

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Finance and Budget Committee

Thursday, June 22, 2017

11:00 a.m.

1. **Call to Order**..... Timothy L. Firestine, Chairperson
2. **May 2017 Financial Report (Attachment 1)** Lola Oyeyemi
3. **FY 2017 Projected Net Cash Surplus Recommendation (Attachment 2)** Robert Hunt
4. **Insurance Renewal Update (Attachment 3)** Tanya DeLeon
5. **Action Items**..... Robert Hunt
 - A. **Transfer of the FY 2017 Projected Net Cash Surplus to the Rate Stabilization Fund (Attachment 4)**
 - B. **Insurance Brokerage and Administrative Services for Rolling Owner Controlled Insurance Program (ROCIP III) - Modification (Attachment 5)**
6. **Agenda for July Committee Meeting (Attachment 6)** Timothy L. Firestine
7. **Executive Session**
8. **Adjournment**

FOLLOW-UP ITEMS

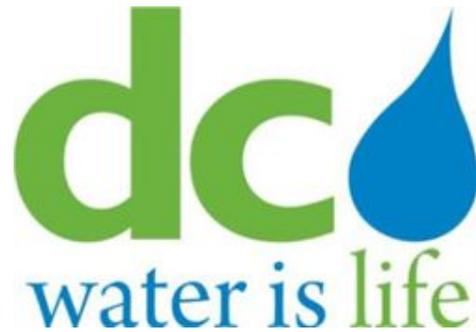
From the Finance & Budget (Meeting held May 25, 2017)

1. Provide management recommendation for the use of year-end net cash surplus (**Chairman Firestine**)
Status: See Attachment 2
2. Provide historical change order information for construction contracts (**Mr. Franco**)
Status: Provided to the committee on June 12, 2017
3. Explore feasibility of establishing a debt service limit as a percentage of operating budget (**Mr. Giancola**) **Status: To be provided at the July 27, 2017 Meeting**

From the Finance & Budget (Meeting held April 27, 2017)

1. Prepare more in depth review of the Impervious Area Charge (IAC) to the DC Retail Water & Sewer Rates Committee (**Chairman Brown**). **Status: To be provided at the July 25, 2017 meeting**

* 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 2017

Monthly Financial Report

Period Ending May 31, 2017

DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET

Robert Hunt, Chief Financial Officer (Acting) & Director, Finance

Syed Khalil, Director, Rates & Revenue

John Madrid, Controller

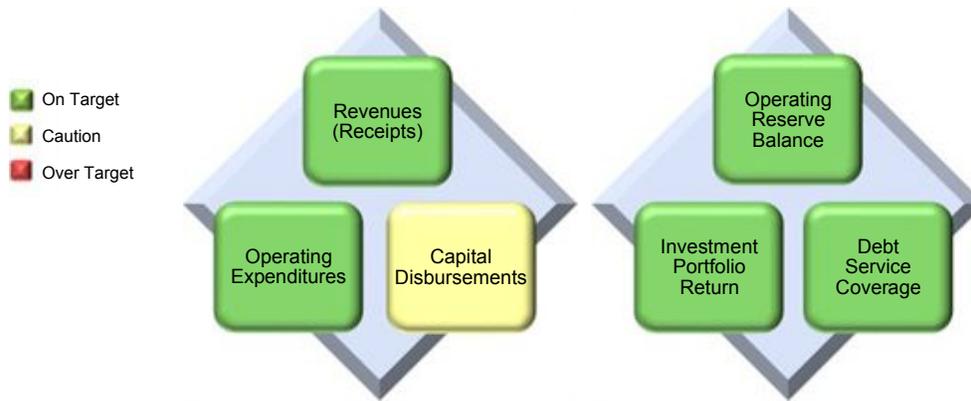
Lola Oyeyemi, Director, Budget

Monthly Financial Report

MAY 2017

EXECUTIVE SUMMARY

As of the end of May 2017, with approximately 67 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance with the exception of capital disbursements. The table below summarizes detailed information provided in the report.



(\$ in millions)

	Budget	YTD Budget	Actual	Variance		Actual % Budget	Year-End Projections
				Favorable (Unfavorable)			
Revenues (Receipts)*	\$595.4	\$397.0	\$412.5	\$15.5	3.9%	69.3%	\$600.6
Expenditures*	\$535.8	\$357.2	\$315.4	\$41.8	11.7%	58.9%	\$518.0
Capital Disbursements	\$507.0	\$330.0	\$360.6	(\$30.6)	(9.3%)	71.1%	\$512.5

* *Straight-lined (8/12 of budget)*

Highlights:

- Proposed FY 2019 budget planning process is underway with Committee and Board review anticipated in Fall 2017
- External Auditors will be on-site starting June 26th – July 21st to begin the FY 2017 year-end audit process of the financial statements
- Management notified the IMA customers that their fourth quarter bill can be offset by their proportionate share of the underspending reflected in the FY 2017 operating year-end projections. The actual FY 2017 results will be determined after the audited financials have been completed.
- Internal Auditors are conducting an IMA Billing Audit and plan to present the results to the Audit Committee in July 2017

Robert Hunt, Chief Financial Officer (Acting)

Monthly Financial Report

Fiscal Year-to-Date
As of May 31, 2017

Operating Revenues (\$000's)

Category	A	B*	C	D=C/A	E=C-B	F=E/B	G	H=G/A
	FY 2017 BUDGET	YTD BUDGET	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)	Year-End Projections	% of of Budget
Res. / Comm. / Multi.	\$328,988	219,325	\$223,903	68.1%	\$4,577	2.1%	\$333,139	101.3%
Federal	57,540	38,360	41,743	72.5%	3,383	8.8%	57,540	100.0%
Municipal (DC Govt.)	17,505	11,670	12,033	68.7%	363	3.1%	16,503	94.3%
DC Housing Authority	8,372	5,581	5,656	67.6%	75	1.3%	8,554	102.2%
Metering Fee	10,776	7,184	7,768	72.1%	584	8.1%	11,510	106.8%
Water System Replacement Fee (WSRF)	39,717	26,478	27,407	69.0%	929	3.5%	40,319	101.5%
Wholesale	81,468	54,312	60,748	74.6%	6,436	11.9%	81,468	100.0%
PILOT/ROW	21,082	14,055	13,802	65.5%	(253)	(1.8%)	20,606	97.5%
All Other	29,998	19,999	19,441	64.8%	(558)	(2.8%)	30,965	103.2%
TOTAL	\$595,446	\$396,964	\$412,500	69.3%	\$15,536	3.9%	\$600,604	100.9%

*Straight-lined (8/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of May 2017, cash receipts totaled \$412.5 million, or 69.3 percent of the revised FY 2017 budget. Several categories of customers make payments on a quarterly basis, including the Federal Government and wholesale customers.

Residential, Commercial and Multi-Family – Receipts for this category are slightly higher at \$223.9 million or 68.1 percent of the revised budget. The higher receipts are on account of slightly higher Clean Rivers Impervious Area Charge (CRIAC) as compared to budget.

Wholesale – Receipts are higher at \$60.7 million or 74.6 percent of the revised budget. Wholesale customers made their third quarterly payment in the month of May 2017.

Federal Government – Receipts are higher at \$41.7 million or 72.5 percent of the revised budget. The Federal Government made their quarterly payment in April 2017.

Other Revenue – Receipts are lower than the straight-lined budget at \$19.4 million or 64.8 percent of the budgeted category primarily due to IMA Indirect Cost Reimbursement on Capital Projects. The \$3.4 million in this category has been received and will be reflected in the June 2017 report.

Monthly Financial Report

Fiscal Year-to-Date
As of May 31, 2017

Operating Expenditures (\$000's)

Category	A	B*	C	D=C/A	E=B-C	F=E/B	G	H=G/A
	FY 2017 BUDGET	YTD BUDGET	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)	Year-End Projections	% of Budget
Personnel	\$144,761	\$96,507	\$95,598	66.0%	\$909	0.9%	\$148,514	102.6%
Contractual Services	82,760	55,173	45,594	55.1%	9,580	17.4%	75,641	91.4%
Water Purchases	29,278	19,519	17,204	58.8%	2,315	11.9%	28,435	97.1%
Supplies & Chemicals	34,709	23,139	20,063	57.8%	3,076	13.3%	29,661	85.5%
Utilities	28,670	19,113	16,827	58.7%	2,286	12.0%	25,781	89.9%
Small Equipment	1,230	820	772	62.8%	48	5.9%	1,261	102.5%
SUBTOTAL O&M	\$321,408	\$214,272	\$196,058	61.0%	\$18,214	8.5%	\$309,293	96.2%
Debt Service	169,346	112,897	105,281	62.2%	7,616	6.7%	163,500	96.5%
PILOT/ROW	21,057	14,038	14,038	66.7%	0	0.0%	21,057	100.0%
Cash Financed Capital Improvements	24,014	16,009	0	0.0%	16,009	100.0%	24,199	100.8%
TOTAL OPERATING	\$535,825	\$357,217	\$315,377	58.9%	\$41,840	11.7%	\$518,049	96.7%
Capital Labor	(21,934)	(14,623)	(11,008)	50.2%	(3,615)	24.7%	(17,674)	80.6%
TOTAL NET OPERATING	\$513,891	\$342,594	\$304,369	59.2%	\$38,225	11.2%	\$500,375	97.4%

*Straight-lined (8/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of May 2017, operating expenditures totaled \$315.4 million, or 58.9 percent of the Board-approved budget. These numbers include estimated, incurred but unpaid, invoices and are subject to revision in subsequent months.

Personnel Services – YTD expenditure is at par with budget due to annualized salary adjustments, high overtime during the winter season and continued hiring efforts to reduce Authority-wide vacancies. Of the 1260 positions authorized, 1121 were filled at the end of May with YTD vacancy rate of 11 percent. Overtime spending totals \$5.1 million of the annual budget of \$6.8 million.

Contractual Services – Underspensing is attributable to lag in various operational contracts throughout the Authority. This includes materialized savings from biosolids hauling costs due to the Digester Project. Biosolids production during the fiscal year to date averaged 433 wet tons/day as compared to the 500 wet tons/day assumed value when the budget was prepared.

Supplies & Chemicals – YTD underspensing is primarily due to lower unit prices compared to budget for some major chemicals (sodium hydroxide, sodium hypochlorite and methanol), coupled with a less expensive substitute chemical (lime slurry in lieu of sodium hydroxide) as a main source to control alkalinity and pH balance in the wastewater treatment process.

Utilities – YTD underspensing is consistent with expectation and primarily associated with onsite electricity generation from the Combined Heat and Power project (CHP) which represents approximately 7MW or 22 percent of Authority-wide usage. Presently, 17MW of the Authority's electricity load is locked at an average Western Hub unit price of \$36.95/MWh for the remainder of the year, and 10MW at \$35.75/MWh for FY 2018. Staff continues to monitor the market with plans to hedge additional load when market conditions are favorable.

Debt Service – YTD actual debt service is trending lower than budget primarily due to the recent refinancing of the Authority's debt.

Capital Labor – Underspensing is attributable to completion of major capital projects and changes to the Authority's capitalization policy that limits activities charged to capital projects.

Monthly Financial Report

Fiscal Year-to-Date
As of May 31, 2017

Capital Disbursements (\$000's)

Service Area	A	B	C	D=C/A	E=B-C	F=E/B	G	H=G/A
	FY 2017 BUDGET	YTD BUDGET	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)	Year-End Projections	% of of Budget
Non Process Area	\$34,150	\$18,924	\$17,938	52.5%	986	5.2%	\$33,064	96.8%
Wastewater Treatment	123,789	82,241	96,587	78.0%	(14,346)	(17.4%)	130,954	105.8%
Combined Sewer Overflow	184,387	137,815	159,215	86.3%	(21,401)	(15.5%)	210,782	114.3%
Stormwater	1,706	1,045	1,153	67.6%	(108)	(10.4%)	1,310	76.8%
Sanitary Sewer	38,302	18,041	21,702	56.7%	(3,661)	(20.3%)	33,293	86.9%
Water	58,819	34,444	31,829	54.1%	2,615	7.6%	56,163	95.5%
SUBTOTAL: CAPITAL PROJECTS	\$441,153	\$292,509	\$328,425	74.4%	(\$35,915)	(12.3%)	\$465,564	105.5%
Capital Equipment	54,949	32,054	24,213	44.1%	7,840	24.5%	38,945	70.9%
Washington Aqueduct	10,896	5,448	8,008	73.5%	(2,560)	(47.0%)	8,008	73.5%
SUBTOTAL: ADD'L CAPITAL PROGRAMS	\$65,845	\$37,502	32,221	48.9%	\$5,280	14.1%	\$46,953	71.3%
TOTAL	\$506,998	\$330,011	\$360,646	71.1%	(\$30,635)	(9.3%)	\$512,517	101.1%

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of May 2017, total capital disbursements are \$360.6 million or 71.1 percent of the revised FY 2017 budget. Disbursements are above the budget for Capital Projects but offset by under-spending in Additional Capital Programs.

Capital Projects – Project performance will be reviewed in detail as part of the quarterly CIP update by the Department of Engineering and Technical Services to the Environmental Quality and Operations and Finance and Budget Committees in September 2017.

Capital Equipment – Lower than planned disbursements are primarily attributable to unused funds in the Authority-wide reserve as well as a lower than expected spending related to the Automated Meter Reading (AMR) Replacement Program. Total of 85,000 small meters to be replaced in FY 2017 and FY 2018. Approximately 16,000 of the anticipated 37,000 meters for FY 2017 have been installed to date with plans to purchase the remaining 48,000 meters during the latter part of this fiscal year. The implementation of the new Customer Information System (eCIS) is on-going and scheduled to go live during the first quarter of FY 2018.

Washington Aqueduct (WAD) – WAD continues to draw down pre-paid balances residing in escrow. In May 2017, they submitted an invoice in the amount of \$8 million for DC Water’s proportionate share of capital expenditures.

Monthly Financial Report

Fiscal Year-to-Date
As of May 31, 2017

Cash Investments and Insurance (\$ in millions)

Cash Balances

Rate Stabilization Fund Account (RSF)	\$51.5
DC Insurance Reserve	1.0
Operating Reserve Accounts	<u>141.0</u>

Operating Cash Balance Including RSF **\$193.5**

Debt Service Reserve - Series 1998	23.7
Bond Fund- Construction Fund 2015A	1.0
Bond Fund- Construction Fund 2016B	24.6
Bond Fund- Construction Fund 2017A	68.0
Bond Fund- Construction Fund 2017B	<u>210.1</u>

Total All Funds **\$520.9**

OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$141.0 million as compared to the operating reserve level objective of \$125.5 million for FY 2017
- Average cash balance for the month of May was \$155.2 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for May (on a cash basis) was \$21,882; YTD \$837,015
- A detailed investment performance report is attached

Monthly Financial Report

Fiscal Year-to-Date
As of May 31, 2017

Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD 67% Cash Budget	YTD Actual Cash Oct. 1, 2016 - May 31, 2017	Variance Favorable (Unfavorable)		FY 2017 Year End Projection
OPERATING BUDGET						
Cash Provided						
Retail	\$462,898	\$308,599	\$318,509	\$9,910	3%	467,565
Wholesale	81,468	\$54,312	60,748	6,436	12%	81,468
Other	50,757	\$33,838	33,103	(735)	-2%	51,570
Total Cash Provided	595,123	396,749	412,361	15,612	4%	600,603
Operating Cash Used						
Personnel Services	122,827	81,885	78,889	2,996	4%	130,840
Contractual Services	82,760	55,173	51,658	3,516	6%	75,641
Chemicals & Supplies	34,709	23,139	22,862	277	1%	29,662
Utilities	28,670	19,113	15,716	3,398	18%	25,781
Water Purchases	29,278	19,519	17,851	1,667	9%	28,435
Small Equipment	1,230	820	616	204	25%	1,261
Total Operating Cash Used	299,474	199,649	187,592	12,058	6%	291,620
Defeasance D.S./Cash Financed Capital Improvements	24,199	16,133	0	16,133	100%	24,199
Other Cash Used						
Debt Service	167,733	111,822	105,281	6,541	6%	163,500
Payment In Lieu of Taxes/Right of Way	21,057	14,038	15,793	(1,755)	-13%	21,057
Total Other Cash Used	188,790	125,860	121,074	4,786	4%	184,557
Total Cash Used	512,463	341,642	308,665	32,977	10%	500,376
Net Cash Provided (Used) by Operating Act.	82,660	55,107	103,696	48,589		100,227
CAPITAL BUDGET						
Cash Provided						
Debt Proceeds	195,903	130,602	158,250	27,647	21%	181,856
EPA Grants/DC Reimbursements	25,013	16,675	11,733	(4,942)	-30%	21,617
Transfer from Operations	100,633	67,089	0	(67,089)	-100%	105,104
CSO Grant	0		0	0		14,000
Interest Income	1,283	855	598	(257)	-30%	1,283
Wholesale Capital Contributions	107,732	71,821	81,646	9,825	14%	107,752
Total Cash Provided	430,564	287,043	252,227	(34,815)	-12%	431,612
Cash Used						
DC Water Capital Program	496,102	330,735	352,638	(21,903)	-7%	504,509
Washington Aqueduct Projects	10,896	7,264	8,008	(744)	-10%	8,008
Total Cash Used	506,998	337,999	360,646	(22,648)	-7%	512,517
Net Cash/PAYGO Provided (Used) by Cap. Act.	(\$76,434)	(\$50,956)	(\$108,419)	(\$57,463)		(\$80,905)
Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected	\$162,652		\$162,652			\$162,652
Plus (Less) Operating Surplus	82,660	55,107	103,696			100,227
Wholesale Customer Refunds from Prior Years	(10,000)	(6,667)	(2,665)			(12,000)
Interest Earned From Bond Reserve	323	215	140			323
Prior Year Federal Billing Reconciliation	(19,201)	(12,800)	(14,401)			(19,201)
Cash Used for Capital	(76,434)	(50,956)	(108,419)			(80,905)
Balance Attributable to O&M Reserve	\$140,000		\$141,002			\$150,773
OTHER CASH RESERVES						
Current Balance						
Rate Stabilization Fund	\$51,450					
DC Insurance Reserve	1,046					

Monthly Financial Report

APPENDIX

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Fiscal Year-to-Date
As of May 31, 2017

Operating Revenues Detail

(\$ in millions)

Revenue Category	FY 2017 Budget	YTD Budget	YTD Actual	Variance Favorable / (Unfavorable)		YTD % of Budget	Year End Projections	Variance Proj v. Bud	% of Budget
Residential, Commercial, and Multi-family	\$329.0	\$219.3	\$223.9	\$4.6	2.1%	68.1%	\$333.1	4.1	101.3%
Federal	\$57.5	38.3	41.7	3.4	8.8%	72.5%	57.5	0.0	100.0%
District Government	\$17.5	11.7	12.0	0.4	3.1%	68.7%	16.5	(1.0)	94.3%
DC Housing Authority	\$8.4	5.6	5.7	0.1	1.3%	67.6%	8.6	0.2	102.2%
Customer Metering Fee	\$10.8	7.2	7.8	0.6	8.1%	72.1%	11.5	0.7	106.8%
Water System Replacement Fee (WSRF)	\$39.7	26.5	27.4	0.9	3.5%	69.0%	40.3	0.6	101.5%
Wholesale	\$81.5	54.3	60.8	6.4	11.9%	74.6%	81.5	0.0	100.0%
Right-of-Way Fee/PILOT	\$21.1	14.1	13.8	(0.3)	-1.8%	65.5%	20.6	(0.5)	97.5%
Subtotal (before Other Revenues)	\$565.5	\$377.0	\$393.1	\$16.1	4.3%	69.5%	\$569.6	\$4.1	100.7%
Other Revenue without RSF									
IMA Indirect Cost Reimb. For Capital Projects	6.4	4.3	1.4	(2.9)	-67.4%	21.9%	6.5	0.0	100.8%
DC Fire Protection Fee	10.8	7.2	8.1	0.9	12.6%	75.0%	10.8	0.0	100.0%
Stormwater (MS4)	1.0	0.7	0.7	0.0	0.0%	70.0%	1.0	0.0	100.0%
Interest	1.8	1.2	1.0	(0.2)	-16.7%	55.6%	1.8	0.0	100.0%
Developer Fees (Water & Sewer)	7.0	4.7	6.0	1.3	27.7%	85.7%	8.0	1.0	113.7%
Others	2.9	1.9	2.2	0.3	15.8%	75.9%	2.9	0.0	100.7%
Subtotal	\$29.9	\$20.0	\$19.4	(\$0.6)	-2.8%	64.8%	\$31.0	\$1.1	103.2%
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%	\$0.0	\$0.0	0.0%
Other Revenue Subtotal	\$29.9	\$20.0	\$19.4	(\$0.6)	-2.8%	64.8%	\$31.0	\$1.1	103.2%
Grand Total	\$595.4	\$397.0	\$412.5	\$15.5	3.9%	69.3%	\$600.6	\$5.2	100.9%

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

Customer Category	Water	Sewer	Clean Rivers IAC	Metering Fee	WSRF	Total
Residential	\$22,820	\$27,779	\$20,751	\$3,463	\$6,211	\$81,023
Commercial	35,918	36,840	25,253	2,280	10,528	110,819
Multi-family	20,784	24,796	8,962	1,069	4,710	60,320
Federal	13,483	12,800	15,461	575	4,231	46,550
District Govt	2,998	3,664	5,371	287	1,338	13,658
DC Housing Authority	2,144	2,589	922	94	390	6,139
Total:	\$98,148	\$108,468	\$76,720	\$7,768	\$27,407	\$318,509

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 2017 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$27,286	\$18,191	\$20,751	\$2,560	14%	76%
Commercial	33,037	22,025	25,253	3,228	15%	76%
Multi-family	10,516	7,011	8,962	1,951	28%	85%
Federal	20,615	13,743	15,461	1,718	12%	75%
District Govt	9,258	6,172	5,371	(801)	-13%	58%
DC Housing Authority	1,337	891	922	31	3%	69%
Total:	\$102,049	\$68,033	\$76,720	\$8,687	13%	75%

Monthly Financial Report

Fiscal Year-to-Date
As of May 31, 2017

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
October 31, 2016	\$7.8	12,040
November 30, 2016	\$7.9	12,114
December 31, 2016	\$8.2	12,861
January 31, 2017	\$8.5	13,046
February 28, 2017	\$9.1	12,873
March 31, 2017	\$8.5	11,915
April 30, 2017	\$8.1	11,544
May 31, 2017	\$8.9	10,835

Greater Than 90 Days by Customer

	Number of Accounts			Month of May (All Categories)				Total Delinquent			
	W & S a/c	Impervious Only a/c	Total No. of a/c	Active		Inactive		No. of a/c Apr.	Amount (\$)	No. of a/c May	Amount (\$)
				No. of a/c	Amount (\$)	No. of a/c	Amount (\$)				
Commercial	10,448	3,371	13,819	735	\$2,544,126	177	\$108,610	1,067	\$2,226,748	912	\$2,652,736
Multi-family	8,405	458	8,863	661	2,413,132	181	73,815	882	2,099,223	842	2,486,947
Single-Family Residential	106,199	3,593	109,792	6,689	3,228,041	2,392	487,702	9,595	3,816,515	9,081	3,715,743
Total	125,052	7,422	132,474	8,085	\$8,185,299	2,750	\$670,127	11,544	\$8,142,486	10,835	\$8,855,426

Notes: Included in the above \$8.19M (or 8,085 accounts) of the DC Water Over 90 days delinquent accounts, \$3,553,749.55 (or 1,691 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 May 31, 2017

Overtime by Department

Department	FY 2017			
	Budget	YTD Actual	YTD Actual % of Budget	% of Regular Pay
Office of the Board Secretary	\$5,000	\$8,345	166.9%	5.0%
General Manager	7,500	5,474	73.0%	0.3%
General Counsel	2,000	282	14.1%	0.0%
External Affairs	27,000	1,337	5.0%	0.1%
Internal Audit	-	-	0.0%	0.0%
Information Technology	26,670	11,199	42.0%	0.6%
Procurement	30,000	5,531	18.4%	0.3%
Customer Service*	260,000	384,639	147.9%	6.9%
Finance, Accounting & Budget	30,000	16,955	56.5%	0.5%
Assistant General Manager - Support Services	1,000	292	29.2%	0.1%
Human Capital Management	5,000	2,124	42.5%	0.1%
Occupational Safety and Health	2,000	264	13.2%	0.0%
Facilities Management	250,000	178,624	71.4%	7.2%
Department of Security	-	837	0.0%	0.2%
Distribution and Conveyance System	750,000	524,014	69.9%	12.1%
Engineering and Technical Services**	1,063,000	501,331	47.2%	4.1%
Water Services***	1,100,000	1,100,026	100.0%	12.5%
Clean Rivers	5,000	-	0.0%	0.0%
Sewer Services	900,000	743,707	82.6%	16.2%
Wastewater Treatment - Operations	1,450,780	1,171,628	80.8%	17.0%
Wastewater Treatment - Process Engineering	120,000	16,580	13.8%	0.8%
Maintenance Services	700,000	459,668	65.7%	8.9%
Permit Operations	15,000	4,066	27.1%	0.5%
Fleet Management	3,500	1,088	31.1%	0.2%
Total DC WATER	\$6,753,450	\$5,138,011	76.1%	7.5%

Notes:

- * Due to shift coverage for the command center and increased man-hours needed to manually read and service the Authority's meters in support of the ongoing Automated Meter Reading (AMR) replacement program.
- ** Engineering and Technical Services Department include overtime that will be charged/transferred to capital projects at the end of the fiscal year
- *** Increased spending was primarily due to unusually high water main breaks partly caused by fluctuations in temperature experienced during the winter season.

Fiscal Year-to-Date
As of May 31, 2017

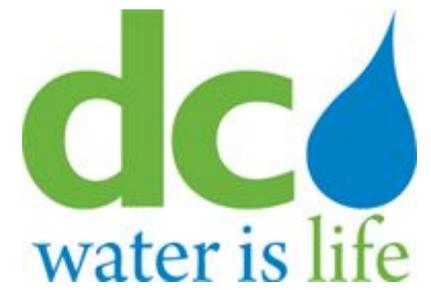
Capital Disbursements Detail by Program (\$000's)

Service Areas	Budget				YTD	Variance			Year-End	
	Annual	YTD	Oct. 2016 - Apr. 2017	May 2017		YTD % Budget	YTD \$ Fav/(Unfav)	YTD % Fav/(Unfav)	Projection	% of Budget
NON PROCESS FACILITIES										
Facility Land Use	\$34,150	\$18,924	\$14,083	\$3,855	\$17,938	52.5%	\$986	5.2%	\$33,064	96.8%
Subtotal	34,150	18,924	14,083	3,855	17,938	52.5%	986	5.2%	33,064	96.8%
WASTEWATER TREATMENT										
Liquid Processing	16,152	9,503	8,669	1,341	10,010	62.0%	(507)	-5.3%	15,526	96.1%
Plantwide	11,313	7,090	7,112	715	7,827	69.2%	(737)	-10.4%	11,762	104.0%
Solids Processing	7,654	8,173	9,849	84	9,933	129.8%	(1,760)	-21.5%	11,660	152.3%
Enhanced Nitrogen Removal Facilities	88,670	57,475	59,580	9,238	68,818	77.6%	(11,343)	-19.7%	92,006	103.8%
Subtotal	123,789	82,241	85,209	11,378	96,587	78.0%	(14,346)	-17.4%	130,954	105.8%
COMBINED SEWER OVERFLOW										
D.C. Clean Rivers	171,300	129,055	130,194	19,398	149,592	87.3%	(20,537)	-15.9%	195,849	114.3%
Program Management	3,827	2,594	2,762	0	2,762	72.2%	(169)	-6.5%	4,133	108.0%
Combined Sewer	9,260	6,166	5,670	1,190	6,861	74.1%	(695)	-11.3%	10,800	116.6%
Subtotal	184,387	137,815	138,627	20,588	159,215	86.3%	(21,401)	-15.5%	210,782	114.3%
STORMWATER										
Local Drainage	172	307	300	7	307	178.4%	(1)	-0.2%	330	191.4%
On-Going	424	198	199	39	238	56.2%	(40)	-20.1%	213	50.2%
Pumping Facilities	368	38	0	0	0	0.0%	38	100.0%	162	44.1%
DDOT	16	11	0	0	0	0.0%	11	100.0%	14	85.0%
Research and Program Management	270	335	454	0	454	168.3%	(119)	-35.6%	388	143.9%
Trunk/Force Sewers	456	156	107	47	154	33.8%	2	1.5%	203	44.6%
Subtotal	1,706	1,045	1,060	94	1,153	67.6%	(108)	-10.4%	1,310	76.8%
SANITARY SEWER										
Collection Sewers	4,890	3,330	3,015	232	3,247	66.4%	83	2.5%	5,407	110.6%
On-Going	11,838	4,138	4,181	988	5,169	43.7%	(1,031)	-24.9%	9,180	77.5%
Pumping Facilities	2,806	2,143	2,527	255	2,782	99.1%	(639)	-29.8%	3,233	115.2%
Program Management	8,755	3,998	4,808	101	4,909	56.1%	(911)	-22.8%	6,329	72.3%
Interceptor/Trunk Force Sewers	10,013	4,431	4,757	837	5,595	55.9%	(1,163)	-26.2%	9,144	91.3%
Subtotal	38,302	18,041	19,289	2,413	21,702	56.7%	(3,661)	-20.3%	33,293	86.9%
WATER										
Distribution Systems	30,148	13,466	11,068	1,089	12,157	40.3%	1,309	9.7%	22,438	74.4%
Lead Program	1,050	1,519	1,356	248	1,603	152.7%	(84)	-5.5%	2,298	218.9%
On-Going	10,643	7,250	4,044	890	4,924	46.3%	2,326	32.1%	11,880	111.6%
Pumping Facilities	2,598	2,501	1,810	257	2,067	79.6%	434	17.3%	3,965	152.6%
DDOT	830	94	423	0	423	51.0%	(329)	-348.0%	275	33.1%
Storage Facilities	7,728	5,866	5,188	1,002	6,190	80.1%	(324)	-5.5%	9,388	121.5%
Program Management	5,823	3,747	4,131	333	4,464	76.7%	(716)	-19.1%	5,919	101.6%
Subtotal	58,819	34,444	28,021	3,808	31,829	54.1%	2,615	7.6%	56,163	95.5%
Capital Projects	\$441,153	\$292,509	\$286,290	\$42,135	\$328,425	74.4%	(\$35,915)	-12.3%	\$465,564	105.5%
CAPITAL EQUIPMENT	54,949	32,054	21,794	2,419	24,213	44.1%	7,840	24.5%	38,945	70.9%
WASHINGTON AQUEDUCT	10,896	5,448	0	8,008	8,008	73.5%	(2,560)	0.0%	8,008	73.5%
Additional Capital Programs	\$65,845	\$37,502	\$21,794	\$10,427	\$32,221	48.9%	\$5,280	14.1%	\$46,953	71.3%
Total	\$506,998	\$330,011	\$308,083	\$52,563	\$360,646	71.1%	(\$30,635)	-9.3%	\$512,517	101.1%



DC Water

Investment Performance Report – May 2017



**DC Water
Finance Division
Economic Update**

ECONOMIC COMMENTARY

- Yields on shorter-term U.S. Treasuries increased slightly during the month. The yield of the 3-month Treasury bill increased by 0.17% to 0.97%, while the yield of the 2-year Treasury note increased by 0.02% to 1.28%.
- The FOMC decided to leave the target federal funds rate unchanged at its May 2 -3 meeting. An abundance of speeches made by FOMC members in May reiterated their intent to increase the target range at their next FOMC meeting on June 13th.
- The United States labor market added 138,000 jobs in May, missing expectations of 182,000 jobs. The unemployment rate fell slightly to 4.3% from the prior month's reading of 4.4%, while wage growth remained unchanged at 2.5%.

PORTFOLIO RECAP

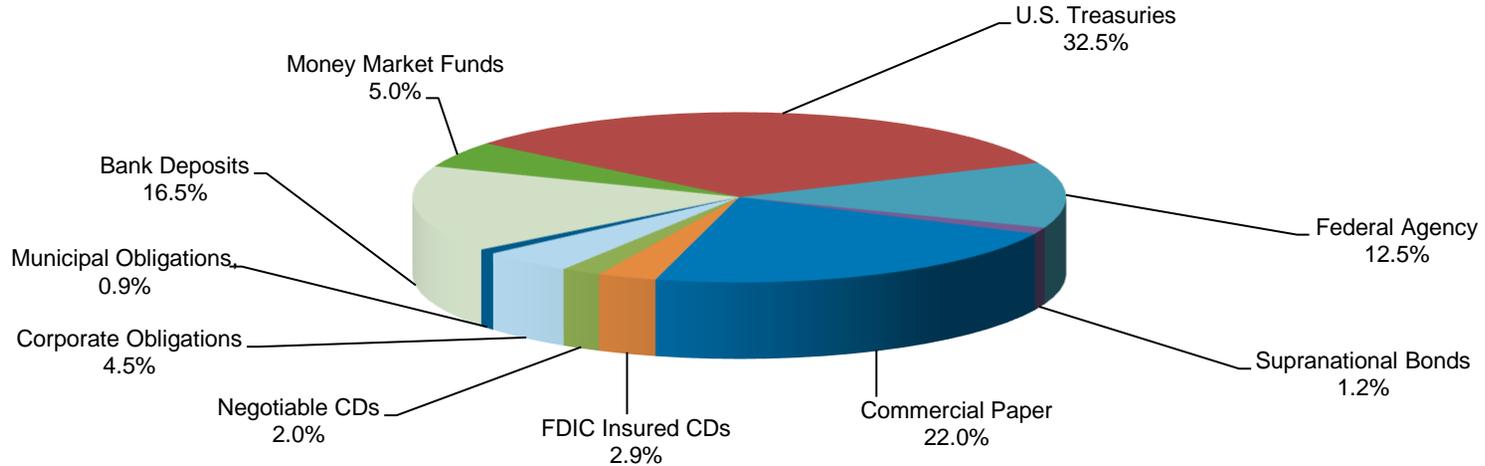
- The portfolio is diversified among Bank Deposits, U.S. Treasuries, Federal Agencies, Supranational Bonds, Commercial Paper, Negotiable CDs, Corporate Notes/Bonds, Municipal Bonds, FDIC Insured CDs, and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 0.99%.

Operating Reserve

- PFM purchased \$6,460,000 of 1 ¼ year US Treasury Notes at a yield of 1.19% and \$925,000 of 2-year corporate notes at a yield of 1.25%.



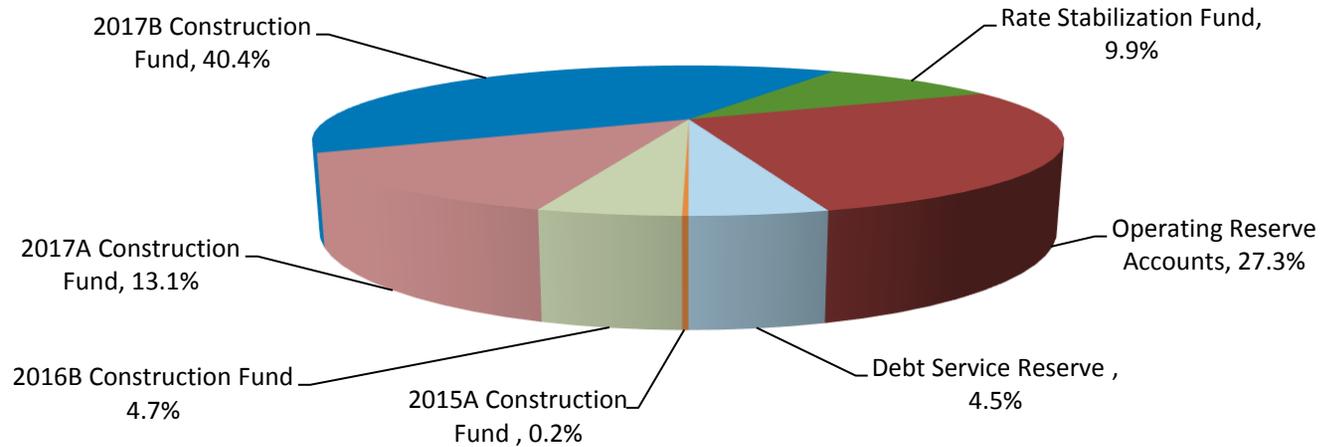
**DC Water
Finance Division
Investments - By Security Type
As of May 31, 2017**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	85,998,491	16.5%	100.0%
Money Market Funds	25,982,030	5.0%	100.0%
U.S. Treasuries	169,584,693	32.5%	100.0%
Federal Agency	65,185,376	12.5%	80.0%
Supranational Bonds	6,438,421	1.2%	30.0%
Commercial Paper	115,071,802	22.0%	35.0%
FDIC Insured CDs	15,273,703	2.9%	30.0%
Negotiable CDs	10,231,827	2.0%	30.0%
Corporate Obligations	23,675,519	4.5%	30.0%
Municipal Obligations	4,727,373	0.9%	20.0%
Total	\$ 522,169,235	100.0%	



**DC Water
Finance Division
Investment Analysis – By Fund
As of May 31, 2017**

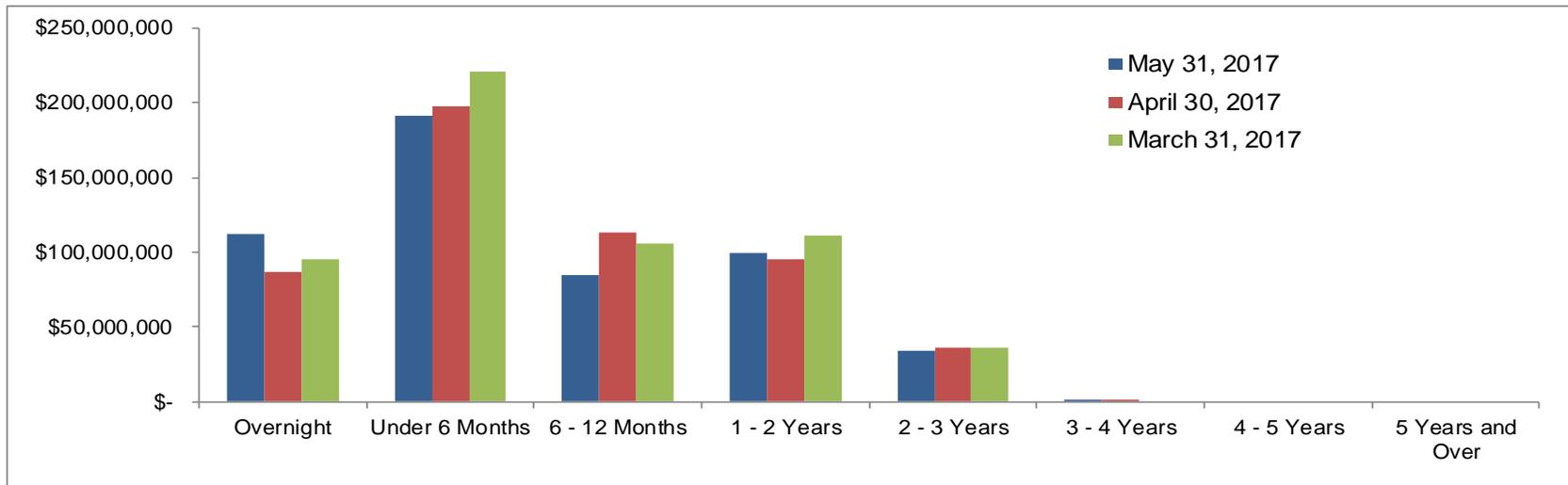


Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Rate Stabilization Fund	\$ 51,450,000	0.50%	0.00	1.0
Operating Reserve Accounts	\$ 142,491,471	1.13%	1.17	439.6
CSO LTCP Appropriations Account	\$ 515	0.62%	0.00	1.0
Debt Service Reserve	\$ 23,702,821	0.92%	0.95	350.7
2015A Construction Fund	\$ 1,041,196	0.65%	0.00	1.0
2015B Construction Fund	\$ 31,375	0.65%	0.00	1.0
2016B Construction Fund	\$ 24,564,756	0.65%	0.00	1.0
2017A Construction Fund	\$ 68,157,426	0.92%	0.19	68.1
2017B Construction Fund	\$ 210,729,675	1.10%	0.58	212.2
Total	\$ 522,169,235	0.99%	0.62	230.5



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

Maturity Distribution	May 31, 2017	April 30, 2017	March 31, 2017
Overnight \$	111,980,520.90 \$	86,132,285.74 \$	95,325,004.29
Under 6 Months	191,337,698.20	197,273,308.70	220,621,967.78
6 - 12 Months	84,448,488.11	113,306,911.32	105,992,469.73
1 - 2 Years	99,233,396.70	94,969,027.77	111,277,174.98
2 - 3 Years	34,242,805.44	36,388,298.67	36,275,545.62
3 - 4 Years	926,325.71	924,739.63	-
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
Totals \$	522,169,235.06 \$	528,994,571.83 \$	569,492,162.40





**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		85,998,491.35	16.5%	100.0%	Yes
Sub-Total Bank Deposits		85,998,491.35	16.5%	100.0%	Yes
Money Market Mutual Funds					
Wells Fargo Treasury Plus MMF	AAA m	25,741,913.96	4.9%	50.0%	Yes
Wells Fargo Government MMF	AAA m	240,115.59	0.0%	50.0%	Yes
Sub-Total Money Market Mutual Funds		25,982,029.55	5.0%	100.0%	Yes
U.S. Treasuries					
Treasury Note	AA+ / Aaa	169,584,692.99	32.5%	100.0%	Yes
Sub-Total Treasuries		169,584,692.99	32.5%	100.0%	Yes
Federal Agencies					
Fannie Mae	AA+ / Aaa	50,635,586.62	9.7%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	8,215,999.67	1.6%	40.0%	Yes
Freddie Mac	AA+ / Aaa	6,333,789.26	1.2%	40.0%	Yes
Sub-Total Federal Agencies		65,185,375.55	12.5%	80.0%	Yes
Supranational Bonds					
African Development Bank	AAA / Aaa	2,445,152.83	0.5%	5.0%	Yes
Asian Development Bank	AAA / Aaa	930,781.07	0.2%	5.0%	Yes
Inter-American Development Bank	AAA / Aaa	1,258,225.29	0.2%	5.0%	Yes
International Bank for Reconstruction and Development	AAA / Aaa	1,804,262.19	0.3%	5.0%	Yes
Sub-Total Supranational Bonds		6,438,421.38	1.2%	30.0%	Yes
Commercial Paper					
BNP Paribas	A-1 / P-1	16,395,133.26	3.1%	5.0%	Yes
Bank of Tokyo Mitsubishi	A-1 / P-1	16,442,653.26	3.1%	5.0%	Yes
Cooperative Rabobank	A-1 / P-1	16,452,773.21	3.2%	5.0%	Yes
Credit Agricole	A-1 / P-1	16,448,556.63	3.2%	5.0%	Yes
GE Capital	A-1+ / P-1	16,453,616.69	3.2%	5.0%	Yes
JP Morgan Securities LLC	A-1 / P-1	16,447,291.74	3.1%	5.0%	Yes
Toyota Motor Credit	A-1+ / P-1	16,431,777.59	3.1%	5.0%	Yes
Sub-Total Commercial Paper		115,071,802.38	22.0%	35.0%	Yes
FDIC Insured Certificates of Deposit					
CDARS - Placed by Industrial Bank	NR / NR	15,273,702.72	2.9%	5.0%	Yes
Sub-Total FDIC-Insured Certificates of Deposit		15,273,702.72	2.9%	30.0%	Yes



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
Negotiable Certificates of Deposit					
Canadian Imperial Bank NY	A+ / Aa3	1,799,028.70	0.3%	5.0%	Yes
HSBC Bank USA NA	AA- / Aa2	1,801,327.08	0.3%	5.0%	Yes
Nordea Bank Finland NY	AA- / Aa3	1,800,176.00	0.3%	5.0%	Yes
Skandinaviska Enskilda Banken NY	A+ / Aa3	1,814,578.00	0.3%	5.0%	Yes
Svenska Handelsbanken NY	AA- / Aa2	1,813,230.00	0.3%	5.0%	Yes
US Bank NA Cincinnati	AA- / Aa1	1,203,486.86	0.2%	5.0%	Yes
Sub-Total Negotiable Certificates of Deposit		10,231,826.64	2.0%	30.0%	Yes
Corporate Obligations					
Apple Inc.	AA+ / Aa1	1,450,030.86	0.3%	5.0%	Yes
Bank of Montreal	A+ / A1	904,369.95	0.2%	5.0%	Yes
Bank of New York Mellon	A / A1	1,800,665.46	0.3%	5.0%	Yes
Bank of Nova Scotia	A+ / A1	1,814,155.30	0.3%	5.0%	Yes
Berkshire Hathaway Inc	AA / Aa2	351,136.01	0.1%	5.0%	Yes
Cisco Systems Inc.	AA- / A1	1,561,699.83	0.3%	5.0%	Yes
Chevron	AA- / Aa2	900,585.38	0.2%	5.0%	Yes
Colgate-Palmolive Company	AA- / Aa3	931,699.19	0.2%	5.0%	Yes
Exxon Mobil	AA+ / Aaa	1,810,394.87	0.3%	5.0%	Yes
IBM	A+ / A1	1,830,278.54	0.4%	5.0%	Yes
Merck & Co.	AA / A1	731,239.51	0.1%	5.0%	Yes
Microsoft	AAA / Aaa	1,043,968.52	0.2%	5.0%	Yes
Pfizer Inc.	AA / A1	902,490.53	0.2%	5.0%	Yes
Royal Bank of Canada	AA- / A1	1,755,402.06	0.3%	5.0%	Yes
Toronto Dominion Bank NY	AA- / Aa2	903,854.50	0.2%	5.0%	Yes
Total Capital	A+ / Aa3	926,325.71	0.2%	5.0%	Yes
Toyota Motor Credit Corp	AA- / Aa3	1,530,383.69	0.3%	5.0%	Yes
Wells Fargo & Company Notes	A / A2	1,118,615.40	0.2%	5.0%	Yes
Westpac Banking	AA- / Aa2	1,408,223.94	0.3%	5.0%	Yes
Sub-Total Corporate Obligations		23,675,519.25	4.5%	30.0%	Yes
Municipal Obligations					
Connecticut State	A+ / A1	990,344.56	0.2%	5.0%	Yes
Florida State	AA / Aa3	1,816,222.50	0.3%	5.0%	Yes
Mississippi State	AA / Aa2	120,218.00	0.0%	5.0%	Yes
Regional Transportation Authority, IL	AA / NR	1,800,588.19	0.3%	5.0%	Yes
Sub-Total Municipal Obligations		4,727,373.25	0.9%	20.0%	Yes
Grand Total		\$ 522,169,235.06	100.0%		



**DC Water
Finance Division
Book Value Performance
As of May 31, 2017**

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		
Total Rate Stabilization Fund	0.04%	0.50%	0.13%	0.50%	0.24%	0.48%	0.49%	0.57%
Operating Reserve Accounts	0.10%	1.21%	0.29%	1.16%	0.58%	1.16%	1.18%	1.11%
Total Debt Service Reserve	0.05%	0.56%	0.18%	0.72%	0.38%	0.77%	0.73%	0.73%
2016B Construction Fund	0.00%	0.05%	0.10%	0.38%	0.23%	0.47%	n/a	n/a
2017A Construction Fund	0.09%	1.01%	0.21%	0.85%	n/a	n/a	n/a	n/a
2017B Construction Fund	0.09%	1.11%	0.28%	1.11%	n/a	n/a	n/a	n/a
Short-Term	0.08%	0.92%	0.22%	0.89%	0.37%	0.75%	0.71%	0.60%
Merrill Lynch 3-Month Treasury Index (Book Value) ¹	0.08%	0.89%	0.19%	0.77%	0.31%	0.62%	0.43%	0.28%
Core (1+ Years)	0.10%	1.24%	0.31%	1.23%	0.60%	1.22%	1.18%	1.10%
Merrill Lynch 1-3 Year Treasury Index (Book Value) ²	0.11%	1.28%	0.32%	1.27%	0.61%	1.22%	1.01%	0.92%

- (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.



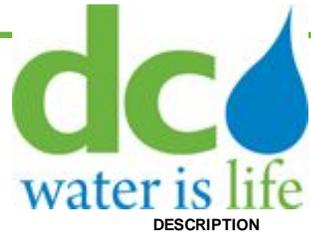
**DC Water
Finance Division
Portfolio Holdings by Fund**

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		\$ 51,450,000		6/1/2017		0.50%	\$ 51,450,000	\$ 51,450,000	\$ 51,450,000	\$ 51,450,000.00
Operating Reserve Accounts										
TD BANK BANK DEPOSIT		\$ 34,547,976		6/1/2017		0.90%	\$ 34,547,976	\$ 34,547,976	\$ 34,547,976	
WELLS FARGO GOVERNMENT MMF		240,116		6/1/2017		0.65%	240,116	240,116	240,116	
US BANK NA CINCINNATI (CALLABLE) CD	90333VPF1	1,200,000	1.375	9/11/2017	9/11/2014	1.41%	1,198,068	1,204,268	1,203,487	
MS ST TXBL GO BONDS	605581FX0	120,000	1.090	10/1/2017	2/18/2015	1.09%	120,000	120,199	120,218	
INDUSTRIAL BANK CDARS		5,035,026	0.350	10/12/2017	10/13/2016	0.35%	5,035,026	5,046,196	5,046,196	
ROYAL BANK OF CANADA CORP NOTES	78010U4A2	850,000	1.400	10/13/2017	10/15/2014	1.41%	849,873	851,638	851,571	
INDUSTRIAL BANK CDARS		5,065,244	0.400	11/9/2017	11/10/2016	0.40%	5,065,244	5,076,586	5,076,586	
SKANDINAVISKA ENSKILDA BANKEN NY CD	83050FBG5	1,800,000	1.480	11/16/2017	11/17/2015	1.48%	1,800,000	1,814,029	1,814,578	
HSBC BANK USA NA FLOATING CERT DEPOS	40428AR41	1,800,000	1.769	11/17/2017	11/18/2015	0.97%	1,800,000	1,806,734	1,801,327	
WESTPAC BANKING CORP NOTES	961214BZ5	475,000	1.600	1/12/2018	4/29/2015	1.27%	479,175	478,537	478,896	
INDUSTRIAL BANK CDARS		2,563,284	0.600	1/18/2018	1/21/2016	0.60%	2,563,284	2,584,315	2,584,315	
INDUSTRIAL BANK CDARS		2,562,346	0.450	1/18/2018	1/19/2017	0.45%	2,562,346	2,566,606	2,566,606	
IBM CORP NOTES	459200HZ7	1,825,000	1.125	2/6/2018	2/6/2015	1.23%	1,819,434	1,828,962	1,830,279	
EXXON MOBIL CORP NOTES	30231GAL6	875,000	1.305	3/6/2018	3/6/2015	1.31%	875,000	877,665	877,696	
REGIONAL TRANS AUTH, IL TXBL REV BONDS	7599112M1	1,800,000	1.250	5/4/2018	5/20/2016	1.44%	1,793,358	1,797,360	1,800,588	
MERCK & CO GLOBAL NOTES	58933YAG0	731,000	1.300	5/18/2018	3/27/2015	1.31%	730,664	730,940	731,240	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406HDB2	1,800,000	1.600	5/22/2018	5/29/2015	1.60%	1,799,838	1,801,901	1,800,665	
BANK OF NOVA SCOTIA CORP NOTE (CALLABLE)	064159GM2	1,800,000	1.700	6/11/2018	6/11/2015	1.72%	1,799,154	1,816,891	1,814,155	
CISCO SYSTEMS INC CORP NOTE	17275RAU6	1,550,000	1.650	6/15/2018	6/17/2015	1.66%	1,549,737	1,565,807	1,561,700	
TOYOTA MOTOR CREDIT CORP	89236TCP8	600,000	1.550	7/13/2018	7/13/2015	1.58%	599,490	604,246	603,372	
INTL BANK OF RECON AND DEV SN NOTES	459058FE8	900,000	0.875	7/19/2018	4/19/2016	0.95%	898,407	898,537	902,080	
FHLB NOTES	3130A8PK3	3,675,000	0.625	8/7/2018	8/12/2016	0.81%	3,661,844	3,655,935	3,674,411	
BERKSHIRE HATHAWAY INC GLOBAL NOTES	084670Bx5	220,000	1.150	8/15/2018	8/15/2016	1.16%	219,974	220,106	220,729	
AFRICAN DEVELOPMENT BANK NOTE	00828EBB4	700,000	1.625	10/2/2018	11/3/2016	1.12%	706,699	704,109	706,556	
FHLMC REFERENCE NOTE	3137EAED7	2,375,000	0.875	10/12/2018	9/16/2016	0.90%	2,373,979	2,366,098	2,377,157	
US TREASURY NOTES	912828A34	2,130,000	1.250	11/30/2018	11/9/2015	1.18%	2,134,327	2,130,405	2,132,213	
US TREASURY NOTES	912828A34	3,000,000	1.250	11/30/2018	5/6/2016	0.83%	3,031,641	3,000,570	3,018,633	
CANADIAN IMPERIAL BANK NY CD	13606A5Z7	1,800,000	1.760	11/30/2018	12/5/2016	1.78%	1,798,596	1,810,359	1,799,029	
NORDEA BANK FINLAND NY CD	65558LWA6	1,800,000	1.760	11/30/2018	12/5/2016	1.74%	1,800,000	1,810,447	1,800,176	
US TREASURY NOTES	912828A75	4,225,000	1.500	12/31/2018	12/4/2015	1.22%	4,260,813	4,268,113	4,270,194	
SVENSKA HANDELSBANKEN NY LT CD	86958JHB8	1,800,000	1.890	1/10/2019	1/12/2017	1.91%	1,800,000	1,810,346	1,813,230	
WELLS FARGO & COMPANY NOTES	94974BFQ8	1,103,000	2.150	1/15/2019	10/7/2015	1.77%	1,116,225	1,118,564	1,118,615	
FHLB NOTES	3130AAE46	1,800,000	1.250	1/16/2019	12/8/2016	1.25%	1,799,928	1,807,046	1,808,377	
APPLE INC CORP NOTES	037833BQ2	545,000	1.700	2/22/2019	2/23/2016	1.71%	544,907	549,671	547,468	
FNMA BENCHMARK NOTE	3135G0J53	2,250,000	1.000	2/26/2019	2/23/2016	1.08%	2,244,690	2,243,635	2,252,852	
FNMA BENCHMARK NOTE	3135G0J53	825,000	1.000	2/26/2019	8/8/2016	0.90%	827,087	822,666	828,604	
FNMA BENCHMARK NOTE	3135G0J53	1,425,000	1.000	2/26/2019	9/2/2016	0.97%	1,425,926	1,420,969	1,429,411	
BERKSHIRE HATHAWAY INC NOTES	084664CG4	130,000	1.700	3/15/2019	3/15/2016	1.73%	129,901	130,968	130,407	
COLGATE-PALMOLIVE COMPANY CORP NOTES	19416QEF3	925,000	1.750	3/15/2019	5/1/2017	1.55%	928,432	931,867	931,699	
FREDDIE MAC NOTES	3137EADZ9	1,700,000	1.125	4/15/2019	5/31/2016	1.10%	1,701,309	1,696,383	1,703,305	
US TREASURY NOTES	912828D23	1,465,000	1.625	4/30/2019	6/29/2016	0.70%	1,502,998	1,476,913	1,492,778	
US TREASURY NOTES	912828D23	2,820,000	1.625	4/30/2019	11/14/2016	1.06%	2,858,555	2,842,932	2,854,038	
INTER-AMERICAN DEVELOPMENT BANK	458182DX7	1,260,000	1.000	5/13/2019	4/12/2016	1.10%	1,256,220	1,248,899	1,258,225	
CHEVRON CORP NOTES	166764BH2	900,000	1.561	5/16/2019	5/16/2016	1.56%	900,000	899,000	900,585	
FHLB GLOBAL NOTE	3130A8DB6	1,840,000	1.125	6/21/2019	6/3/2016	1.14%	1,839,227	1,840,245	1,848,674	
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	1,831,235	1,816,223	
BANK OF MONTREAL	06367THQ6	900,000	1.500	7/18/2019	7/18/2016	1.53%	899,136	897,492	904,370	



**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										
FHLMC REFERENCE NOTE	3137EAEB1	2,250,000	0.875	7/19/2019	7/20/2016	0.96%	2,244,555	2,234,118	2,253,328	
ROYAL BANK OF CANADA CORP NOTES	78012KRRK5	900,000	1.500	7/29/2019	7/29/2016	1.54%	898,974	896,451	903,831	
APPLE INC CORP NOTES	037833CB4	900,000	1.100	8/2/2019	8/4/2016	1.13%	899,100	895,238	902,563	
MICROSOFT CORP NOTES	594918BN3	595,000	1.100	8/8/2019	8/8/2016	1.14%	594,387	591,889	596,606	
TORONTO DOMINION BANK NY CORP NOTES	89114QBJ6	900,000	1.450	8/13/2019	7/13/2016	1.45%	899,919	895,872	903,855	
CT ST TXBL GO BONDS	20772J3D2	985,000	1.300	8/15/2019	8/17/2016	1.23%	987,128	975,690	990,345	
INTL BANK OF RECON AND DEV SN NOTE	459058FK4	900,000	0.875	8/15/2019	7/13/2016	0.88%	899,811	888,821	902,182	
FNMA NOTES	3135G0P49	1,450,000	1.000	8/28/2019	9/2/2016	1.05%	1,447,738	1,441,369	1,451,960	
FNMA NOTES	3135G0P49	1,975,000	1.000	8/28/2019	10/5/2016	1.02%	1,973,815	1,963,244	1,979,074	
AFRICAN DEVELOPMENT BANK NOTE	00828EBQ1	700,000	1.125	9/20/2019	9/20/2016	1.16%	699,258	695,513	700,981	
US TREASURY NOTES	912828G61	2,325,000	1.500	11/30/2019	12/5/2016	1.45%	2,328,633	2,333,361	2,328,145	
PFIZER INC CORP NOTE	717081EB5	595,000	1.700	12/15/2019	11/21/2016	1.72%	594,572	601,445	599,985	
PFIZER INC CORP NOTE	717081EB5	300,000	1.700	12/15/2019	11/21/2016	1.73%	299,775	303,249	302,506	
ASIAN DEVELOPMENT BANK	045167DT7	925,000	1.750	1/10/2020	1/12/2017	1.77%	924,464	936,171	930,781	
US TREASURY NOTES	912828H52	3,475,000	1.250	1/31/2020	1/5/2017	1.52%	3,447,309	3,477,301	3,465,419	
MICROSOFT CORP	594918BV5	445,000	1.850	2/6/2020	2/6/2017	1.87%	444,702	449,816	447,363	
FNMA NOTES	3135G0T29	1,150,000	1.500	2/28/2020	2/28/2017	1.52%	1,149,264	1,155,377	1,153,686	
UNITED STATES TREASURY NOTES	912828J50	725,000	1.375	2/29/2020	2/3/2017	1.58%	720,610	726,953	723,583	
EXXON MOBIL CORP NOTE	30231GAG7	925,000	1.912	3/6/2020	4/28/2017	1.77%	928,635	934,490	932,699	
WESTPAC BANKING CORP NOTES	961214DJ9	925,000	2.150	3/6/2020	3/6/2017	2.16%	924,602	933,359	929,328	
AFRICAN DEVELOPMENT BANK NOTE	00828ECA5	1,035,000	1.875	3/16/2020	3/16/2017	1.93%	1,033,468	1,046,844	1,037,615	
TOYOTA MOTOR CREDIT CORP	89236TDU6	630,000	1.950	4/17/2020	4/17/2017	1.97%	629,710	632,389	631,223	
TOYOTA MOTOR CREDIT CORP	89236TDU6	295,000	1.950	4/17/2020	4/17/2017	1.94%	295,089	296,118	295,788	
US TREASURY NOTES	912828K58	2,750,000	1.375	4/30/2020	4/5/2017	1.53%	2,737,646	2,748,775	2,741,558	
US TREASURY NOTES	912828K58	1,575,000	1.375	4/30/2020	4/10/2017	1.55%	1,566,879	1,574,299	1,569,136	
TOTAL CAPITAL SA CORP NOTES	89152UAD4	850,000	4.450	6/24/2020	4/10/2017	2.07%	912,492	929,338	926,326	
										\$ 142,491,470.74
Debt Service Reserve										
WELLS FARGO TREASURY PLUS MMF		\$ 5,466		6/1/2017		0.65%	\$ 5,466	\$ 5,466	\$ 5,466	
US TREASURY NOTES	912828TS9	5,415,000	0.625	9/30/2017	4/26/2016	0.75%	5,405,058	5,412,275	5,418,426	
US TREASURY NOTES	912828Q45	6,820,000	0.875	3/31/2018	11/2/2016	0.76%	6,831,189	6,811,463	6,836,721	
US TREASURY NOTES	912828RH5	4,975,000	1.375	9/30/2018	11/15/2016	1.00%	5,009,786	4,996,498	5,011,365	
US TREASURY NOTES	912828T42	6,460,000	0.750	9/30/2018	5/19/2017	1.19%	6,421,644	6,429,092	6,430,844	
										\$ 23,702,821.10
CSO LTCP Appropriations Account										
TD BANK BANK DEPOSIT		515		6/1/2017		0.62%	515	515	515	
										\$ 515.12



**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
2015A Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 1,041,196		6/1/2017		0.65%	\$ 1,041,196	\$ 1,041,196	\$ 1,041,196	\$ 1,041,196.42
2015B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 31,375		6/1/2017		0.65%	\$ 31,375	\$ 31,375	\$ 31,375	\$ 31,374.50
2016B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 24,564,756		6/1/2017		0.65%	\$ 24,564,756	\$ 24,564,756	\$ 24,564,756	\$ 24,564,756.31
2017A Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 20,348		6/1/2017		0.65%	\$ 20,348	\$ 20,348	\$ 20,348	
FNMA DISC NOTE	313589GH0	41,500,000	-	6/1/2017	3/1/2017	0.66%	41,430,003	41,499,306	41,500,000	
FNMA DISC NOTE	313589GH0	40,000	-	6/1/2017	3/1/2017	0.66%	39,933	39,999	40,000	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GX27	2,015,000	-	10/2/2017	3/1/2017	1.26%	1,999,957	2,007,248	2,006,394	
BNP PARIBAS NY BRANCH COMM PAPER	09659BYQ7	16,500,000	-	11/24/2017	3/1/2017	1.31%	16,340,317	16,388,609	16,395,133	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GYQ3	8,250,000	-	11/24/2017	3/1/2017	1.36%	8,167,088	8,200,756	8,195,550	\$ 68,157,425.59
2017B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 78,773		6/1/2017		0.65%	\$ 78,773	\$ 78,773	\$ 78,773	
FED HOME LN DISCOUNT NT	313385HN9	885,000	-	6/30/2017	3/1/2017	0.65%	883,067	884,359	884,537	
US TREASURY BILL	912796LR8	12,535,000	-	8/31/2017	3/6/2017	0.82%	12,484,085	12,504,665	12,508,970	
BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER	06538BW17	16,500,000	-	9/1/2017	3/1/2017	1.37%	16,385,307	16,449,873	16,442,653	
COOPERATIEVE RABOBANK U.A. COMM PAPER	21687AW17	16,500,000	-	9/1/2017	3/2/2017	1.13%	16,406,060	16,453,239	16,452,773	
CREDIT AGRICOLE CIB NY COMM PAPER	22533TW10	16,500,000	-	9/1/2017	3/2/2017	1.23%	16,397,673	16,450,682	16,448,557	
GE CAPITAL TREASURY LLC COMM PAPER	36164JW18	16,500,000	-	9/1/2017	3/1/2017	1.11%	16,407,233	16,457,628	16,453,617	
JP MORGAN SECURITIES LLC COMM PAPER	46640PW17	16,500,000	-	9/1/2017	3/1/2017	1.26%	16,394,583	16,456,655	16,447,292	
TOYOTA MOTOR CREDIT CORP	89233GW51	6,250,000	-	9/5/2017	3/3/2017	1.22%	6,210,927	6,231,525	6,229,833	
US TREASURY N/B	912828H37	17,485,000	0.875	1/15/2018	3/2/2017	0.92%	17,477,487	17,512,162	17,537,559	
US TREASURY N/B	912828J68	28,870,000	1.000	3/15/2018	3/2/2017	1.02%	28,865,489	28,884,942	28,927,776	
US TREASURY NOTES	912828K25	18,505,000	0.750	4/15/2018	3/2/2017	1.04%	18,445,003	18,450,542	18,476,148	
US TREASURY NOTES	912828XF2	30,905,000	1.125	6/15/2018	3/2/2017	1.08%	30,924,316	31,041,331	31,081,133	
US TREASURY NOTES	912828XK1	12,750,000	0.875	7/15/2018	3/2/2017	1.10%	12,710,654	12,745,403	12,760,054	\$ 210,729,675.28
							\$ 521,000,423.80	\$ 521,852,650.56	\$ 522,169,235.06	\$ 522,169,235.06



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts							
912828G61	US TREASURY NOTES	3,250,000.00	1.50	11/30/2019	12/5/2016	1.45	3,255,747.77
65558LWA6	NORDEA BANK FINLAND NY CD	1,800,000.00	1.76	11/30/2018	12/5/2016	1.74	1,800,000.00
13606A5Z7	CANADIAN IMPERIAL BANK NY CD	1,800,000.00	1.76	11/30/2018	12/5/2016	1.78	1,798,596.00
3130AAE46	FHLB NOTES	1,800,000.00	1.25	1/16/2019	12/8/2016	1.25	1,799,928.00
912828H52	US TREASURY NOTES	3,475,000.00	1.25	1/31/2020	1/5/2017	1.52	3,465,958.39
045167DT7	ASIAN DEVELOPMENT BANK	925,000.00	1.75	1/10/2020	1/12/2017	1.77	924,463.50
86958JHB8	SVENSKA HANDELSBANKEN NY LT CD	1,800,000.00	1.89	1/10/2019	1/12/2017	1.91	1,800,000.00
RE0959685	INDUSTRIAL BANK CDARS	2,562,345.78	0.45	1/18/2018	1/19/2017	0.46	2,562,345.78
912828J50	UNITED STATES TREASURY NOTES	1,825,000.00	1.38	2/29/2020	2/3/2017	1.58	1,824,764.08
594918BV5	MICROSOFT CORP	445,000.00	1.85	2/6/2020	2/6/2017	1.87	444,701.85
3135G0T29	FNMA NOTES	1,150,000.00	1.50	2/28/2020	2/28/2017	1.52	1,149,264.00
961214DJ9	WESTPAC BANKING CORP NOTES	925,000.00	2.15	3/6/2020	3/6/2017	2.16	924,602.25
00828ECA5	AFRICAN DEVELOPMENT BANK NOTE	1,035,000.00	1.88	3/16/2020	3/16/2017	1.93	1,033,468.20
912828K58	US TREASURY NOTES	2,750,000.00	1.38	4/30/2020	4/5/2017	1.53	2,753,941.37
89152UAD4	TOTAL CAPITAL SA CORP NOTES	850,000.00	4.45	6/24/2020	4/10/2017	2.07	923,629.36
912828K58	US TREASURY NOTES	1,575,000.00	1.38	4/30/2020	4/10/2017	1.55	1,576,510.56
89236TDU6	TOYOTA MOTOR CREDIT CORP	630,000.00	1.95	4/17/2020	4/17/2017	1.97	629,710.20
89236TDU6	TOYOTA MOTOR CREDIT CORP	295,000.00	1.95	4/17/2020	4/17/2017	1.94	295,088.50
30231GAG7	EXXON MOBIL CORP NOTE	925,000.00	1.91	3/6/2020	4/28/2017	1.77	931,189.89
19416QEF3	COLGATE-PALMOLIVE COMPANY CORP NOTES	925,000.00	1.75	3/15/2019	5/1/2017	1.55	930,500.15
Total Debt Service Reserve							
912828T42	US TREASURY NOTES	6,460,000.00	0.750	9/30/2018	5/19/2017	1.189	6,428,130.23
2017A Construction Fund							
09659BYQ7	BNP PARIBAS NY BRANCH COMM PAPER	16,500,000.00	0.000	11/24/2017	3/1/2017	1.328	16,340,316.67
313385DW3	FED HOME LN DISCOUNT NT	31,515,000.00	0.000	4/3/2017	3/1/2017	0.528	31,499,977.85
313589GH0	FNMA DISC NOTE	50,000,000.00	0.000	6/1/2017	3/1/2017	0.670	49,915,666.67
313589GH0	FNMA DISC NOTE	40,000.00	0.000	6/1/2017	3/1/2017	0.670	39,932.53
89233GX27	TOYOTA MOTOR CREDIT CORP COMM PAPER	2,015,000.00	0.000	10/2/2017	3/1/2017	1.276	1,999,957.47
89233GYQ3	TOYOTA MOTOR CREDIT CORP COMM PAPER	8,250,000.00	0.000	11/24/2017	3/1/2017	1.380	8,167,087.50

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



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
2017B Construction Fund							
06538BW17	BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER	16,500,000.00	0.000	9/1/2017	3/1/2017	1.389	16,385,306.67
313385HN9	FED HOME LN DISCOUNT NT	15,035,000.00	0.000	6/30/2017	3/1/2017	0.661	15,002,152.70
36164JW18	GE CAPITAL TREASURY LLC COMM PAPER	16,500,000.00	0.000	9/1/2017	3/1/2017	1.122	16,407,233.33
46640PW17	JP MORGAN SECURITIES LLC COMM PAPER	16,500,000.00	0.000	9/1/2017	3/1/2017	1.275	16,394,583.33
912828H37	US TREASURY N/B	17,485,000.00	0.875	1/15/2018	3/2/2017	0.924	17,496,928.10
912828J68	US TREASURY N/B	28,870,000.00	1.000	3/15/2018	3/2/2017	1.015	28,999,471.38
912828K25	US TREASURY NOTES	18,505,000.00	0.750	4/15/2018	3/2/2017	1.042	18,497,620.56
912828XF2	US TREASURY NOTES	30,905,000.00	1.125	6/15/2018	3/2/2017	1.076	30,997,863.59
912828XK1	US TREASURY NOTES	12,750,000.00	0.875	7/15/2018	3/2/2017	1.102	12,724,830.75
21687AW17	COOPERATIEVE RABOBANK U.A. COMM PAPER	16,500,000.00	0.000	9/1/2017	3/2/2017	1.142	16,406,060.00
22533TW10	CREDIT AGRICOLE CIB NY COMM PAPER	16,500,000.00	0.000	9/1/2017	3/2/2017	1.245	16,397,672.50
89233GW51	TOYOTA MOTOR CREDIT CORP	6,250,000.00	0.000	9/5/2017	3/3/2017	1.234	6,210,927.08
912796LR8	US TREASURY BILL	12,535,000.00	0.000	8/31/2017	3/6/2017	0.836	12,484,084.57

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



DC Water
Finance Division
Security Sales
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<u>Operating Reserve Accounts</u>							
912828UE8	US TREASURY NOTES	1,275,000.00	0.75	12/31/2017	12/5/2016	0.93	1,276,715.02
13606JYY9	CANADIAN IMPERIAL BANK NY YCD	1,800,000.00	1.01	4/6/2017	12/5/2016	1.00	1,802,673.50
65558LFA5	NORDEA BANK FINLAND NY CD	1,800,000.00	1.15	5/26/2017	12/5/2016	1.09	1,800,770.35
09659BQH6	BNP PARIBAS NY BRANCH COMM PAPER	1,800,000.00	-	3/17/2017	12/5/2016	0.97	1,795,155.00
912828A34	US TREASURY NOTES	1,795,000.00	1.25	11/30/2018	12/8/2016	1.10	1,800,611.68
3135G0J61	FNMA NOTE	1,000,000.00	0.88	3/28/2018	1/5/2017	1.05	1,000,207.64
369604BC6	GENERAL ELECTRIC CO NOTES	550,000.00	5.25	12/6/2017	1/5/2017	1.28	572,225.04
21684BXH2	RABOBANK NEDERLAND NV CERT DEPOS	1,800,000.00	1.07	4/21/2017	1/5/2017	1.05	1,803,787.73
912828G61	US TREASURY NOTES	925,000.00	1.50	11/30/2019	1/12/2017	1.49	926,892.01
86958DH54	SVENSKA HANDELSBANKEN NY FLT CERT DEPOS	1,800,000.00	1.64	8/24/2017	1/12/2017	1.16	1,805,873.59
3135G0J61	FNMA NOTE	1,250,000.00	0.88	3/28/2018	2/3/2017	0.96	1,252,585.24
912828VE7	US TREASURY NOTES	450,000.00	1.00	5/31/2018	2/3/2017	1.02	450,698.10
459200HZ7	IBM CORP NOTES	425,000.00	1.13	2/6/2018	2/6/2017	1.20	424,664.25
912828J50	UNITED STATES TREASURY NOTES	1,100,000.00	1.38	2/29/2020	2/28/2017	1.44	1,097,851.56
961214BZ5	WESTPAC BANKING CORP NOTES	925,000.00	1.60	1/12/2018	3/6/2017	1.45	928,385.50
3130A8BD4	FEDERAL HOME LOAN BANKS AGCY	950,000.00	0.88	6/29/2018	3/16/2017	1.23	947,512.45
3130A8BD4	FEDERAL HOME LOAN BANKS AGCY	1,880,000.00	0.88	6/29/2018	4/5/2017	1.16	1,877,731.47
3130A8BD4	FEDERAL HOME LOAN BANKS AGCY	870,000.00	0.88	6/29/2018	4/5/2017	1.16	868,950.20
166764AA8	CHEVRON CORP (CALLABLE) GLOBAL NOTES	900,000.00	1.10	12/5/2017	4/10/2017	1.32	902,181.00
3130A8BD4	FEDERAL HOME LOAN BANKS AGCY	805,000.00	0.88	6/29/2018	4/10/2017	1.22	803,659.56
931142CJ0	WAL MART STORES INC. CORP NOTES	750,000.00	5.80	2/15/2018	4/10/2017	1.37	784,530.83
89236TCA1	TOYOTA MOTOR CREDIT CORP NOTE	590,000.00	1.45	1/12/2018	4/17/2017	1.32	592,823.97
89236TCP8	TOYOTA MOTOR CREDIT CORP	40,000.00	1.55	7/13/2018	4/17/2017	1.53	40,172.29
89236TCP8	TOYOTA MOTOR CREDIT CORP	295,000.00	1.55	7/13/2018	4/17/2017	1.54	296,214.58
30231GAL6	EXXON MOBIL CORP NOTES	925,000.00	1.31	3/6/2018	4/28/2017	1.33	926,540.13
912828A75	US TREASURY NOTES	925,000.00	1.50	12/31/2018	5/1/2017	1.25	933,467.86
<u>Total Debt Service Reserve</u>							
912828PA2	US TREASURY NOTES	6,257,000.00	1.88	9/30/2017	5/19/2017	1.02	6,292,259.74
<u>2015A Construction Fund</u>							
3137EADT3	FHLMC NOTES	6,500,000.00	0.88	2/22/2017	12/19/2016	0.58	6,521,799.38
912828SM3	US TREASURY NOTES	3,500,000.00	1.00	3/31/2017	12/19/2016	0.55	3,512,067.31
3137EADT3	FHLMC NOTES	32,300,000.00	0.88	2/22/2017	1/18/2017	0.54	32,424,633.14
<u>2017A Construction Fund</u>							
313589GH0	FNMA DISC NOTE	8,500,000.00	-	6/1/2017	5/2/2017	0.76	8,494,687.50
<u>2017B Construction Fund</u>							
313385HN9	FED HOME LN DISCOUNT NT	14,150,000.00	-	6/30/2017	3/30/2017	0.80	14,121,432.72

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



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<u>Operating Reserve Accounts</u>							
RE0959511	INDUSTRIAL BANK CDARS	2,539,450.42	0.45	1/19/2017	1/19/2017	0.00	2,550,877.95
<u>2015A Construction Fund</u>							
09659BM98	BNP PARIBAS NY BRANCH COMM PAPER	15,000,000.00	-	12/9/2016	12/9/2016	0.00	15,000,000.00
13607EMW6	CANADIAN IMPERIAL HOLDING COMM PAPER	11,130,000.00	-	12/30/2016	12/30/2016	0.00	11,130,000.00
06366GQ36	BANK OF MONTREAL CHICAGO COMM PAPER	10,000,000.00	-	3/3/2017	3/3/2017	0.00	10,000,000.00
<u>2016B Construction Fund</u>							
912796KU2	US TREASURY BILL	24,564,000.00	-	5/4/2017	5/4/2017	0.00	24,564,000.00
<u>2017A Construction Fund</u>							
313385DW3	FED HOME LN DISCOUNT NT	31,515,000.00	-	4/3/2017	4/3/2017	0.00	31,515,000.00

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
06/11/17	INTEREST	064159GM2	BANK OF NOVA SCOTIA CORP NOTE (CALLABLE)	1.700	06/11/18	1,800,000.00	0.00	15,300.00	15,300.00
06/15/17	INTEREST	17275RAU6	CISCO SYSTEMS INC CORP NOTE	1.650	06/15/18	1,550,000.00	0.00	12,787.50	12,787.50
06/15/17	INTEREST	717081EB5	PFIZER INC CORP NOTE	1.700	12/15/19	300,000.00	0.00	2,890.00	2,890.00
06/15/17	INTEREST	717081EB5	PFIZER INC CORP NOTE	1.700	12/15/19	595,000.00	0.00	5,731.83	5,731.83
06/21/17	INTEREST	3130A8DB6	FHLB GLOBAL NOTE	1.125	06/21/19	1,840,000.00	0.00	10,350.00	10,350.00
06/24/17	INTEREST	89152UAD4	TOTAL CAPITAL SA CORP NOTES	4.450	06/24/20	850,000.00	0.00	18,912.50	18,912.50
06/30/17	INTEREST	912828A75	US TREASURY NOTES	1.500	12/31/18	4,225,000.00	0.00	31,687.50	31,687.50



Appendix: Economic Update



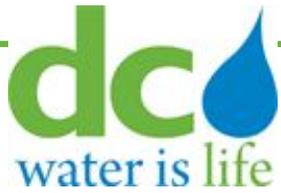
FOMC Statement Highlights



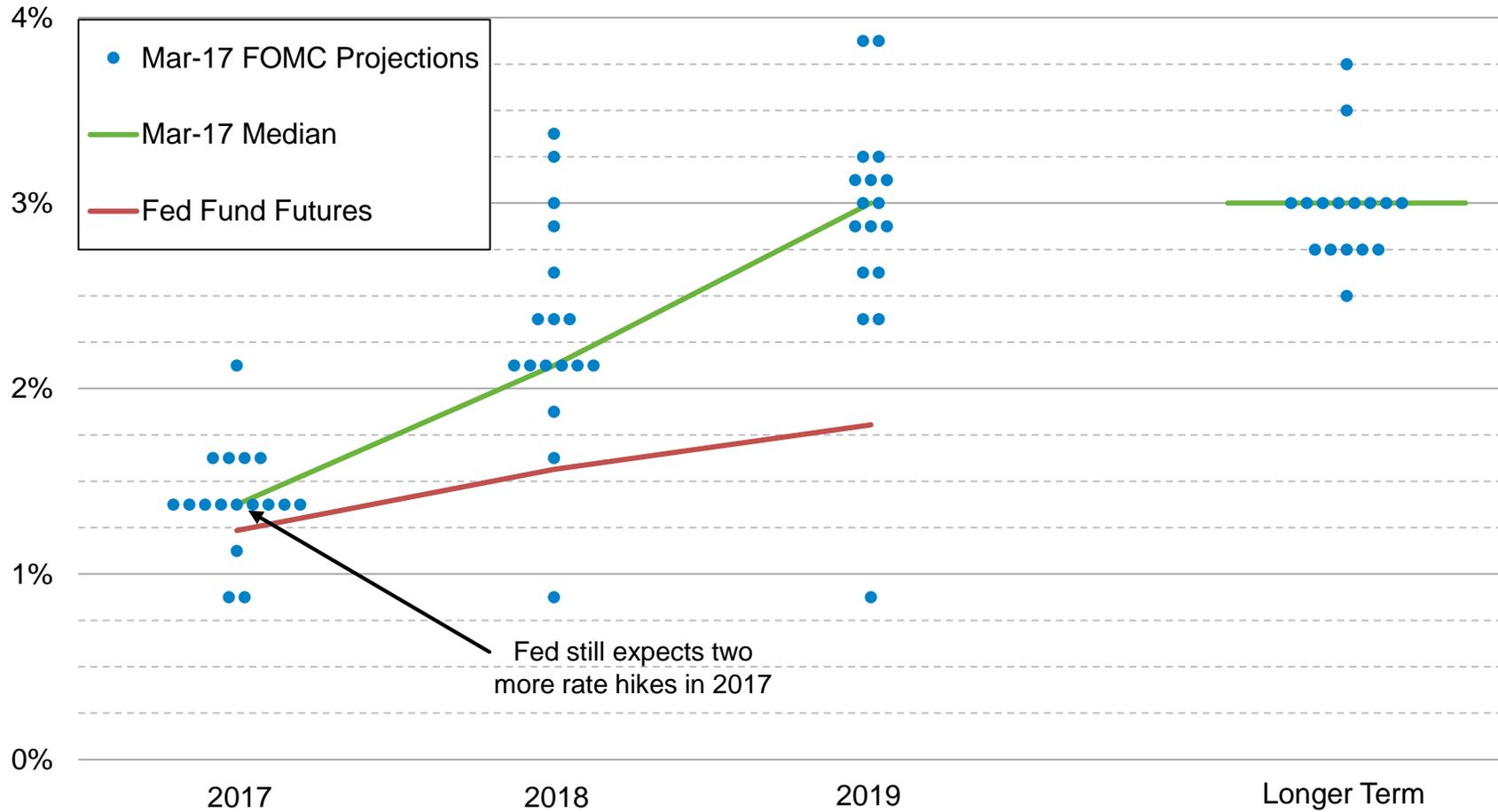
- Information received since the FOMC met in March indicates that the labor market has continued to strengthen even as growth in economic activity has slowed... The Committee views the slowing in growth during the quarter as likely to be transitory...
- Job gains were solid, on average, in recent months, and the unemployment rate declined.
- Inflation measured on a 12-month basis recently has been running close to the Committee’s 2% longer-run objective. Excluding energy and food prices, consumer prices declined in March and inflation continued to run somewhat below 2%.

- In view of realized and expected labor market conditions and inflation, the Committee decided to maintain the target range for the federal funds rate at 0.75% - 1.00%.
- The committee expects that economic conditions will evolve in a manner that will warrant gradual increases in the federal funds rate.
- All nine voting members of the FOMC supported the monetary policy action.

Source: Federal Reserve. Fed Governor Daniel Tarullo stepped down in April, leaving only nine voting members.



FOMC “Dot Plot”



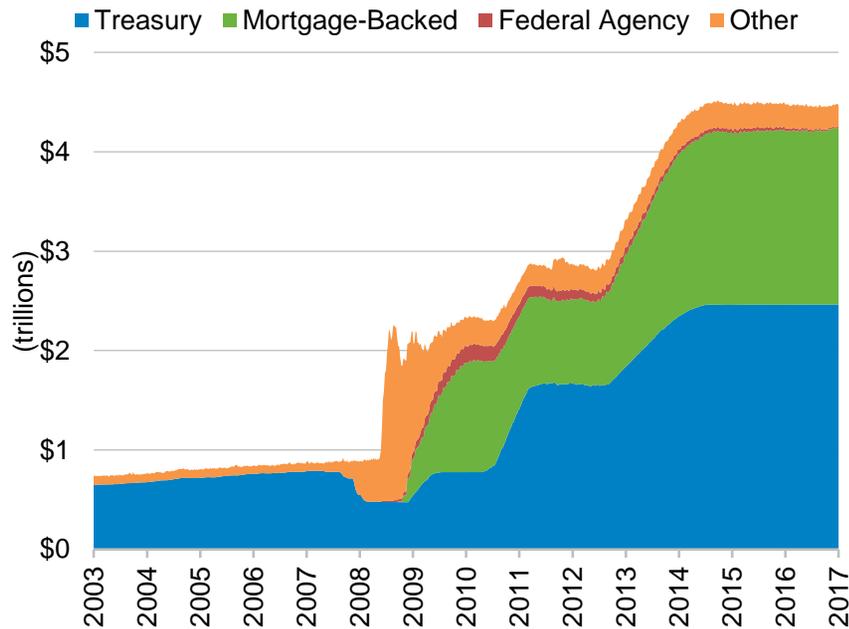
Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. Fed fund futures as of 04/30/17.



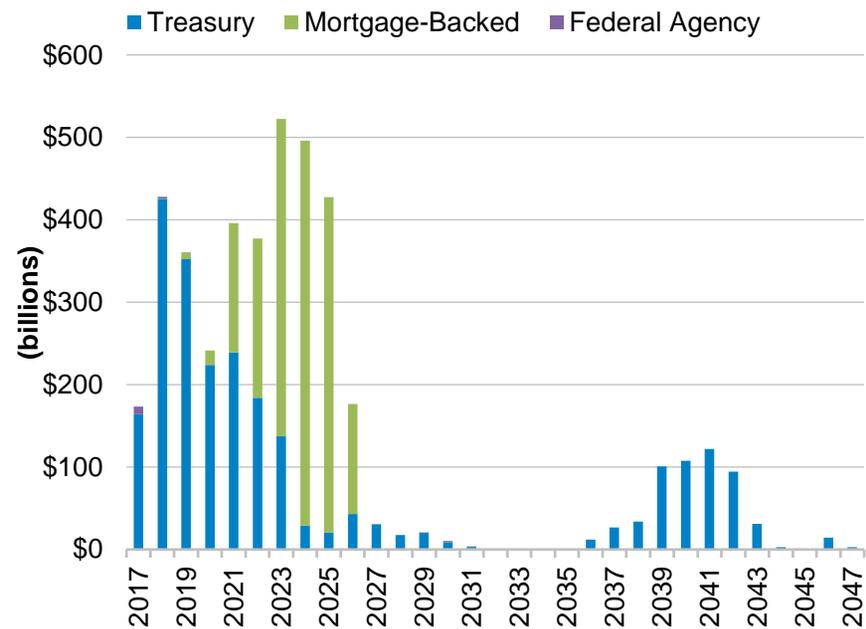
Fed’s Next Area of Focus: Size of Balance Sheet

- After multiple rounds of quantitative easing, the Federal Reserve’s balance sheet has swelled to nearly \$4.5 trillion.
- The Fed is now evaluating the strategy and timing to start trimming the size of its balance sheet as part of the monetary policy normalization process. Most officials have expressed a preference for a gradual phasing out of reinvestments of both Treasury and agency MBS securities, and anticipate this change to be announced in late 2017 or early 2018.

Total Balance Sheet Assets of the Federal Reserve



Distribution of Balance Sheet Assets by Maturity/Average Life



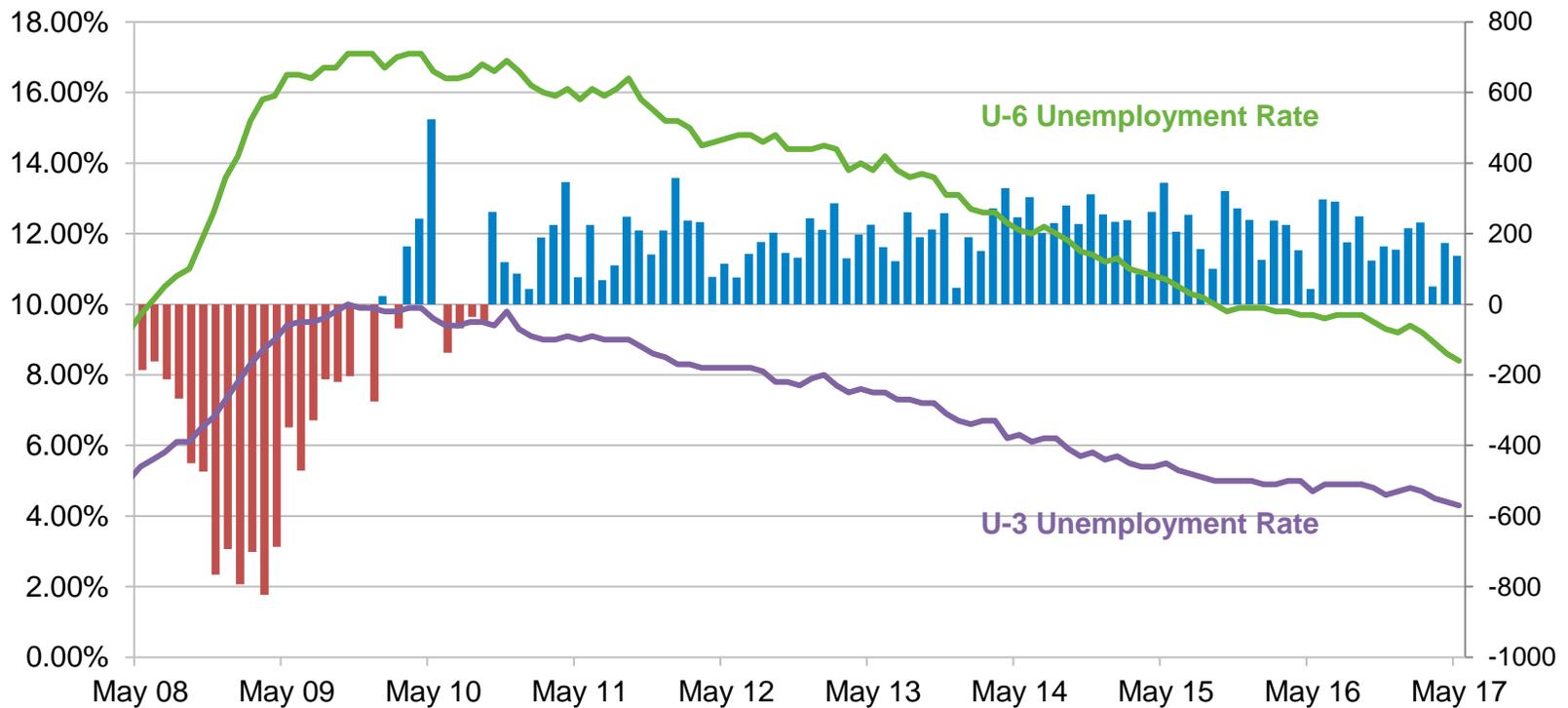
Source: The Federal Reserve, FRB of St. Louis, as of 04/26/17. MBS maturity distribution based on weighted average life, from Bloomberg as of 04/07/17. Mortgage securities pay down over time. Weighted average life measures the average length of time an issues is expected to be outstanding.



U.S. Labor Market

- The U.S. labor market added 138,000 jobs in May, short of the 182,000 expectation.
- The unemployment rate declined to 4.3%, the lowest level in 16 years.

Unemployment vs. Non-Farm Payrolls
May 2008 – May 2017

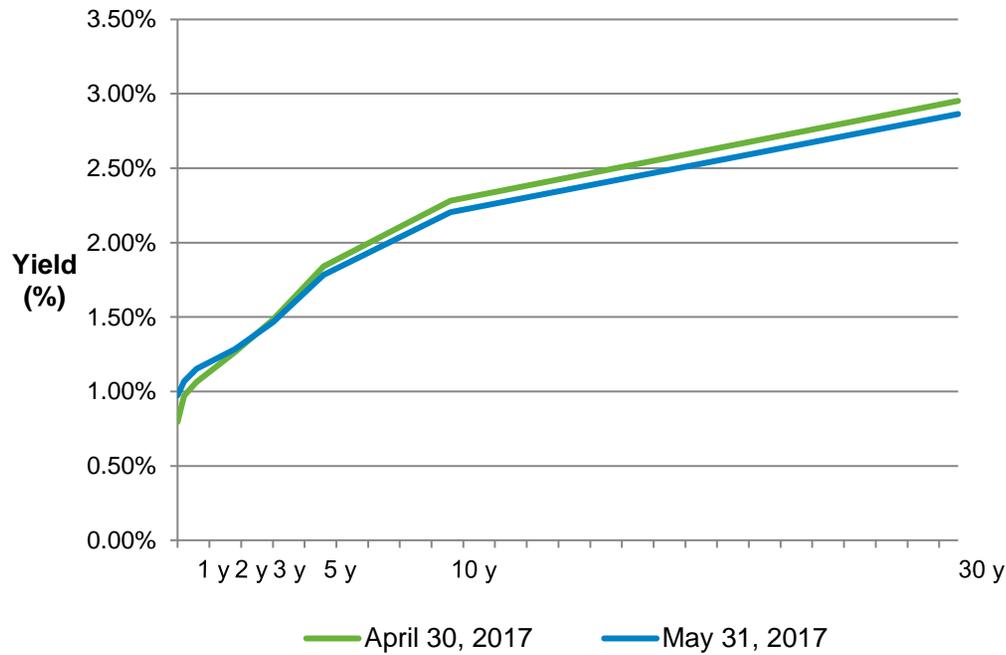


Source: Bloomberg



U.S Treasury Yields

U.S. Treasury Yield Curve
April 30, 2017 vs. May 31, 2017



	<u>4/30/2017</u>	<u>5/31/2017</u>	<u>Change</u>
3 month	0.80%	0.97%	0.17%
6 month	0.97%	1.07%	0.10%
1 year	1.06%	1.15%	0.09%
2 year	1.26%	1.28%	0.02%
3 year	1.48%	1.47%	-0.01%
5 year	1.84%	1.78%	-0.06%
10 year	2.28%	2.20%	-0.08%
30 year	2.95%	2.86%	-0.09%

Source: Bloomberg



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



FY 2017 PROJECTED NET CASH SURPLUS (\$000'S)

Category	Board Approved Financial Plan	Year-End Projection*	Variance Positive / (Negative)
Total Revenue	\$595,446	\$600,604	\$5,158
Total Expense	488,264	476,162	12,102
Cash Financed Capital Improvements (CFCI)	24,199	24,199	-
OPERATING INCOME	\$82,983	\$100,243	\$17,260
Other Transfers/Credits (Add'l Refunds to Wholesale/IMA)	(29,201)	(31,201)	(2,000)
NET INCOME	\$53,782	\$69,042	\$15,260
Beginning Cash Balance over Target	22,652	22,652	-
Transfer to Capital Improvement Program (CIP)	(76,434)	(80,905)	(4,471)
Transfer to Rate Stabilization Fund (RSF)	-	-	-
SURPLUS	-	\$10,789	\$10,789

Recommendation:

Additional Transfer to RSF	(\$10,000)
Additional Transfer to Paygo	-
Additional Cash Balance over Target	(\$789) *

* Preliminary unaudited year-end projections, subject to change



Update:
**July 1 Property & Casualty
Insurance Renewals**

June 22, 2017

Tanya DeLeon, Risk Manager



Background

- The Authority is on track to renew its Property, Cyber, Flood, Excess Workers' Compensation, Public Officials' Liability, Professional Liability, Excess Liability, Crime, and Fiduciary insurance coverages on July 1.
- It has been the customary practice to provide an informational update to the committee at this time each year.
- As reported at the last committee meeting, the insurance market is presently stable, but water risks continue to experience difficulty.
- The Authority worked with its insurance brokers (Aon and Alliant) to explore market alternatives and negotiate renewal terms with incumbent insurers.
- Last year, we reported that property insurance costs would significantly increase due to newly completed construction. Most of those costs were not experienced last policy year due to delayed completion and acceptance of projects. However, the premium increases will take effect this year.



Renewal Results

- Overall, we anticipated a year to year increase in premiums of approximately 17% due to increased operating exposures as follows:
 - +28.7% property values (\$672M* of newly-added property since 7/1/16)
 - + 3.6% projected payroll
 - + 8.3% audited revenue (FY16 vs. FY15)
- Renewal negotiations are still underway, but it appears the total premium increase will be +11.9%. We are pleased with the results.
- A summary of insurance coverages are provided in Appendix I.

* Approximate breakdown:

\$ 215M Main Process Train (MPT)

\$ 88M Combined Heat and Power Plant (CHP) @ higher premium rate

\$ 82M Final Dewatering Facilities (FDF)

\$ 34M Enhanced Nitrogen Removal – North (ENR-N)

\$ 253M Other increases due to 2016 re-appraisal of Blue Plains



Appendix I

Prospective Program – Jul 1, 2017-18

Coverage	2017-18 Main Limit	Main Deductible / Retention	Insurer	2016-17 Premium (thousand)	2017-18 Premium* (thousand)
Property incl. Boiler & Machinery	\$1 Bil per occurrence \$100 Mil annual Flood \$25 Mil ann.–100 Yr Flood	\$1 Mil \$10,000 equip	Alliant Property Ins. Program (APIP)**	\$811	\$1,096
Cyber/Data Security	\$5 Mil ann.	\$100,000	Beazley Syndicate	\$76	\$80
National Flood Policies (15 total)	Ea. Policy: \$500K bldg., \$500k contents	\$50k bldg., \$50k contents	National Flood Insurance Program	\$65	\$71
Excess Workers' Compensation (WC) and Employers' Liability (EL)	Full benefits due under WC law; \$3 Mil Employers' Liability	\$1 Mil / accident or disease	Safety National	\$366	\$379
Public Officials' Liability (POL)	\$20 Mil ann.	\$250,000	RSUI and Hiscox	\$115	\$109
Professional Liability	\$2 Mil ann.	\$10,000	Lloyds of London	\$12	\$15
Excess Liability (excess of GL, AL, EPL)	\$100 Mil	\$1 Mil	AEGIS and EIM	\$1,193	\$1,202
Crime & Fidelity	\$10 Mil	\$200,000	Travelers	\$31	\$33
Fiduciary Liability	\$5 Mil	Nil	Travelers	\$16	\$19
TOTAL				\$2,683	\$3,004 (+11.9%)

* Preliminary estimates and subject to change after negotiations are finalized. All premiums include broker placement fees.

** Group Purchasing programs involving public entities throughout the country and a broad syndication of insurers.



Appendix I (cont.) Insurance Coverages

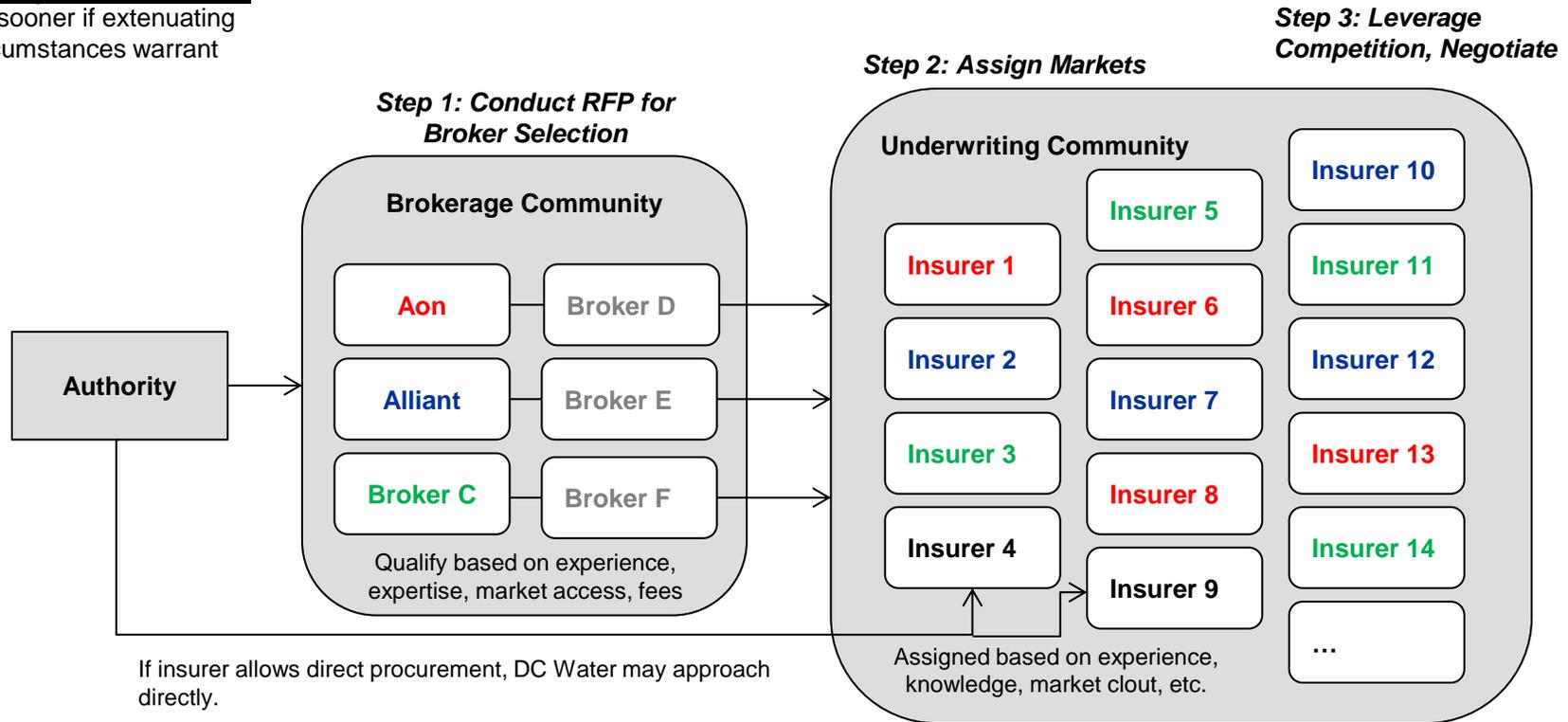
Coverage	Scope
Property, Equip. and Boiler & Machinery	Provides blanket "all risk" coverage for direct physical damage to DC Water structures, buildings and contents.
Cyber/Data Security and Breach Notification	Provides coverage for third party liability and privacy notification expenses resulting from data breaches.
National Flood Insurance	Government sponsored program that provides a modest amount of insurance protection at affordable premium levels. Coverage is subject to a maximum of \$500,000 for buildings and \$500,000 for contents, excluding underground property and subject to actual cash valuation.
Excess Workers Compensation (WC) and Employers Liability (EL)	Provides excess statutory workers' compensation benefits over self-funded levels. EL covers liability from employee injuries that are not covered under workers compensation law. Very rare in DC.
Public Officials Liability (POL)	Provides reimbursement protection for wrongful acts (excl. bodily injury and property damage) that are actually or allegedly caused by DC Water directors, officers and employees within the course of their duties.
Employment Practices Liability (EPL)	Provides protection for claims of discrimination, harassment, or wrongful termination.
Professional Liability	Provides protection for errors or omissions arising from engineering, consulting or testing services provided to third parties for a fee.
Umbrella / Excess Liability	Provides protection for bodily injury, property damage, and personal injuries to third parties arising out of DC Water operations (GL) including use of automobiles (AL) in excess of self-funded levels.
Crime & Fidelity	Employee dishonesty coverage and miscellaneous crime coverages.
Fiduciary Liability	Provides protection for wrongful acts that actually or allegedly are caused by trustees and employees of the DC Water sponsored Employee Benefit Plans.



Appendix II - Procurement Approach

Every 5-6 Years

Or sooner if extenuating circumstances warrant

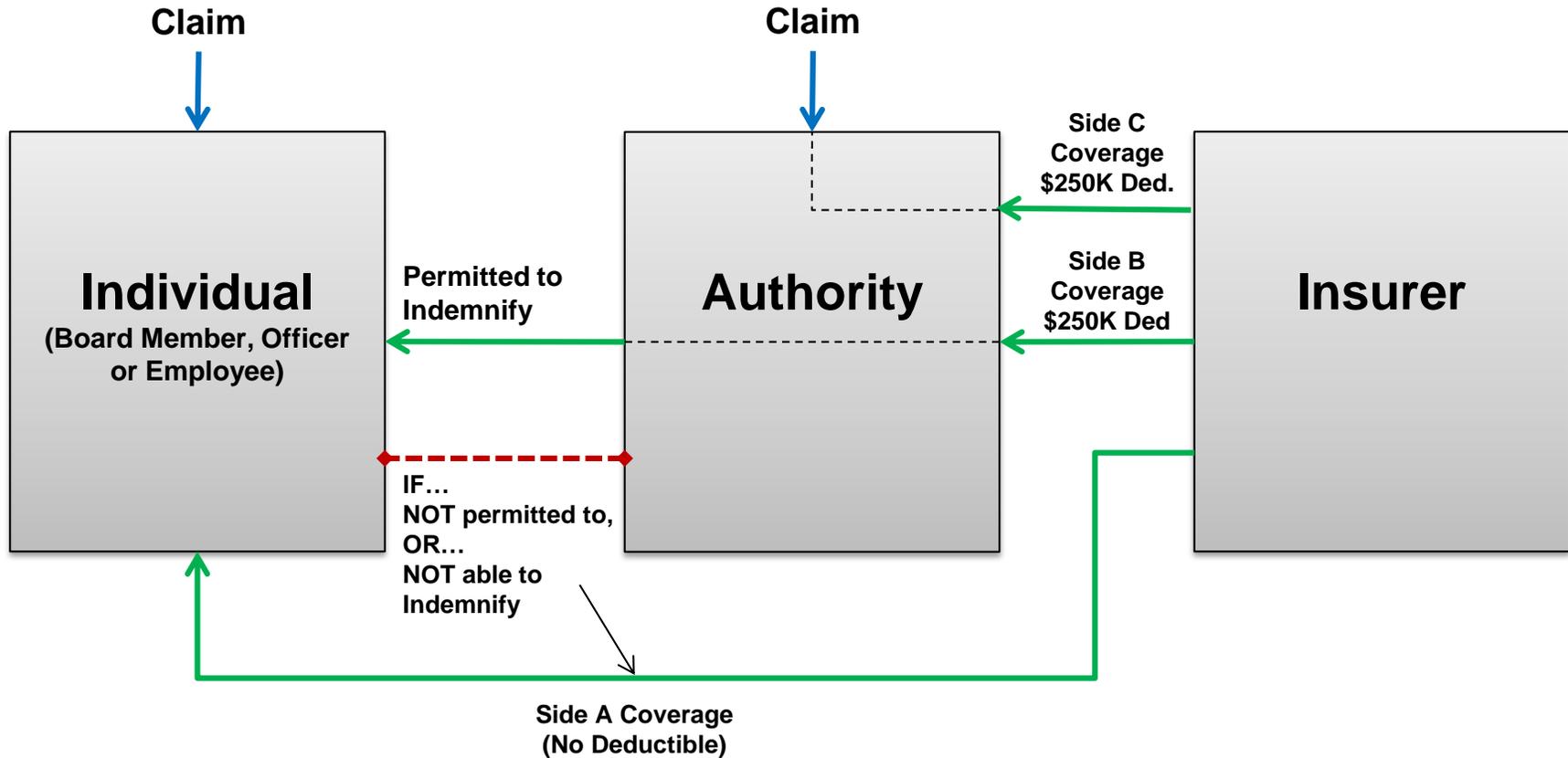


Interim Years

Multi-year insurance contracts are not available in the present insurance market. On each annual policy renewal, a particular line of coverage is typically handled by the incumbent broker. That broker is generally granted full access to the market and asked to recommend a marketing strategy for the year, which the Authority must approve. However, the Authority reserves the right to use a multi-broker, assigned-market competitive process like the above in the interim years if challenging situations warrant. The Authority uses its independent insurance consultant as well as conduct its own due diligence to establish expectations.



Appendix III - How Public Officials' (D&O) Liability Coverage Works



**FINANCE & BUDGET COMMITTEE
PROPOSED TRANSFER OF FY 2017
PROJECTED NET CASH SURPLUS**

ACTION ITEM A: Approval of Resolution Authorizing the Transfer of the Projected FY 2017 Net Cash Surplus to the Rate Stabilization Fund.

The Board will be asked to approve a resolution to authorize the use of the Projected FY 2017 net cash surplus as follows:

Projected FY 2017 Net Cash Surplus	\$10,789,000
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Use of Surplus Funds:

Transfer to Rate Stabilization Fund	\$10,000,000
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Additional Cash Balance over Target	\$789,000
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**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT MODIFICATION

**Insurance Brokerage and Administrative Services for a Rolling Owner Controlled Insurance Program (ROCIP III)
(Joint Use-Indirect)**

Approval to execute a contract modification for a twelve (12) month extension for the ROCIP III Program in the amount of \$957,160.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Aon Risk Solutions 1120 20 th Street, NW Suite 200 Washington, DC 20036-3406	SUBS: MFL Safety 1619 13 th Street, NW Washington, DC 20009 LSBE	PARTICIPATION: 50%
---	--	------------------------------

DESCRIPTION AND PURPOSE

Original Contract Value:	\$946,520.00
Original Contract Dates:	08-01-2012—07-31-2013
No. of Option Years in Contract:	4
Option Year 1 & 2 Values:	\$1,893,040.00
Option Year 1 & 2 Dates:	08-01-2013—07-31-2015
Option Year 3 & 4 Values:	\$2,520,360.00
Option Year 3 & 4 Dates:	08-01-2015—07-31-2017
Modification Value:	\$693,690.34
Modification Dates:	07-01-2014—07-31-2015
This Modification Value:	\$957,160.00
This Modification Dates:	08-01-2017—07-31-2018

Purpose of the Contract:

The purpose of this contract is to provide insurance brokerage and administrative services for the Rolling Owner Controlled Insurance Program (ROCIP). The contract provides insurance for capital construction projects.

Contract Scope:

To provide insurance brokerage and project administration services for the ROCIP III. ROCIP III covered the construction that was planned for the last five (5) years. The vendor also provides safety and loss prevention services for the capital construction projects.

Reason for the Change:

Current construction forecasts indicate active ROCIP III projects will continue through April 15, 2018. The current contract will expire July 31, 2017. The following services will be continued: quarterly claim reviews, claim and safety services, monthly ROCIP meetings, Aon wrap reports distributed regularly, process extension renewal with the carrier, work with the carrier to provide payroll for final payroll audit, and coordinate administrative tasks with Aon Client Services and provide claim and safety services as described in the existing contract.

Spending Previous Year:

Cumulative Contract Value:	08-01-2012 to 07-31-2017: \$6,053,610.34
Cumulative Contract Spending:	08-01-2012 to 05-10-2017: \$3,436,542.00*

*The spending for the program was less than anticipated due to the underutilization of the safety specialist for the ROCIP III program.

Contractor's Past Performance:

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

PROCUREMENT INFORMATION

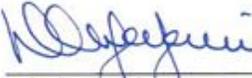
Contract Type:	Firm Fixed Price	Award Based On:	Highest Rated Offeror
Commodity:	Services	Contract Number:	WAS-12-027-AA-SS
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

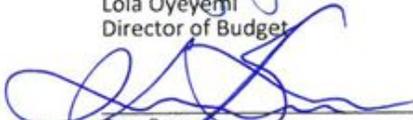
BUDGET INFORMATION

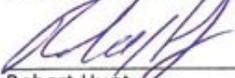
Funding:	Capital	Department:	Chief Finance Office
Service Area:	DC Water wide	Department Head:	Robert Hunt

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.22%	\$394,541.35
Washington Suburban Sanitary Commission	45.84%	\$438,762.14
Fairfax County	8.38%	\$80,210.01
Loudoun County	3.73%	\$35,702.07
Other (PI)	0.83%	\$7,944.43
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$957,160.00


 Lola Oyeyemi
 Director of Budget
 Date 06/15/17


 Dan Bae
 Director of Procurement
 Date 6/15/17


 Robert Hunt
 Acting Chief Finance Officer
 Date 6/15/17

 George S. Hawkins
 General Manager
 Date



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

**Thursday, July 27, 2017; 11:00 a.m.
Blue Plains Wastewater Treatment Plant
5000 Overlook Avenue, SW, DC**

AGENDA

Call to Order	Chairman
June 2017 Financial Report	Chief Financial Officer
Agenda for September Committee Meeting	Chairman
Adjournment	Chairman

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