



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

**Board of Directors**

*Finance and Budget Committee*

*Thursday, February 28, 2019*

11:00 a.m.

- 1. **Call to Order**..... Sarah Motsch, Vice Chairperson
- 2. **January 2019 Financial Report (Attachment 1)** ..... Lola Oyeyemi
- 3. **Capital Improvement Program Quarterly Update (Attachment 2)** ..... Paul Guttridge
- 4. **Agenda for March Committee Meeting (Attachment 3)**..... Rev. Kendrick Curry
- 5. **Executive Session**
- 6. **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 January 31, 2019

**DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET**

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

**Ivan Boykin**, Director, Finance

**Syed Khalil**, Director, Rates & Revenue

**John Madrid**, Controller

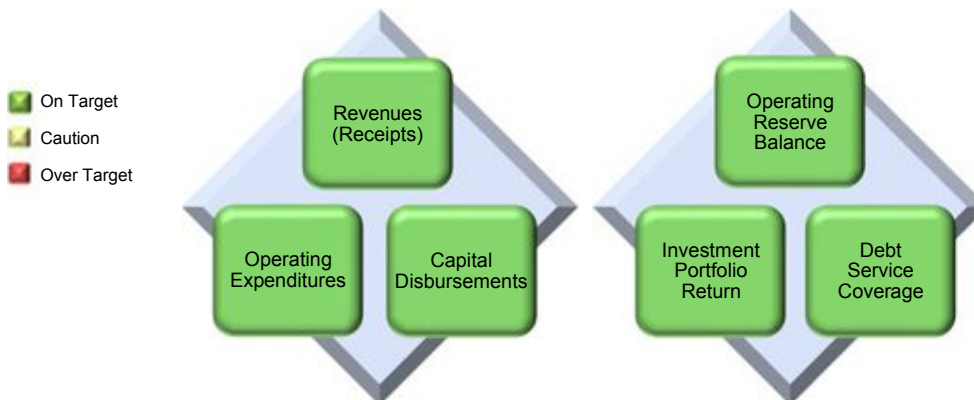
**Lola Oyeyemi**, Director, Budget

**Monthly Financial Report**

**JANUARY 2019**

**EXECUTIVE SUMMARY**

As of the end of January FY 2019, with approximately 33 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance metrics.



(\$ in millions)

	Budget	YTD Budget	Actual	Variance Favorable	Variance (Unfavorable)	Actual % Budget
<b>Revenues (Receipts)*</b>	\$649.5	\$216.5	\$243.7	\$27.2	12.6%	37.5%
<b>Expenditures*</b>	\$582.8	\$194.3	\$178.2	\$16.1	8.3%	30.6%
<b>Capital Disbursements</b>	\$439.1	\$192.7	\$150.1	\$42.6	22.1%	34.2%

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

Highlights:

- FY 2018 Year-End Closeout Status Update
  - FY 2018 Comprehensive Annual Financial Report (CAFR) has been completed and can be viewed on DC Water’s [website](#)
  - The OMB Uniform Guidance report has been completed and submitted to the Federal Audit Clearing House
  - FY 2018 Green Bond Report will be completed by the end of February 2019
  - FY 2018 IMA Operating & Maintenance Settlement is underway with expected completion by end of March 2019
- DC Council Public Oversight Hearing for FY 2018 – FY 2019 Performance is scheduled for February 26, 2019

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

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### 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	\$124,551	\$133,661	35.8%	\$9,110	7.3%
Federal	67,054	22,351	32,844	49.0%	10,493	46.9%
Municipal (DC Govt.)	17,362	5,787	5,248	30.2%	(539)	(9.3%)
DC Housing Authority	9,719	3,240	4,370	45.0%	1,130	34.9%
Metering Fee	10,776	3,592	4,012	37.2%	420	11.7%
Water System Replacement Fee (WSRF)	39,717	13,239	14,556	36.7%	1,317	10.0%
Wholesale	79,237	26,412	20,603	26.0%	(5,809)	(22.0%)
PILOT/ROW	21,701	7,234	7,594	35.0%	360	5.0%
All Other	30,249	10,083	20,785	68.7%	10,702	106.1%
<b>TOTAL</b>	<b>\$649,467</b>	<b>\$216,489</b>	<b>\$243,673</b>	<b>37.5%</b>	<b>\$27,184</b>	<b>12.6%</b>

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

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of January 2019, cash receipts totaled \$243.7 million, or 37.5 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 second quarterly payment in January), and wholesale customers (who made their first quarter payment in November).

Residential, Commercial and Multi-Family – Receipts for this category are higher at \$133.7 million or 35.8 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 January 2019 total \$32.8 million or 49.0 percent of the approved budget. The Federal Government made their second quarter payment in January 2019.

District Government – Receipts are slightly lower at \$5.2 million, or 30.2 percent of the approved budget.

DC Housing – Receipts are slightly higher at \$4.4 million or 45.0 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 January 2019 total \$20.6 million or 26.0 percent of the approved FY 2019 budget. The Wholesale customers made their first quarter payment in November 2018.

Other Revenue – Receipts are higher than the straight-line budget at \$20.8 million or 68.7 percent of the budgeted category primarily due to (i) higher Development Contractor Water and Sewer Service Fees and Fire Protection Service Fee as compared to budget and (ii) \$6.03 million payment received from the District Government for CAP2, CAP3 and CRIAC Non-Profit Relief program.

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### 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	\$54,207	\$51,979	32.0%	\$2,228	4.1%
Contractual Services	81,679	27,226	24,323	29.8%	2,903	10.7%
Water Purchases	30,520	10,173	10,095	33.1%	78	0.8%
Supplies & Chemicals	32,091	10,697	12,014	37.4%	(1,317)	(12.3%)
Utilities	26,905	8,968	8,501	31.6%	468	5.2%
Small Equipment	1,240	413	158	12.8%	255	61.7%
<b>SUBTOTAL O&amp;M</b>	<b>\$335,055</b>	<b>\$111,685</b>	<b>\$107,070</b>	<b>32.0%</b>	<b>\$4,615</b>	<b>4.1%</b>
Debt Service	199,025	66,342	63,914	32.1%	2,427	3.7%
PILOT/ROW	21,702	7,234	7,234	33.3%	0	0.0%
Cash Financed Capital Improvements	26,999	9,000	0	0.0%	9,000	100.0%
<b>TOTAL OPERATING</b>	<b>\$582,781</b>	<b>\$194,260</b>	<b>\$178,218</b>	<b>30.6%</b>	<b>\$16,043</b>	<b>8.3%</b>
Capital Labor	(18,259)	(6,086)	(4,500)	24.6%	(1,586)	26.1%
<b>TOTAL NET OPERATING</b>	<b>\$564,522</b>	<b>\$188,174</b>	<b>\$173,718</b>	<b>30.8%</b>	<b>\$14,456</b>	<b>7.7%</b>

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

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

The total operating expenditures (including debt services and the Right-of-Way & PILOT fees) totaled \$178.2 million or 30.6 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. A total of 1149 positions were filled at the end of January with a year-to-date vacancy rate of 6 percent after the elimination of aged vacancies. Overtime spending totals \$2.7 million or 35 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 in 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 – 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. Staff continues to monitor the market with plans to hedge additional loads when market conditions are favorable.

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

Capital Labor – YTD underspending is mainly due to employee labor costs for a newly established department not being appropriately charged to the capital projects. A team of staff from the Engineering and Finance departments conducted an in-depth review of the default job codes for employee mainly in the Engineering departments. The findings are being corrected and the cost reclassifications will be reported in subsequent month. The appropriate procedures for the establishment of a new department has been updated to prevent future reoccurrence.

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### Capital Disbursements (\$000's)

Service Area	A FY 2019 PROPOSED BUDGET	B YTD BUDGET	C ACTUAL	D = C/A ACTUAL % BUDGET	E = B-C VARIANCE \$ Fav/(Unfav)	F = E/B VARIANCE % Fav/(Unfav)
Non Process Facilities	\$15,309	\$8,525	\$4,260	27.8%	\$4,265	50.0%
Wastewater Treatment	69,979	30,014	19,833	28.3%	10,181	33.9%
Combined Sewer Overflow	195,350	90,516	85,741	43.9%	4,775	5.3%
Stormwater	4,220	1,023	576	13.6%	448	43.7%
Sanitary Sewer	44,927	18,984	13,185	29.3%	5,799	30.5%
Water	61,884	27,786	17,535	28.3%	10,251	36.9%
<b>SUBTOTAL: CAPITAL PROJECTS</b>	<b>\$391,669</b>	<b>\$176,848</b>	<b>\$141,130</b>	<b>36.0%</b>	<b>\$35,719</b>	<b>20.2%</b>
Capital Equipment*	34,518	11,506	8,347	24.2%	3,159	27.5%
Washington Aqueduct	12,930	4,310	588	4.6%	3,722	86.3%
<b>SUBTOTAL: ADD'L CAPITAL PROGRAMS</b>	<b>\$47,448</b>	<b>\$15,816</b>	<b>8,936</b>	<b>18.8%</b>	<b>\$6,880</b>	<b>43.5%</b>
<b>TOTAL</b>	<b>\$439,116</b>	<b>\$192,664</b>	<b>\$150,065</b>	<b>34.2%</b>	<b>\$42,599</b>	<b>22.1%</b>

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

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

The above annual and year-to-date budget information reflects the proposed revisions to the Board-approved FY 2019 budget. The overall budget remains the same at \$439.1 million, includes proposed adjustments within capital projects, and is consistent with the Proposed FY 2019 – FY 2028 CIP currently under review by the Board as part of the FY 2020 budget process.

At the end of January 2019, capital disbursements are \$150.1 million or 34.2 percent of the budget.

**Capital Projects** – YTD underspending is across all the service areas, but is anticipated to come within budget by the end of the fiscal year. The detailed project performance is an agenda item for this month, and will be discussed by the Department of Engineering & Technical Services as part of the quarterly CIP update to the Committee.

**Capital Equipment** – Lower YTD disbursements are primarily attributable to the lag in lead times for procurement and delivery of specialized Fleet equipment, the Enterprise Resource Planning (ERP) Project which is currently under the vendor selection process, and unused funds in the Authority-wide reserve. This is offset by higher disbursements for delayed purchases of HQO equipment, and the Automated Meter Reading (AMR) Replacement Program. Approximately 85,000 small meters were planned to be replaced over a two-year period through FY 2018. At the end of January 2019, 84,334 meters have been installed.

**Washington Aqueduct** – A payment was made in January 2019 to execute contracts to upgrade the 2400V Switchgear on the Booster Pump Station, and improvements to Basin 3 & 4 Flocculation/Sedimentation.

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### Cash Investments (\$ in millions)

#### Cash Balances

<b>Rate Stabilization Fund Balance</b>	<b>\$</b>	<b>61.5</b>
<b>DC Insurance Reserve Balance</b>		<b>1.0</b>

<i>Operating Reserve Accounts</i>	
Renewal & Replacement Balance	35.0
O & M Reserve per Indenture	54.0
Undesignated Reserve Balance	36.5
<b>O &amp; M Reserve per Board Policy</b>	<b>125.5</b>
Excess Above O & M Reserve	14.5
<b>Management O &amp; M Reserve Level</b>	<b>140.0</b>
Project Billing Refunds	11.5
Excess Revenue	17.2
<b>Operating Reserve Accounts</b>	<b>168.7</b>

<b>Operating Cash Balance Including RSF</b>	<b>\$</b>	<b>231.2</b>
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Debt Service Reserve - Series 1998		23.4
Bond Fund - Construction 2016B		9.8
Bond Fund - Construction 2018A		76.2
Bond Fund - Construction 2018B		127.9
Series B - Commercial Paper		1.2
Fleet Relocation Fund		4.3
<b>Total All Funds</b>	<b>\$</b>	<b>474.0</b>

#### OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$168.7 million as compared to the operating reserve level objective of \$140.0 million for FY 2019
- Average cash balance for the month of January was \$166.2 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for January (on a cash basis) was \$192,169; YTD \$877,963
- A detailed investment performance report is attached

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD 33% Cash Budget	YTD Actual Cash Oct. 1, 2018 - Jan. 31, 2019	Variance Favorable (Unfavorable)	
<b>OPERATING BUDGET</b>					
<b>Cash Provided</b>					
Retail	\$518,280	\$172,760	\$194,691	\$21,931	13%
Wholesale	79,237	26,412	20,603	(5,809)	-22%
Other	51,526	17,175	28,212	11,037	64%
<b>Total Cash Provided</b>	<b>649,043</b>	<b>216,348</b>	<b>243,507</b>	<b>27,159</b>	<b>13%</b>
<b>Operating Cash Used</b>					
Personnel Services	144,361	48,120	51,241	(3,121)	-6%
Contractual Services	81,679	27,226	24,896	2,330	9%
Chemicals & Supplies	32,082	10,694	12,009	(1,315)	-12%
Utilities	26,915	8,972	7,764	1,208	13%
Water Purchases	30,520	10,173	10,647	(474)	-5%
Small Equipment	1,240	413	225	188	46%
<b>Total Operating Cash Used</b>	<b>316,797</b>	<b>105,599</b>	<b>106,782</b>	<b>(1,183)</b>	<b>-1%</b>
Defeasance D.S./Cash Financed Capital Construction	26,999	9,000	0	9,000	100%
<b>Other Cash Used</b>					
Debt Service	201,919	67,306	63,914	3,392	5%
Payment In Lieu of Taxes/Right of Way	21,702	7,234	5,425	1,808	25%
Total Other Cash Used	223,620	74,540	69,340	5,200	7%
<b>Total Cash Used</b>	<b>567,416</b>	<b>189,139</b>	<b>176,122</b>	<b>13,017</b>	<b>7%</b>
<b>Net Cash Provided (Used) by Operating Act.</b>	<b>81,626</b>	<b>27,209</b>	<b>67,385</b>	<b>40,177</b>	
<b>CAPITAL BUDGET</b>					
<b>Cash Provided</b>					
Debt Proceeds	110,000	36,667	65,405	28,738	78%
EPA Grants	44,339	14,780	4,814	(9,966)	-67%
CSO Grants					0%
System Availability Fee	3,850	1,283	0	(1,283)	-100%
Transfer from Operations	111,922	37,307		(37,307)	-100%
Interest Income	2,981	994	1,683	689	69%
Wholesale Capital Contributions	65,851	21,950	15,171	(6,779)	-31%
<b>Total Cash Provided</b>	<b>338,943</b>	<b>112,981</b>	<b>87,073</b>	<b>(25,908)</b>	<b>-23%</b>
<b>Cash Used</b>					
DC Water Capital Program	426,188	142,063	149,676	(7,614)	-5%
Washington Aqueduct Projects	12,930	4,310		4,310	100%
<b>Total Cash Used</b>	<b>439,118</b>	<b>146,373</b>	<b>149,676</b>	<b>(3,304)</b>	<b>-2%</b>
<b>Net Cash/PAYGO Provided (Used) by Cap. Act.</b>	<b>(\$100,175)</b>	<b>(\$33,392)</b>	<b>(\$62,604)</b>	<b>(\$29,212)</b>	
<b>Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected</b>					
Plus (Less) Operating Surplus	\$166,796		\$166,796		
Wholesale Customer Refunds from Prior Years	81,626	27,209	67,385		
Interest Earned From Bond Reserve	(1,500)	(500)	(115)		
Prior Year Federal Billing Reconciliation	424	141	166		
Project Billing Refunds	(5,821)	(1,940)	(2,910)		
Cash Used for Capital	(4,000)	(1,333)			
	<b>(88,773)</b>	<b>(29,591)</b>	<b>(62,604)</b>		
<b>Balance Attributable to O&amp;M Reserve</b>	<b>\$148,752</b>		<b>\$168,718</b>		
<b>OTHER CASH RESERVES</b>					
	<b>Current Balance</b>				
Rate Stabilization Fund	\$61,450				
DC Insurance Reserve	1,000				
Fleet Relocation - DC Reimbursement	4,331				



APPENDIX

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

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### Operating Revenues Detail

(\$ in millions)

Revenue Category	FY 2019 Budget	YTD Budget	Actual	Variance		Actual % of Budget
				Favorable / (Unfavorable)		
Residential, Commercial, and Multi-family	\$373.7	\$124.6	\$133.7	\$9.1	7.3%	35.8%
Federal	67.1	22.4	32.8	10.4	46.9%	49.0%
District Government	17.4	5.8	5.2	(0.6)	-9.3%	30.2%
DC Housing Authority	9.7	3.2	4.4	1.2	34.9%	45.0%
Customer Metering Fee	10.8	3.6	4.0	0.4	11.7%	37.2%
Water System Replacement Fee (WSRF)	39.7	13.2	14.6	1.4	10.0%	36.7%
Wholesale	79.2	26.4	20.6	(5.8)	-22.0%	26.0%
Right-of-Way Fee/PILOT	21.7	7.2	7.6	0.4	5.0%	35.0%
<b>Subtotal (before Other Revenues)</b>	<b>\$619.3</b>	<b>\$206.4</b>	<b>\$222.9</b>	<b>\$16.5</b>	<b>8.0%</b>	<b>36.0%</b>
Other Revenue without RSF						
IMA Indirect Cost Reimb. For Capital Projects	3.2	1.1	1.1	0.0	0.0%	34.4%
DC Fire Protection Fee	10.8	3.6	6.3	2.7	75.0%	58.3%
Stormwater (MS4)	1.0	0.3	0.3	0.0	0.0%	30.0%
Interest	3.1	1.0	1.1	0.1	10.0%	35.5%
Developer Fees (Water & Sewer)	6.0	2.0	4.2	2.2	110.0%	70.0%
System Availability Fee (SAF)	3.9	1.3	0.2	(1.1)	-84.6%	5.1%
Others	2.2	0.7	7.6	6.9	985.7%	345.5%
<b>Subtotal</b>	<b>\$30.2</b>	<b>\$10.1</b>	<b>\$20.8</b>	<b>\$10.7</b>	<b>106.1%</b>	<b>68.7%</b>
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
<b>Other Revenue Subtotal</b>	<b>\$30.2</b>	<b>\$10.1</b>	<b>\$20.8</b>	<b>\$10.7</b>	<b>106.1%</b>	<b>68.7%</b>
<b>Grand Total</b>	<b>\$649.5</b>	<b>\$216.5</b>	<b>\$243.7</b>	<b>\$27.2</b>	<b>12.6%</b>	<b>37.5%</b>

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

Customer Category	Water	Sewer	Clean Rivers		WSRF	Total
			IAC	Metering Fee		
Residential	\$12,141	\$19,151	\$11,062	\$1,730	\$3,131	\$47,215
Commercial	20,979	23,702	13,517	1,158	5,337	64,694
Multi-family	11,159	17,163	4,787	540	2,395	36,043
Federal	9,397	10,682	12,764	393	2,888	36,125
District Govt	853	1,155	3,240	143	656	6,048
DC Housing Authority	1,562	2,314	494	47	150	4,566
<b>Total:</b>	<b>\$56,092</b>	<b>\$74,167</b>	<b>\$45,864</b>	<b>\$4,012</b>	<b>\$14,556</b>	<b>\$194,691</b>

Note: The breakdown of Collections into Residential, Commercial, & Multi-family and Water and sewer is approximate as it is based on percentages of historical data and does not take into account adjustments and timing differences

### Clean Rivers IAC - Actual vs Budget (\$ in 000's)

Customer Category	FY2019 Budget	Year-To-Date Budget	Actual Received	Variance		Actual % of Budget
				Favorable / <Unfavorable>	Variance % of YTD Budget	
Residential	29,078	9,693	11,062	1,369	14%	38%
Commercial	32,251	10,750	13,517	2,767	26%	42%
Multi-family	12,391	4,130	4,787	657	16%	39%
Federal	25,529	8,510	12,764	4,255	50%	50%
District Govt	8,280	2,760	3,240	480	17%	39%
DC Housing Authority	1,416	472	494	22	5%	35%
<b>Total:</b>	<b>\$108,945</b>	<b>\$36,315</b>	<b>\$45,864</b>	<b>\$9,549</b>	<b>26%</b>	<b>42%</b>

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### 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
January 31, 2019	\$13.6	12,153

#### 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			Active		Inactive		December		January		
	W & S	Impervious Only	Total No. of	No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	
	a/c	a/c	a/c	a/c	(\$)	a/c	(\$)	a/c	(\$)	a/c	(\$)	
Commercial	9,037	2,458	11,495	1,048	\$4,226,046	148	\$180,484	1,395	\$5,251,285	1,196	\$4,406,530	32%
Multi-family	8,339	357	8,696	826	\$4,214,515	69	\$65,295	1,062	\$4,178,784	895	\$4,279,810	32%
Single-Family Residential	105,630	3,139	108,769	9,268	\$4,712,835	794	\$187,028	11,916	\$5,162,429	10,062	\$4,899,863	36%
<b>Total</b>	<b>123,006</b>	<b>5,954</b>	<b>128,960</b>	<b>11,142</b>	<b>\$13,153,396</b>	<b>1,011</b>	<b>\$432,807</b>	<b>14,373</b>	<b>\$14,592,498</b>	<b>12,153</b>	<b>\$13,586,203</b>	<b>100%</b>

Notes: Included in the above \$13.59M (or 12,153 accounts) of the DC Water Over 90 days delinquent accounts, \$4,323,432.28 (or 2,018 accounts) represents Impervious only accounts over 90 days delinquent.

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

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### Overtime by Department

Department	FY 2019			
	Budget	YTD Actual	YTD Actual % of Budget	% of Regular Pay
Office of the Board Secretary	\$9,000	\$2,800	31.1%	2.9%
General Manager	9,000	0	0.0%	0.0%
General Counsel*	3,000	2,133	71.1%	0.2%
External Affairs	5,000	997	19.9%	0.2%
Internal Audit	-	0	0.0%	0.0%
Information Technology	15,000	5,386	35.9%	0.4%
Procurement	30,000	4,668	15.6%	0.4%
Customer Service **	311,000	179,549	57.7%	5.4%
Finance, Accounting & Budget	40,000	15,219	38.0%	0.7%
Assistant General Manager - Administrative Services	1,000	0	0.0%	0.0%
Office of Emergency Management	-	0	0.0%	0.0%
Human Capital Management	6,000	548	9.1%	0.0%
Occupational Safety and Health	1,000	96	9.6%	0.0%
Facilities Management	300,000	92,430	30.8%	7.8%
Department of Security	-	192	0.0%	0.1%
Wastewater Engineering	36,000	1,217	0.0%	0.1%
Water Quality and Technology	30,000	1,054	0.0%	0.1%
Distribution and Conveyance System	800,000	224,886	28.1%	8.5%
Engineering and Technical Services	864,000	287,837	33.3%	5.4%
Water Services ***	1,522,000	601,757	39.5%	13.6%
Clean Rivers	-	0	0.0%	0.0%
Sewer Services ****	1,068,000	484,254	45.3%	20.1%
Wastewater Treatment - Operations	1,831,000	570,631	31.2%	14.6%
Wastewater Treatment - Process Engineering	45,000	10,107	22.5%	0.8%
Maintenance Services	545,000	185,474	34.0%	7.2%
Permit Operations	99,000	6,717	6.8%	1.0%
Fleet Management	4,000	1,260	31.5%	0.5%
<b>Total DC WATER</b>	<b>\$7,575,000</b>	<b>\$2,679,212</b>	<b>35.4%</b>	<b>6.9%</b>

\* General Counsel charged overtime hours erroneously and will be removed during the next cycle

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

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

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

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

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

Service Areas	Budget		Actual			Variance		
	FY 2019* PROPOSED BUDGET	YTD BUDGET	Oct 2018 - Dec 2018	Jan. 2019	YTD ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
<b>NON PROCESS FACILITIES</b>								
Facility Land Use	\$15,309	8,525	\$2,482	\$1,778	\$4,260	27.8%	\$4,265	50.0%
<b>Subtotal</b>	<b>15,309</b>	<b>8,525</b>	<b>2,482</b>	<b>1,778</b>	<b>4,260</b>	<b>27.8%</b>	<b>4,265</b>	<b>50.0%</b>
<b>WASTEWATER TREATMENT</b>								
Liquid Processing	21,488	9,836	6,202	1,997	8,199	38%	1,636	17%
Plantwide	15,777	4,240	1,640	2,397	4,038	26%	203	5%
Solids Processing	6,672	1,118	188	115	302	5%	816	73%
Enhanced Nitrogen Removal Facilities	26,042	14,820	5,796	1,499	7,294	28%	7,526	51%
<b>Subtotal</b>	<b>69,979</b>	<b>30,014</b>	<b>13,825</b>	<b>6,008</b>	<b>19,833</b>	<b>28%</b>	<b>10,181</b>	<b>34%</b>
<b>COMBINED SEWER OVERFLOW</b>								
D.C. Clean Rivers	187,859	87,474	79,992	2,108	82,100	44%	5,374	6%
Program Management	1,685	594	579	425	1,003	60%	(410)	-69%
Combined Sewer	5,805	2,449	2,546	92	2,638	45%	(189)	-8%
<b>Subtotal</b>	<b>195,350</b>	<b>90,516</b>	<b>83,117</b>	<b>2,624</b>	<b>85,741</b>	<b>44%</b>	<b>4,776</b>	<b>5%</b>
<b>STORMWATER</b>								
Local Drainage	8	3	-	-	-	0%	3	100%
On-Going	1,056	120	28	248	276	26%	(156)	-130%
Pumping Facilities	1,996	590	1	266	267	13%	324	55%
DDOT	-	-	-	-	-	0%	-	0%
Research and Program Management	1,078	301	-	-	-	0%	301	100%
Trunk/Force Sewers	82	10	33	-	33	40%	(23)	-245%
<b>Subtotal</b>	<b>4,220</b>	<b>1,023</b>	<b>62</b>	<b>513</b>	<b>576</b>	<b>14%</b>	<b>448</b>	<b>44%</b>
<b>SANITARY SEWER</b>								
Collection Sewers	5,434	4,118	1,952	28	1,980	36%	2,139	52%
On-Going	13,653	4,719	4,007	554	4,561	33%	158	3%
Pumping Facilities	2,248	869	124	360	484	22%	385	44%
Program Management	3,321	1,508	860	539	1,399	42%	108	7%
Interceptor/Trunk Force Sewers	20,270	7,769	3,083	1,677	4,761	23%	3,008	39%
<b>Subtotal</b>	<b>44,927</b>	<b>18,984</b>	<b>10,026</b>	<b>3,158</b>	<b>13,185</b>	<b>29%</b>	<b>5,799</b>	<b>31%</b>
<b>WATER</b>								
Distribution Systems	30,729	13,613	5,672	2,070	7,741	25%	5,872	43%
Lead Program	4,338	1,944	820	512	1,332	31%	612	31%
On-Going	10,080	3,759	2,590	910	3,500	35%	259	7%
Pumping Facilities	1,199	786	52	10	62	5%	725	92%
DDOT	992	289	-	-	-	0%	289	100%
Storage Facilities	9,384	6,180	2,494	521	3,015	32%	3,165	51%
Program Management	5,163	1,215	1,397	488	1,885	37%	(670)	-55%
<b>Subtotal</b>	<b>61,884</b>	<b>27,786</b>	<b>13,024</b>	<b>4,511</b>	<b>17,535</b>	<b>28%</b>	<b>10,252</b>	<b>37%</b>
<b>Capital Projects</b>	<b>391,669</b>	<b>176,848</b>	<b>122,536</b>	<b>18,593</b>	<b>141,130</b>	<b>36%</b>	<b>35,719</b>	<b>20%</b>
<b>CAPITAL EQUIPMENT</b>	<b>34,518</b>	<b>11,506</b>	<b>7,419</b>	<b>928</b>	<b>8,347</b>	<b>24%</b>	<b>3,159</b>	<b>27%</b>
<b>WASHINGTON AQUEDUCT</b>	<b>12,930</b>	<b>4,310</b>	<b>-</b>	<b>588</b>	<b>588</b>	<b>5%</b>	<b>3,722</b>	<b>86%</b>
<b>Additional Capital Programs</b>	<b>47,448</b>	<b>15,816</b>	<b>7,419</b>	<b>1,517</b>	<b>8,936</b>	<b>19%</b>	<b>6,880</b>	<b>44%</b>
<b>Total</b>	<b>\$439,116</b>	<b>\$192,664</b>	<b>\$129,955</b>	<b>\$20,110</b>	<b>\$150,065</b>	<b>34.2%</b>	<b>\$42,599</b>	<b>22.1%</b>

\*The FY 2019 budget reflects changes within the service areas and consistent with the annual estimate reflected in the Proposed FY 2019 – FY 2028 CIP



Fiscal Year 2019

# Monthly Financial Report

Period Ending January 31, 2019

**DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET**

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

**Ivan Boykin**, Director, Finance

**Syed Khalil**, Director, Rates & Revenue

**John Madrid**, Controller

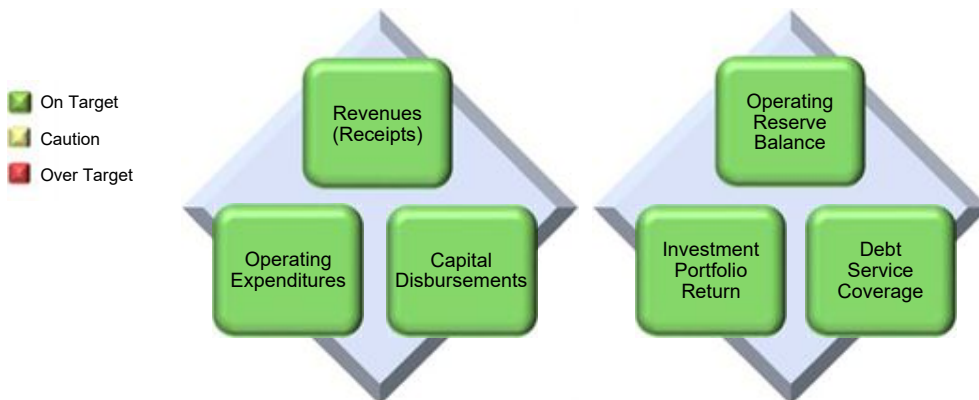
**Lola Oyeyemi**, Director, Budget

**Monthly Financial Report**

**JANUARY 2019**

**EXECUTIVE SUMMARY**

As of the end of January FY 2019, with approximately 33 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance metrics.



(\$ in millions)

	Budget	YTD Budget	Actual	Variance Favorable	Variance (Unfavorable)	Actual % Budget
<b>Revenues (Receipts)*</b>	\$649.5	\$216.5	\$243.7	\$27.2	12.6%	37.5%
<b>Expenditures*</b>	\$582.8	\$194.3	\$178.2	\$16.1	8.3%	30.6%
<b>Capital Disbursements</b>	\$439.1	\$192.7	\$150.1	\$42.6	22.1%	34.2%

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

Highlights:

- FY 2018 Year-End Closeout Status Update
  - FY 2018 Comprehensive Annual Financial Report (CAFR) has been completed and can be viewed on DC Water’s [website](#)
  - The OMB Uniform Guidance report has been completed and submitted to the Federal Audit Clearing House
  - FY 2018 Green Bond Report will be completed by the end of February 2019
  - FY 2018 IMA Operating & Maintenance Settlement is underway with expected completion by end of March 2019
- DC Council Public Oversight Hearing for FY 2018 – FY 2019 Performance is scheduled for February 26, 2019

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

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### 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	\$124,551	\$133,661	35.8%	\$9,110	7.3%
Federal	67,054	22,351	32,844	49.0%	10,493	46.9%
Municipal (DC Govt.)	17,362	5,787	5,248	30.2%	(539)	(9.3%)
DC Housing Authority	9,719	3,240	4,370	45.0%	1,130	34.9%
Metering Fee	10,776	3,592	4,012	37.2%	420	11.7%
Water System Replacement Fee (WSRF)	39,717	13,239	14,556	36.7%	1,317	10.0%
Wholesale	79,237	26,412	20,603	26.0%	(5,809)	(22.0%)
PILOT/ROW	21,701	7,234	7,594	35.0%	360	5.0%
All Other	30,249	10,083	20,785	68.7%	10,702	106.1%
<b>TOTAL</b>	<b>\$649,467</b>	<b>\$216,489</b>	<b>\$243,673</b>	<b>37.5%</b>	<b>\$27,184</b>	<b>12.6%</b>

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

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of January 2019, cash receipts totaled \$243.7 million, or 37.5 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 second quarterly payment in January), and wholesale customers (who made their first quarter payment in November).

Residential, Commercial and Multi-Family – Receipts for this category are higher at \$133.7 million or 35.8 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 January 2019 total \$32.8 million or 49.0 percent of the approved budget. The Federal Government made their second quarter payment in January 2019.

District Government – Receipts are slightly lower at \$5.2 million, or 30.2 percent of the approved budget.

DC Housing – Receipts are slightly higher at \$4.4 million or 45.0 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 January 2019 total \$20.6 million or 26.0 percent of the approved FY 2019 budget. The Wholesale customers made their first quarter payment in November 2018.

Other Revenue – Receipts are higher than the straight-line budget at \$20.8 million or 68.7 percent of the budgeted category primarily due to (i) higher Development Contractor Water and Sewer Service Fees and Fire Protection Service Fee as compared to budget and (ii) \$6.03 million payment received from the District Government for CAP2, CAP3 and CRIAC Non-Profit Relief program.



## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### 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	\$54,207	\$51,979	32.0%	\$2,228	4.1%
Contractual Services	81,679	27,226	24,323	29.8%	2,903	10.7%
Water Purchases	30,520	10,173	10,095	33.1%	78	0.8%
Supplies & Chemicals	32,091	10,697	12,014	37.4%	(1,317)	(12.3%)
Utilities	26,905	8,968	8,501	31.6%	468	5.2%
Small Equipment	1,240	413	158	12.8%	255	61.7%
<b>SUBTOTAL O&amp;M</b>	<b>\$335,055</b>	<b>\$111,685</b>	<b>\$107,070</b>	<b>32.0%</b>	<b>\$4,615</b>	<b>4.1%</b>
Debt Service	199,025	66,342	63,914	32.1%	2,427	3.7%
PILOT/ROW	21,702	7,234	7,234	33.3%	0	0.0%
Cash Financed Capital Improvements	26,999	9,000	0	0.0%	9,000	100.0%
<b>TOTAL OPERATING</b>	<b>\$582,781</b>	<b>\$194,260</b>	<b>\$178,218</b>	<b>30.6%</b>	<b>\$16,043</b>	<b>8.3%</b>
Capital Labor	(18,259)	(6,086)	(4,500)	24.6%	(1,586)	26.1%
<b>TOTAL NET OPERATING</b>	<b>\$564,522</b>	<b>\$188,174</b>	<b>\$173,718</b>	<b>30.8%</b>	<b>\$14,456</b>	<b>7.7%</b>

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

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

The total operating expenditures (including debt services and the Right-of-Way & PILOT fees) totaled \$178.2 million or 30.6 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. A total of 1149 positions were filled at the end of January with a year-to-date vacancy rate of 6 percent after the elimination of aged vacancies. Overtime spending totals \$2.7 million or 35 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 in 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 – 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. Staff continues to monitor the market with plans to hedge additional loads when market conditions are favorable.

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

Capital Labor – YTD underspending is mainly due to employee labor costs for a newly established department not being appropriately charged to the capital projects. A team of staff from the Engineering and Finance departments conducted an in-depth review of the default job codes for employee mainly in the Engineering departments. The findings are being corrected and the cost reclassifications will be reported in subsequent month. The appropriate procedures for the establishment of a new department has been updated to prevent future reoccurrence.

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### Capital Disbursements (\$000's)

Service Area	A	B	C	D = C/A	E = B-C	F = E/B
	FY 2019 PROPOSED BUDGET	YTD BUDGET	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Non Process Facilities	\$15,309	\$8,525	\$4,260	27.8%	\$4,265	50.0%
Wastewater Treatment	69,979	30,014	19,833	28.3%	10,181	33.9%
Combined Sewer Overflow	195,350	90,516	85,741	43.9%	4,775	5.3%
Stormwater	4,220	1,023	576	13.6%	448	43.7%
Sanitary Sewer	44,927	18,984	13,185	29.3%	5,799	30.5%
Water	61,884	27,786	17,535	28.3%	10,251	36.9%
<b>SUBTOTAL: CAPITAL PROJECTS</b>	<b>\$391,669</b>	<b>\$176,848</b>	<b>\$141,130</b>	<b>36.0%</b>	<b>\$35,719</b>	<b>20.2%</b>
Capital Equipment*	34,518	11,506	8,347	24.2%	3,159	27.5%
Washington Aqueduct	12,930	4,310	588	4.6%	3,722	86.3%
<b>SUBTOTAL: ADD'L CAPITAL PROGRAMS</b>	<b>\$47,448</b>	<b>\$15,816</b>	<b>8,936</b>	<b>18.8%</b>	<b>\$6,880</b>	<b>43.5%</b>
<b>TOTAL</b>	<b>\$439,116</b>	<b>\$192,664</b>	<b>\$150,065</b>	<b>34.2%</b>	<b>\$42,599</b>	<b>22.1%</b>

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

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

The above annual and year-to-date budget information reflects the proposed revisions to the Board-approved FY 2019 budget. The overall budget remains the same at \$439.1 million, includes proposed adjustments within capital projects, and is consistent with the Proposed FY 2019 – FY 2028 CIP currently under review by the Board as part of the FY 2020 budget process.

At the end of January 2019, capital disbursements are \$150.1 million or 34.2 percent of the budget.

Capital Projects – YTD underspending is across all the service areas, but is anticipated to come within budget by the end of the fiscal year. The detailed project performance is an agenda item for this month, and will be discussed by the Department of Engineering & Technical Services as part of the quarterly CIP update to the Committee.

Capital Equipment – Lower YTD disbursements are primarily attributable to the lag in lead times for procurement and delivery of specialized Fleet equipment, the Enterprise Resource Planning (ERP) Project which is currently under the vendor selection process, and unused funds in the Authority-wide reserve. This is offset by higher disbursements for delayed purchases of HQO equipment, and the Automated Meter Reading (AMR) Replacement Program. Approximately 85,000 small meters were planned to be replaced over a two-year period through FY 2018. At the end of January 2019, 84,334 meters have been installed.

Washington Aqueduct – A payment was made in January 2019 to execute contracts to upgrade the 2400V Switchgear on the Booster Pump Station, and improvements to Basin 3 & 4 Flocculation/Sedimentation.

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### Cash Investments (\$ in millions)

#### Cash Balances

<b>Rate Stabilization Fund Balance</b>	<b>\$</b>	<b>61.5</b>
<b>DC Insurance Reserve Balance</b>		<b>1.0</b>

<i>Operating Reserve Accounts</i>	
Renewal & Replacement Balance	35.0
O & M Reserve per Indenture	54.0
Undesignated Reserve Balance	36.5
<b>O &amp; M Reserve per Board Policy</b>	<b>125.5</b>
Excess Above O & M Reserve	14.5
<b>Management O &amp; M Reserve Level</b>	<b>140.0</b>
Project Billing Refunds	11.5
Excess Revenue	17.2
<b>Operating Reserve Accounts</b>	<b>168.7</b>

<b>Operating Cash Balance Including RSF</b>	<b>\$</b>	<b>231.2</b>
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Debt Service Reserve - Series 1998		23.4
Bond Fund - Construction 2016B		9.8
Bond Fund - Construction 2018A		76.2
Bond Fund - Construction 2018B		127.9
Series B - Commercial Paper		1.2
Fleet Relocation Fund		4.3
<b>Total All Funds</b>	<b>\$</b>	<b>474.0</b>

#### OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$168.7 million as compared to the operating reserve level objective of \$140.0 million for FY 2019
- Average cash balance for the month of January was \$166.2 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for January (on a cash basis) was \$192,169; YTD \$877,963
- A detailed investment performance report is attached

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD 33% Cash Budget	YTD Actual Cash Oct. 1, 2018 - Jan. 31, 2019	Variance Favorable (Unfavorable)	
<b>OPERATING BUDGET</b>					
<b>Cash Provided</b>					
Retail	\$518,280	\$172,760	\$194,691	\$21,931	13%
Wholesale	79,237	26,412	20,603	(5,809)	-22%
Other	51,526	17,175	28,212	11,037	64%
<b>Total Cash Provided</b>	<b>649,043</b>	<b>216,348</b>	<b>243,507</b>	<b>27,159</b>	<b>13%</b>
<b>Operating Cash Used</b>					
Personnel Services	144,361	48,120	51,241	(3,121)	-6%
Contractual Services	81,679	27,226	24,896	2,330	9%
Chemicals & Supplies	32,082	10,694	12,009	(1,315)	-12%
Utilities	26,915	8,972	7,764	1,208	13%
Water Purchases	30,520	10,173	10,647	(474)	-5%
Small Equipment	1,240	413	225	188	46%
<b>Total Operating Cash Used</b>	<b>316,797</b>	<b>105,599</b>	<b>106,782</b>	<b>(1,183)</b>	<b>-1%</b>
Defeasance D.S./Cash Financed Capital Construction	26,999	9,000	0	9,000	100%
<b>Other Cash Used</b>					
Debt Service	201,919	67,306	63,914	3,392	5%
Payment In Lieu of Taxes/Right of Way	21,702	7,234	5,425	1,808	25%
Total Other Cash Used	223,620	74,540	69,340	5,200	7%
<b>Total Cash Used</b>	<b>567,416</b>	<b>189,139</b>	<b>176,122</b>	<b>13,017</b>	<b>7%</b>
<b>Net Cash Provided (Used) by Operating Act.</b>	<b>81,626</b>	<b>27,209</b>	<b>67,385</b>	<b>40,177</b>	
<b>CAPITAL BUDGET</b>					
<b>Cash Provided</b>					
Debt Proceeds	110,000	36,667	65,405	28,738	78%
EPA Grants	44,339	14,780	4,814	(9,966)	-67%
CSO Grants					0%
System Availability Fee	3,850	1,283	0	(1,283)	-100%
Transfer from Operations	111,922	37,307		(37,307)	-100%
Interest Income	2,981	994	1,683	689	69%
Wholesale Capital Contributions	65,851	21,950	15,171	(6,779)	-31%
<b>Total Cash Provided</b>	<b>338,943</b>	<b>112,981</b>	<b>87,073</b>	<b>(25,908)</b>	<b>-23%</b>
<b>Cash Used</b>					
DC Water Capital Program	426,188	142,063	149,676	(7,614)	-5%
Washington Aqueduct Projects	12,930	4,310		4,310	100%
<b>Total Cash Used</b>	<b>439,118</b>	<b>146,373</b>	<b>149,676</b>	<b>(3,304)</b>	<b>-2%</b>
<b>Net Cash/PAYGO Provided (Used) by Cap. Act.</b>	<b>(\$100,175)</b>	<b>(\$33,392)</b>	<b>(\$62,604)</b>	<b>(\$29,212)</b>	
<b>Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected</b>					
Plus (Less) Operating Surplus	\$166,796		\$166,796		
Wholesale Customer Refunds from Prior Years	81,626	27,209	67,385		
Interest Earned From Bond Reserve	(1,500)	(500)	(115)		
Prior Year Federal Billing Reconciliation	424	141	166		
Project Billing Refunds	(5,821)	(1,940)	(2,910)		
Cash Used for Capital	(4,000)	(1,333)			
	(88,773)	(29,591)	(62,604)		
<b>Balance Attributable to O&amp;M Reserve</b>	<b>\$148,752</b>		<b>\$168,718</b>		
<b>OTHER CASH RESERVES</b>					
	<b>Current Balance</b>				
Rate Stabilization Fund	\$61,450				
DC Insurance Reserve	1,000				
Fleet Relocation - DC Reimbursement	4,331				

APPENDIX

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

Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

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	\$124.6	\$133.7	\$9.1	7.3%	35.8%
Federal	67.1	22.4	32.8	10.4	46.9%	49.0%
District Government	17.4	5.8	5.2	(0.6)	-9.3%	30.2%
DC Housing Authority	9.7	3.2	4.4	1.2	34.9%	45.0%
Customer Metering Fee	10.8	3.6	4.0	0.4	11.7%	37.2%
Water System Replacement Fee (WSRF)	39.7	13.2	14.6	1.4	10.0%	36.7%
Wholesale	79.2	26.4	20.6	(5.8)	-22.0%	26.0%
Right-of-Way Fee/PILOT	21.7	7.2	7.6	0.4	5.0%	35.0%
<b>Subtotal (before Other Revenues)</b>	<b>\$619.3</b>	<b>\$206.4</b>	<b>\$222.9</b>	<b>\$16.5</b>	<b>8.0%</b>	<b>36.0%</b>
Other Revenue without RSF						
IMA Indirect Cost Reimb. For Capital Projects	3.2	1.1	1.1	0.0	0.0%	34.4%
DC Fire Protection Fee	10.8	3.6	6.3	2.7	75.0%	58.3%
Stormwater (MS4)	1.0	0.3	0.3	0.0	0.0%	30.0%
Interest	3.1	1.0	1.1	0.1	10.0%	35.5%
Developer Fees (Water & Sewer)	6.0	2.0	4.2	2.2	110.0%	70.0%
System Availability Fee (SAF)	3.9	1.3	0.2	(1.1)	-84.6%	5.1%
Others	2.2	0.7	7.6	6.9	985.7%	345.5%
<b>Subtotal</b>	<b>\$30.2</b>	<b>\$10.1</b>	<b>\$20.8</b>	<b>\$10.7</b>	<b>106.1%</b>	<b>68.7%</b>
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
<b>Other Revenue Subtotal</b>	<b>\$30.2</b>	<b>\$10.1</b>	<b>\$20.8</b>	<b>\$10.7</b>	<b>106.1%</b>	<b>68.7%</b>
<b>Grand Total</b>	<b>\$649.5</b>	<b>\$216.5</b>	<b>\$243.7</b>	<b>\$27.2</b>	<b>12.6%</b>	<b>37.5%</b>

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

Customer Category	Water	Sewer	Clean Rivers		WSRF	Total
			IAC	Metering Fee		
Residential	\$12,141	\$19,151	\$11,062	\$1,730	\$3,131	\$47,215
Commercial	20,979	23,702	13,517	1,158	5,337	64,694
Multi-family	11,159	17,163	4,787	540	2,395	36,043
Federal	9,397	10,682	12,764	393	2,888	36,125
District Govt	853	1,155	3,240	143	656	6,048
DC Housing Authority	1,562	2,314	494	47	150	4,566
<b>Total:</b>	<b>\$56,092</b>	<b>\$74,167</b>	<b>\$45,864</b>	<b>\$4,012</b>	<b>\$14,556</b>	<b>\$194,691</b>

Note: The breakdown of Collections into Residential, Commercial, & Multi-family and Water and sewer is approximate as it is based on percentages of historical data and does not take into account adjustments and timing differences

Clean Rivers IAC - Actual vs Budget  
(\$ in 000's)

Customer Category	FY2019 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	29,078	9,693	11,062	1,369	14%	38%
Commercial	32,251	10,750	13,517	2,767	26%	42%
Multi-family	12,391	4,130	4,787	657	16%	39%
Federal	25,529	8,510	12,764	4,255	50%	50%
District Govt	8,280	2,760	3,240	480	17%	39%
DC Housing Authority	1,416	472	494	22	5%	35%
<b>Total:</b>	<b>\$108,945</b>	<b>\$36,315</b>	<b>\$45,864</b>	<b>\$9,549</b>	<b>26%</b>	<b>42%</b>

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### 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
January 31, 2019	\$13.6	12,153

#### 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			Active		Inactive		December		January		
	W & S	Impervious Only	Total No. of	No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	
	a/c	a/c	a/c	a/c	(\$)	a/c	(\$)	a/c	(\$)	a/c	(\$)	%
Commercial	9,037	2,458	11,495	1,048	\$4,226,046	148	\$180,484	1,395	\$5,251,285	1,196	\$4,406,530	32%
Multi-family	8,339	357	8,696	826	\$4,214,515	69	\$65,295	1,062	\$4,178,784	895	\$4,279,810	32%
Single-Family Residential	105,630	3,139	108,769	9,268	\$4,712,835	794	\$187,028	11,916	\$5,162,429	10,062	\$4,899,863	36%
<b>Total</b>	<b>123,006</b>	<b>5,954</b>	<b>128,960</b>	<b>11,142</b>	<b>\$13,153,396</b>	<b>1,011</b>	<b>\$432,807</b>	<b>14,373</b>	<b>\$14,592,498</b>	<b>12,153</b>	<b>\$13,586,203</b>	<b>100%</b>

Notes: Included in the above \$13.59M (or 12,153 accounts) of the DC Water Over 90 days delinquent accounts, \$4,323,432.28 (or 2,018 accounts) represents Impervious only accounts over 90 days delinquent.

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

## Monthly Financial Report

Fiscal Year-to-Date  
As of January 31, 2019

### Overtime by Department

Department	FY 2019			
	Budget	YTD Actual	YTD Actual % of Budget	% of Regular Pay
Office of the Board Secretary	\$9,000	\$2,800	31.1%	2.9%
General Manager	9,000	0	0.0%	0.0%
General Counsel*	3,000	2,133	71.1%	0.2%
External Affairs	5,000	997	19.9%	0.2%
Internal Audit	-	0	0.0%	0.0%
Information Technology	15,000	5,386	35.9%	0.4%
Procurement	30,000	4,668	15.6%	0.4%
Customer Service **	311,000	179,549	57.7%	5.4%
Finance, Accounting & Budget	40,000	15,219	38.0%	0.7%
Assistant General Manager - Administrative Services	1,000	0	0.0%	0.0%
Office of Emergency Management	-	0	0.0%	0.0%
Human Capital Management	6,000	548	9.1%	0.0%
Occupational Safety and Health	1,000	96	9.6%	0.0%
Facilities Management	300,000	92,430	30.8%	7.8%
Department of Security	-	192	0.0%	0.1%
Wastewater Engineering	36,000	1,217	0.0%	0.1%
Water Quality and Technology	30,000	1,054	0.0%	0.1%
Distribution and Conveyance System	800,000	224,886	28.1%	8.5%
Engineering and Technical Services	864,000	287,837	33.3%	5.4%
Water Services ***	1,522,000	601,757	39.5%	13.6%
Clean Rivers	-	0	0.0%	0.0%
Sewer Services ****	1,068,000	484,254	45.3%	20.1%
Wastewater Treatment - Operations	1,831,000	570,631	31.2%	14.6%
Wastewater Treatment - Process Engineering	45,000	10,107	22.5%	0.8%
Maintenance Services	545,000	185,474	34.0%	7.2%
Permit Operations	99,000	6,717	6.8%	1.0%
Fleet Management	4,000	1,260	31.5%	0.5%
<b>Total DC WATER</b>	<b>\$7,575,000</b>	<b>\$2,679,212</b>	<b>35.4%</b>	<b>6.9%</b>

\* General Counsel charged overtime hours erroneously and will be removed during the next cycle

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

\*\*\* 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 January 31, 2019

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

Service Areas	Budget		Actual			Variance		
	FY 2019* PROPOSED BUDGET	YTD BUDGET	Oct 2018 - Dec 2018	Jan. 2019	YTD ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
<b>NON PROCESS FACILITIES</b>								
Facility Land Use	\$15,309	8,525	\$2,482	\$1,778	\$4,260	27.8%	\$4,265	50.0%
<b>Subtotal</b>	<b>15,309</b>	<b>8,525</b>	<b>2,482</b>	<b>1,778</b>	<b>4,260</b>	<b>27.8%</b>	<b>4,265</b>	<b>50.0%</b>
<b>WASTEWATER TREATMENT</b>								
Liquid Processing	21,488	9,836	6,202	1,997	8,199	38%	1,636	17%
Plantwide	15,777	4,240	1,640	2,397	4,038	26%	203	5%
Solids Processing	6,672	1,118	188	115	302	5%	816	73%
Enhanced Nitrogen Removal Facilities	26,042	14,820	5,796	1,499	7,294	28%	7,526	51%
<b>Subtotal</b>	<b>69,979</b>	<b>30,014</b>	<b>13,825</b>	<b>6,008</b>	<b>19,833</b>	<b>28%</b>	<b>10,181</b>	<b>34%</b>
<b>COMBINED SEWER OVERFLOW</b>								
D.C. Clean Rivers	187,859	87,474	79,992	2,108	82,100	44%	5,374	6%
Program Management	1,685	594	579	425	1,003	60%	(410)	-69%
Combined Sewer	5,805	2,449	2,546	92	2,638	45%	(189)	-8%
<b>Subtotal</b>	<b>195,350</b>	<b>90,516</b>	<b>83,117</b>	<b>2,624</b>	<b>85,741</b>	<b>44%</b>	<b>4,776</b>	<b>5%</b>
<b>STORMWATER</b>								
Local Drainage	8	3	-	-	-	0%	3	100%
On-Going	1,056	120	28	248	276	26%	(156)	-130%
Pumping Facilities	1,996	590	1	266	267	13%	324	55%
DDOT	-	-	-	-	-	0%	-	0%
Research and Program Management	1,078	301	-	-	-	0%	301	100%
Trunk/Force Sewers	82	10	33	-	33	40%	(23)	-245%
<b>Subtotal</b>	<b>4,220</b>	<b>1,023</b>	<b>62</b>	<b>513</b>	<b>576</b>	<b>14%</b>	<b>448</b>	<b>44%</b>
<b>SANITARY SEWER</b>								
Collection Sewers	5,434	4,118	1,952	28	1,980	36%	2,139	52%
On-Going	13,653	4,719	4,007	554	4,561	33%	158	3%
Pumping Facilities	2,248	869	124	360	484	22%	385	44%
Program Management	3,321	1,508	860	539	1,399	42%	108	7%
Interceptor/Trunk Force Sewers	20,270	7,769	3,083	1,677	4,761	23%	3,008	39%
<b>Subtotal</b>	<b>44,927</b>	<b>18,984</b>	<b>10,026</b>	<b>3,158</b>	<b>13,185</b>	<b>29%</b>	<b>5,799</b>	<b>31%</b>
<b>WATER</b>								
Distribution Systems	30,729	13,613	5,672	2,070	7,741	25%	5,872	43%
Lead Program	4,338	1,944	820	512	1,332	31%	612	31%
On-Going	10,080	3,759	2,590	910	3,500	35%	259	7%
Pumping Facilities	1,199	786	52	10	62	5%	725	92%
DDOT	992	289	-	-	-	0%	289	100%
Storage Facilities	9,384	6,180	2,494	521	3,015	32%	3,165	51%
Program Management	5,163	1,215	1,397	488	1,885	37%	(670)	-55%
<b>Subtotal</b>	<b>61,884</b>	<b>27,786</b>	<b>13,024</b>	<b>4,511</b>	<b>17,535</b>	<b>28%</b>	<b>10,252</b>	<b>37%</b>
<b>Capital Projects</b>	<b>391,669</b>	<b>176,848</b>	<b>122,536</b>	<b>18,593</b>	<b>141,130</b>	<b>36%</b>	<b>35,719</b>	<b>20%</b>
<b>CAPITAL EQUIPMENT</b>	<b>34,518</b>	<b>11,506</b>	<b>7,419</b>	<b>928</b>	<b>8,347</b>	<b>24%</b>	<b>3,159</b>	<b>27%</b>
<b>WASHINGTON AQUEDUCT</b>	<b>12,930</b>	<b>4,310</b>	<b>-</b>	<b>588</b>	<b>588</b>	<b>5%</b>	<b>3,722</b>	<b>86%</b>
<b>Additional Capital Programs</b>	<b>47,448</b>	<b>15,816</b>	<b>7,419</b>	<b>1,517</b>	<b>8,936</b>	<b>19%</b>	<b>6,880</b>	<b>44%</b>
<b>Total</b>	<b>\$439,116</b>	<b>\$192,664</b>	<b>\$129,955</b>	<b>\$20,110</b>	<b>\$150,065</b>	<b>34.2%</b>	<b>\$42,599</b>	<b>22.1%</b>

\*The FY 2019 budget reflects changes within the service areas and consistent with the annual estimate reflected in the Proposed FY 2019 – FY 2028 CIP

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

## **Capital Improvement Program Report**



**FY-2019 1<sup>st</sup> Quarter  
October 1<sup>st</sup> through December 31<sup>st</sup>, 2018**

**Board of Directors  
Finance and Budget Committee**

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

**February 2019**

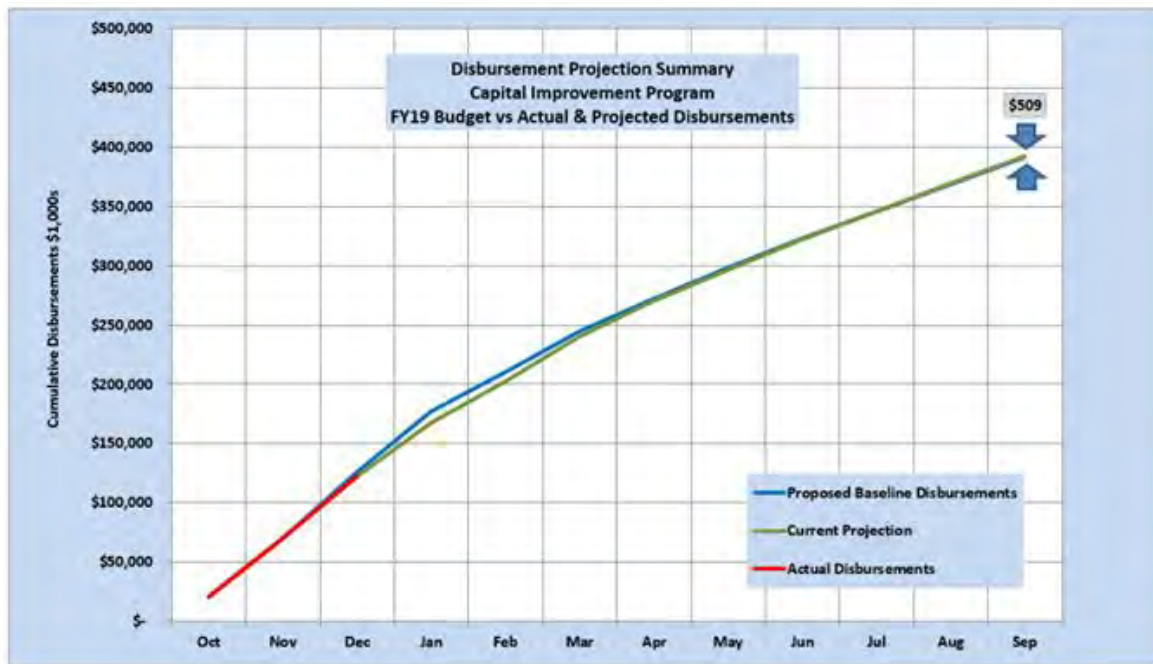


## Capital Improvement Program Report 1<sup>st</sup> Quarter FY2019

### CIP Disbursement Performance

Current projected program disbursements through the end of the fiscal year compared with the FY19 baseline are shown in the chart below:

#### Disbursement Summary



\*Note: FY19 Baseline was set in Dec, therefore Oct/Nov Actual disbursements match the Baseline disbursements.

Current projected fiscal year 2019 CIP disbursements are \$392,177,000 through the end of September 2019, which is on track to meet the baseline disbursement projection of \$391,670,000.

Current disbursement projections within the service areas are as follows:

#### Non-Process Facilities

Baseline Disbursements      \$15,309  
 Projected Disbursements      \$15,248 (\$0.06M below baseline projection)  
 There are no significant project variances for this service area.

#### Wastewater Treatment Service Area

Baseline Disbursements      \$69,979,000  
 Projected Disbursements      \$70,321,000 (\$0.34M above baseline projection)



Capital Improvement Program Report  
1<sup>st</sup> Quarter FY2019

**CSO Service Area**

Baseline Disbursements \$195,350,000  
 Projected Disbursements \$195,199 (\$0.15M below baseline projection)  
 There are no significant project variances for this service area.

**Stormwater Service Area**

Baseline Disbursements \$4,220,000  
 Projected Disbursements \$2,791,000 (\$1.4M below baseline projection)  
 There are no significant project variances for this service area.

**Sanitary Sewer Service Area**

Baseline Disbursements \$44,926,000  
 Projected Disbursements \$46,024,000 (\$1.1M above baseline projection)  
 There are no significant project variances for this service area.

**Water Service Area**

Baseline Disbursements \$61,884,000  
 Projected Disbursements \$62,594,000 (\$0.7M above baseline projection)  
 There are no significant project variances for this service area.

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

All priority 1 projects are on schedule and within budget.

**Significant Contract Actions Anticipated – 6 Month Look-Ahead**

Project	Name	Contract Type	Joint Use?	Cost Range	Committee	BOD
Multiple	Misc. Facilities Upgrades (MFU) 6	Construction	Yes	\$25M - \$30M	EQ & Ops Feb	Mar
BX	Gravity Thickener Upgrades Phase II	Construction	Yes	\$40M - \$45M	EQ & Ops Apr	May
Multiple	Misc. Facilities Upgrades (MFU) 7	Construction	Yes	\$20M - \$30M	EQ & Ops Jun	Jul
Multiple	Water Program Manager	Professional Services	No	\$30M -35M	EQ & Ops Jun	Jul



## Capital Improvement Program Report 1<sup>st</sup> Quarter FY2019

### Schedule - Key Performance Indicators Capital Improvement Program

**Summary:**

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

#	Performance
<b>1</b>	KPIs completed within threshold
<b>0</b>	KPIs completed outside threshold
<b>1</b>	Total KPIs completed to date
<b>17</b>	Total KPIs due this year

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

N/A

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

Quarter	Job Code	Job Name	Activity Name	Due Date (Baseline)	Estimated Complete Date	Actual Complete Date	Variance (positive is early)	Met within 90 days
Q1	DZ02	Div RC-A - Rock Creek Project 1 (GI)	Construction Substantial Completion Milestone (KPI)	9-Oct-18	9-Oct-18	9-Oct-18	<b>0</b>	✓
Q2	J306	National Arboretum Sewer Rehab (Eastside Interceptor)	Construction Substantial Completion	22-Jan-19	22-Jan-19			
Q2	DE02	Small Diameter Water Main Replacement 12B	Construction Substantial Completion	25-Jan-19	25-Jan-19			
Q2	O302	Small Diameter Water Main Replacement 11b	Construction Substantial Completion	1-Feb-19	1-Feb-19			
Q2	MA01	St. Elizabeth Water Tank	Construction Substantial Completion	24-Jan-19	24-Jan-19			
Q2	IL10	Creekbed Sewer Rehabilitation Rock Creek Oregon Avenue	Construction Substantial Completion	19-Feb-19	19-Feb-19			
Q2	AL05	Plantwide Projects Program Management	MFU6 - Start Milestone	1-May-19	1-May-19			



### Capital Improvement Program Report 1<sup>st</sup> Quarter FY2019

Quarter	Job Code	Job Name	Activity Name	Due Date (Baseline)	Estimated Complete Date	Actual Complete Date	Variance (positive is early)	Met within 90 days
Q3	DE01	Small Diameter Water Main Replacement 12A	Construction Substantial Completion	30-Apr-19	30-Apr-19			
Q3	LZ09	PI Phase 6 Pipe Rehab at Clara Barton Pkwy and I495	Design Start Milestone	19-Jun-19	19-Jun-19			
Q3	FQ01	FQ01 Main & O St. PS Intermediate Upgrades	Construction Substantial Completion	30-Jun-19	30-Jun-19			
Q4	QS01	Local Sewer Rehab Project 5-1	Design Start Milestone	15-Jul-19	15-Jul-19			
Q4	C904	66" Low Service Steel Main at 8th Street NE & SE	Construction Substantial Completion	5-Jul-19	5-Jul-19			
Q4	I801	Large Valve Replacements 11R	Construction Substantial Completion	31-Jul-19	31-Jul-19			
Q4	CZ07	Potomac Project 1 (GI)	Substantial Completion Milestone (KPI)	31-Jul-19	31-Jul-19			
Q4	FA03	Soldiers Home Reservoir Upgrade	Construction Start Milestone	8-Aug-19	8-Aug-19			
Q4	UC06	Upgrades to Filtration Influent Pumps 1-10	Construction Start Milestone	13-Aug-19	13-Aug-19			
Q4	OE01	FY15 - Plantwide Storm Drainage Improvements	Construction Start Milestone	17-Sep-19	17-Sep-19			

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



**ATTACHMENT 3**

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

**Thursday, March 28, 2019; 11:00 a.m.  
1385 Canal Street, SE, Boardroom  
AGENDA**

<b>Call to Order</b>	Chairman
<b>February 2019 Financial Report</b>	Chief Financial Officer
<b>Agenda for April Committee Meeting</b>	Chairman
<b>Adjournment</b>	Chairman

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