



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Finance and Budget Committee

Thursday, January 24, 2019

1:00 p.m.

1. **Call to Order**..... Sarah Motsch, Vice Chairperson
2. **December 2018 Financial Report (Attachment 1)**..... Matthew T. Brown
3. **Financial Policies Review (Attachment 2)** Matthew T. Brown
4. **Short Term & Core Portfolio Review (Attachment 3)**
..... Nelson Busch, Public Financial Management
5. **Water Infrastructure Finance & Innovation Act (WIFIA) Loan Review (Attachment 4)**
..... Ivan Boykin
6. **Briefing on Credit Balance Write-Off (Attachment 5)**..... Carolyn Mackool
7. **Action Items**..... Matthew T. Brown
 - A. **Recommendation for Approval for Underwriter Services (Attachment 6)**
 - B. **Intent to Reimburse WIFIA Loan (Attachment 7)**
 - C. **Recommendation for Approval for Financial Staff Augmentation Services (Attachment 8)**
8. **Agenda for February Committee Meeting (Attachment 9)**..... Sarah Motsch
9. **Executive Session**
10. **Adjournment**

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



Fiscal Year 2019

Monthly Financial Report

Period Ending December 31, 2018

DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET

Matthew T. Brown, Chief Financial Officer

Ivan Boykin, Director, Finance

Syed Khalil, Director, Rates & Revenue

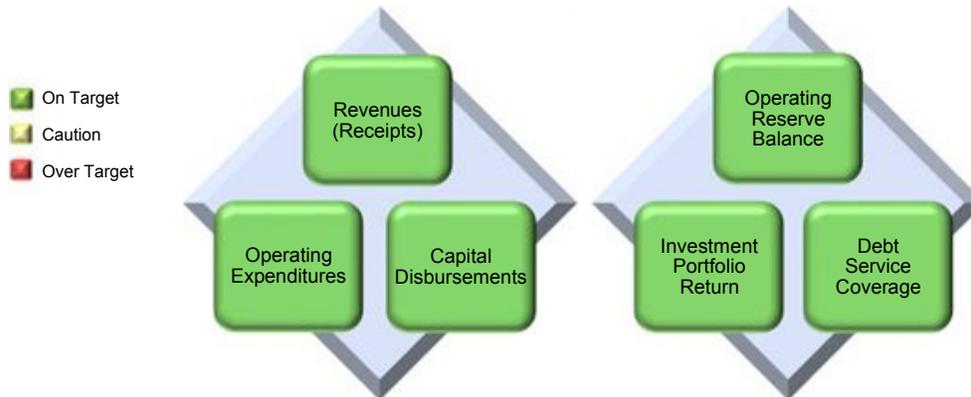
John Madrid, Controller

Lola Oyeyemi, Director, Budget

DECEMBER 2018

EXECUTIVE SUMMARY

As of the end of the first quarter of FY 2019, with 25 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)*	\$649.5	\$162.4	\$174.8	\$12.4	7.6%	26.9%
Expenditures*	\$582.8	\$145.7	\$132.7	\$13.0	8.9%	22.8%
Capital Disbursements	\$439.1	\$159.4	\$130.0	\$29.4	18.5%	29.6%

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

Highlights:

- FY 2018 Year-End Closeout Status Update
 - Financial Statement audit completed with unmodified “clean” opinion issued on December 20, 2018. Results will be presented to the Audit Committee on January 24, 2019. Details on the budget performance are on page 15 of this report
 - Development of Comprehensive Annual Financial Report (CAFR) underway
 - The OMB Uniform Guidance is on-going with expected completion by the end of January 2019
 - Green Bond attestation engagement underway
- Proposed FY 2020 and 10-Year CIP budgets will be reviewed during the Budget Workshop immediately after the February 7, 2019 Board meeting

Matthew T. Brown, Chief Financial Officer

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2018

Operating Revenues (\$000's)

Category	A	B	C	D = C/A	E = C-B	F = E/B
	FY 2019 BUDGET	YTD BUDGET*	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Res. / Comm. / Multi.	\$373,652	\$93,413	\$102,570	27.5%	\$9,157	9.8%
Federal	67,054	16,763	16,785	25.0%	22	0.1%
Municipal (DC Govt.)	17,362	4,341	3,577	20.6%	(764)	(17.6%)
DC Housing Authority	9,719	2,430	3,459	35.6%	1,029	42.3%
Metering Fee	10,776	2,694	2,917	27.1%	223	8.3%
Water System Replacement Fee (WSRF)	39,717	9,929	10,234	25.8%	305	3.1%
Wholesale	79,237	19,809	20,603	26.0%	794	4.0%
PILOT/ROW	21,701	5,425	5,542	25.5%	117	2.2%
All Other	30,249	7,562	9,092	30.1%	1,530	20.2%
TOTAL	\$649,467	\$162,367	\$174,779	26.9%	\$12,412	7.6%

*Straight-lined (3/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of December 2018, cash receipts totaled \$174.8 million, or 26.9 percent of the Board-approved FY 2019 budget. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their first quarterly payment in October), and wholesale customers (who made their first quarter payment in November).

Residential, Commercial and Multi-Family – Receipts for this category are higher at \$102.6 million or 27.5 percent of the approved budget. The higher receipts are primarily due to increased year-end billing of the unbilled accounts. The CRIAC receipts are also slightly higher than the budget.

Federal – Actual receipts through December 2018 total \$16.8 million or 25.0 percent of the approved budget. The Federal Government made their first quarter payment in October 2018.

District Government – Receipts are lower at \$3.6 million, or 20.6 percent of the approved budget. The District Government did not pay the November billed amount of approximately \$1.9 million. The overdue amount was received on January 14, 2019.

DC Housing – Receipts are slightly higher at \$3.5 million or 35.6 percent of the approved budget. DC Housing Authority had not paid the August billed amount of \$0.8 million in September 2018. The overdue amount was received in October 2018, which resulted in one additional payment in FY 2019.

Wholesale – The Wholesale customers' actual receipts through December 2018 total \$20.6 million or 26.0 percent of the revised FY 2019 budget. The Wholesale customers made their first quarter payment in November 2018.

Other Revenue – Receipts are slightly higher than the straight-line budget at \$9.1 million or 30.1 percent of the budgeted category primarily due to higher Development Contractor Water and Sewer Service fees as compared to budget.

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2018

Operating Expenditures (\$000's)

Category	A	B	C	D = C/A	E = C-B	F = E/B
	FY 2019 BUDGET	YTD BUDGET*	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Personnel	\$162,620	\$40,655	\$37,405	23.0%	\$3,250	8.0%
Contractual Services	81,679	20,420	18,875	23.1%	1,545	7.6%
Water Purchases	30,520	7,630	7,572	24.8%	58	0.8%
Supplies & Chemicals	32,091	8,023	8,908	27.8%	(885)	(11.0%)
Utilities	26,905	6,726	6,806	25.3%	(79)	(1.2%)
Small Equipment	1,240	310	80	6.5%	230	74.0%
SUBTOTAL O&M	\$335,055	\$83,764	\$79,646	23.8%	\$4,118	4.9%
Debt Service	199,025	49,756	47,998	24.1%	1,758	3.5%
PILOT/ROW	21,702	5,426	5,426	25.0%	0	0.0%
Cash Financed Capital Improvements	26,999	6,750	0	0.0%	6,750	100.0%
TOTAL OPERATING	\$582,781	\$145,695	\$133,069	22.8%	\$12,627	8.7%
Capital Labor	(18,259)	(4,565)	(3,308)	18.1%	(1,257)	27.5%
TOTAL NET OPERATING	\$564,522	\$141,131	\$129,761	23.0%	\$11,369	8.1%

*Straight-lined (3/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

Total operating expenditures for this period are in line with expectations. The operating expenditures (including debt services and the Right-of-Way & PILOT fees) totaled \$133.1 million or 22.8 percent of the FY 2019 Board-approved budget of \$582.8 million.

These numbers include estimated incurred but unpaid invoices and are subject to revision in subsequent months.

Personnel Services – YTD underspending is due to the temporary hiring freeze and lower benefit costs. Of the 1274 positions authorized, 1148 were filled at the end of December with a year-to-date vacancy rate of 10 percent. Overtime spending totals \$2.1 million or 27 percent of the annual budget due to increased after-hour work performed in response to emergencies and water main breaks.

Contractual Services – Spending is in line with expectations.

Water Purchases – Reflect DC Water's share of Washington Aqueduct expenditures.

Supplies & Chemicals – YTD overspending is due to increased usage for the Tunnel Dewatering Pump Station (TDPS), higher than anticipated effluent at the Plant, and higher unit prices of major chemicals (methanol and ferric chloride).

Utilities – Slight overspending reflects the final lease payment for 80 M St location coupled with the one-time administrative fee for fuel payment to the District. Presently, 5MW of the Authority's electric load is locked at an average Western hub price of \$31.40/MWh for the remainder of the year.

Debt Service – YTD actuals are in line with budget and debt service payment schedule.

Capital Labor – YTD spending is lower than anticipated, but consistent with historical trend. A review of employee capital labor charges is being conducted to determine the appropriate coding of these charges.

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2018

Capital Disbursements (\$000's)

Service Area	A	B	C	D = C/A	E = B-C	F = E/B
	FY 2019 BUDGET	YTD BUDGET	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Non Process Facilities	\$14,226	\$8,583	\$2,482	17.4%	\$6,101	71.1%
Wastewater Treatment	76,773	29,030	13,825	18.0%	15,205	52.4%
Combined Sewer Overflow	195,885	73,717	83,117	42.4%	(9,400)	(12.8%)
Stormwater	5,107	794	62	1.2%	731	92.1%
Sanitary Sewer	38,563	11,234	10,026	26.0%	1,208	10.8%
Water	61,115	24,139	13,024	21.3%	11,115	46.0%
SUBTOTAL: CAPITAL PROJECTS	\$391,670	\$147,497	\$122,536	31.3%	\$24,960	16.9%
Capital Equipment*	34,518	8,629	7,419	21.5%	1,211	14.0%
Washington Aqueduct	12,930	3,233	0	0.0%	3,233	100.0%
SUBTOTAL: ADD'L CAPITAL PROGRAMS	\$47,448	\$11,862	7,419	15.6%	\$4,443	37.5%
TOTAL	\$439,118	\$159,359	\$129,955	29.6%	\$29,403	18.5%

*Straight-lined (3/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of December 2018, capital disbursements are \$130.0 million or 29.6 percent of the FY 2019 Board-approved budget of \$439.1 million, which is subject to revision as part of the FY 2020 budget process anticipated for Board review in February 2019.

Capital Projects - Lower disbursements in various service areas are due to invoice lags, which are anticipated in December and January. The detailed project performance and cost drivers will be reviewed by the Department of Engineering & Technical Services in February 2019.

Capital Equipment - Lower than planned disbursements are primarily attributable to longer than anticipated lead times for procurement and delivery of specialized Fleet equipment, and unused funds in the Authority-wide reserve. This is offset by higher disbursements for HQO equipment needs and invoice payments early in the fiscal year for prior year equipment purchases.

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2018

Cash Investments (\$ in millions)

Cash Balances

Rate Stabilization Fund Balance	\$	61.5
DC Insurance Reserve Balance		1.0

<i>Operating Reserve Accounts</i>	
Renewal & Replacement Balance	35.0
O & M Reserve per Indenture	54.0
Undesignated Reserve Balance	36.5
O & M Reserve per Board Policy	125.5
Excess Above O & M Reserve	14.5
Management O & M Reserve Policy	140.0
Project Billing Refunds	11.0
CSX Transportation	0.5
Excess Revenue	2.8
Operating Reserve Accounts	153.8

Operating Cash Balance Including RSF	\$	216.2
---	-----------	--------------

Debt Service Reserve - Series 1998		23.4
Bond Fund - Construction 2016B		17.0
Bond Fund - Construction 2018A		76.1
Bond Fund - Construction 2018B		127.8
Series B - Commercial Paper		1.2
Fleet Relocation Fund		4.3
Total All Funds	\$	466.2

OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$153.8 million as compared to the operating reserve level objective of \$125.5 million for FY 2019
- Average cash balance for the month of December was \$165.4 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for December (on a cash basis) was \$278,820; YTD \$685,793
- A detailed investment performance report is attached and presentation to be reviewed during this month's committee meeting

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2018

Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD 25% Cash Budget	YTD Actual Cash Oct. 1, 2018 - Dec. 31, 2018	Variance Favorable (Unfavorable)	
OPERATING BUDGET					
Cash Provided					
Retail	\$518,280	\$129,570	\$139,541	\$9,972	8%
Wholesale	79,237	19,809	20,603	794	4%
Other	51,526	12,882	14,318	1,437	11%
Total Cash Provided	649,043	162,261	174,463	12,202	8%
Operating Cash Used					
Personnel Services	144,361	36,090	38,169	(2,079)	-6%
Contractual Services	81,679	20,420	19,485	934	5%
Chemicals & Supplies	32,082	8,021	9,623	(1,603)	-20%
Utilities	26,915	6,729	5,559	1,170	17%
Water Purchases	30,520	7,630	8,288	(658)	-9%
Small Equipment	1,240	310	173	137	44%
Total Operating Cash Used	316,797	79,199	81,297	(2,098)	-3%
Defeasance D.S./Cash Financed Capital Construction	26,999	6,750	0	6,750	100%
Other Cash Used					
Debt Service	201,919	50,480	47,998	2,482	5%
Payment In Lieu of Taxes/Right of Way	21,702	5,425	5,425	0	0%
Total Other Cash Used	223,620	55,905	53,423	2,482	4%
Total Cash Used	567,416	141,854	134,720	7,134	5%
Net Cash Provided (Used) by Operating Act.	81,626	20,407	39,743	19,336	
CAPITAL BUDGET					
Cash Provided					
Debt Proceeds	110,000	27,500	58,353	30,853	112%
EPA Grants	44,339	11,085	3,806	(7,279)	-66%
CSO Grants					0%
System Availability Fee	3,850	963	0	(963)	-100%
Transfer from Operations	111,922	27,980		(27,980)	-100%
Interest Income	2,981	745	1,480	735	99%
Wholesale Capital Contributions	65,851	16,463	15,171	(1,292)	-8%
Total Cash Provided	338,943	84,736	78,810	(5,926)	-7%
Cash Used					
DC Water Capital Program	426,188	106,547	130,155	(23,608)	-22%
Washington Aqueduct Projects	12,930	3,233		3,233	100%
Total Cash Used	439,118	109,780	130,155	(20,375)	-19%
Net Cash/PAYGO Provided (Used) by Cap. Act.	(\$100,175)	(\$25,044)	(\$51,345)	(\$26,302)	
Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected					
	\$166,796		\$166,796		
Plus (Less) Operating Surplus	81,626	20,407	39,743		
Wholesale Customer Refunds from Prior Years	(1,500)	(375)	(115)		
Interest Earned From Bond Reserve	424	106	166		
Prior Year Federal Billing Reconciliation	(5,821)	(1,455)	(1,455)		
Project Billing Refunds	(4,000)	(1,000)			
Cash Used for Capital	(88,773)	(22,193)	(51,345)		
Balance Attributable to O&M Reserve	\$148,752		\$153,788		
OTHER CASH RESERVES					
	Current				
Rate Stabilization Fund	Balance				
	\$61,450				
DC Insurance Reserve	1,000				
Fleet Relocation - DC Reimbursement	4,331				
CSX Transportation	500				

Monthly Financial Report

APPENDIX

Operating Revenues Detail.....	9
Retail Accounts Receivable	10
Overtime by Department	11
Capital Disbursements Detail	12
Accounts Payable.....	13
Grants Report.....	14
FY 2018 Budget to Actual Performance	15
Investment Report	16

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2018

Operating Revenues Detail

(\$ in millions)

Revenue Category	FY 2019 Budget	YTD Budget	Actual	Variance Favorable / (Unfavorable)		Actual % of Budget
Residential, Commercial, and Multi-family	\$373.7	\$93.4	\$102.6	\$9.2	9.8%	27.5%
Federal	67.1	16.8	16.8	0.0	0.1%	25.0%
District Government	17.4	4.4	3.6	(0.8)	-17.6%	20.6%
DC Housing Authority	9.7	2.4	3.5	1.1	42.3%	35.6%
Customer Metering Fee	10.8	2.7	2.9	0.2	8.3%	27.1%
Water System Replacement Fee (WSRF)	39.7	9.9	10.2	0.3	3.1%	25.8%
Wholesale	79.2	19.8	20.6	0.8	4.0%	26.0%
Right-of-Way Fee/PILOT	21.7	5.4	5.5	0.1	2.2%	25.5%
Subtotal (before Other Revenues)	\$619.3	\$154.8	\$165.7	\$10.9	7.0%	26.8%
Other Revenue without RSF						
IMA Indirect Cost Reimb. For Capital Projects	3.2	0.8	1.1	0.3	37.5%	34.4%
DC Fire Protection Fee	10.8	2.7	3.1	0.4	14.8%	28.7%
Stormwater (MS4)	1.0	0.3	0.3	0.0	0.0%	30.0%
Interest	3.1	0.8	0.9	0.1	12.5%	29.0%
Developer Fees (Water & Sewer)	6.0	1.5	2.2	0.7	46.7%	36.7%
System Availability Fee (SAF)	3.9	1.0	0.2	(0.8)	-80.0%	5.1%
Others	2.2	0.6	1.3	0.7	116.7%	59.1%
Subtotal	\$30.2	\$7.6	\$9.1	\$1.5	19.7%	30.1%
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
Other Revenue Subtotal	\$30.2	\$7.6	\$9.1	\$1.5	19.7%	30.1%
Grand Total	\$649.5	\$162.4	\$174.8	\$12.4	7.6%	26.9%

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

Customer Category	Water	Sewer	Clean Rivers			WSRF	Total
			IAC	Metering Fee			
Residential	\$9,398	\$14,824	\$8,406	\$1,299	\$2,348	\$36,276	
Commercial	16,234	18,342	10,324	872	4,033	49,804	
Multi-family	8,427	12,962	3,652	407	1,804	27,253	
Federal	4,869	5,534	6,382	197	1,444	18,426	
District Govt	485	657	2,435	108	492	4,177	
DC Housing Authority	1,243	1,842	373	35	112	3,606	
Total:	\$40,657	\$54,161	\$31,573	\$2,917	\$10,234	\$139,541	

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 2019 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$29,078	\$7,270	\$8,406	\$1,137	16%	29%
Commercial	32,251	8,063	10,324	2,261	28%	32%
Multi-family	12,391	3,098	3,652	555	18%	29%
Federal	25,529	6,382	6,382	(0)	0%	25%
District Govt	8,280	2,070	2,435	365	18%	29%
DC Housing Authority	1,416	354	373	19	6%	26%
Total:	\$108,945	\$27,236	\$31,573	\$4,337	16%	29%

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2018

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
October 31, 2018	\$14.4	14,890
November 30, 2018	\$13.9	14,091
December 31, 2018	\$14.6	14,373

Greater Than 90 Days by Customer

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.

	Number of Accounts			Month of December (All Categories)				Total Delinquent				
	W & S a/c	Impervious Only a/c	Total No. of a/c	Active		Inactive		November		December		%
				No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	
Commercial	9,030	2,460	11,490	1,173	\$5,060,705	222	\$190,580	1,311	\$5,108,805	1,395	\$5,251,285	36%
Multi-family	8,365	346	8,711	867	\$4,096,694	195	\$82,090	1,042	\$3,852,616	1,062	\$4,178,784	29%
Single-Family Residential	105,575	3,130	108,705	9,599	\$4,819,874	2,317	\$342,555	11,738	\$4,970,818	11,916	\$5,162,429	35%
Total	122,970	5,936	128,906	11,639	\$13,977,273	2,734	\$615,225	14,091	\$13,932,240	14,373	\$14,592,498	100%

Notes: Included in the above \$14.59M (or 14,373 accounts) of the DC Water Over 90 days delinquent accounts, \$4,353,727.99 (or 2,134 accounts) represents Impervious only accounts over 90 days delinquent.

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

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2018

Overtime by Department

Department	FY 2019			
	Budget	YTD Actual	YTD Actual % of Budget	% of Regular Pay
Office of the Board Secretary	\$9,000	\$2,159	24.0%	3.3%
General Manager	9,000	203	2.3%	0.0%
General Counsel	3,000	1,666	55.5%	0.4%
External Affairs	5,000	668	13.4%	0.2%
Internal Audit	-	0	0.0%	0.0%
Information Technology	15,000	4,946	33.0%	0.5%
Procurement	30,000	3,534	11.8%	0.4%
Customer Service *	311,000	154,045	49.5%	6.7%
Finance, Accounting & Budget **	40,000	14,007	35.0%	0.9%
Assistant General Manager - Administrative Services	1,000	0	0.0%	0.0%
Human Capital Management	6,000	517	8.6%	0.1%
Occupational Safety and Health	1,000	91	9.1%	0.0%
Facilities Management	300,000	65,026	21.7%	7.6%
Department of Security	-	191	0.0%	0.1%
Wastewater Engineering	36,000	942	0.0%	0.2%
Water Quality and Technology	30,000	934	0.0%	0.2%
Distribution and Conveyance System	800,000	187,540	23.4%	9.5%
Engineering and Technical Services	864,000	240,861	27.9%	6.2%
Water Services ***	1,522,000	474,851	31.2%	15.0%
Clean Rivers	-	0	0.0%	0.0%
Sewer Services ****	1,068,000	345,539	32.4%	20.1%
Wastewater Treatment - Operations	1,831,000	419,451	22.9%	14.9%
Wastewater Treatment - Process Engineering	45,000	6,691	14.9%	0.7%
Maintenance Services	545,000	141,484	26.0%	7.6%
Permit Operations	99,000	5,540	5.6%	1.2%
Fleet Management	4,000	1,068	26.7%	0.6%
Total DC WATER	\$7,575,000	\$2,071,954	27.4%	7.5%

* Customer Service is experiencing high overtime to complete meter reader replacement project

** Finance, Accounting & Budget is due to the fiscal year-end close and financial audit activities

*** Water Services is experiencing high overtime for after hours and emergency repairs

**** Sewer Services is experiencing high overtime for after hours and emergency repairs

Fiscal Year-to-Date
As of December 31, 2018

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

Service Areas			Actual			Variance		
	FY 2019* BUDGET	YTD BUDGET	Oct 2018 - Nov 2018	Dec. 2018	YTD ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
NON PROCESS FACILITIES								
Facility Land Use	\$14,226	\$8,583	\$2,095	\$386	\$2,482	17.4%	\$6,101	71.1%
Subtotal	14,226	8,583	2,095	386	2,482	17.4%	6,101	71.1%
WASTEWATER TREATMENT								
Liquid Processing	21,493	6,686	4,915	1,288	6,202	28.9%	484	7.2%
Plantwide	15,751	4,189	1,042	599	1,640	10.4%	2,549	60.8%
Solids Processing	9,124	4,015	153	34	188	2.1%	3,828	95.3%
Enhanced Nitrogen Removal Facilities	30,406	14,140	4,481	1,315	5,796	19.1%	8,344	59.0%
Subtotal	76,773	29,030	10,590	3,235	13,825	18.0%	15,205	52.4%
COMBINED SEWER OVERFLOW								
D.C. Clean Rivers	187,391	70,837	37,555	42,437	79,992	42.7%	(9,155)	(12.9%)
Program Management	1,447	322	325	254	579	40.0%	(257)	(79.9%)
Combined Sewer	7,047	2,558	1,873	673	2,546	36.1%	12	0.5%
Subtotal	195,885	73,717	39,753	43,364	83,117	42.4%	(9,399)	(12.7%)
STORMWATER								
Local Drainage	14	1	0	0	0	0.0%	1	100.0%
On-Going	537	57	12	16	28	5.3%	28	50.1%
Pumping Facilities	3,527	433	1	0	1	0.0%	432	99.7%
DDOT	0	0	0	0	0	0.0%	0	0.0%
Research and Program Management	0	0	0	0	0	0.0%	0	0.0%
Trunk/Force Sewers	1,028	302	33	0	33	3.2%	269	89.1%
Subtotal	5,107	794	46	16	62	1.2%	731	92.1%
SANITARY SEWER								
Collection Sewers	3,693	3,086	1,896	56	1,952	52.8%	1,134	36.7%
On-Going	11,949	2,152	3,144	863	4,007	33.5%	(1,855)	(86.2%)
Pumping Facilities	2,645	613	124	0	124	4.7%	489	79.8%
Program Management	3,403	962	410	450	860	25.3%	101	10.5%
Interceptor/Trunk Force Sewers	16,874	4,422	2,654	429	3,083	18.3%	1,339	30.3%
Subtotal	38,563	11,234	8,227	1,799	10,026	26.0%	1,208	10.8%
WATER								
Distribution Systems	31,620	12,723	4,763	909	5,672	17.9%	7,052	55.4%
Lead Program	4,986	1,277	793	27	820	16.4%	457	35.8%
On-Going	9,134	1,939	1,623	966	2,590	28.4%	(650)	(33.5%)
Pumping Facilities	1,398	1,105	51	1	52	3.7%	1,054	95.3%
DDOT	1,157	672	0	0	0	0.0%	672	100.0%
Storage Facilities	8,224	5,713	1,083	1,411	2,494	30.3%	3,219	56.3%
Program Management	4,597	708	730	667	1,397	30.4%	(689)	(97.4%)
Subtotal	61,115	24,139	9,044	3,980	13,024	21.3%	11,116	46.0%
Capital Projects	\$391,670	\$147,497	\$69,756	\$52,780	\$122,536	31.3%	24,960	16.9%
CAPITAL EQUIPMENT	34,518	8,629	6,484	935	7,419	21.5%	1,211	14.0%
WASHINGTON AQUEDUCT	12,930	3,233	0	0	0	0.0%	3,233	100.0%
Additional Capital Programs	47,448	11,862	6,484	935	7,419	15.6%	4,443	37.5%
Total	\$439,118	\$159,359	\$76,240	\$53,715	\$129,955	29.6%	29,403	18.5%

*Reflects the Board-approved budget, which is subject to revision as part of the FY 2020 budget process.

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2018

Accounts Payable

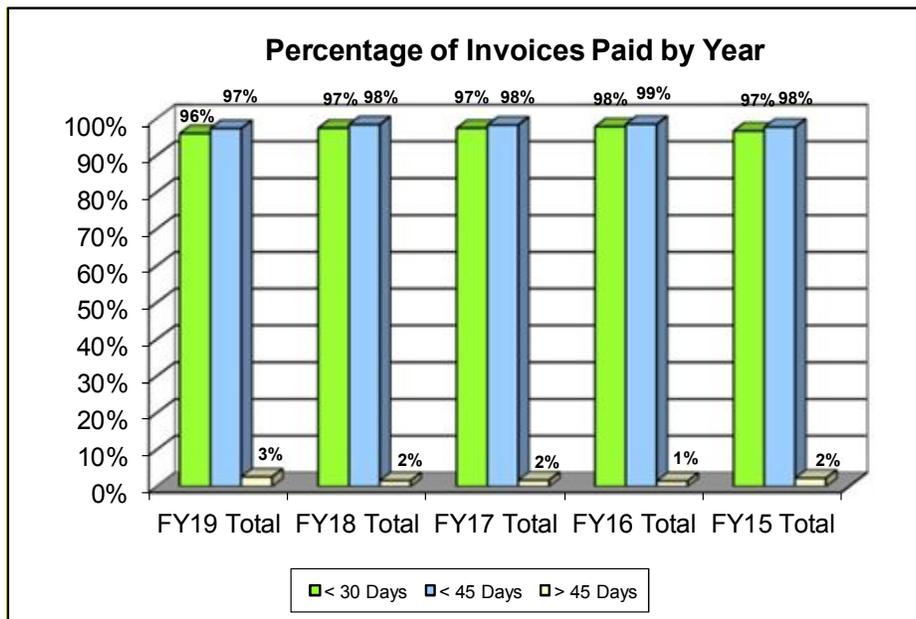
Cumulative performance for the three-month period ending December FY 2019, a total of 5,085 vendor payments were processed and paid within 30 days compared to 4,831 in FY 2018 (as shown in the table below) and with a dollar value of \$183.5 million compared to \$206.8 million for FY 2018.

For FY 2019, approximately 96.0% of the invoices were paid within 30 days compared to 97.4% for FY 2018. The Authority's goal is to pay 97% of all undisputed invoices within 30 days.

Accounts Payable Performance

Days	FY 2019		FY 2018	
	Number	Percent	Number	Percent
Less than 30	5,085	96.0%	4,831	97.4%
Less than 45	5,158	97.4%	4,879	98.4%
Greater than 45	140	2.6%	79	1.6%
Sub-Total ≤ 45	5,298	100%	4,958	100%
Retainage/Dispute	64		198	
Total	5,362		5,156	

The chart below shows cumulative year to date historical performance for fiscal year 2015 through fiscal year 2019.



Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2018

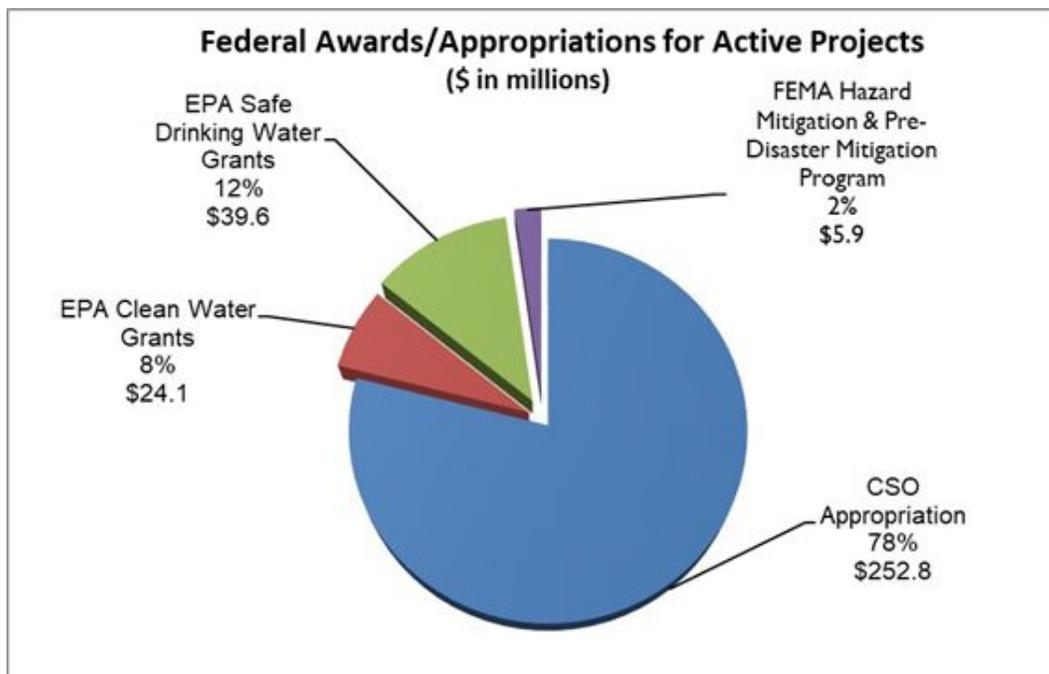
Grants Report

The Authority currently receives grants to fund portions of its capital project costs from the U.S. Environmental Protection Agency (EPA) and the Federal Emergency Management Agency (FEMA).

The EPA grants are issued under two acts, the Clean Water Act of 1972 and the Safe Drinking Water Act of 1974.

The FEMA mitigation grants are issued under the Robert T. Stafford Disaster Relief and Emergency Assistance Act through the Hazard Mitigation Grant Program (HMGP) Act of 1993 and the Pre-Disaster Mitigation Grant Program (PDM) Act of 2000.

As of December 31, 2018, DC Water has \$322.4 million in total federal funds appropriated for active projects, as indicated below:



The remaining balance of the EPA funding as of December 31, 2018 is \$23 million. FEMA grants have a balance of \$5.6 million as of December 31, 2018.

DC Water has received nineteen separate Congressional CSO appropriations totaling \$252.8 million plus accrued interest of \$12.4 million, resulting in total CSO funding of \$265.2 million. The cumulative CSO appropriation life-to-date cash disbursement is \$265.2 million, based on requested reimbursement through December 31, 2018. The remaining CSO balance as of December 31, 2018 is \$521 which represents interest earned on CSO funds through the month of December.

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2018

FY 2018 Budget to Actual Performance (\$000's)

Operating Revenues

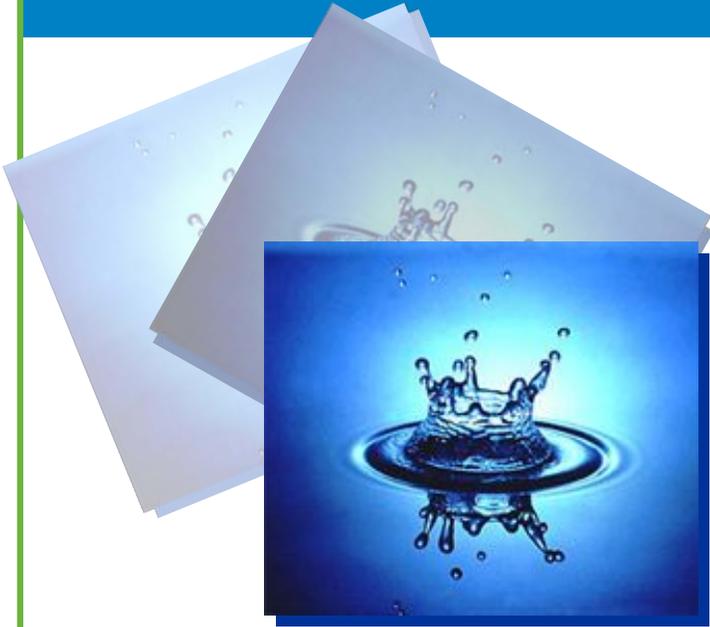
Category	A	B	C = B/A	D = B-A
	BUDGET	ACTUAL	% of BUDGET	\$ Fav/(Unfav)
Res. / Comm. / Multi.	\$354,914	\$353,587	99.6%	(\$1,327)
Federal	62,167	62,100	99.9%	(\$67)
Municipal (DC Govt.)	17,312	21,362	123.4%	\$4,050
DC Housing	8,979	8,704	96.9%	(\$275)
Metering Fee	10,776	11,745	109.0%	\$969
Water System Replacement Fee (WSRF)	39,717	40,896	103.0%	\$1,179
Wholesale	76,028	81,022	106.6%	\$4,994
PILOT/ROW	21,601	21,236	98.3%	(\$365)
All Other	28,978	30,521	105.3%	\$1,543
TOTAL	\$620,472	\$631,173	101.7%	\$10,701

Operating Expenditures

Category	A	B	C = B/A	D = A-B
	BUDGET	ACTUAL	% of BUDGET	\$ Fav/(Unfav)
Personnel	\$149,193	\$157,545	105.6%	(\$8,352)
Contractual Services	79,353	73,086	92.1%	6,267
Water Purchases	30,156	28,358	94.0%	1,798
Supplies & Chemicals	30,659	32,061	104.6%	(1,402)
Utilities	29,399	26,559	90.3%	2,840
Small Equipment	1,071	631	58.9%	440
SUBTOTAL O&M	\$319,831	\$318,240	99.5%	\$1,591
Debt Service	185,480	178,399	96.2%	7,081
Cash Financed Capital Improvements	35,260	35,260	100.0%	0
PILOT/ROW	21,376	21,376	100.0%	0
TOTAL OPERATING	\$561,947	\$553,275	98.5%	\$8,672
Capital Labor	(21,061)	(15,116)	71.8%	(5,945)
TOTAL NET OPERATING	\$540,886	\$538,159	99.5%	\$2,727

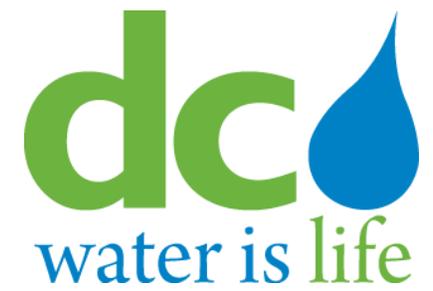
Capital Disbursements

Service Area	A	B	C = B/A	D = A-B
	BUDGET	ACTUAL	% of BUDGET	\$ Fav/(Unfav)
Non Process Facilities	\$32,194	\$35,527	110.4%	(\$3,332)
Wastewater Treatment	95,485	106,104	111.1%	(10,619)
Combined Sewer Overflow	181,816	188,294	103.6%	(6,478)
Stormwater	945	1,988	210.4%	(1,043)
Sanitary Sewer	29,802	46,888	157.3%	(17,086)
Water	58,044	69,006	118.9%	(10,962)
SUBTOTAL: CAPITAL PROJECTS	\$398,285	\$447,805	112.4%	(\$49,520)
Capital Equipment	39,898	28,929	72.5%	10,968
Washington Aqueduct	11,768	13,194	112.1%	(1,426)
SUBTOTAL: ADD'L CAPITAL PROGRAMS	\$51,665	42,123	81.5%	\$9,542
TOTAL	\$449,950	\$489,928	108.9%	(\$39,978)



DC Water

Investment Performance Report – December 2018



**DC Water
Finance Division
Economic Update**

ECONOMIC COMMENTARY

- The third reading of third quarter GDP showed that the U.S. economy grew at an annual rate of 3.4%, slightly decreasing from the second estimate of 3.5%.
- The U.S. labor market added 312,000 jobs in December versus the market's expectations of 177,000 jobs. The unemployment rate rose to 3.9% from a 49-year low of 3.7%. While job growth was strong, the unemployment rate marginally increased along with an increase in the labor participation rate from 62.9% in November to 63.1% in December.
- During the Federal Open Market Committee's ("FOMC's") meeting on December 18-19, the Federal Reserve chose to raise rates. They also signaled their plans for two rate increases in 2019, a slower pace that previously indicated. The range of the federal funds target rate increased 0.25% to a range of 2.25% to 2.50%.
- The U.S. Treasury yield curve flattened further during the month of December and has started to exhibit a slight inversion. Yields at the short-term end of the curve remained relatively flat, while intermediate- and longer-term yields experienced large decreases. For example, the 6-month Treasury bill decreased from 2.52% to 2.48% during the month of December and the yield on the 3-year Treasury note decreased from 2.84% to 2.47%.

PORTFOLIO RECAP

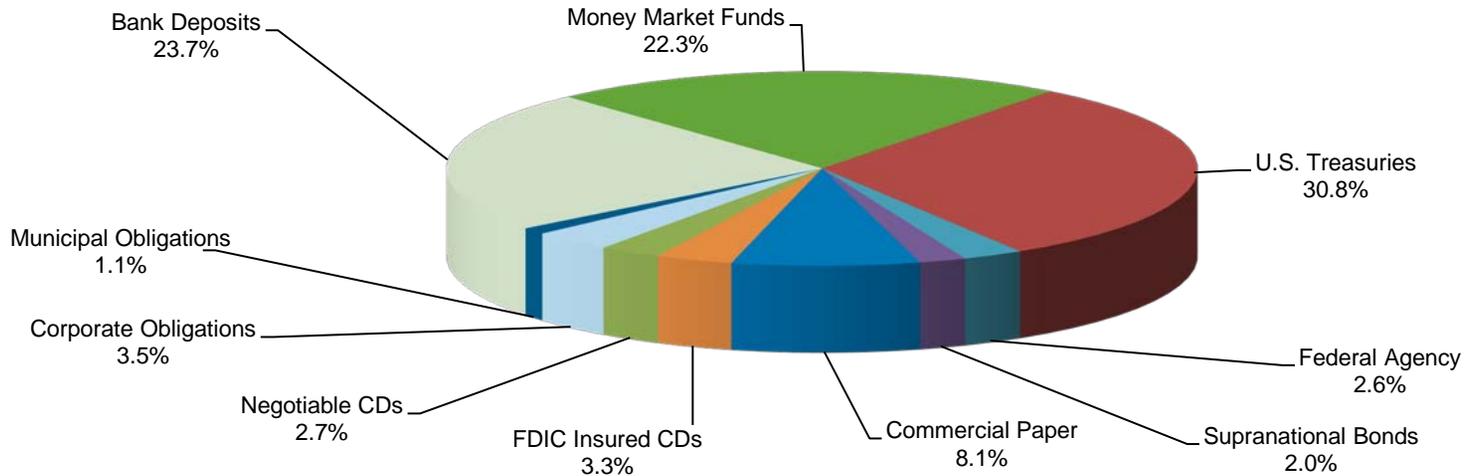
- The portfolio is diversified among Bank Deposits, U.S. Treasuries, Federal Agencies, Supranational Bonds, Commercial Paper, Negotiable CDs, Corporate Notes/Bonds, Municipal Bonds, FDIC Insured CDs, and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 2.10%.

Operating Reserve

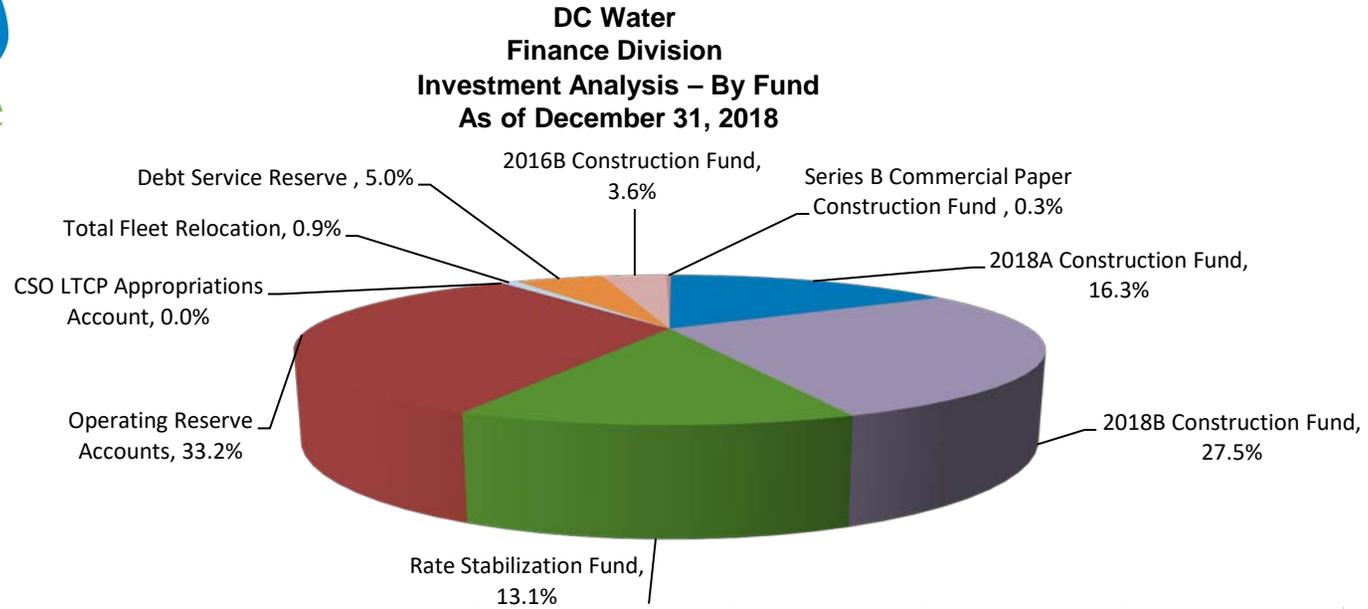
- PFM purchased \$1.6 million of 2.5-year Federal Agencies at a yield of 2.85%. We also purchased \$1.0 million of 2.5-year U.S. Treasuries at a yield of 2.77% and \$390,000 of 2-year municipal bonds at a yield of 3.10%.
- PFM sold \$2.8 million of 1.5-year Federal Agencies at an average yield of 2.68%.



**DC Water
Finance Division
Investments - By Security Type
As of December 31, 2018**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	110,933,858	23.7%	100.0%
Money Market Funds	104,193,567	22.3%	100.0%
U.S. Treasuries	143,943,750	30.8%	100.0%
Federal Agency	12,173,902	2.6%	80.0%
Supranational Bonds	9,381,366	2.0%	30.0%
Commercial Paper	37,809,173	8.1%	35.0%
FDIC Insured CDs	15,444,183	3.3%	30.0%
Negotiable CDs	12,573,002	2.7%	30.0%
Corporate Obligations	16,274,676	3.5%	30.0%
Municipal Obligations	5,165,718	1.1%	20.0%
Total	\$ 467,893,194	100.0%	



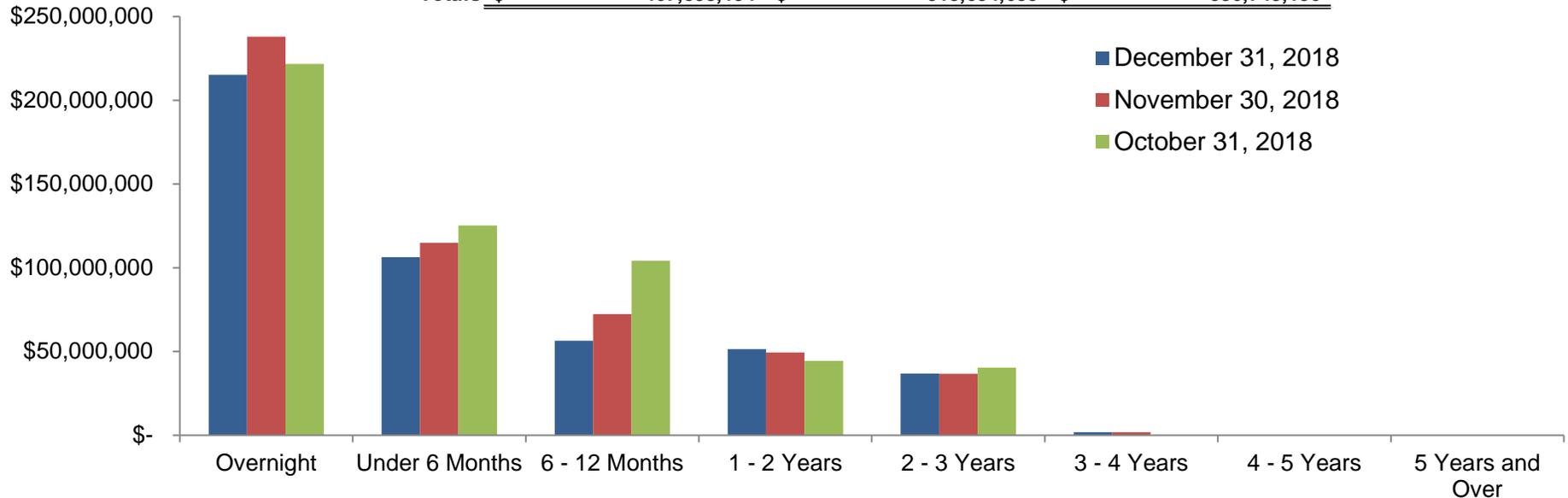
Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Rate Stabilization Fund	\$ 61,450,000	1.95%	0.00	1.0
Operating Reserve Accounts	\$ 155,355,632	1.75%	1.05	403.2
CSO LTCP Appropriations Account	\$ 521	1.74%	0.00	1.0
Fleet Relocation	\$ 4,331,000	0.90%	0.00	1.0
Debt Service Reserve	\$ 23,550,614	2.21%	0.96	361.5
Series B Commercial Paper Construction Fund	\$ 1,214,875	1.88%	0.00	1.0
2016B Construction Fund	\$ 17,023,137	2.35%	0.00	1.0
2018A Construction Fund	\$ 76,439,423	2.39%	0.08	29.5
2018B Construction Fund	\$ 128,527,992	2.42%	0.34	124.5
Total	\$ 467,893,194	2.10%	0.50	191.3

Investment Performance Report – December 2018



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

Maturity Distribution	December 31, 2018	November 30, 2018	October 31, 2018
Overnight	\$ 215,127,424.99	\$ 237,983,806.79	\$ 221,698,134.09
Under 6 Months	106,253,211.40	114,804,780.91	125,183,501.05
6 - 12 Months	56,459,331.92	72,306,709.08	104,239,194.39
1 - 2 Years	51,414,090.60	49,386,173.44	44,410,435.45
2 - 3 Years	36,785,894.57	36,733,386.30	40,274,400.83
3 - 4 Years	1,853,240.26	1,879,778.39	937,530.38
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
Totals	\$ 467,893,194	\$ 513,094,635	\$ 536,743,196





**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		110,933,858.05	23.7%	100.0%	Yes
Sub-Total Bank Deposits		110,933,858.05	23.7%	100.0%	Yes
Money Market Mutual Funds					
Wells Fargo Treasury Plus MMF	AAAm	102,792,913.88	22.0%	50.0%	Yes
Wells Fargo Government MMF	AAAm	185,778.31	0.0%	50.0%	Yes
First American Treasury	AAAm	1,214,874.75	0.3%	50.0%	Yes
Sub-Total Money Market Mutual Funds		104,193,566.94	22.3%	100.0%	Yes
U.S. Treasuries					
Treasury Note	AA+ / Aaa	143,943,749.99	30.8%	100.0%	Yes
Sub-Total Treasuries		143,943,749.99	30.8%	100.0%	Yes
Federal Agencies					
Fannie Mae	AA+ / Aaa	6,821,651.44	1.5%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	5,352,250.23	1.1%	40.0%	Yes
Freddie Mac	AA+ / Aaa	-	0.0%	40.0%	Yes
Sub-Total Federal Agencies		12,173,901.67	2.6%	80.0%	Yes
Supranational Bonds					
African Development Bank	AAA / Aaa	2,547,219.90	0.5%	5.0%	Yes
Asian Development Bank	AAA / Aaa	1,639,028.21	0.4%	5.0%	Yes
Inter-American Development Bank	AAA / Aaa	1,986,736.97	0.4%	5.0%	Yes
International Bank for Reconstruction and Development	AAA / Aaa	2,276,314.35	0.5%	5.0%	Yes
International Finance Corporation Note	AAA / Aaa	932,066.12	0.2%	5.0%	Yes
Sub-Total Supranational Bonds		9,381,365.55	2.0%	30.0%	Yes
Commercial Paper					
BNP Paribas NY Branch	A-1 / P-1	3,486,003.89	0.7%	5.0%	Yes
Cooperatieve Radobank U.A.	A-1 / P-1	2,370,638.67	0.5%	5.0%	Yes
Dexia Credit Local SA NY	A-1+ / P-1	7,869,523.54	1.7%	5.0%	Yes
JP Morgan Securities LLC	A-1 / P-1	12,946,096.93	2.8%	5.0%	Yes
MUFG Bank Ltd. NY	A-1 / P-1	1,484,746.67	0.3%	5.0%	Yes
Natixis NY Branch	A-1 / P-1	4,382,561.30	0.9%	5.0%	Yes
Toyota Motor Credit Corporation	A-1+ / P-1	5,269,602.37	1.1%	5.0%	Yes
Sub-Total Commercial Paper		37,809,173.37	8.1%	35.0%	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
FDIC Insured Certificates of Deposit					
CDARS - Placed by Industrial Bank	NR / NR	15,444,182.62	3.3%	5.0%	Yes
Sub-Total FDIC-Insured Certificates of Deposit		15,444,182.62	3.3%	30.0%	Yes
Negotiable Certificates of Deposit					
Bank of Montreal Chicago	A+ / Aa2	937,376.76	0.2%	5.0%	Yes
Bank of Nova Scotia Houston	A+ / Aa2	926,803.02	0.2%	5.0%	Yes
Canadian Imperial Bank NY	A+ / Aa2	1,409,083.77	0.3%	5.0%	Yes
Goldman Sachs Bank USA	A-1 / P-1	1,415,353.33	0.3%	5.0%	Yes
Nordea Bank AB NY	AA- / Aa3	1,868,310.89	0.4%	5.0%	Yes
Royal Bank of Canada NY	AA- / Aa2	701,512.00	0.1%	5.0%	Yes
Skandinav Enskilda Banken NY	A-1 / P-1	1,864,161.34	0.4%	5.0%	Yes
Swedbank NY	AA- / Aa2	927,683.01	0.2%	5.0%	Yes
UBS AG Stamford CT	A+ / Aa2	1,615,337.78	0.3%	5.0%	Yes
Westpac Banking Corp NY	AA- / Aa3	907,380.00	0.2%	5.0%	Yes
Sub-Total Negotiable Certificates of Deposit		12,573,001.90	2.7%	30.0%	Yes
Corporate Obligations					
3M Company	AA- / A1	342,401.12	0.1%	5.0%	Yes
Bank of Montreal	A+ / Aa2	472,733.83	0.1%	5.0%	Yes
Bank of New York Mellon	A / A1	920,610.43	0.2%	5.0%	Yes
Bank of Nova Scotia	A+ / Aa2	934,158.25	0.2%	5.0%	Yes
Blackrock	AA- / Aa3	926,565.63	0.2%	5.0%	Yes
Coca-Cola	A+ / A1	380,786.29	0.1%	5.0%	Yes
Exxon Mobil	AA+ / Aaa	932,115.48	0.2%	5.0%	Yes
Johnson & Johnson	AAA / Aaa	195,408.02	0.0%	5.0%	Yes
JP Morgan	A- / A2	926,674.63	0.2%	5.0%	Yes
Pfizer Inc.	AA / A1	1,475,233.83	0.3%	5.0%	Yes
Procter & Gamble	AA- / Aa3	441,348.17	0.1%	5.0%	Yes
Royal Bank of Canada	AA- / Aa2	874,232.56	0.2%	5.0%	Yes
Toronto Dominion Bank NY	AA- / Aa1	1,859,577.81	0.4%	5.0%	Yes
Total Capital	A+ / Aa3	880,120.26	0.2%	5.0%	Yes
Toyota	AA- / Aa3	1,849,062.37	0.4%	5.0%	Yes
Wal-Mart Stores Inc.	AA / Aa2	1,932,454.03	0.4%	5.0%	Yes
Westpac Banking	AA- / Aa3	931,193.43	0.2%	5.0%	Yes
Sub-Total Corporate Obligations		16,274,676.14	3.5%	30.0%	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
Municipal Obligations					
California State	AA- / Aa3	1,082,549.03	0.2%	5.0%	Yes
Connecticut State	A / A1	990,285.72	0.2%	5.0%	Yes
Florida State	AA / Aa3	1,819,467.00	0.4%	5.0%	Yes
NYC Transitional Finance Authority	AAA / Aa1	541,764.00	0.1%	5.0%	Yes
New York State	NR / Aa1	390,335.83	0.1%	5.0%	Yes
University of California	AA / Aa2	341,315.93	0.1%	5.0%	Yes
Sub-Total Municipal Obligations		5,165,717.51	1.1%	20.0%	Yes
Grand Total		\$ 467,893,193.74	100.0%		

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



**DC Water
Finance Division
Book Value Performance
As of December 31, 2018**

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

	Trailing 1 Months		Trailing 3 Months		Trailing 6 Months		Trailing 12 Months	Trailing 24 Months
	Periodic	Annualized	Periodic	Annualized	Periodic	Annualized		
Rate Stabilization Fund	0.17%	1.97%	0.49%	1.97%	0.94%	1.87%	1.38%	1.00%
Operating Reserve Accounts	0.14%	1.64%	0.49%	1.97%	0.86%	1.72%	1.46%	1.38%
Debt Service Reserve	0.19%	2.23%	0.53%	2.11%	0.96%	1.91%	1.62%	1.31%
2018A Construction Fund	0.15%	1.84%	0.47%	1.88%	1.03%	4.14%	n/a	n/a
2018B Construction Fund	0.19%	2.30%	0.56%	2.26%	1.13%	4.55%	n/a	n/a
Short-Term	0.17%	2.08%	0.50%	2.01%	0.96%	1.92%	1.63%	1.33%
Merrill Lynch 3-Month Treasury Index (Book Value) ¹	0.20%	2.41%	0.59%	2.37%	1.11%	2.22%	1.97%	1.49%
Core (1+ Years)	0.20%	2.33%	0.57%	2.29%	1.11%	2.22%	1.99%	1.74%
Merrill Lynch 1-3 Year Treasury Index (Book Value) ²	0.21%	2.55%	0.69%	2.76%	1.37%	2.74%	2.55%	2.07%

- (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		1/1/2019		1.95%	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000.00
Operating Reserve Accounts										
TD BANK BANK DEPOSIT		\$ 44,152,337		1/1/2019		0.90%	\$ 44,152,337	\$ 44,152,337	\$ 44,152,337	
DC RESERVES TD BANK DEPOSIT		1,000,000		1/1/2019		2.19%	1,000,000	1,000,000	1,000,000	
WELLS FARGO GOVERNMENT MMF		185,778		1/1/2019		2.31%	185,778	185,778	185,778	
INDUSTRIAL BANK CDARS		2,614,746	1.000	1/17/2019	1/18/2018	1.00%	2,614,746	2,639,794	2,639,794	
INDUSTRIAL BANK CDARS		2,573,871	1.000	1/17/2019	1/18/2018	1.00%	2,573,871	2,598,527	2,598,527	
FL ST BOARD ADMIN FIN CORP TXBL REV BD	341271AA2	1,800,000	2.163	7/1/2019	3/8/2016	2.16%	1,800,000	1,814,247	1,819,467	
SKANDINAV ENSKILDA BANKEN NY CD	83050FXT3	1,850,000	1.840	8/2/2019	8/4/2017	1.85%	1,849,279	1,854,036	1,864,161	
GOLDMAN SACHS BANK USA CERT DEPOS	40054PAE5	1,400,000	2.800	8/5/2019	8/13/2018	2.80%	1,400,000	1,413,339	1,415,353	
CT ST TXBL GO BONDS	20772J3D2	985,000	1.300	8/15/2019	8/17/2016	1.23%	987,128	979,160	990,286	
FNMA NOTES	3135G0P49	625,000	1.000	8/28/2019	10/5/2016	1.02%	624,625	620,475	627,050	
AFRICAN DEVELOPMENT BANK NOTE	00828EBQ1	700,000	1.125	9/20/2019	9/20/2016	1.16%	699,258	694,456	702,029	
WAL-MART STORES INC CORP NOTE	931142DY6	430,000	1.750	10/9/2019	10/20/2017	1.75%	429,991	428,695	431,710	
INDUSTRIAL BANK CDARS		5,077,888	0.500	10/10/2019	10/11/2018	0.50%	5,077,888	5,083,595	5,083,595	
THE PROCTER & GAMBLE CO CORP NOTES	742718EZ8	440,000	1.750	10/25/2019	10/25/2017	1.77%	439,846	437,695	441,348	
INDUSTRIAL BANK CDARS		5,110,912	1.500	11/7/2019	11/8/2018	1.51%	5,110,912	5,122,266	5,122,266	
US TREASURY NOTES	912828G61	2,325,000	1.500	11/30/2019	12/5/2016	1.45%	2,328,633	2,304,091	2,329,192	
PFIZER INC CORP NOTE	717081EB5	595,000	1.700	12/15/2019	11/21/2016	1.72%	594,572	589,708	595,313	
PFIZER INC CORP NOTE	717081EB5	300,000	1.700	12/15/2019	11/21/2016	1.73%	299,775	297,332	300,155	
ASIAN DEVELOPMENT BANK NOTE	045167DT7	925,000	1.750	1/10/2020	1/12/2017	1.77%	924,464	924,874	932,502	
US TREASURY NOTES	912828H52	3,475,000	1.250	1/31/2020	1/5/2017	1.52%	3,447,309	3,442,953	3,483,283	
NORDEA BANK AB NY CD	65590ASN7	1,850,000	2.720	2/20/2020	2/22/2018	2.72%	1,850,000	1,867,186	1,868,311	
FNMA NOTES	3135G0T29	1,150,000	1.500	2/28/2020	2/28/2017	1.52%	1,149,264	1,142,804	1,155,606	
US TREASURY NOTES	912828J50	725,000	1.375	2/29/2020	2/3/2017	1.58%	720,610	718,249	726,704	
US TREASURY NOTES	912828J50	2,900,000	1.375	2/29/2020	9/1/2017	1.38%	2,899,887	2,872,995	2,913,496	
UBS AG STAMFORD CT LT CD	90275DHG8	1,600,000	2.900	3/2/2020	3/6/2018	2.93%	1,600,000	1,616,243	1,615,338	
EXXON MOBIL (CALLABLE) CORP NOTE	30231GAG7	925,000	1.912	3/6/2020	4/28/2017	1.77%	928,635	922,334	932,115	
WESTPAC BANKING CORP NOTES	961214DJ9	925,000	2.150	3/6/2020	3/6/2017	2.16%	924,602	921,435	931,193	
AFRICAN DEVELOPMENT BANK NOTE	00828ECA5	1,035,000	1.875	3/16/2020	3/16/2017	1.93%	1,033,468	1,029,391	1,040,033	
CANADIAN IMP BK COMM NY FLT CERT DEPOS	13606BVF0	1,400,000	2.814	4/10/2020	4/10/2018	2.78%	1,400,000	1,411,685	1,409,084	
TOYOTA MOTOR CREDIT CORP	89236TDU6	630,000	1.950	4/17/2020	4/17/2017	1.97%	629,710	624,701	632,398	
TOYOTA MOTOR CREDIT CORP	89236TDU6	295,000	1.950	4/17/2020	4/17/2017	1.94%	295,089	292,519	296,221	
US TREASURY NOTES	912828K58	2,750,000	1.375	4/30/2020	4/5/2017	1.53%	2,737,646	2,714,151	2,751,062	
US TREASURY NOTES	912828K58	1,575,000	1.375	4/30/2020	4/10/2017	1.55%	1,566,879	1,554,468	1,575,133	
NYC TRANS FIN AUTH, NY TXBL REV BONDS	64971W5W6	540,000	1.960	5/1/2020	6/29/2017	1.96%	540,000	535,424	541,764	
US TREASURY NOTES	912828VF4	1,650,000	1.375	5/31/2020	5/23/2018	2.58%	1,611,070	1,625,375	1,624,606	
BANK OF NOVA SCOTIA HOUSTON CD	06417GU22	925,000	3.080	6/5/2020	6/7/2018	3.10%	924,649	929,762	926,803	
WAL-MART STORES INC CORP NOTES	931142EG4	925,000	2.850	6/23/2020	6/27/2018	2.87%	924,713	927,083	925,370	
TOTAL CAPITAL SA CORP NOTES	89152UAD4	850,000	4.450	6/24/2020	4/10/2017	2.07%	912,492	868,185	880,120	
US TREASURY NOTES	912828X48	1,825,000	1.625	6/30/2020	6/16/2017	1.51%	1,830,988	1,800,415	1,828,069	
US TREASURY NOTES	912828X48	3,650,000	1.625	6/30/2020	6/28/2017	1.50%	3,663,117	3,600,830	3,656,773	
BANK OF NOVA SCOTIA HOUSTON CORP BOND	064159JX5	925,000	2.150	7/14/2020	7/14/2017	2.15%	924,871	921,240	934,158	
FNMA NOTES	3135G0T60	1,850,000	1.500	7/30/2020	9/1/2017	1.49%	1,850,481	1,831,050	1,861,907	
US TREASURY NOTES	912828XM7	825,000	1.625	7/31/2020	7/7/2017	1.60%	825,516	818,912	830,881	
BANK OF MONTREAL CHICAGO CERT DEPOS	06370REU9	925,000	3.190	8/3/2020	8/3/2018	3.23%	925,000	936,299	937,377	
WESTPAC BANKING CORP NY CD	96121T4A3	900,000	2.050	8/3/2020	8/7/2017	2.05%	900,000	895,172	907,380	

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



DC Water
Finance Division
Portfolio Holdings by Fund

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
Operating Reserve Accounts										
INTL BANK OF RECONSTRUCTION AND DEV NOTE	45905UP32	925,000	1.561	9/12/2020	9/19/2017	1.64%	922,780	912,422	928,094	
TORONTO-DOMINION BANK	89114QC71	925,000	3.150	9/17/2020	9/17/2018	3.16%	924,806	935,570	933,251	
FHLB NOTES	3130ACE26	965,000	1.375	9/28/2020	9/8/2017	1.48%	961,902	948,915	966,644	
FANNIE MAE NOTES	3135G0U84	1,850,000	2.875	10/30/2020	11/6/2018	2.95%	1,847,373	1,869,014	1,856,437	
US TREASURY NOTES	912828L99	250,000	1.375	10/31/2020	10/17/2017	1.71%	247,539	245,511	249,093	
INTER-AMERICAN DEVELOPMENT BANK	4581X0CD8	915,000	2.125	11/9/2020	10/10/2017	1.81%	923,481	909,269	922,976	
JOHNSON & JOHNSON CORP NOTE	478160CH5	195,000	1.950	11/10/2020	11/10/2017	1.99%	194,791	192,682	195,408	
COCA-COLA CO/THE GLOBAL NOTES	191216AR1	370,000	3.150	11/15/2020	9/12/2017	1.78%	385,584	374,029	380,786	
SWEDBANK (NEW YORK) CERT DEPOS	87019U6D6	925,000	2.270	11/16/2020	11/17/2017	2.30%	925,000	910,143	927,683	
US TREASURY NOTES	912828M98	3,000,000	1.625	11/30/2020	11/3/2017	1.77%	2,986,992	2,954,834	2,996,121	
US TREASURY NOTES	912828N48	1,975,000	1.750	12/31/2020	12/5/2017	1.91%	1,965,588	1,946,936	1,968,918	
US TREASURY NOTES	912828N48	975,000	1.750	12/31/2020	12/6/2017	1.96%	968,830	961,146	970,992	
ASIAN DEVELOPMENT BANK NOTE	045167EF6	700,000	2.250	1/20/2021	1/19/2018	2.29%	699,251	702,749	706,526	
US TREASURY NOTES	912828N89	1,750,000	1.375	1/31/2021	1/4/2018	2.05%	1,715,000	1,719,942	1,736,135	
US TREASURY NOTES	912828N89	800,000	1.375	1/31/2021	1/4/2018	2.08%	783,188	786,259	793,104	
US TREASURY NOTES	912828P87	1,100,000	1.125	2/28/2021	2/16/2018	2.42%	1,058,707	1,072,451	1,074,500	
INTERNATIONAL FINANCE CORPORATION NOTE	45950VLQ7	925,000	2.635	3/9/2021	3/16/2018	2.66%	924,306	931,535	932,066	
NY ST DORM AUTH PITS TXBL REV BONDS	64990FJN5	390,000	3.100	3/15/2021	12/21/2018	3.10%	390,000	392,532	390,336	
AFRICAN DEVELOPMENT BANK NOTE	00828ECZ0	800,000	2.625	3/22/2021	3/22/2018	2.66%	799,176	806,085	805,158	
CA ST TXBL GO BONDS	13063DGA0	1,075,000	2.800	4/1/2021	4/25/2018	2.80%	1,075,043	1,081,579	1,082,549	
TOYOTA MOTOR CREDIT CORP	89236TCZ6	475,000	1.900	4/8/2021	3/6/2018	2.82%	462,223	467,746	467,593	
BANK OF MONTREAL CHICAGO CORP NOTES	06367T4W7	470,000	3.100	4/13/2021	4/13/2018	3.14%	469,450	472,921	472,734	
TOYOTA MOTOR CREDIT CORP NOTES	89236TEU5	290,000	2.950	4/13/2021	4/13/2018	2.96%	289,884	291,897	291,764	
TOYOTA MOTOR CREDIT CORP NOTES	89236TEU5	160,000	2.950	4/13/2021	4/13/2018	2.93%	160,082	161,047	161,085	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406FAA1	515,000	2.500	4/15/2021	2/16/2018	2.93%	508,300	511,376	512,819	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406FAA1	410,000	2.500	4/15/2021	2/16/2018	2.99%	404,022	407,115	407,791	
INTER-AMERICAN DEVELOPMENT BANK NOTE	4581X0DB1	1,060,000	2.625	4/19/2021	4/19/2018	2.70%	1,057,668	1,066,614	1,063,761	
ROYAL BANK OF CANADA CORP NOTES	78013XKG2	870,000	3.200	4/30/2021	4/30/2018	3.23%	869,382	874,628	874,233	
UNIV OF CAL TXBL REV BONDS	91412HBH5	340,000	3.029	5/15/2021	6/5/2018	3.03%	340,000	344,223	341,316	
US TREASURY NOTES	912828WN6	975,000	2.000	5/31/2021	6/6/2018	2.62%	957,671	965,898	962,605	
ROYAL BANK OF CANADA NY CD	78012UEE1	700,000	3.240	6/7/2021	6/8/2018	3.24%	700,000	701,583	701,512	
TORONTO DOMINION BANK CORP NOTES	89114QBZ0	925,000	3.250	6/11/2021	6/12/2018	3.27%	924,584	930,459	926,327	
FANNIE MAE NOTES	3135G0U35	1,320,000	2.750	6/22/2021	6/25/2018	2.76%	1,319,696	1,328,314	1,320,653	
WAL-MART STORES INC CORP NOTES	931142EJ8	575,000	3.125	6/23/2021	6/27/2018	3.13%	574,971	579,485	575,374	
INTL BANK OF RECONSTRUCTION AND DEV NOTE	459058GH0	1,335,000	2.750	7/23/2021	7/25/2018	2.83%	1,331,876	1,356,338	1,348,220	
US TREASURY NOTES	9128284W7	3,500,000	2.750	8/15/2021	9/7/2018	2.72%	3,502,871	3,560,000	3,538,951	
US TREASURY NOTES	9128284W7	1,100,000	2.750	8/15/2021	9/28/2018	2.91%	1,095,316	1,118,860	1,107,159	
US TREASURY NOTES	9128284W7	450,000	2.750	8/15/2021	10/4/2018	2.89%	448,295	457,715	453,113	
US TREASURY NOTES	9128284W7	425,000	2.750	8/15/2021	10/11/2018	2.97%	422,443	432,287	427,056	
3M COMPANY	88579YBA8	340,000	3.000	9/14/2021	9/14/2018	3.07%	339,303	345,780	342,401	
PFIZER INC CORP NOTE	717081EM1	575,000	3.000	9/15/2021	9/7/2018	3.05%	574,224	583,896	579,766	
FEDERAL HOME LOAN BANKS NOTES (CALLABLE)	3130AEXV7	925,000	3.000	9/20/2021	9/20/2018	3.00%	925,000	935,096	932,785	
FEDERAL HOME LOAN BANKS NOTES	3130AF5B9	1,850,000	3.000	10/12/2021	11/6/2018	3.02%	1,848,927	1,885,778	1,861,167	
FEDERAL HOME LOAN BANKS NOTES	3130AF5B9	1,575,000	3.000	10/12/2021	12/12/2018	2.85%	1,581,395	1,605,459	1,591,654	
UNITED STATES TREASURY NOTES	9128285F3	1,000,000	2.875	10/15/2021	12/12/2018	2.77%	1,002,852	1,015,471	1,007,724	
BLACKROCK INC CORP NOTES	09247XAJ0	925,000	3.375	6/1/2022	11/9/2018	3.41%	923,909	934,497	926,566	
JPMORGAN CHASE & CO CORP NOTES	46647PAS5	925,000	3.514	6/18/2022	6/26/2018	3.50%	925,564	928,267	926,675	
								\$	155,355,632.18	

Debt Service Reserve

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

Investment Performance Report – December 2018



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
Debt Service Reserve										
WELLS FARGO TREASURY PLUS MMF		\$ 14,610		1/1/2019		2.35%	\$ 14,610	\$ 14,610	\$ 14,610	
US TREASURY NOTES	912828C65	11,325,000	1.625	3/31/2019	10/2/2018	2.39%	11,282,531	11,349,833	11,351,020	
US TREASURY N/B	912828W97	5,175,000	1.250	3/31/2019	10/10/2017	1.45%	5,160,041	5,176,753	5,189,027	
US TREASURY NOTES	912828F21	7,025,000	2.125	9/30/2021	4/2/2018	2.49%	6,940,206	6,996,459	6,995,956	\$ 23,550,613.54
CSO LTCP Appropriations Account										
TD BANK BANK DEPOSIT		\$ 521		1/1/2019		2.19%	\$ 521	\$ 521	\$ 521	\$ 521.06
Fleet Relocation Account										
TD BANK BANK DEPOSIT		\$ 4,331,000		1/1/2019		2.19%	\$ 4,331,000	\$ 4,331,000	\$ 4,331,000	\$ 4,331,000.00
Series B Commercial Paper Construction Fund										
COMMERCIAL PAPER		\$ 1,214,875		1/1/2019		1.88%	\$ 1,214,875	\$ 1,214,875	\$ 1,214,875	\$ 1,214,874.75
2016B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 17,023,137		1/1/2019		2.35%	\$ 17,023,137	\$ 17,023,137	\$ 17,023,137	\$ 17,023,137.38
2018A Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 52,450,077		1/1/2019		2.35%	\$ 52,450,077	\$ 52,450,077	\$ 52,450,077	
DEXIA CREDIT LOCAL SA NY COMM PAPER	25214PHP1	3,500,000	-	2/26/2019	6/7/2018	2.53%	3,436,347	3,485,643	3,486,498	
BNP PARIBAS NY BRANCH COMM PAPER	09659CQ19	3,500,000	-	3/1/2019	6/7/2018	2.48%	3,436,662	3,484,835	3,486,004	
COOPERATIEVE RABOBANK U.A. COMM PAPER	21687BQ12	2,380,000	-	3/1/2019	6/8/2018	2.44%	2,337,795	2,369,647	2,370,639	
JP MORGAN SECURITIES LLC COMM PAPER	46640QQ12	5,750,000	-	3/1/2019	6/7/2018	2.58%	5,642,106	5,724,315	5,726,158	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233HQ15	2,300,000	-	3/1/2019	6/7/2018	2.52%	2,257,866	2,290,110	2,290,689	
US TREASURY NOTES	912828XS4	4,795,000	1.250	5/31/2019	6/7/2018	2.34%	4,744,802	4,775,733	4,779,065	
US TREASURY NOTES	912828D80	1,850,000	1.625	8/31/2019	8/28/2018	2.45%	1,834,896	1,848,001	1,850,293	\$ 76,439,423.10
2018B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 33,305,089		1/1/2019		2.35%	\$ 33,305,089	\$ 33,305,089	\$ 33,305,089	
DEXIA CREDIT LOCAL SA NY COMM PAPER	25214PHP1	4,400,000	-	2/26/2019	6/7/2018	2.53%	4,319,979	4,381,951	4,383,026	
NATIXIS NY BRANCH COMM PAPER	63873KPU5	4,400,000	-	2/28/2019	8/28/2018	2.49%	4,344,677	4,380,719	4,382,561	
US TREASURY NOTES	912828C24	830,000	1.500	2/28/2019	8/31/2018	2.27%	826,855	833,043	833,222	
JP MORGAN SECURITIES LLC COMM PAPER	46640QQ12	7,250,000	-	3/1/2019	6/7/2018	2.58%	7,113,960	7,217,614	7,219,939	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233HQ15	1,500,000	-	3/1/2019	6/7/2018	2.52%	1,472,521	1,493,550	1,493,928	
MUFG BANK LTD/NY COMM PAPER	62479MSQ7	1,500,000	-	5/24/2019	8/28/2018	2.61%	1,471,307	1,482,864	1,484,747	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233HSQ8	1,500,000	-	5/24/2019	8/28/2018	2.57%	1,471,755	1,483,152	1,484,985	
US TREASURY NOTES	912828XS4	27,200,000	1.250	5/31/2019	8/28/2018	2.37%	26,972,625	27,090,708	27,105,849	
US TREASURY NOTES	912828WS5	14,000,000	1.625	6/30/2019	8/31/2018	2.40%	13,911,406	13,937,194	13,947,532	
US TREASURY NOTES	912828K5	4,660,000	1.375	7/31/2019	8/28/2018	2.42%	4,615,766	4,654,958	4,658,885	
US TREASURY NOTES	912828D80	28,225,000	1.625	8/31/2019	8/31/2018	2.46%	27,994,569	28,194,500	28,228,229	\$ 128,527,991.73
							\$ 466,146,325.40	\$ 467,318,524.15	\$ 467,893,193.74	\$ 467,893,193.74

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

Investment Performance Report – December 2018



DC Water
Finance Division
Security Purchases
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts							
459058GH0	INTL BANK OF RECONSTRUCTION AND DEV NOTE	1,335,000.00	2.75	7/23/2021	7/25/2018	2.83	1,331,876.10
06370REU9	BANK OF MONTREAL CHICAGO CERT DEPOS	925,000.00	3.19	8/3/2020	8/3/2018	3.20	925,000.00
40054PAE5	GOLDMAN SACHS BANK USA CERT DEPOS	1,400,000.00	2.80	8/5/2019	8/13/2018	2.84	1,400,000.00
717081EM1	PFIZER INC CORP NOTE	575,000.00	3.00	9/15/2021	9/7/2018	3.05	574,223.75
9128284W7	US TREASURY NOTES	3,500,000.00	2.75	8/15/2021	9/7/2018	2.72	3,508,886.72
88579YBA8	3M COMPANY	340,000.00	3.00	9/14/2021	9/14/2018	3.07	339,303.00
89114QC71	TORONTO-DOMINION BANK	925,000.00	3.15	9/17/2020	9/17/2018	3.16	924,805.75
3130AEXV7	FEDERAL HOME LOAN BANKS NOTES (CALLABLE)	925,000.00	3.00	9/20/2021	9/20/2018	3.00	925,000.00
9128284W7	US TREASURY NOTES	1,100,000.00	2.75	8/15/2021	9/28/2018	2.91	1,098,933.26
9128284W7	US TREASURY NOTES	450,000.00	2.75	8/15/2021	10/4/2018	2.89	449,976.31
RE1061606	INDUSTRIAL BANK CDARS	5,077,887.90	0.50	10/10/2019	10/11/2018	0.50	5,077,887.90
9128284W7	US TREASURY NOTES	425,000.00	2.75	8/15/2021	10/11/2018	2.97	424,253.65
3130AF5B9	FEDERAL HOME LOAN BANKS NOTES	1,850,000.00	3.00	10/12/2021	11/6/2018	3.02	1,852,627.00
3135G0U84	FANNIE MAE NOTES	1,850,000.00	2.88	10/30/2020	11/6/2018	2.95	1,848,111.72
3130AF5B9	INDUSTRIAL BANK CDARS	5,110,911.79	1.50	10/10/2019	10/11/2018	1.51	5,110,911.79
09247XAJ0	BLACKROCK INC CORP NOTES	925,000.00	3.38	6/1/2022	11/9/2018	3.41	937,610.06
3130AF5B9	FEDERAL HOME LOAN BANKS NOTES	1,575,000.00	3.00	10/12/2021	12/12/2018	2.85	1,589,269.50
9128285F3	UNITED STATES TREASURY NOTES	1,000,000.00	2.88	10/15/2021	12/12/2018	2.77	1,007,432.60
64990FJN5	NY ST DORM AUTH PITS TXBL REV BONDS	390,000.00	3.10	3/15/2021	12/21/2018	3.10	390,000.00
Total Debt Service Reserve							
912828C65	US TREASURY NOTES	11,325,000.00	1.625	3/31/2019	10/2/2018	2.392	11,283,542.41
2018A Construction Fund							
63873KLW5	NATIXIS NY BRANCH COMM PAPER	3,500,000.00	0.000	11/30/2018	7/5/2018	2.416	3,466,042.22
912828A34	US TREASURY NOTES	7,370,000.00	1.250	11/30/2018	8/28/2018	2.100	7,376,280.11
912828D80	US TREASURY NOTES	1,850,000.00	1.625	8/31/2019	8/28/2018	2.450	1,849,682.66
2018B Construction Fund							
9128282K5	US TREASURY NOTES	4,660,000.00	1.375	7/31/2019	8/28/2018	2.420	4,620,641.68
912828XS4	US TREASURY NOTES	27,200,000.00	1.250	5/31/2019	8/28/2018	2.370	27,055,302.60
62479MSQ7	MUFG BANK LTD/NY COMM PAPER	1,500,000.00	0.000	5/24/2019	8/28/2018	2.635	1,471,306.67
63873KPU5	NATIXIS NY BRANCH COMM PAPER	4,400,000.00	0.000	2/28/2019	8/28/2018	2.526	4,344,677.33
89233HSQ8	TOYOTA MOTOR CREDIT CORP COMM PAPER	1,500,000.00	0.000	5/24/2019	8/28/2018	2.593	1,471,755.00
912828C24	US TREASURY NOTES	830,000.00	1.500	2/28/2019	8/31/2018	2.266	826,855.08
912828D80	US TREASURY NOTES	28,225,000.00	1.625	8/31/2019	8/31/2018	2.457	27,994,569.34
912828WS5	US TREASURY NOTES	14,000,000.00	1.625	6/30/2019	8/31/2018	2.397	13,949,735.05

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

Investment Performance Report – December 2018



DC Water
Finance Division
Security Sales
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts							
459058FK4	INTL BANK OF RECON AND DEV SN NOTE	900,000.00	0.88	8/15/2019	7/25/2018	2.57	887,673.00
912828D23	US TREASURY NOTES	325,000.00	1.63	4/30/2019	7/25/2018	2.35	324,444.17
06367THQ6	BANK OF MONTREAL	900,000.00	1.50	7/18/2019	8/3/2018	2.69	890,473.50
084664CG4	BERKSHIRE HATHAWAY INC NOTES	130,000.00	1.70	3/15/2019	8/13/2018	2.36	130,406.76
19416QEF3	COLGATE-PALMOLIVE COMPANY CORP NOTES	925,000.00	1.75	3/15/2019	8/13/2018	2.44	927,917.86
912828D23	US TREASURY NOTES	250,000.00	1.63	4/30/2019	8/13/2018	2.35	249,879.84
037833CB4	APPLE INC CORP NOTES	525,000.00	1.10	8/2/2019	9/7/2018	2.58	518,651.88
594918BN3	MICROSOFT CORP NOTES	595,000.00	1.10	8/8/2019	9/7/2018	2.53	587,839.04
86958JHB8	SVENSKA HANDELSBANKEN NY CD	1,800,000.00	1.89	1/10/2019	9/7/2018	2.00	1,802,616.55
912828D23	US TREASURY NOTES	800,000.00	1.63	4/30/2019	9/7/2018	2.35	800,873.64
912828D23	US TREASURY NOTES	245,000.00	1.63	4/30/2019	9/10/2018	2.36	245,300.01
166764BH2	CHEVRON CORP NOTES	900,000.00	1.56	5/16/2019	9/14/2018	2.51	898,934.95
912828D23	US TREASURY NOTES	340,000.00	1.63	4/30/2019	9/14/2018	2.37	340,489.67
3130A8DB6	FHLB GLOBAL NOTE	825,000.00	1.13	6/21/2019	9/20/2018	2.49	818,945.53
912828D23	US TREASURY NOTES	110,000.00	1.63	4/30/2019	9/20/2018	2.39	110,183.27
94974BFQ8	WELLS FARGO & COMPANY NOTES	1,103,000.00	2.15	1/15/2019	9/28/2018	2.55	1,106,474.14
594918BV5	MICROSOFT CORP NOTES	445,000.00	1.85	2/6/2020	10/4/2018	2.80	440,830.60
36962G4R2	GENERAL ELECTRIC CAPITAL CORP CORP NOTE	425,000.00	4.38	9/16/2020	10/11/2018	3.60	432,347.48
3130A8DB6	FHLB GLOBAL NOTE	1,015,000.00	1.13	6/21/2019	11/6/2018	2.60	1,010,035.38
3137EAEB1	FHLMC REFERENCE NOTE	1,250,000.00	0.88	7/19/2019	11/6/2018	2.63	1,238,038.37
458182DX7	INTER-AMERICAN DEVELOPMENT BANK	1,260,000.00	1.00	5/13/2019	11/6/2018	2.63	1,255,496.20
3137EAEB1	FHLMC REFERENCE NOTE	1,000,000.00	0.88	7/19/2019	11/9/2018	2.66	990,433.61
3135G0P49	FNMA NOTES	1,450,000.00	1.00	8/28/2019	12/10/2018	2.67	1,436,998.33
3135G0P49	FNMA NOTES	975,000.00	1.00	8/28/2019	12/10/2018	2.67	966,257.50
3135G0P49	FNMA NOTES	375,000.00	1.00	8/28/2019	12/19/2018	2.71	371,776.25
2018A Construction Fund							
912828U40	US TREASURY N/B	3,475,000.00	1.00	11/30/2018	7/5/2018	2.07	3,463,391.45

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



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	TRANSACTION AMOUNT
Operating Reserve Accounts						
RE0959834	INDUSTRIAL BANK CDARS	5,035,025.80	0.50	10/11/2018	10/11/2018	5,060,131.96
RE0959842	INDUSTRIAL BANK CDARS	5,085,490.22	0.50	11/8/2018	11/8/2018	5,110,848.01
Total Debt Service Reserve						
912828RH5	US TREASURY NOTES	4,975,000.00	1.38	9/30/2018	9/30/2018	4,975,000.00
912828T42	US TREASURY NOTES	6,460,000.00	0.75	9/30/2018	9/30/2018	6,460,000.00
2018A Construction Fund						
06366HK48	BANK OF MONTREAL CHICAGO COMM PAPER	3,450,000.00	-	10/4/2018	10/4/2018	3,450,000.00
912828T83	US TREASURY NOTES	29,380,000.00	0.75	10/31/2018	10/31/2018	29,380,000.00
22533UL19	CREDIT AGRICOLE CIB NY COMM PAPER	3,450,000.00	-	11/1/2018	11/1/2018	3,450,000.00
89233HL10	TOYOTA MOTOR CREDIT CORP COMM PAPER	3,450,000.00	-	11/1/2018	11/1/2018	3,450,000.00
912828A34	US TREASURY NOTES	7,370,000.00	1.25	11/30/2018	11/30/2018	7,370,000.00
912828U40	US TREASURY N/B	14,590,000.00	1.00	11/30/2018	11/30/2018	14,590,000.00
21687BLW9	COOPERATIEVE RABOBANK U.A. COMM PAPER	3,375,000.00	-	11/30/2018	11/30/2018	3,375,000.00
63873KLW5	NATIXIS NY BRANCH COMM PAPER	3,500,000.00	-	11/30/2018	11/30/2018	3,500,000.00
62479MM34	MUFG BANK LTD/NY COMM PAPER	3,450,000.00	-	12/3/2018	12/3/2018	3,450,000.00
2018B Construction Fund						
912828S68	US TREASURY N/B	9,920,000.00	0.75	7/31/2018	7/31/2018	9,920,000.00
912828RE2	US TREASURY NOTES	44,620,000.00	1.50	8/31/2018	8/31/2018	44,620,000.00
06366HK48	BANK OF MONTREAL CHICAGO COMM PAPER	4,400,000.00	-	10/4/2018	10/4/2018	4,400,000.00
89233HKS2	TOYOTA MOTOR CREDIT CORP COMM PAPER	4,350,000.00	-	10/26/2018	10/26/2018	4,350,000.00
22533UL19	CREDIT AGRICOLE CIB NY COMM PAPER	4,400,000.00	-	11/1/2018	11/1/2018	4,400,000.00
62479MM34	MUFG BANK LTD/NY COMM PAPER	4,400,000.00	-	12/3/2018	12/3/2018	4,400,000.00
13607FMH6	CANADIAN IMPERIAL HOLDING COMM PAPER	4,400,000.00	-	12/17/2018	12/17/2018	4,400,000.00
21687BMT5	COOPERATIEVE RABOBANK U.A. COMM PAPER	6,055,000.00	-	12/27/2018	12/27/2018	6,055,000.00
09659CMX3	BNP PARIBAS NY BRANCH COMM PAPER	4,400,000.00	-	12/31/2018	12/31/2018	4,400,000.00

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
01/01/19	INTEREST	341271AA2	FL ST BOARD ADMIN FIN CORP TXBL REV BD	2.163	07/01/19	1,800,000.00	0.00	19,467.00	19,467.00
01/10/19	INTEREST	045167DT7	ASIAN DEVELOPMENT BANK NOTE	1.750	01/10/20	925,000.00	0.00	8,093.75	8,093.75
01/10/19	INTEREST	13606BVF0	CANADIAN IMP BK COMM NY FLT CERT DEPOS	2.814	04/10/20	1,400,000.00	0.00	9,794.02	9,794.02
01/14/19	INTEREST	064159JX5	BANK OF NOVA SCOTIA HOUSTON CORP BOND	2.150	07/14/20	925,000.00	0.00	9,943.75	9,943.75
01/17/19	MATURITY	RE0959859	INDUSTRIAL BANK CDARS	1.000	01/17/19	2,614,746.00	2,614,746.18	26,075.82	2,640,822.00
01/17/19	MATURITY	RE0959867	INDUSTRIAL BANK CDARS	1.000	01/17/19	2,573,871.00	2,573,870.75	25,668.19	2,599,538.94
01/20/19	INTEREST	045167EF6	ASIAN DEVELOPMENT BANK NOTE	2.250	01/20/21	700,000.00	0.00	7,875.00	7,875.00
01/23/19	INTEREST	459058GH0	INTL BANK OF RECONSTRUCTION AND DEV NOTE	2.750	07/23/21	1,335,000.00	0.00	18,152.29	18,152.29
01/30/19	INTEREST	3135G0T60	FNMA NOTES	1.500	07/30/20	1,850,000.00	0.00	13,875.00	13,875.00
01/31/19	INTEREST	912828H52	US TREASURY NOTES	1.250	01/31/20	3,475,000.00	0.00	21,718.75	21,718.75
01/31/19	INTEREST	912828N89	US TREASURY NOTES	1.375	01/31/21	800,000.00	0.00	5,500.00	5,500.00
01/31/19	INTEREST	912828N89	US TREASURY NOTES	1.375	01/31/21	1,750,000.00	0.00	12,031.25	12,031.25
01/31/19	INTEREST	912828XM7	US TREASURY NOTES	1.625	07/31/20	825,000.00	0.00	6,703.13	6,703.13

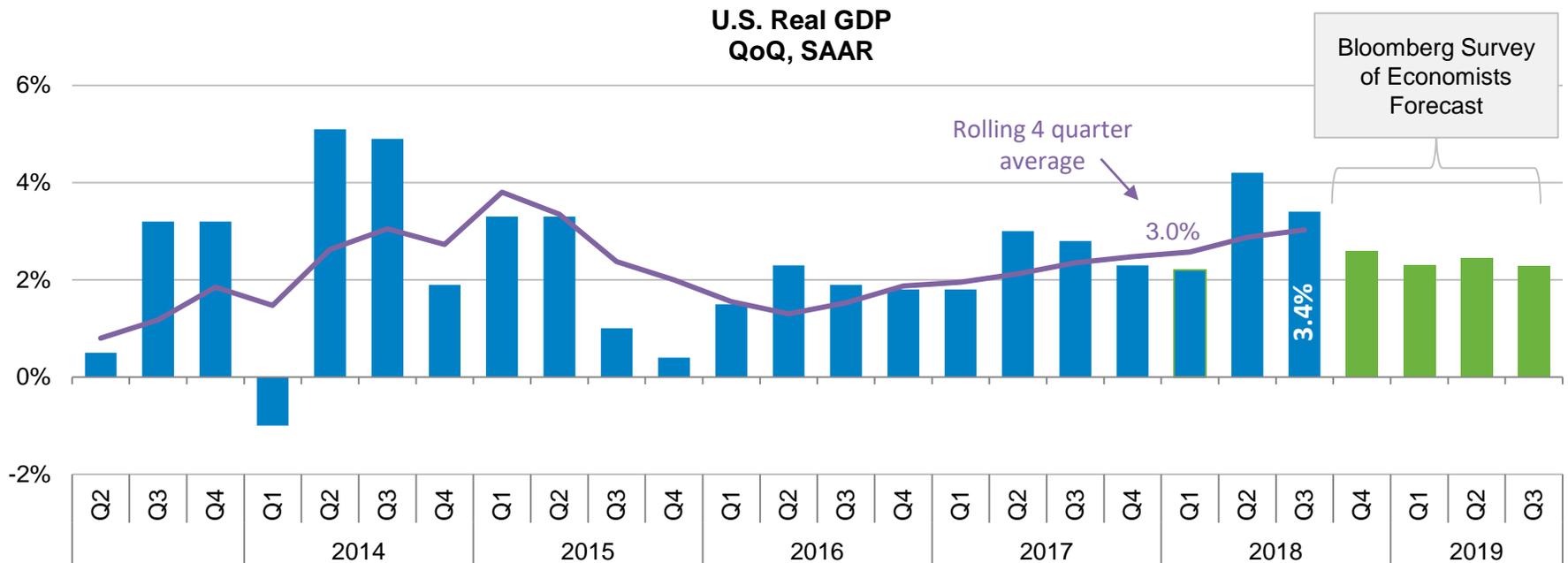


Appendix: Economic Update

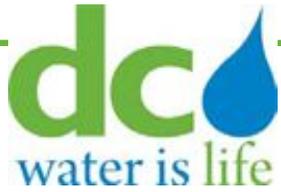


Economic Growth Remains Solid in Third Quarter

- U.S. economic activity continued to expand at a strong pace in the third quarter
 - U.S. gross domestic product (GDP) grew at an annual rate of 3.4%, marking the strongest back-to-back quarters since 2014
 - Consumer spending, government spending, and the rebuilding of inventories, offsetting weak business investment, and a drop in U.S exports, were positive contributors.
- However, the rise in third quarter growth may not be sustainable, as reflected in moderated future growth forecasts
 - A widening trade deficit and slower housing market activity are expected headwinds



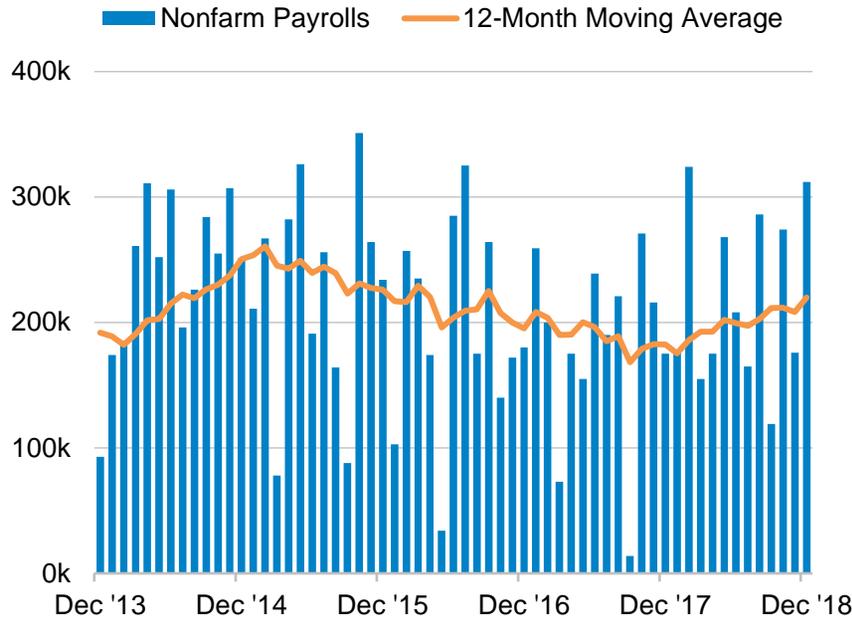
Source: Bloomberg, as of Q3 2018. SAAR is seasonally adjusted annualized rate. Orange denotes rolling four-quarter averages



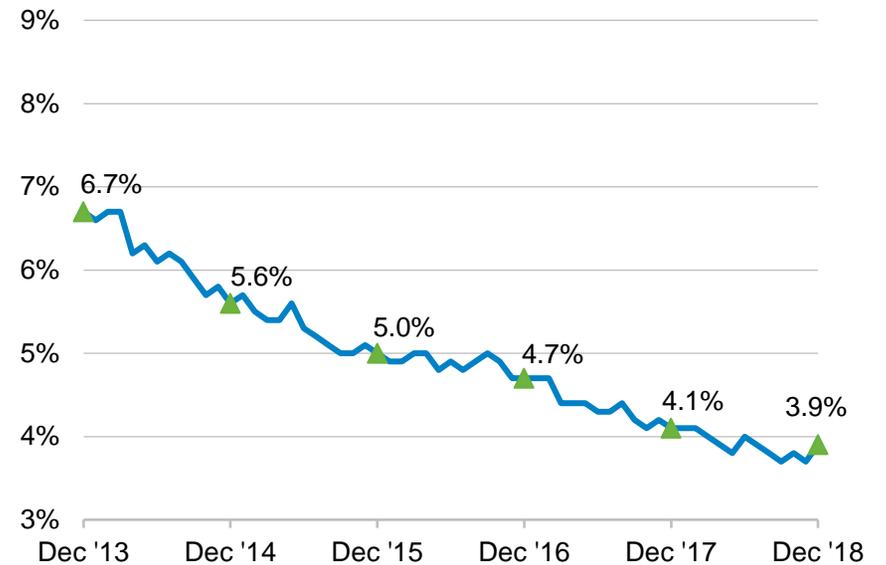
Labor Market Shows Continued Strength in December

- The U.S. economy added 312,000 jobs in December.
- Job gains averaged 216,000 per month in 2018.
- The unemployment rate rose to 3.9% in December.
- Average hourly earnings – a key measure of wage growth – rose to 3.2% in December.

Monthly Change in Nonfarm Payrolls



Unemployment Rate



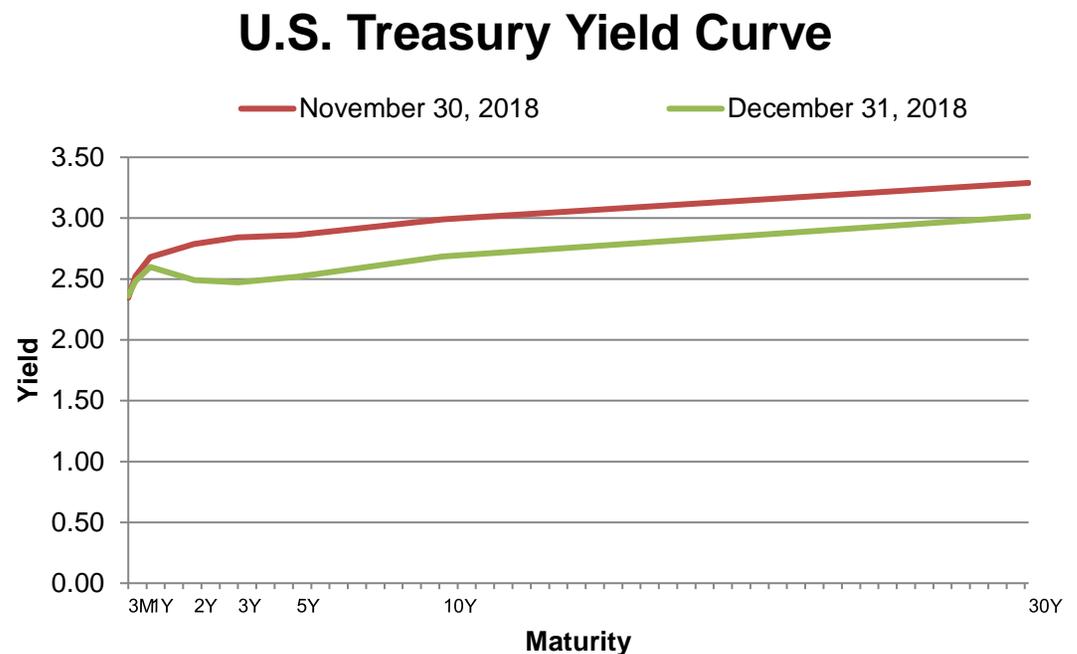
Source: Bloomberg, as of December 2018.



U.S. Treasury Yield Curve

- The U.S. Treasury yield curve is beginning to exhibit a slight inversion.
- 1-year Treasury notes are yielding higher than intermediate-term notes as of December 31st, 2018, causing the abnormal curvature at the shorter end of the curve.

	<u>11/30/18</u>	<u>12/31/18</u>	<u>Change</u>
3 month	2.35%	2.36%	0.02%
6 month	2.52%	2.48%	-0.04%
1 year	2.68%	2.60%	-0.08%
2 year	2.79%	2.49%	-0.30%
3 year	2.84%	2.47%	-0.37%
5 year	2.86%	2.52%	-0.34%
10 year	2.99%	2.69%	-0.30%
30 year	3.29%	3.02%	-0.27%

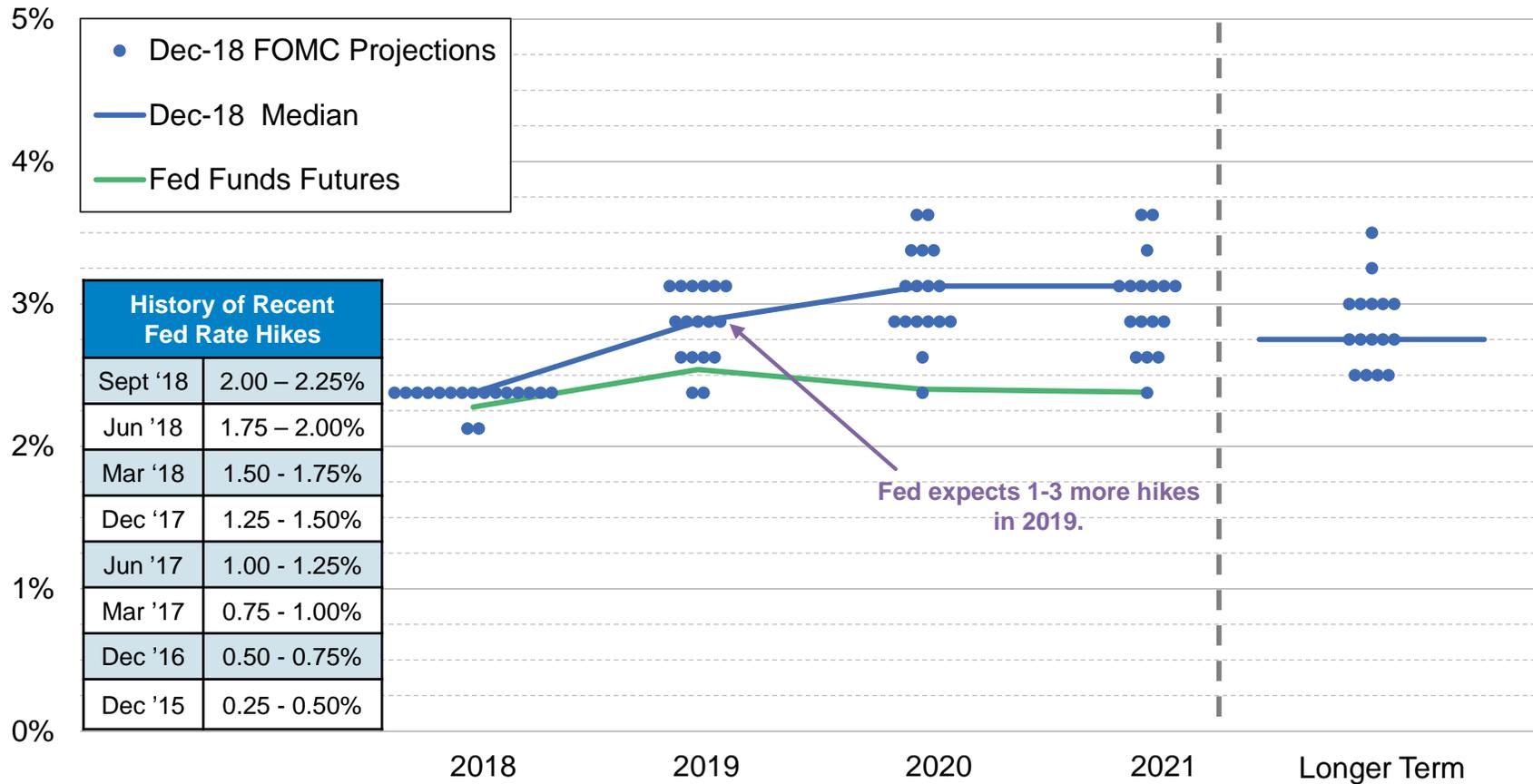


Source: Bloomberg



FOMC's December "Dot Plot" Appears Mixed For 2019

Fed Participants' Assessments of 'Appropriate' Monetary Policy



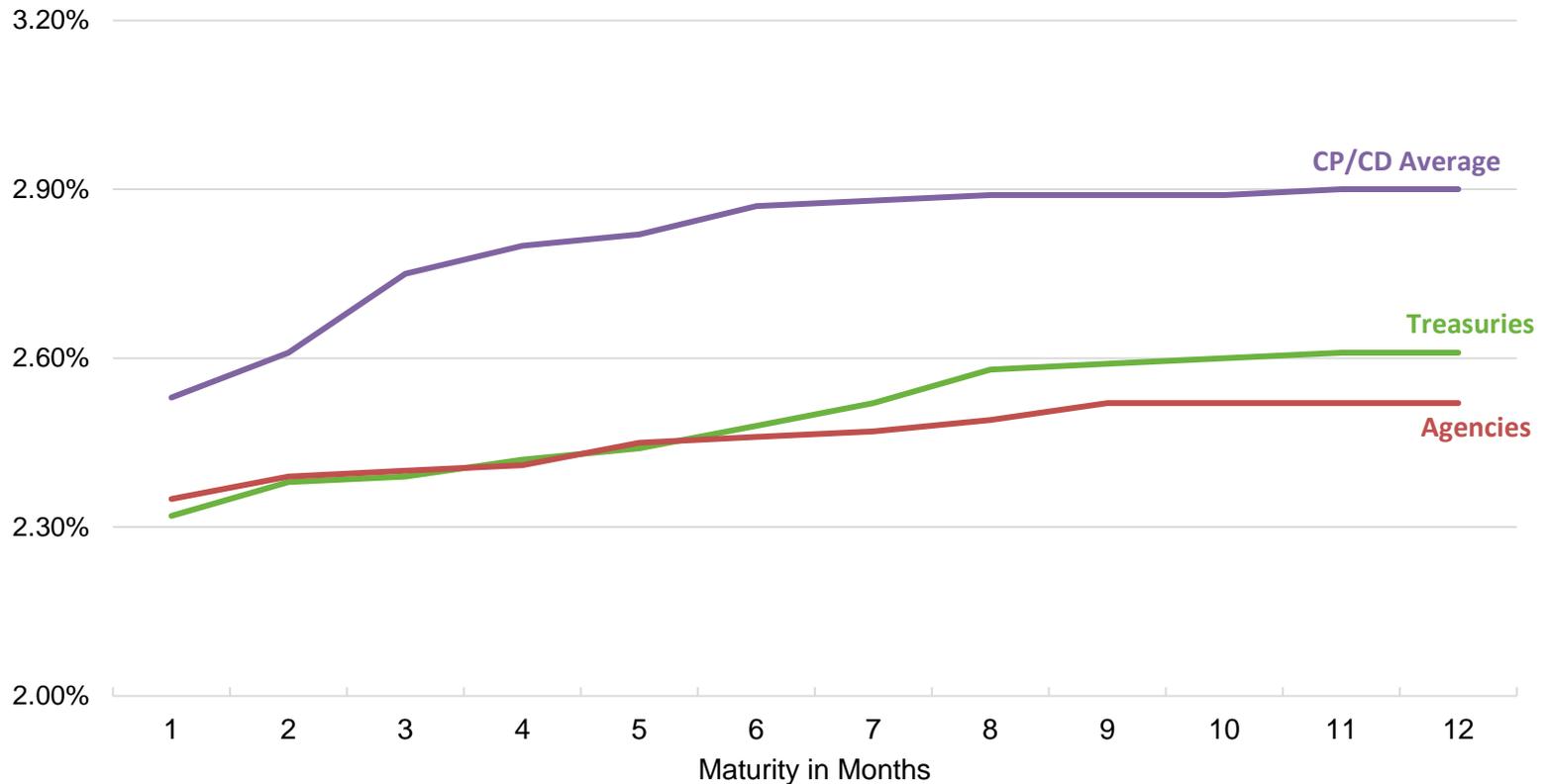
Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. Fed funds futures as of 12/19/18.



Current Short-Term Credit Environment

- Commercial paper and negotiable bank CDs remain attractive alternatives to short-term Treasuries, agencies, bank deposits, and government money market funds.

Money Market Yield Curves



Source: Bloomberg, PFMAM Trading Desk, as of 12/31/18. Not a specific recommendation.



Disclosure

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

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



Financial Policies Review

Presentation to the Finance and Budget Committee
January 24, 2019

District of Columbia Water and Sewer Authority





Purpose

- 💧 Review current financial policies
- 💧 Consider new proposals to strengthen DC Water



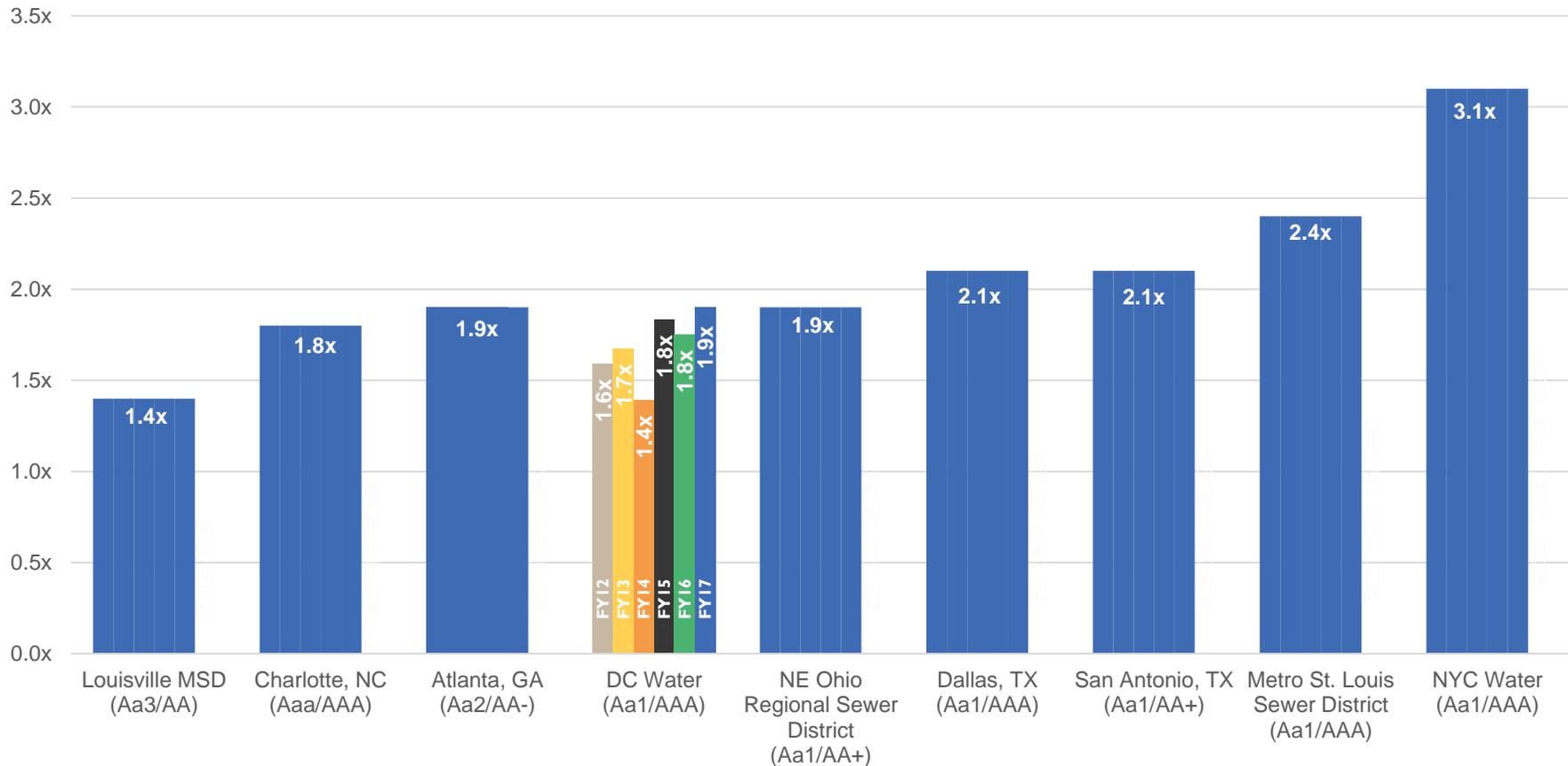
Current Financial Policies

- Board Resolution 13-57 (adopted May 2, 2013) adopted current “Statement of Financial Policies”
 - Board had adopted financial policies in 1998, 2004, and 2009
- DC Water will:
 - Maintain financial practices and policies that will result in high-quality bond ratings
 - Maintain 120 days of cash (operations and maintenance costs), or \$125.5 million
 - Include Indenture requirements: Operating Reserve (sixty days operating costs) and Renewal & Replacement Reserve
 - Maintain senior debt service coverage of 140 percent
 - Use operating cash in excess of Board policy for capital financing or repayment of higher cost debt
 - Use the lease costly type of financing for capital projects
 - Match the period of debt repayment with the lives of the assets financed



Coverage

- 💧 Coverage for utilities with AAA rating range is typically from 1.8 to 3.1
- 💧 DC Water Indenture requires Senior Lien coverage of 1.2X, and Subordinate at 1.0X, Board policy is 1.4X for Senior and 1.0X for Subordinate
 - Management practice has been to target combined coverage at 1.6X





Value of Robust Credit Ratings

DC Water’s AAA credit rating saves our ratepayers money

Rating	Yield Differential vs. AAA Rating	Individual Bond Sale (\$200 million)			Aggregate Debt Issuance for Capital Program (\$2 billion)		
		Annual Cost Differential (\$200 million)	Total Cost Differential (Through Maturity)	PV at 4%	Annual Cost (\$2 billion)	Total Cost Differential (Through Maturity)	PV at 4% (\$200MM Issued Annually, 10 Yrs)
AAA	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA+	0.10%	200,000	4,000,000	2,708,463	2,000,000	40,000,000	19,071,322
AA	0.20%	400,000	8,000,000	5,416,927	4,000,000	80,000,000	38,142,644
AA-	0.30%	600,000	12,000,000	8,125,390	6,000,000	120,000,000	57,213,966
A+	0.40%	800,000	16,000,000	10,833,853	8,000,000	160,000,000	76,285,288
A	0.50%	1,000,000	20,000,000	13,542,316	10,000,000	200,000,000	95,356,610
A-	0.60%	1,200,000	24,000,000	16,250,780	12,000,000	240,000,000	114,427,932



Select Peer Group

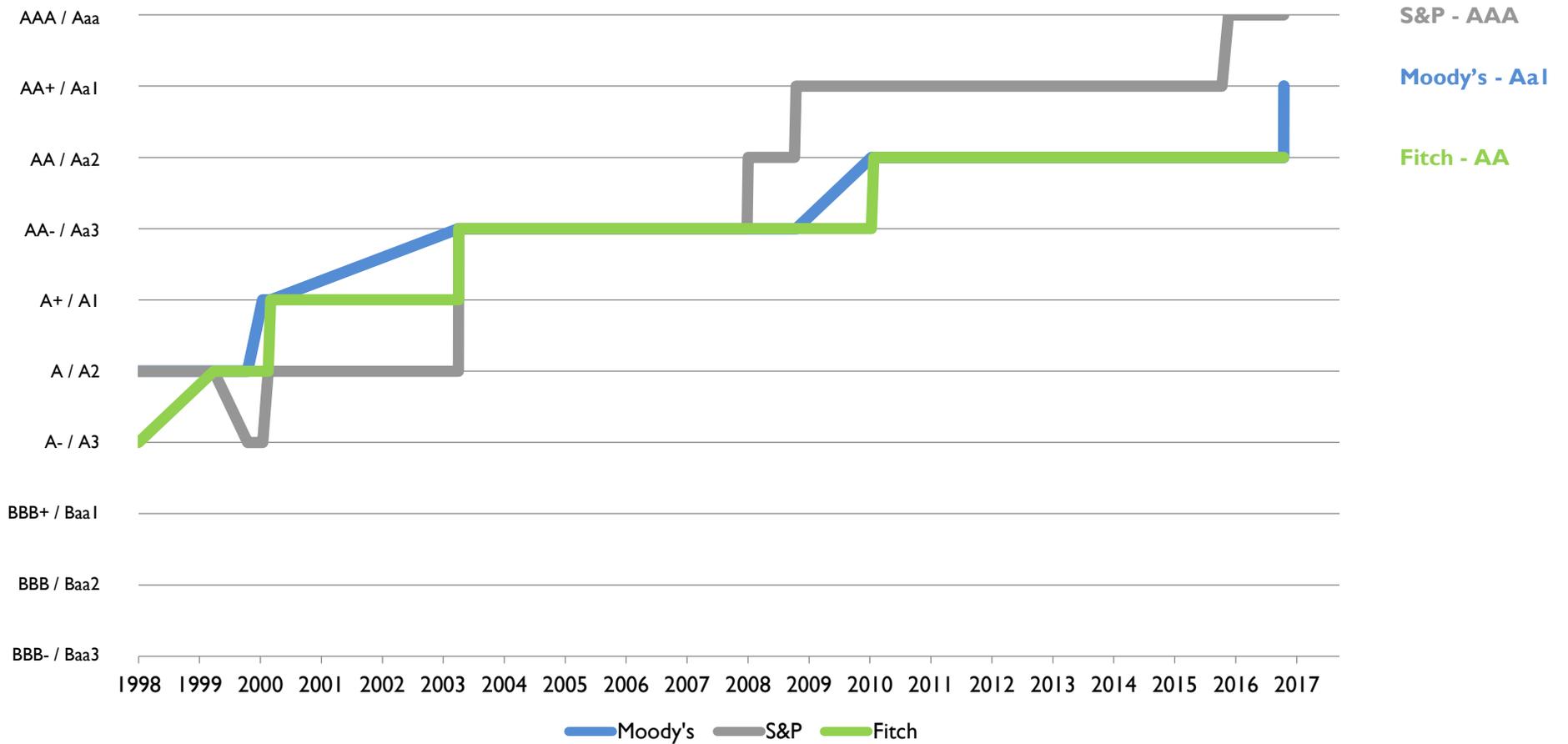
DC Water’s ability and willingness to raise rates to meet capital requirements, and the area’s relative wealth are credit strengths

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-	486,285	213,856	45.6%	2,924,317	1.9x	44.0%	1,364	4.1%
Charlotte, NC	Water & Sewer	Aaa	AAA	378,019	132,439	40.9%	1,527,327	1.8x	35.0%	864	2.0%
Dallas, TX	Water & Sewer	Aa1	AAA	632,469	182,000	46.7%	2,605,865	2.1x	28.8%	225	1.8% ¹
DC Water	Water & Sewer	Aa1	AAA	624,447	169,346	62.8%	3,224,567	1.9x	27.1%	259	1.6%
Louisville MSD, KY	Sewer	Aa3	AA	273,907	137,857	61.9%	1,865,260	1.4x	50.3%	220	1.3% ¹
Metro St. Louis Sewer District, MO	Sewer	Aa1	AAA	333,470	69,328	40.4%	1,351,437	2.4x	20.8%	623	1.2% ¹
NE Ohio Regional Sewer District	Sewer	Aa1	AA+	343,880	110,603	50.4%	1,546,085	1.9x	32.2%	754	2.3%
NYC Water	Water & Sewer	Aa1	AAA	3,828,715	821,000	97.8%	31,266,750	3.1x	21.4%	382	2.2%
San Antonio, TX	Water & Sewer	Aa1	AA+	678,110	173,005	46.0%	2,811,870	2.1x	25.5%	440	1.7%



Senior Lien Credit Rating History

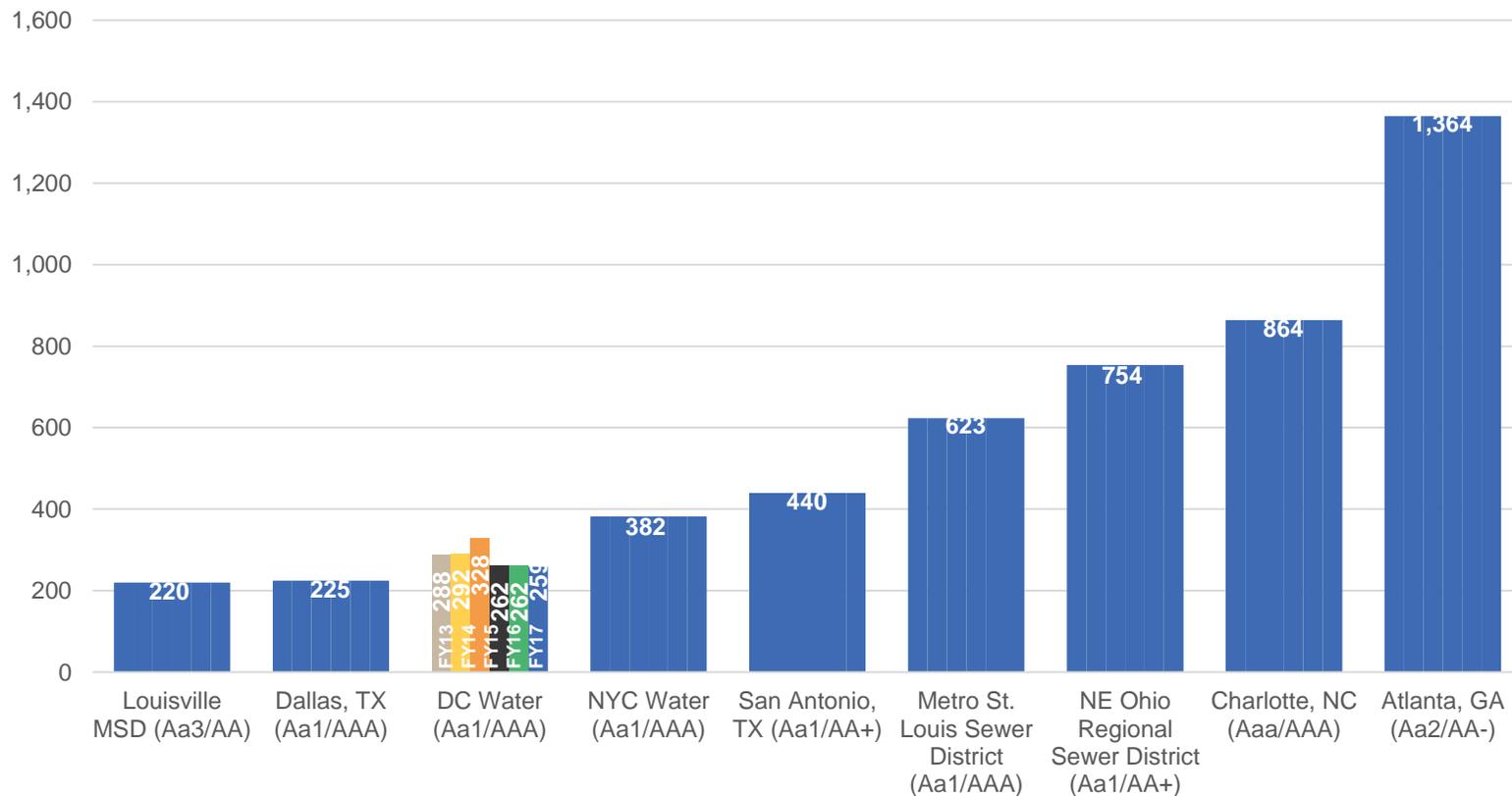
Senior Lien Ratings History (1998 – Present)





Days of Cash on Hand

- Days of cash on hand is an important measure of short and long term liquidity due to operational needs of an organization
- DC Water typically exceeds 250 days of cash, and this has included the Rate Stabilization Fund
- Many AAA utilities exceed 250 days of cash





Summary of DC Water Unrestricted Days Cash and Investments

- From 2015 to 2017, DC Water has exceeded 250 days-of-cash on hand
- The FY2019 withdrawal from the Rate Stabilization Fund will reduce the days-of-cash by about seven days

Source	FY 2017		FY 2016		FY 2015	
	\$	Days O&M (days)	\$	Days O&M (days)	\$	Days O&M (days)
Renewal and Replacement Fund	\$35.0 million	44	\$35.0 million	43	\$35.0 million	49
Required O&M Reserve	\$49.8 million	62	\$49.1 million	60	\$46.4 million	63
Discretionary Reserves	\$62.4 million	76	\$78.5 million	96	\$78.7 million	106
Rate Stabilization Fund	\$62.5 million	77	\$51.5 million	63	\$32.5 million	44
Total	\$209.7 million	259	\$214.0 million	262	\$192.6 million	262
O&M Expense ¹	\$299.7 million		\$303.5 million		\$274.4 million	



Days of Cash Calculation

- DC Water is recognized by rating agencies for having over 250 days of cash
- The Board Policy is 120 days-of-cash
- Without additional reserves, the days-of-cash will fall as expenditures increase in future budgets

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Operating and Maintenance	\$ 313,869,035	\$ 320,137,447	\$ 338,498,706	\$ 348,334,650	\$ 358,462,353	\$ 368,890,500	\$ 379,628,035
Less: PILOT, ROW & Stormwater	21,057,041	21,376,182	23,701,706	22,033,740	23,372,415	22,717,863	23,070,220
Net Operating and Maintenance	\$ 292,811,994	\$ 298,761,265	\$ 314,797,000	\$ 326,300,910	\$ 335,089,938	\$ 346,172,637	\$ 356,557,815
Daily Operating Expenditures	\$ 813,367	\$ 829,892	\$ 874,436	\$ 906,391	\$ 930,805	\$ 961,591	\$ 990,438
Ending Cash Balance	\$ 147,212,244	\$ 166,795,693	\$ 140,000,000	\$ 140,000,000	\$ 140,000,000	\$ 140,000,000	\$ 140,000,000
Rate Stabilization Fund (RSF)	\$ 61,450,000	\$ 61,450,000	\$ 55,450,000	\$ 55,450,000	\$ 55,450,000	\$ 55,450,000	\$ 55,450,000
DC Reserve Insurance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Ending Cash Balance including RSF	209,662,244	229,245,693	196,450,000	196,450,000	196,450,000	196,450,000	196,450,000
Days Cash on Hand	259	277	225	217	212	205	199



FY2019 Days of Cash

- Ending cash balance for FY2017 was \$209.7 million for 259 days of cash
- Ending cash balance for FY2018 was \$229.2 million for 277 days of cash
- For FY2019, a day of cash is about \$874,000
- Budget projection is that we will have 225 days of cash at the end of the year
 - An additional \$22.2 million will be needed in FY2019 to reach 250 days of cash



Current Financial Policies

- Every five years and independent consultant reviews DC Water's reserves, and makes recommendations
- February 9, 2018 report recommended increasing the Operating Reserve to the greater of \$140 million, or 140 days of Operation and Maintenance expenditures
 - Financial Plan reviewed at that time did not contemplate any withdrawals from the Rate Stabilization Fund, the Board has directed DC Water to withdraw \$6 million in FY2019
 - The \$10 year capital program was estimated to be \$4.0 billion
 - DC Water is contemplating an increase in the capital program to address linear water and sewer assets, and other asset management needs



Reasons to Strengthen Cash Position

- The recently enacted DC Water Consumer Protection Amendment Act of 2018 requires 45 days notice before public hearings related to rates are scheduled
 - DC Water typically provides 45 days notice for public hearings, and increasing the number of days of cash on hand will help ensure that DC Water has sufficient reserves in the event of an emergency situation
- The FY2019 withdrawal from the Rate Stabilization Fund reduces the number of days of cash on hand by about seven
- An expanded capital program will require increased borrowing



Recommendation

- Strengthen the Board target for days of cash on hand to 250
 - To be accomplished through allocations of year-end surplus or through budgeted contributions



DC Water Finance & Budget Committee

Investment Program Update

Nelson L. Bush, Managing Director
Kathleen L. Bowe, Senior Managing Consultant

January 24, 2019

PFM Asset
Management LLC

4350 N. Fairfax Drive
Suite 580
Arlington, VA 22203

(703) 741-0175
pfm.com



Agenda

**MARKET OUTLOOK &
INTEREST RATES UPDATE**

**DC WATER'S PORTFOLIOS &
PERFORMANCE**

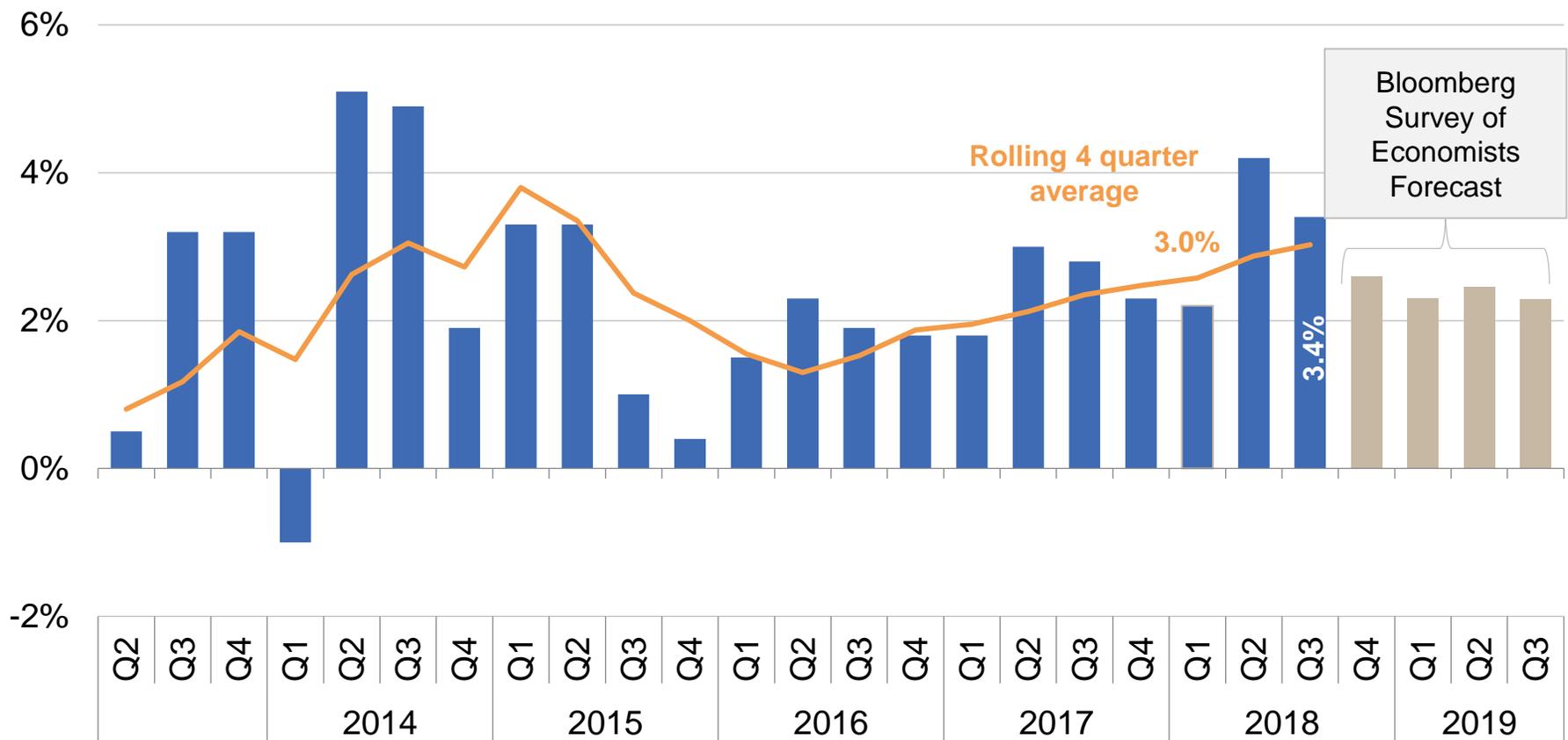
**RATE STABILIZATION FUND
STRATEGY OPTIONS**



Market Outlook & Interest Rates Update



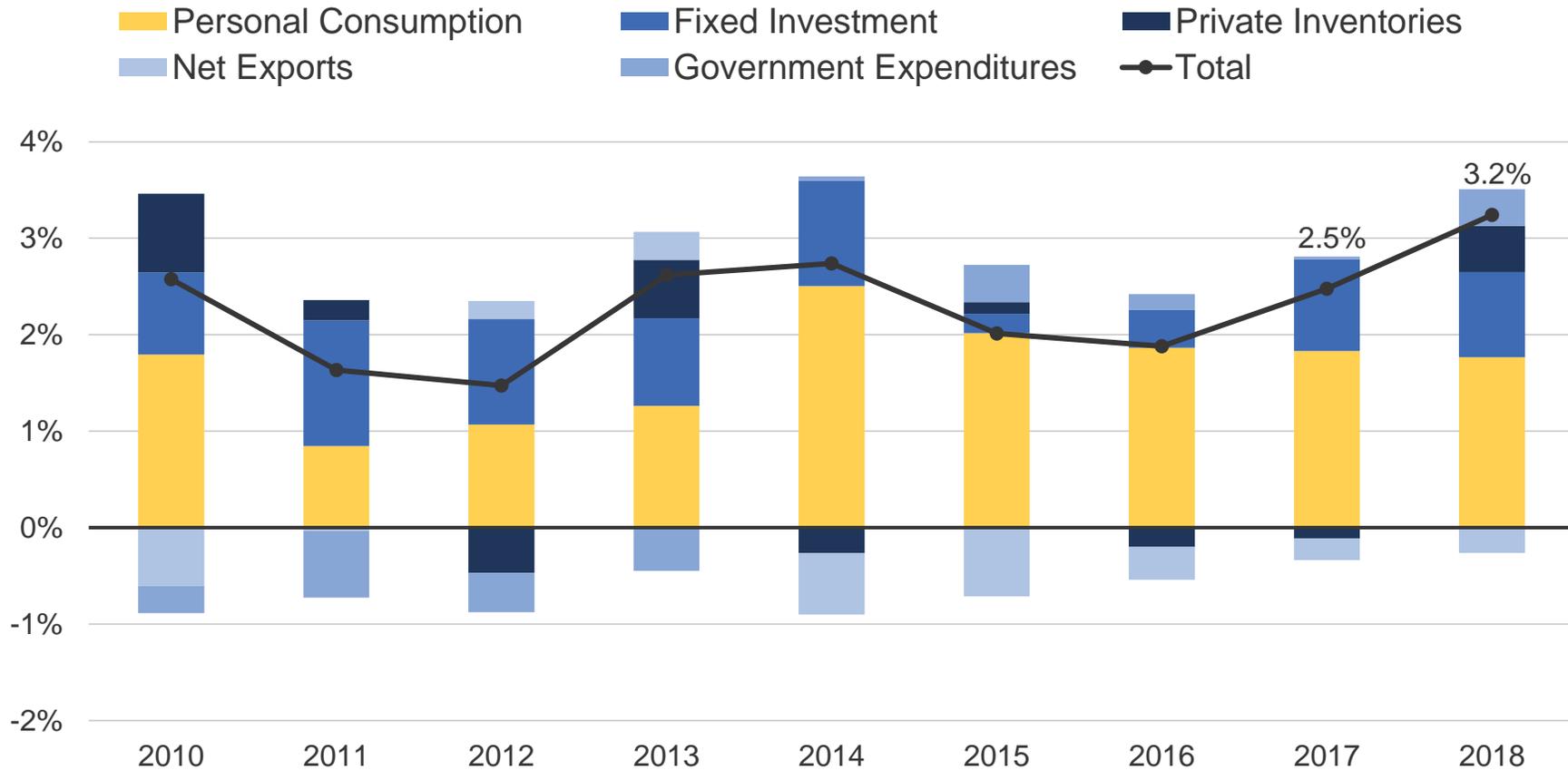
GDP Growth Remains Solid but is Expected to Soften in 2019





Consumers Continue to Drive GDP Growth

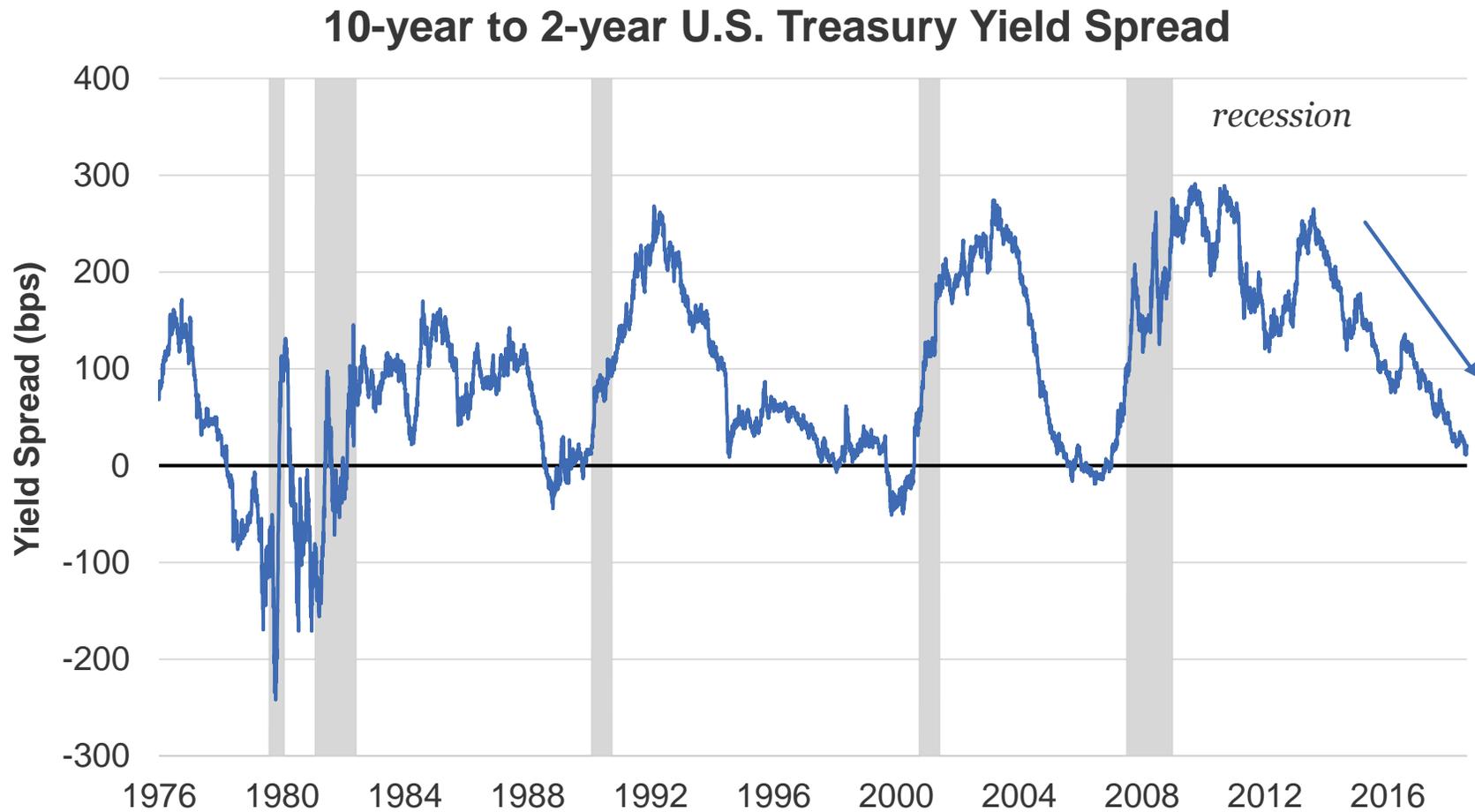
U.S. GDP Contributors and Detractors



Source: Bureau of Economic Analysis, as of November 2018. 2018 estimates based on Q1-Q3 data.



Market-Based Indicators Show Some Uncertainty

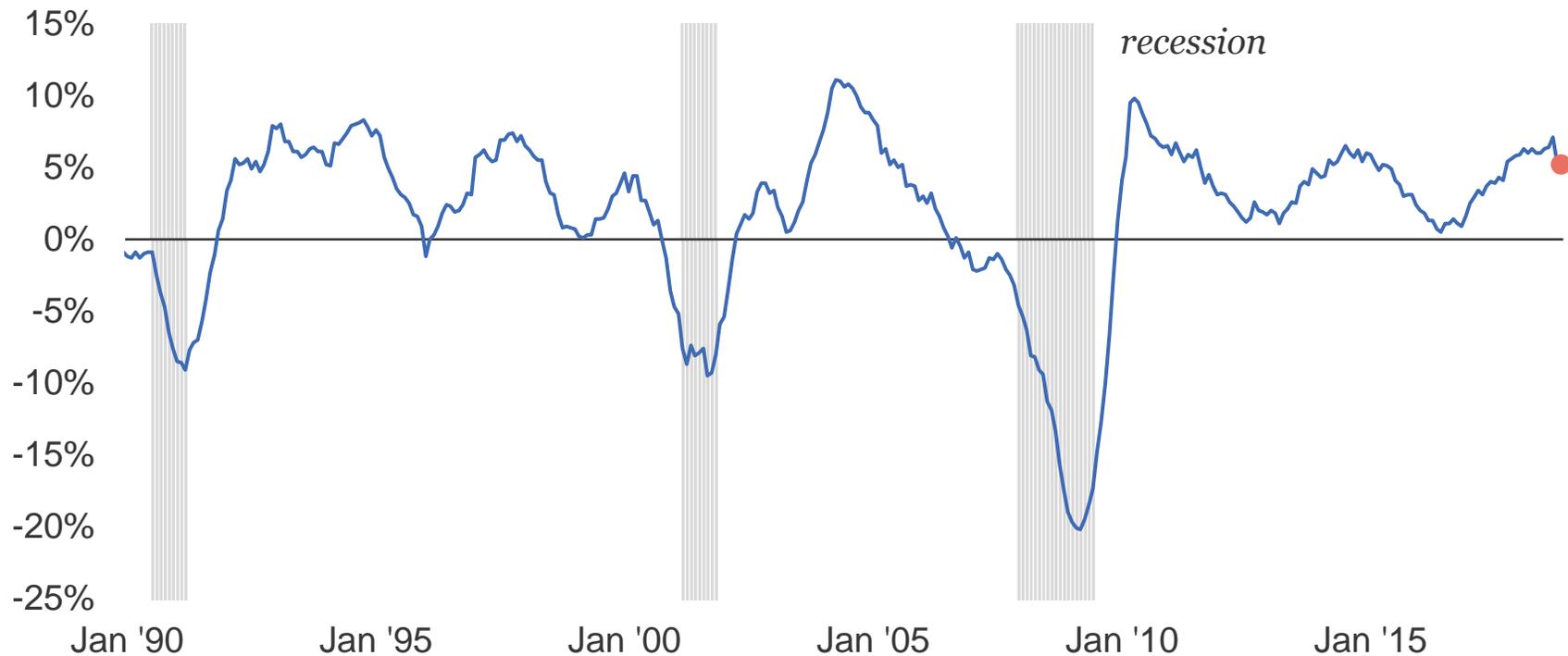


Source: Bloomberg, as of December 31, 2018



Fundamental Economic Indicators Do Not Predict Impending Recession

Leading Economic Indicators Index YOY



Source: Bloomberg, as of December 31, 2018



Interest Rates are Climbing as the Fed Hikes Rates

2-Year Treasury vs. Fed Funds Target Rate

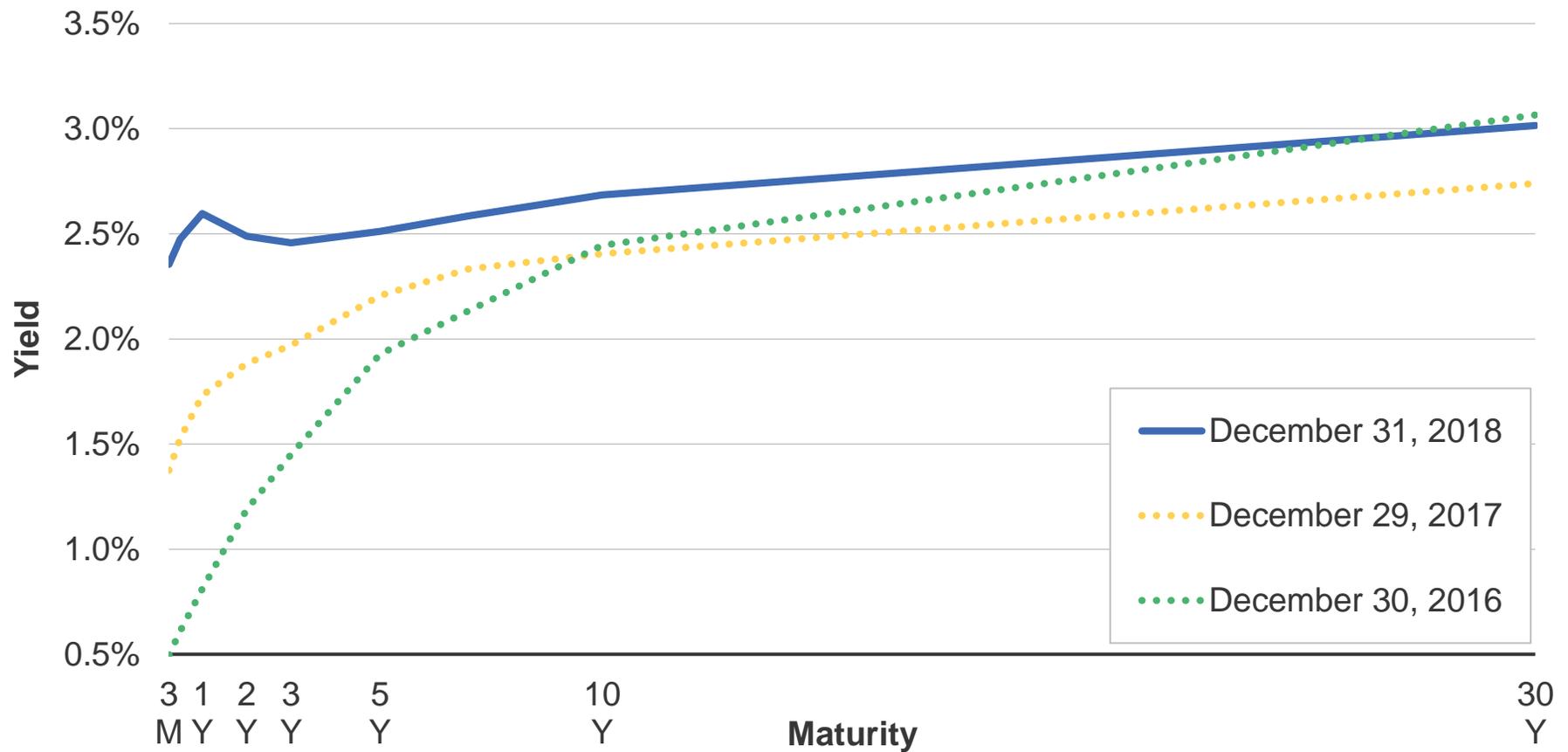


Source: Bloomberg, as of December 31, 2018



Yield Curve Continues Its Two Years of Flattening

U.S. Treasury Yield Curve History

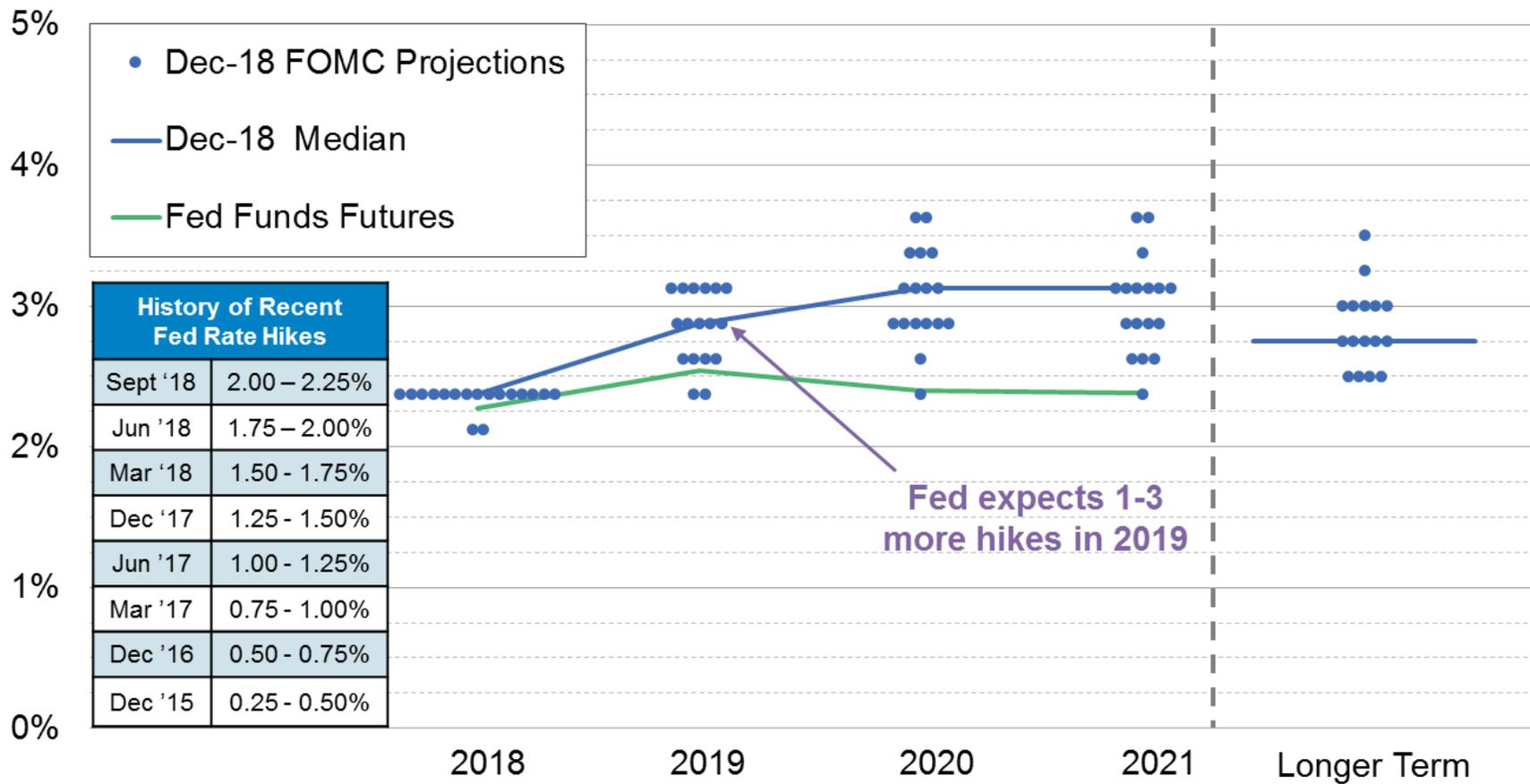


Source: Bloomberg, as of December 31, 2018



Fed Action Less Certain in 2019

Fed Members' Assessment of 'Appropriate' Monetary Policy





DC Water's Portfolios & Performance



DC Water's Portfolios, as of December 31, 2018

Portfolio	Balance ¹ (millions)	Weighted Average Maturity (years)	Yield ² (at cost)	Yield ² (at market)
Operating Reserve Fund (Active) ³	94.8	1.73	2.24%	2.69%
Operating Reserve Fund (Passive) ⁴	59.6	0.15	0.93%	0.93%
Rate Stabilization Fund	61.5	1 day	1.95%	1.95%
Debt Service Reserve Fund	23.6	0.99	2.21%	2.43%

1. Book value plus accrued interest
2. Yields represent weighted average portfolio yield
3. Active funds includes book value and money market fund balances of Operating Reserve Managed Portfolio
4. Passive funds includes Industrial Bank CDARS and TD Operating Bank Deposits



DC Water's Portfolios cont., as of December 31, 2018

Portfolio	Balance ¹ (millions)	Weighted Average Maturity (years)	Yield ² (at cost)	Yield ² (at market)
2018A Construction Fund Portfolio ³ (Active)	24.0	0.25	2.48%	2.61%
2018A Construction Fund Cash ⁴ (Passive)	52.5	1 day	2.35%	2.35%
2018B Construction Fund Portfolio ³ (Active)	95.2	0.46	2.44%	2.59%
2018B Construction Fund Cash ⁴ (Passive)	33.3	1 day	2.35%	2.35%
Commercial Paper	1.2	1 day	1.88%	1.88%
2016B Construction Fund	17.0	1 day	2.35%	2.35%

1. Book value plus accrued interest

2. Yields represent weighted average portfolio yield

3. Portfolio funds include book value balances of 2018A and 2018B Construction Fund Portfolios

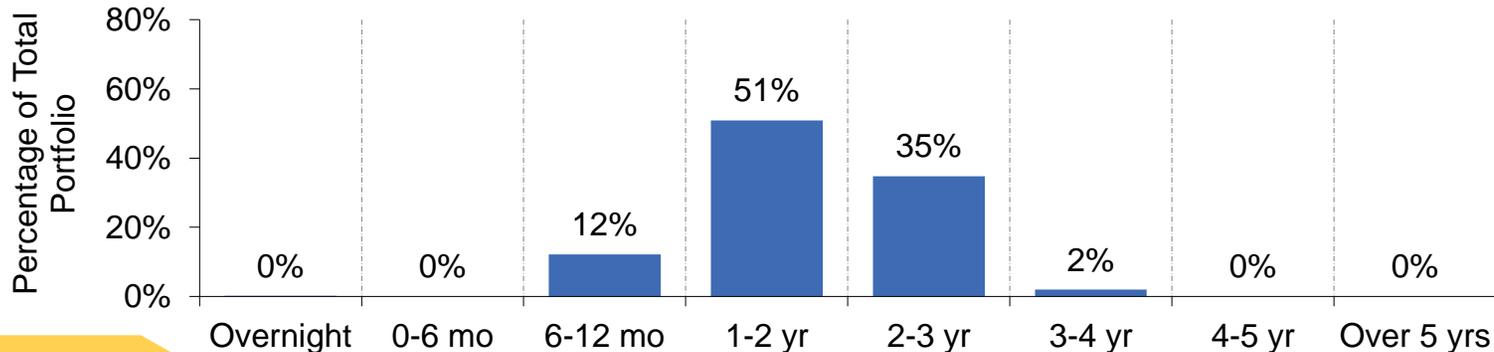
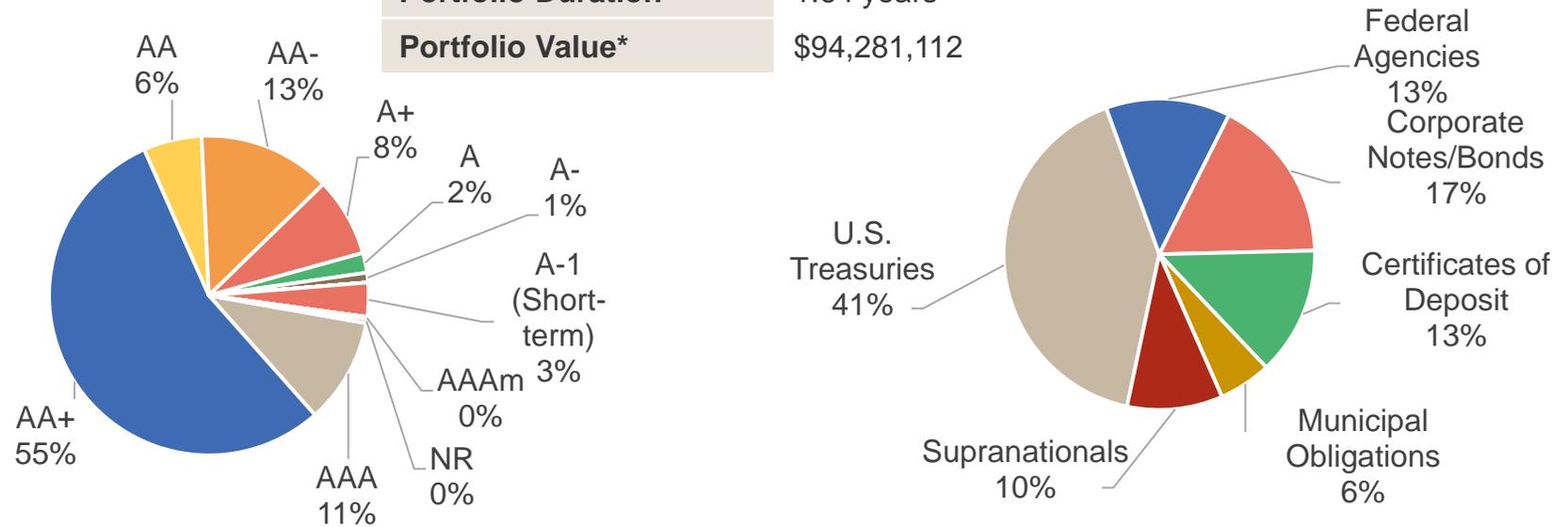
4. Cash includes money market fund balances.



Operating Reserve Managed Portfolio

December 31, 2018

Yield at Market	2.69%
Portfolio Duration	1.64 years
Portfolio Value*	\$94,281,112

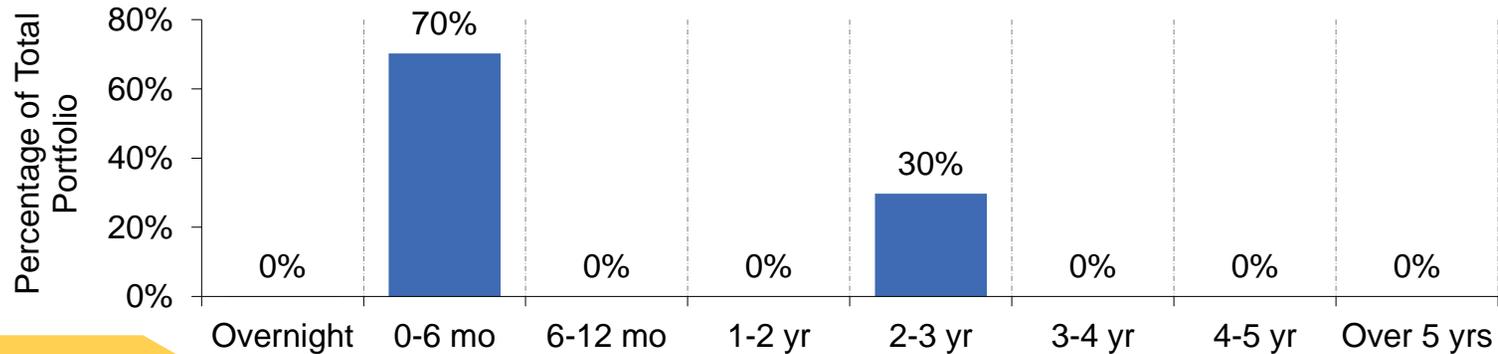
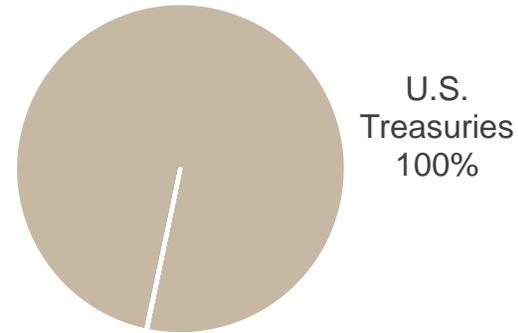
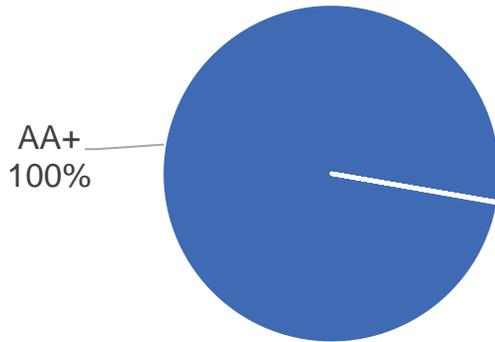




Debt Service Reserve Portfolio

December 31, 2018

Yield at Market	2.43%
Portfolio Duration	0.96 years
Portfolio Value*	\$23,537,656



Debt Service Reserve Portfolio as of December 31, 2018. Portfolio Value represents market value, accrued interest, and cash balance as of December 31, 2018.



Historical Yields, as of December 31, 2018

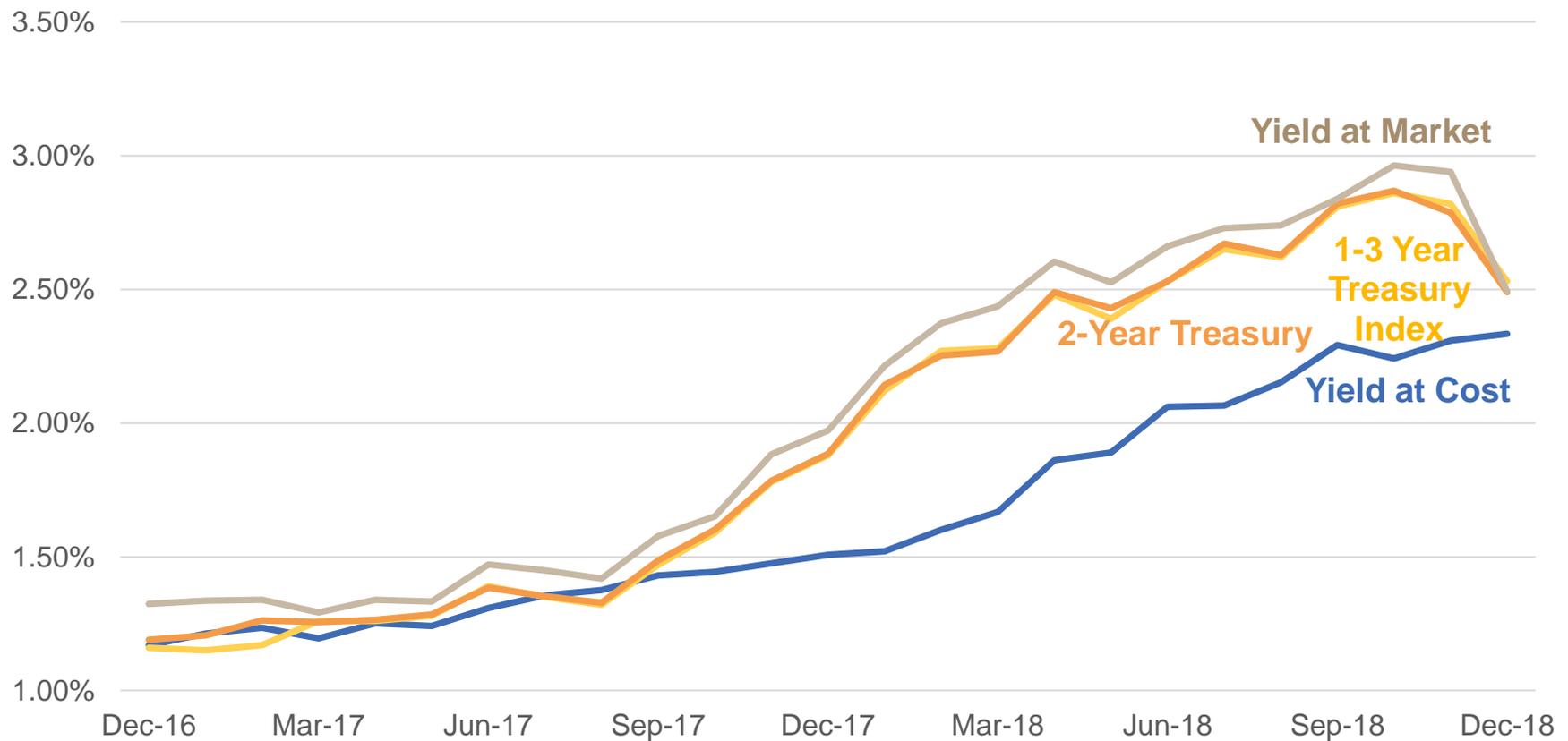
	Trailing 1 Month		Trailing 12 Months
	Periodic	Annualized	
Short-Term	0.17%	2.08%	1.63%
ICE BoAML 3-Month Treasury Index (Book Value) ¹	0.20%	2.41%	1.97%
Core (1+ Years)	0.20%	2.33%	1.99%
ICE BoAML 1-3 Year Treasury Index (Book Value) ²	0.21%	2.55%	2.55%

(1) The ICE BoAML 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 ICE BoAML 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.



Core Portfolio Yield Lags as Benchmark Captures Higher Interest Rates



Source: Bloomberg, as of December 31, 2018. Core Portfolio yield at cost and yield at market (annualized) versus ICE BoAML 1-3 Year Treasury Index and 2-Year Treasury from December 31, 2016 to December 31, 2018. The ICE of BofAML 1-3 Year Treasury Index yield at cost unadjusted to reflect market value fluctuations.

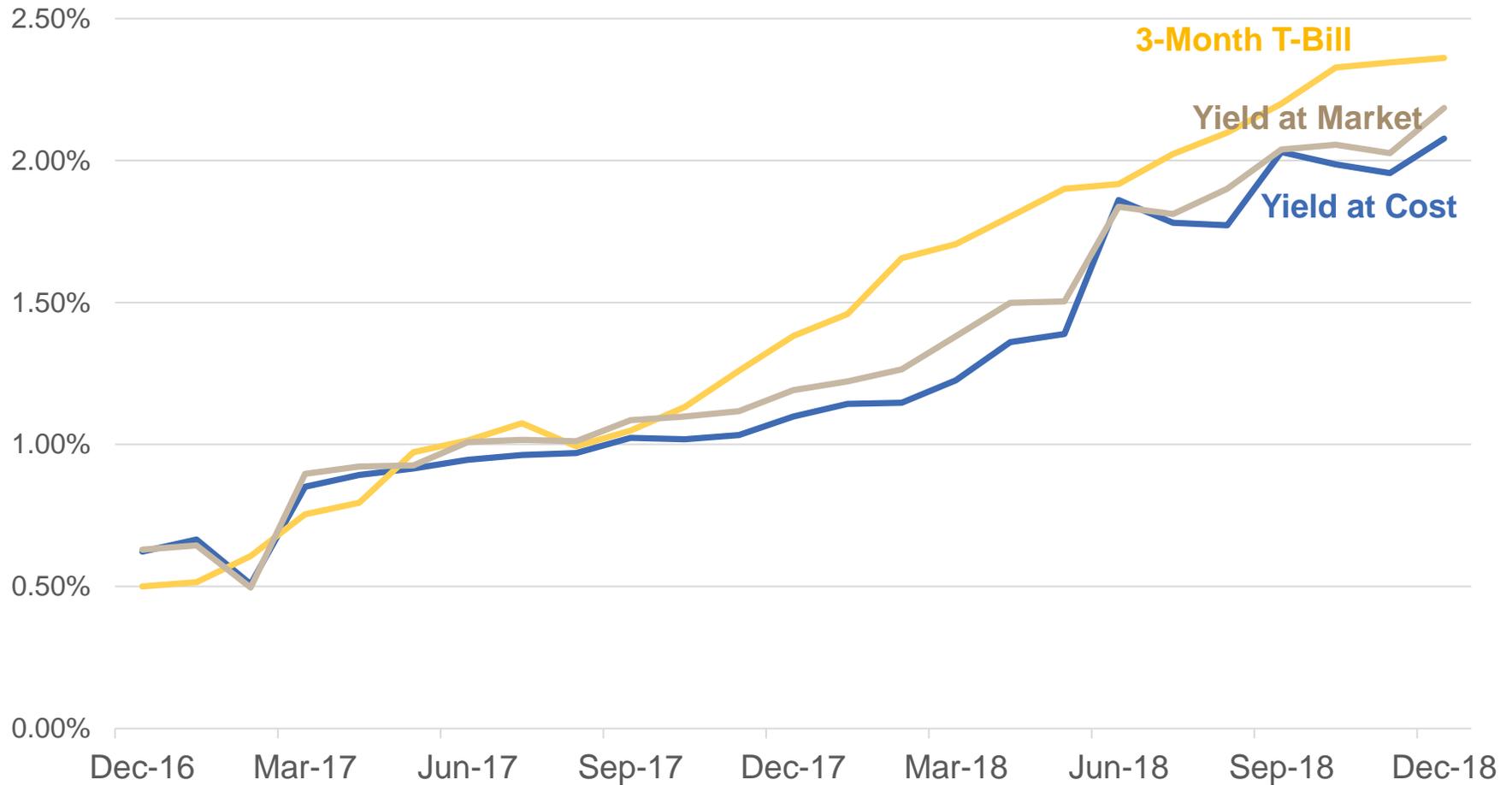


Recent Purchases Capture Attractive Yields

ISSUER	PAR AMOUNT	MATURITY DATE	YIELD TO MATURITY
U.S. Treasury	\$450,000	8/15/2021	2.89
U.S. Treasury	\$425,000	8/15/2021	2.97
Federal Home Loan Banks	\$1,850,000	10/12/2021	3.02
Fannie Mae	\$1,850,000	10/30/2020	2.95
Blackrock Inc.	\$925,000	6/1/2022	3.41
Federal Home Loan Banks	\$1,575,000	10/12/2021	2.85
U.S. Treasury	\$1,000,000	10/15/2021	2.77
New York State	\$390,000	3/15/2021	3.10



Short Term Portfolio Yield Lags as Result of Higher Liquid Balances



Source: Bloomberg, as of December 31, 2018. Short Term Portfolio yield at cost and yield at market (annualized) versus 3-Month Treasury Bill from December 31, 2016 to December 31, 2018.



Rate Stabilization Fund Strategy Options



Rate Stabilization Fund Strategy Options

CURRENT STRATEGY

Portfolio Size: \$61.5 million

Investment Vehicle: Bank Deposits

Current Yield¹: 1.95%

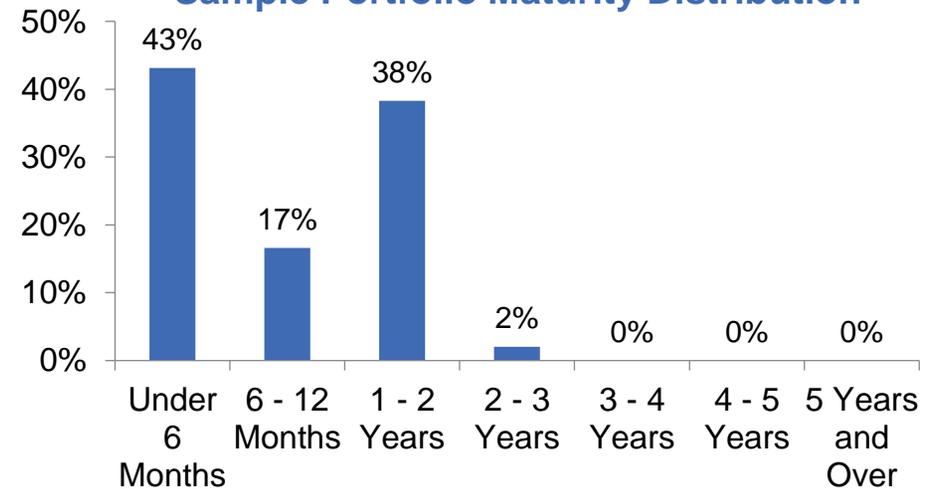
Source: TD Bank, as of December 31, 2018

ENHANCED STRATEGY

Invest \$30 million of the \$61.5 million portfolio in a **highly liquid, conservative** investment portfolio

Expected Portfolio Yield: 2.66%

Sample Portfolio Maturity Distribution



For illustrative purposes only. Sample portfolio as of December 31, 2018

Questions?





Important Disclosures

PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. Investment advisory services are provided by PFM Asset Management LLC which is registered with the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940. Financial advisory services are provided by PFM Financial Advisors LLC and Public Financial Management, Inc. Both are registered municipal advisors with the SEC and the Municipal Securities Rulemaking Board (MSRB) under the Dodd-Frank Act of 2010. Swap advisory services are provided by PFM Swap Advisors LLC which is registered as a municipal advisor with both the MSRB and SEC under the Dodd-Frank Act of 2010, and as a commodity trading advisor with the Commodity Futures Trading Commission. Additional applicable regulatory information is available upon request. Consulting services are provided through PFM Group Consulting LLC. Institutional purchasing card services are provided through PFM Financial Services LLC. PFM's financial modeling platform for strategic forecasting is provided through PFM Solutions LLC. For more information regarding PFM's services or entities, please visit www.pfm.com.

The views expressed within this material constitute the perspective and judgment of PFM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue, and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.

Thank You





WIFIA Loan Program and Transaction Overview

Presentation to the Finance and Budget Committee
January 24, 2019

District of Columbia Water and Sewer Authority





- Update the committee and seek approval for the Intent to Reimburse



Overview of WIFIA Program & DC Water Letter of Interest

- The Water Infrastructure Finance and Innovation Act (“WIFIA”) program provides financial assistance for water infrastructure projects, including projects to build and upgrade wastewater and drinking water treatment systems
 - Established as a five year pilot program to provide funding for eligible infrastructure projects
 - Modeled after the Transportation Infrastructure Finance and Innovation Act (“TIFIA”) program
- Administered by the EPA, provides low cost loans at a fixed interest rate equal to the Treasury rate
- Interested eligible borrowers submit a letter of interest to the EPA annually in a competitive selection process
- In 2017 inaugural round, EPA received 43 letters of interest, with 12 projects invited to submit formal applications
 - 12 selected projects totaled \$2.3 billion in loan requests; to date, 6 loans totaling \$1.7 billion have reached financial close
- DC Water submitted a letter of interest in 2018 and has been invited to apply for a \$144 million loan
 - EPA received 62 Letters of Interest from prospective borrowers for the 2018 round of WIFIA credit assistance
 - Prospective borrowers requested \$9.1 billion in WIFIA loans vs. ~\$5.5 billion in estimated lending capacity for the WIFIA program in 2018



WIFIA Program Requirements and Key Terms

Major Requirements	
Requirement	Description
Minimum loan size	\$20 mil (\$5 mil for small communities)
Maximum loan size	49% of the reasonably anticipated eligible project costs
Maximum federal involvement	80% of total project costs
Ratings requirement	Two ratings required
Revenues	Must be dedicated revenue source
Eligible Projects	Public or private water and wastewater projects are eligible with a public sponsor
Upfront costs	Comparable to a typical DC Water bond issue. Costs of EPA credit review and legal and financial advisors that will be borne by DC Water are similar to avoided bond underwriting costs.

Key Terms	
Financing Term	Description
Interest Rate	SLGS rate with a maturity that is closest to the weighted average loan life of the WIFIA credit assistance plus 0.01%
Lien priority	May be subordinate but in the event of bankruptcy, insolvency, or liquidation, the WIFIA credit instrument will have a parity lien with respect to the project (differentiated from the system) senior creditors.
Security	Rate covenant, coverage requirement, or similar security feature supporting the project obligations
Maturity	Maximum final maturity 35 years after substantial completion
Prepayment	In whole or in part without penalty at any time (may not use federal funds)



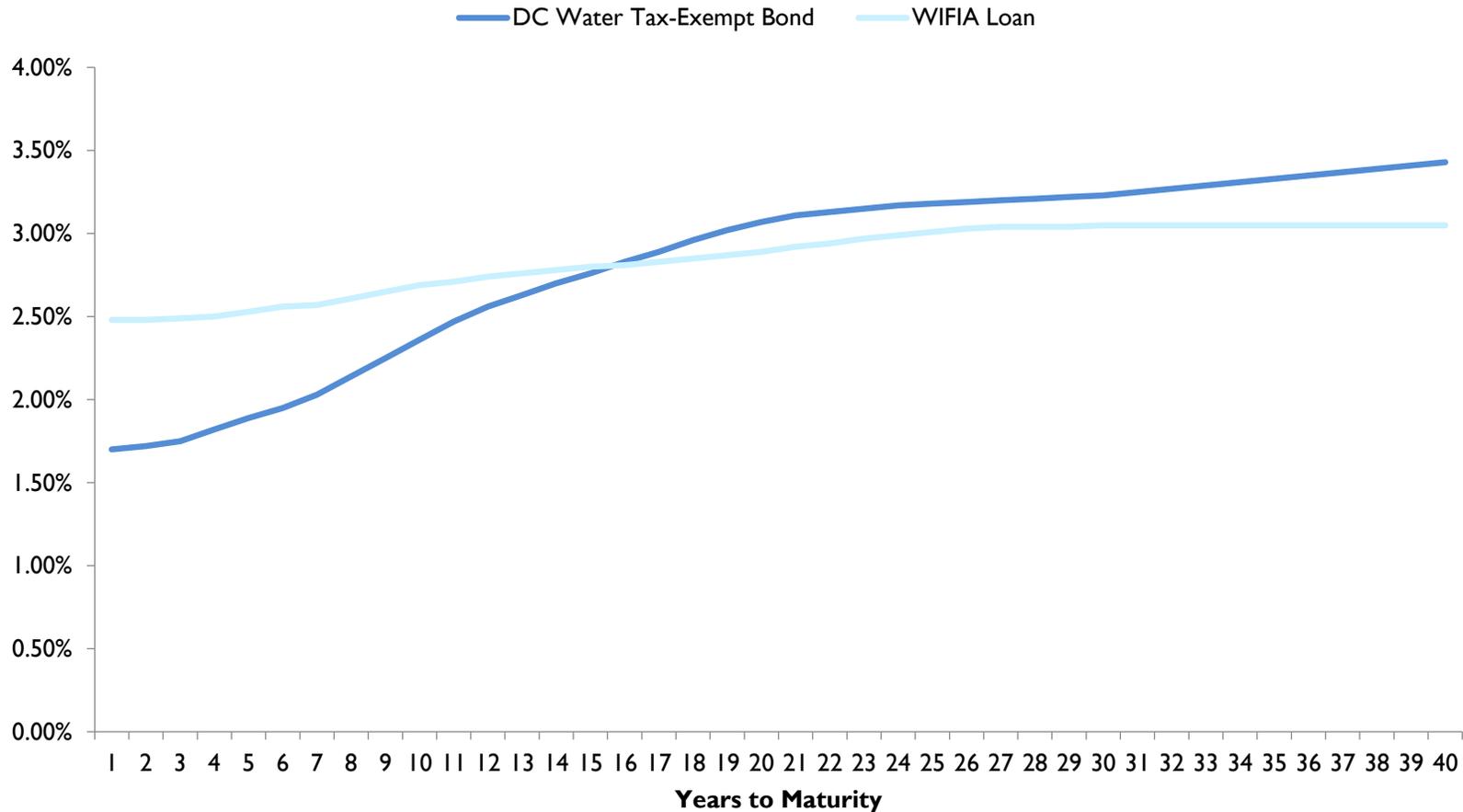
Benefits of WIFIA Program for DC Water

- Low cost of capital based on US Treasury rates
- Rate lock feature
 - Ability to lock rate at financial close for draws that will occur up to five years in the future, reducing interest rate risk
 - DC Water retains ability to issue bonds instead if that becomes more advantageous
- Draw flexibility
 - Ability to draw funds over time and therefore accrue interest based on actual spending, instead of upfront borrowing
- Minimal premium for long-dated debt, with flexible repayment structure
 - Up to 40 years from financial close to final repayment
 - No change in WIFIA rate between 30 and 40 years
- Flexible prepayment provisions
 - DC Water may prepay WIFIA credit assistance in whole or in part without penalty at any time (provided that WIFIA credit assistance may not be prepaid using federal funds)



WIFIA Yield Comparison vs. Tax-Exempt Fixed-Rate Debt

💧 WIFIA loan rate is based on **weighted average life of debt**





DC Water WIFIA Loan Transaction Highlights

- Based on letter of interest submitted in 2018, DC Water has been invited to apply for a \$144 million WIFIA loan
 - EPA will invite projects to apply only if it anticipates that those projects are able to obtain WIFIA credit assistance based on available funding
- Loan is expected to provide funding for 49% of the cost of a bundle of twenty CIP projects related to DC Water infrastructure repair, rehabilitation, and replacement
- Anticipated to be issued as long-term fixed-rate debt on parity with existing Subordinate debt under DC Water's bond indenture
- Upfront costs are expected to be comparable to a standard DC Water bond issue
 - Costs of EPA credit review and legal and financial advisors are borne by DC Water, with EPA estimating costs for funded loans of between \$400,000 - \$700,000
 - Additional costs are similar to avoided bond underwriting costs that would otherwise be incurred



DC Water Projects Expected to be Funded with WIFIA Loan

- The following projects related to DC Water’s comprehensive infrastructure repair, rehabilitation, and replacement program are expected to be funded in part with WIFIA funding
- Possibility to substitute other projects if proposed projects no longer meet timing or other requirements

66" PCCP N Street	Main & O Street PS Odor Control/Screen, Conveyors Compactors
COF/IT Electrical Upgrades	Piney Branch Sewer Shed Rehab Ph I
Combined Sewer Rehab	Pre-D Add'l Centrifuges
Combined/Sanitary Sewers Under Bldgs. Rehab (2 Jobs)	Reclaimed Final Effluent PS
Electrical & Power Monitoring	Replace and Upgrade Influent Screen
Gravity Thickener Upgrades	Sanitary Sewer Rehab I0
Headwork Electrical Upgrades	Sewer Rehabs near Creek Beds (2 jobs)
Headworks Influent Structure	Small Diameter Water Main Replacements I3/ I4/I5
Large Sewer Rehab 3	Spring Place (4 projects)



Process and Timeline

- 💧 DC Water expects to submit formal application to EPA by April 2019
- 💧 Once application is submitted, review, approval, and negotiation process is expected to take roughly 6 months
- 💧 Based on current expectations, financial close on the loan is expected in late fall 2019
- 💧 At February meeting, Board will be asked to adopt a Reimbursement Resolution confirming that DC Water intends to use the proceeds of the WIFIA loan to reimburse itself for capital expenditures incurred
 - Certain of the projects targeted for funding with the WIFIA loan will require the expenditure of funds prior to the anticipated closing date of the WIFIA loan
 - Retains flexibility for DC Water to refund the loan at a future date using tax-exempt funding
- 💧 At a later date, Board will be asked to authorize DC Water to enter into loan agreement and approve various documents related to the plan of finance



Intent to Reimburse

- Intent to reimburse up to \$150.0 million with WIFIA proceeds
- Reimbursement period between FY2019 and FY2024
- 20 non-clean rivers capital projects listed in letter of interest



Recommendation

- Approval of capital projects reimbursement resolution with proceeds of a WIFIA loan



Appendix



WIFIA Borrower Qualification

WIFIA is available to a much broader group than SRF loans, but eligible projects carried out by private entities must be publicly sponsored

Eligible borrowers

- Corporation
- Partnership
- Joint venture
- Trust
- Federal, state or local government entity, agency, or instrumentality
- Tribal government or consortium of tribal government
- State water infrastructure financing authority, as defined by the Clean Water Act and the Safe Drinking Water Act



WIFIA Project Qualification

Eligible projects

- Wastewater conveyance and treatment projects that are eligible for the Clean Water SRF
- Drinking water treatment and distribution projects that are eligible for the Drinking Water SRF
- Enhanced energy efficiency projects at drinking water and wastewater facilities
- Brackish or seawater desalination, aquifer recharge, alternative water supply, and water recycling projects
- Drought prevention, reduction, or mitigation projects
- Acquisition of property if it is integral to the project or will mitigate the environmental impact of a project
- A combination of projects secured by a common security pledge or submitted under one application by an SRF program

Eligible project costs

- Development phase activities, including planning, preliminary engineering, design, environmental review, revenue forecasting, and other pre-construction activities
- Construction, reconstruction, rehabilitation, and replacement activities
- Acquisition of real property or an interest in real property, environmental mitigation, construction contingencies, and acquisition of equipment
- Capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction



WIFIA Projects Invited to Apply in 2018

Borrower	Invited Loan Amount	WIFIA Total Project Cost	State	Borrower	Invited Loan Amount	WIFIA Total Project Cost	State
City of Phoenix	\$49M	\$100M	AZ	City of Atlanta	\$55M	\$113M	GA
San Mateo-Foster City Public Financing Authority	\$277M	\$566M	CA	City of Wichita	\$270M	\$550M	KS
Coachella Valley Water District	\$22M	\$45M	CA	City of Frontenac	\$5M	\$11M	KS
Carlsbad Intake Project	\$32M	\$67M	CA	Louisville & Jefferson County MSD	\$44M	\$90M	KY
City of Stockton Public Financing Authority	\$53M	\$195M	CA	Louisville & Jefferson County MSD	\$118M	\$240M	KY
Silicon Valley Clean Water	\$181M	\$445M	CA	Louisville & Jefferson County MSD	\$88M	\$179M	KY
City of Sunnyvale	\$166M	\$339M	CA	American Water Capital Corporation	\$84M	\$171M	MO
San Juan Water District	\$12M	\$28M	CA	American Water Capital Corporation – Joplin	\$103M	\$210M	MO
City of Los Angeles	\$185M	\$378M	CA	Kansas City Missouri Water Services Department	\$51M	\$105M	MO
Inland Empire Utilities Agency	\$138M	\$345M	CA	City of Cortland	\$9M	\$19M	NY
Sanitation District No.2 of Los Angeles County	\$426M	\$829M	CA	Monroe County	\$15M	\$31M	NY
City of Antioch	\$32M	\$66M	CA	Brunswick County	\$74M	\$152M	NC
Coachella Valley Water District	\$29M	\$59M	CA	Enid Municipal Authority	\$53M	\$146M	OK
District of Columbia Water & Sewer Authority	\$144M	\$295M	DC	City of Hillsboro & Tualatin Valley Water District	\$617M	\$1.3B	OR
Florida Keys Aqueduct Authority	\$45M	\$91M	FL	City of Lancaster	\$22M	\$44M	PA
City of North Miami Beach Water	\$62M	\$126M	FL	Narragansett Bay Commission	\$251M	\$512M	RI
Miami-Dade County	\$343M	\$699M	FL	City of Memphis	\$144M	\$250M	TN
Tohopekaliga Water Authority	\$32M	\$65M	FL	City of Seattle	\$197M	\$402M	WA
Pinellas County Utilities	\$13M	\$27M	FL	City of Waukesha Water Utility	\$116M	\$300M	WI
DeKalb County	\$251M	\$526m	GA				



WIFIA Project Selection Criteria

The WIFIA program is required by statute to evaluate projects using selection criteria. The statute establishes eleven criteria, to which EPA, via regulation, adds two additional criteria. The WIFIA program selection criteria and respective weights are as follows:

1. Project of national or regional significance – **10%**
2. Likelihood that credit assistance enables project to proceed earlier – **5%**
3. New or innovative approaches used – **10%**
4. Protection against extreme weather events – **10%**
5. Extent to which project maintains or protects the environment or public health – **10%**
6. Serves energy exploration or production areas – **5%**
7. Serves regions with water resource challenges – **10%**
8. Extent to which the project addresses identified municipal, state, or regional priorities– **5%**
9. Readiness to proceed – **5%**
10. Extent to which the project financing plan includes public or private financing in addition to WIFIA credit assistance – **5%**
11. Reduction in federal assistance – **5%**
12. Degree to which project addresses need for repair, rehabilitation, or replacement of infrastructure – **10%**
13. Serves economically stressed communities – **10%**

A decorative graphic of a water splash or wave, rendered in shades of blue and black, positioned above the main title.

Briefing on Credit Balance Write-Off

January 24, 2019



Executive Summary

Action is required by DC Water to purge old inactive accounts with credit balances and expired refund rights.

- DC law sets a 2 year statute of limitations for customer to refund credit balance.
- Customer is required to apply for refund of a credit balance.
- Write-off did not occur on accounts after expiration of the statute of limitations; some as old as 8/18/1979.
- Operational costs of maintenance and processing refund exceed smaller inactive account balances, and those costs are passed on to other ratepayers.

Objectives:

- Brief the Board on write-off of credit balances greater than 2 years old to transfer inactive account credit balances to revenue in the amount of \$2,941,486.52.
- Provide notice to the Board of plans to implement system parameters to automatically write-off inactive credit balances after 2 years.



Why Now?

Several factors contribute to the immediate need to address the aging inactive population:

Eliminate Inactive Account Maintenance Expense in the Customer Information System

- The monthly inactive account maintenance fee is \$1.155
- The estimated annual expense to DC Water for an inactive account is currently not funded in the budget, and ranges from \$325k - \$375k.

Promote More Strategic & Cost-Effective Operations

- The operational cost to the rate-payer for refunding a credit balance may exceed the cost of write-off.
- The same resources for collecting past due balances are used for refund processing.



What Causes Inactive Balances?

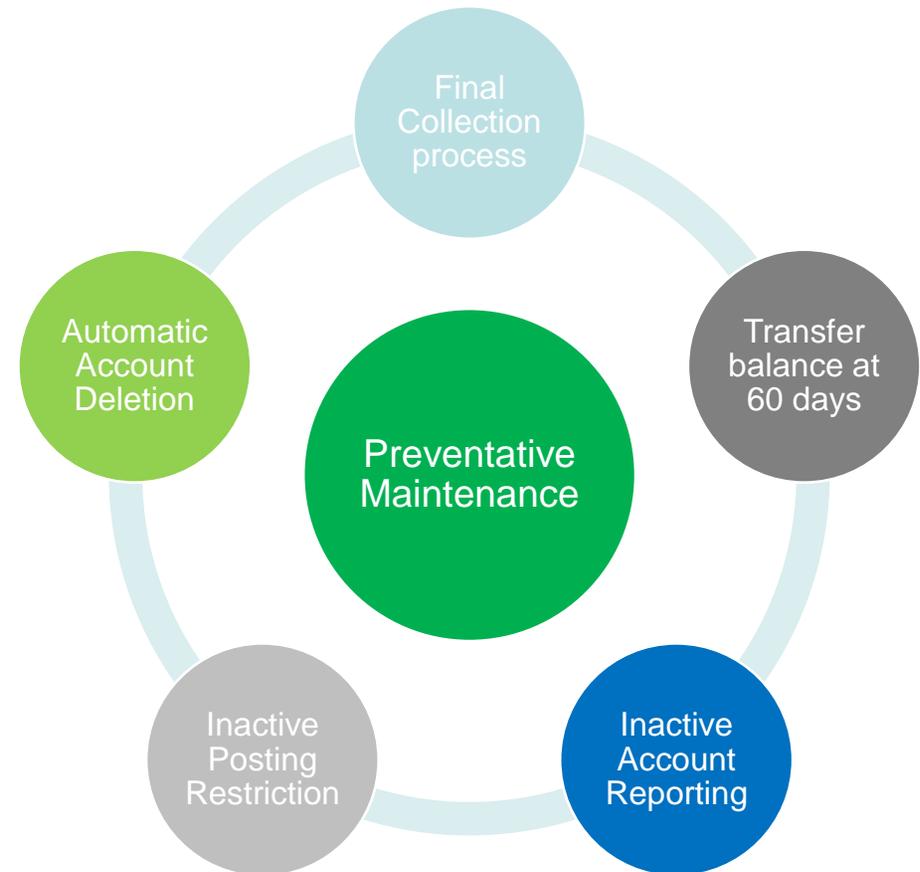
Prior to the implementation of the Customer Information System (CIS) Vertex One (V1) in December of 2017, an account became inactive after closure due to sale or deconstruction of the property; or when the account remained in an unpaid status after disconnection of water service. The balances on these accounts were not regularly reviewed.

Credit Balances

- Account adjustments after closure – resulting in unbilled and subsequently unclaimed retail water & sewer account credits (i.e. change in meter information).
- Payment of additional amounts to ensure the charges are covered (i.e. final bill payment by Title company and customer) – resulting in overpayment and unclaimed retail water & sewer credits.
- Payment of the amount on the billing statement that includes the unassessed late fee – resulting in overpayment and unclaimed retail water & sewer credits.

dc water is life Future Preventative Measures

- Refine the process for handling billing adjustments, move outs with estimates & assessing fees to minimize post closed account adjustments
- Accounts will be marked for deletion upon established thresholds and periods of inactivity.
- Posting restrictions will be placed on accounts to prevent any subsequent transaction and alert the appropriate teams.
- Establish final account collection process to regularly monitor accounts to determine if refund, or transfer is required.



Using these measures, the Inactive account population in V1 will dwindle and remain minimal; however, action is required on old (>2 years) inactive accounts with credits.



Write-off Provisions

Aged Inactive Accounts With a Credit Balance

Account Credits > 2 Years	15,731	\$ (2,941,486.52)
Less Account Credits >\$(1k)	449	\$ (1,461,314.99)
Net Immediate Write-off	15,282	\$ (1,480,171.53)

- Write off 15,282 account credits over 2 years and less than or equal to \$(1k) and transfer to revenue in the amount of \$1,480,171.53.
- After review, write off 449 account credits more than 2 years old and greater than \$(1k) and transfer to revenue in the amount of \$1,461,314.99.*
- Write off future credits in accordance with D.C. law.



*Highest credit: \$(35k). Balances subject to change with postings and account review.



Appendix



D.C. Law – Refund for Erroneous Payment

Statute of Limitation – Refund of Credit Balances

D.C. Code § 34-2401.10 states if a customer has not applied for a refund within two years after payment, then DC Water can transfer erroneous payments and customer account credits to its general water fund.

- DC Water’s refund policy and/or customer refund instruction will be published on its website and customer billing statement upon review and approval by the Office of Legal Affairs, and will provide the following information:
 - a) Active Accounts: Any overpayment less than 2 years old made by a customer will be reflected as a credit balance on the customer’s account and will be applied to future bills. Refunds for overpayments on active accounts will be considered on a case-by-case basis and will only be processed upon the request of the account holder.
 - a) Inactive/Closed Accounts: Refunds for closed accounts will be refunded after deducting any outstanding balance owed. Refunds for overpayments less than 2 years old will only be processed upon the request of the account holder. All refunds are mailed to the mailing address provided by the account holder.

Until such time the policy and/or instruction is published, the current DC statute on credit balances will be referenced for processing.

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

**ACTION REQUESTED
GOODS AND SERVICES CONTRACT AWARD
INVESTMENT BANKERS
SENIOR AND CO-MANAGING UNDERWRITER POOL
(Joint Use – Indirect Cost)**

Approval of 17 Investment Banker’s pool to provide underwriter services for a period of five (5) years.

CONTRACTOR/SUB/VENDOR INFORMATION

SENIOR UNDERWRITERS:	CO-MANAGERS:	PARTICIPATION:
1. Citi Group 2. Goldman Sachs & Co. LLC 3. J. P. Morgan 4. RBC Capital Markets 5. Ramirez & Co., Inc. 6. Seibert Cisneros Shank & Co. LLC	1. Bank of America, N.A. Merrill Lynch, Pierce, Fenner & Smith Inc. 2. Barclays 3. FTN Financial 4. Jefferies LLC 5. Loop Capital Markets 6. Mesirow Financial 7. Morgan Stanley 8. PNC Capital Markets LLC 9. Raymond James 10. Stern Brothers 11. TD Securities (USA) LLC	N/A

DESCRIPTION AND PURPOSE

Original Contract Value:	(See Past Spending Table Below)
Original Contract Dates:	Five (5) Years
Anticipated Contract Start Date:	04-01-2019
Anticipated Contract Completion Date:	03-31-2024
Request For Qualifications (RFQ) Closing Date:	10-26-2018
Proposals Received:	31
Proposal Range:	N/A
Preference Points Received:	0

Purpose of the Contract:

The purpose of qualifying the investment banker’s pool is to provide underwriting services for the issuance of revenue bonds, financing services related to DC Water’s Capital Improvement Program (CIP) and any refunding transactions which may arise during the next five (5) years.

Contract Scope:

This action provides DC Water with the resources to obtain expert underwriter services for DC Water’s future financial transactions.

Spending Previous Years – Cumulative Underwriter Spending:

2014	-	\$5,009,371.13	2017	-	\$1,292,031.61
2015	-	\$1,354,021.00	2018	-	\$1,259,822.73
2016	-	\$1,685,617.85			
TOTAL					\$9,080,864.32

Underwriter service costs will be paid through bond proceeds or through the bond issuance. Over the past five (5) years, Underwriter fees averaged 1.4 million for one (1) issuance each year, but 2014 was extremely high at \$5 million due to three (3) issuances for taxable century bond, 2014 B1 and B2 bonds, and 2014C refunding.

No LBE/LSBE participation.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Highest Ratings
Commodity:	Goods and Services	Contract Number:	18-PR-CFO-53
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

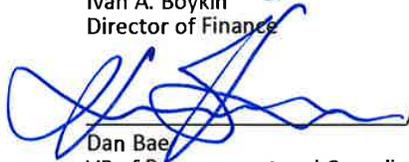
BUDGET INFORMATION

Funding:	Operating	Department:	Chief Financial Office
Service Area:	DC Water Wide	Department Head:	Ivan A. Boykin

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$0.00
Washington Suburban Sanitary Commission	0.00%	\$0.00
Fairfax County	0.00%	\$0.00
Loudoun Water	0.00%	\$0.00
Other (PI)	0.00%	\$0.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$0.00

 / 1/9/2019
 Ivan A. Boykin Date
 Director of Finance

 / 1/9/19
 Dan Bae Date
 VP of Procurement and Compliance

 / 1/9/19
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

_____/_____
 David L. Gadis Date
 CEO and General Manager

ATTACHMENT 7

FINANCE AND BUDGET COMMITTEE

**INTENT TO REIMBURSE CAPITAL EXPENDITURES WITH PROCEEDS
OF A WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT (WIFIA)
BORROWING ACTION ITEM**

ACTION ITEM 7B: 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 \$150,000,000 to pay the costs of capital projects. These costs include amounts heretofore unreimbursed pursuant to Resolution 16-95 of the Board adopted on December 1, 2016, plus amounts projected to be reimbursed during Fiscal Year 2019 and through Fiscal Year 2024.

EXHIBIT A – LIST OF PROJECTS

Gravity Thickener Upgrades
Replace and Upgrade Influent Screen
Headworks Influent Structure
Reclaimed Final Effluent PS
Pre-D Add'l Centrifuges
Headwork Electrical Upgrades
COF/IT Electrical Upgrades
Electrical & Power Monitoring
66" PCCP N Street
Sanitary Sewer Rehab 10
Piney Branch Sewer Shed Rehab Ph 1
Large Sewer Rehab 3
Combined Sewer Rehab
Spring Place (4 projects)
Small Diameter Water Main Replacements 13/ 14/15
Main & O Street PS Odor Control/Screen, Conveyors Compactors
Sewer Rehabs near Creek Beds (2 jobs)
Combined/Sanitary Sewers Under Bldgs. Rehab (2 Jobs)

**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 execute a contract modification to exercise option year one (1) for financial staff augmentation services in the amount of \$1,120,000.00.

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: \$1,120,000.00
Option Year 1 Dates: 03-01-2019—02-29-2020

Purpose of the Contract:

DC Water’s Office of the Chief Financial Officer (OCFO) and Department of Customer Service 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 project 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 year one (1) amount includes projected staffing services to support the upcoming Enterprise Resource Planning (ERP) project.

Spending Previous Year:

Cumulative Contract Value: 03-01-2018 - 02-28-2019: \$1,600,000.00
 Cumulative Contract Spending: 03-01-2018 - 12-31-2018: \$647,437.63

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

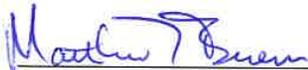
Funding:	Operating	Departments:	Department of Finance and Department of Customer Service
Service Area:	DC Water Wide	Department Heads:	John Madrid and Carolyn A. MacKool

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	83.75%	\$938,000.00
Washington Suburban Sanitary Commission	12.09%	\$135,408.00
Fairfax County	2.69%	\$30,128.00
Loudoun County	1.30%	\$14,560.00
Other (PI)	0.17%	\$1,904.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,120,000.00

 1/17/19
 John Madrid Date
 Controller

 1/17/19
 Dan Bae Date
 VP of Procurement and Compliance

 1/17/19
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

 David L. Gadis Date
 President and CEO



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

**Thursday, February 28, 2019; 11:00 a.m.
Blue Plains Wastewater Treatment Plant
5000 Overlook Avenue, SW, DC
AGENDA**

Call to Order	Chairman
January 2019 Financial Report	Chief Financial Officer
Agenda for March Committee Meeting	Chairman
Adjournment	Chairman

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