURPOSE

Original Contract Value:	\$1,600,000.00
Original Contract Dates:	03-01-2018—02-28-2019
No. of Option Years in Contract:	2
Option Year 1 Value:	\$1,920,000.00
Option Year 1 Dates:	03-01-2019—02-29-2020
Option Year 2 Value:	\$1,200,000.00
Option Year 2 Dates:	03-05-2020—02-28-2021

Purpose of the Contract:

DC Water's Office of the Chief Financial Officer (CFO) and Department of Customer Experience (CX) require the services of competent and qualified firms to fulfill their on-going need for staff augmentation services for special projects, long and short-term projects and staff vacancies. These services are used when it is not feasible for DC Water to permanently hire staff for projects of short duration such as support for budget preparation and analysis, annual financial audit, year-end close, future upgrade and/or replacement of financial system, insurance and risk analysis, temporary meter readers, customer service support and other projects. These services may be used when specialized or unique skills are required.

Scope of the Contract:

This contract will provide as-needed staffing services for Accounts Receivables, General Accounting, Accounts Payables, Internal Controls, Customer Service and Financial Analysis. The option includes projected staffing services for continued support of the Enterprise Resource Planning (ERP) project.

Spending Previous Year:

Cumulative Contract Value: 03-01-2018 - 02-29-2020: \$3,520,000.00
 Cumulative Contract Spending: 03-01-2018 - 01-31-2020: \$2,051,037.09

Contractor's Past Performance:

According to the COTR, the Contractors' quality of services; timeliness of responses; conformance to DC Water's policies, procedures and contract terms; and invoicing all meet expectations.

PROCUREMENT INFORMATION

Contract Type:	Fixed Unit Price	Award Based On:	Highest Rated Offerors
Commodity:	Services	Contract Numbers:	17-PR-CFO-42AA, AB, AC, AD, AE
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

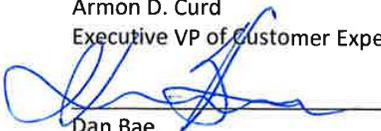
Funding:	Operating	Departments:	Department of Finance and Department of CX
Service Area:	DC Water Wide	Department Heads:	Ivan Boykin and Carolyn A. MacKool

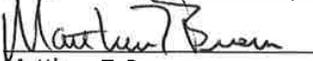
ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	84.61%	\$1,015,320.00
Washington Suburban Sanitary Commission	11.11%	\$133,320.00
Fairfax County	2.74%	\$32,880.00
Loudoun County	1.33%	\$15,960.00
Other (PI)	0.21%	\$2,520.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,200,000.00

 2/18/2020
 Ivan Boykin Date
 Director of Finance

 2/18/2020
 Armon D. Curd Date
 Executive VP of Customer Experience

 2/18/2020
 Dan Bae Date
 VP of Procurement and Compliance

 2/18/2020
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

 David L. Gadis Date
 CEO and General Manager



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

**Thursday, March 26, 2020; 11:00 a.m.
DC Water Headquarters
1385 Canal Street, SE, DC
AGENDA**

Call to Order	Chairperson
February 2020 Financial Report	Chief Financial Officer
Agenda for April Committee Meeting	Chairperson
Adjournment	Chairperson

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