



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

**Board of Directors**

*Finance and Budget Committee*

*Thursday, May 23, 2019*

11:00 a.m.

- 1. **Call to Order**.....David Franco, Vice Chair
- 2. **April 2019 Financial Report (Attachment 1)**..... Lola Oyeyemi
- 3. **Capital Improvement Program (CIP) Quarterly Update (Attachment 2)**..... Paul Guttridge
- 4. **FY 2019 Year-End Projections (Attachment 3)**..... Matthew T. Brown
- 5. **CIP and Financial Metrics (Attachment 4)** .....Ivan Boykin
- 6. **Insurance Renewal Update (Attachment 5)** .....Tanya DeLeon
- 7. **Action Items**..... Matthew T. Brown
  - A. **Annual Property & Casualty Insurance Renewals (Attachment 6)**
- 8. **Agenda for June Committee Meeting (Attachment 7)**.....David Franco, Vice Chair
- 9. **Executive Session\***
- 10. **Adjournment** .....David Franco, Vice Chair

**FOLLOW-UP ITEMS –**

***There were no follow-up items from the Finance and Budget Committee meeting held on April 25, 2019.***

\* 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 April 30, 2019

## DEPARTMENT OF FINANCE

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

**Ivan Boykin**, Director, Finance

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

**John Madrid**, Controller

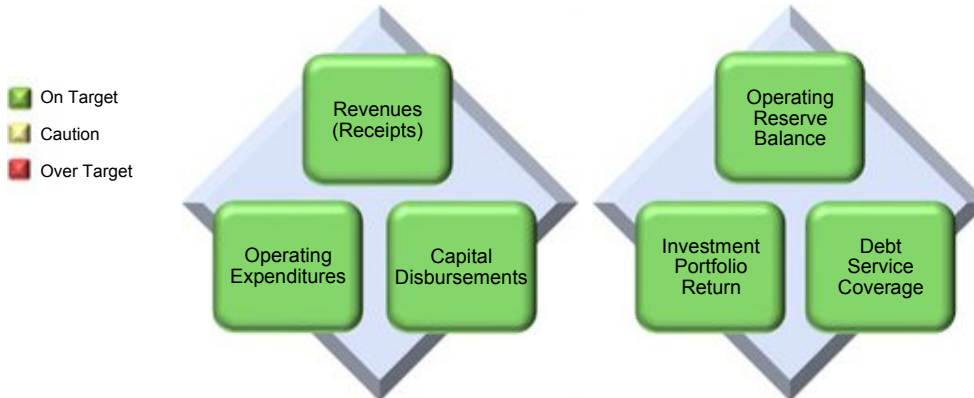
**Lola Oyeyemi**, Director, Budget

**Monthly Financial Report**

**APRIL 2019**

**EXECUTIVE SUMMARY**

As of the end of April 2019, with approximately 58 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance metrics.



(\$ in millions)

	Budget	YTD Budget	Actual	Variance		Actual % Budget
				Favorable	(Unfavorable)	
<b>Revenues (Receipts)*</b>	\$665.7	\$388.3	\$410.8	\$22.5	5.8%	61.7%
<b>Expenditures*</b>	\$582.8	\$340.0	\$309.8	\$30.2	8.9%	53.2%
<b>Capital Disbursements</b>	\$439.1	\$299.9	\$225.0	\$74.9	25.0%	51.2%

\* *Straight-lined (7/12 of budget)*

**Highlights:**

- Completion of preliminary FY 2019 year-end projections. Management will provide detailed discussion on major budget drivers at the Committee meeting
- DC Water’s FY 2020 Rate/Fee Proposals
  - DC Water will be holding Town Hall meetings in each of the wards from May 23 – June 10, 2019
  - Public Hearing scheduled for June 12, 2019 will be held at the DC Water Headquarters boardroom from 6:30 to 8:00 PM.
- Annual Property & Casualty Insurance Renewals – Ongoing negotiations on pricing and coverage with completion anticipated by June 28 to meet July 1, 2019 renewal date

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

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2019

### Operating Revenues (\$000's)

Category	A	B	C	D = C/A	E = C-B	F = E/B
	FY 2019 REVISED BUDGET	YTD BUDGET*	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Res. / Comm. / Multi.	\$376,210	\$219,456	\$229,024	60.9%	\$9,568	4.4%
Federal	67,054	39,115	50,866	75.9%	11,752	30.0%
Municipal (DC Govt.)	18,009	10,505	9,333	51.8%	(1,173)	(11.2%)
DC Housing Authority	9,860	5,752	6,674	67.7%	923	16.0%
Metering Fee	10,776	6,286	6,941	64.4%	655	10.4%
Water System Replacement Fee (WSRF)	39,717	23,168	24,856	62.6%	1,688	7.3%
Wholesale	82,992	48,412	41,011	49.4%	(7,401)	(15.3%)
PILOT/ROW	21,701	12,659	12,320	56.8%	(339)	(2.7%)
All Other	39,331	22,943	29,805	75.8%	6,862	29.9%
<b>TOTAL</b>	<b>\$665,650</b>	<b>\$388,296</b>	<b>\$410,831</b>	<b>61.7%</b>	<b>\$22,535</b>	<b>5.8%</b>

\*Straight-lined (7/12 of budget)

#### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of April 2019, cash receipts totaled \$410.8 million, or 61.7 percent of the revised FY 2019 budget. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their third quarterly payment in April), and wholesale customers (who made their second quarter payment in February).

Residential, Commercial and Multi-Family – Receipts for this category are higher at \$229.0 million or 60.9 percent of the revised budget. The higher receipts are partly due to increased year-end billing of the unbilled accounts. The CRIAC receipts are also slightly higher than the budget.

Federal – Actual receipts through April 2019 total \$50.9 million or 75.9 percent of the revised budget. The Federal Government made their third quarter payment in April 2019.

District Government – Receipts are slightly lower at \$9.3 million, or 51.8 percent of the revised budget.

DC Housing – Receipts are slightly higher at \$6.7 million or 67.7 percent of the revised budget. The 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 April 2019 total \$41.0 million or 49.4 percent of the revised FY 2019 budget. The Wholesale customers made their second quarter payment in February 2019. The third quarter payment is anticipated in May.

Other Revenue – Receipts are higher than the straight-line budget at \$29.8 million or 75.8 percent of the budgeted category primarily due to (i) higher Development Contractor Water and Sewer Service Fees as compared to budget and (ii) \$6.03 million payment received from the District Government for the CAP2, CAP3 and CRIAC Non-Profit Relief programs.

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 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	\$94,862	\$89,405	55.0%	\$5,457	5.8%
Contractual Services	81,679	47,646	41,973	51.4%	5,673	11.9%
Water Purchases	30,520	17,803	17,589	57.6%	215	1.2%
Supplies & Chemicals	32,091	18,720	20,170	62.9%	(1,450)	(7.7%)
Utilities	26,905	15,695	15,706	58.4%	(11)	(0.1%)
Small Equipment	1,240	723	262	21.1%	461	63.8%
<b>SUBTOTAL O&amp;M</b>	<b>\$335,055</b>	<b>\$195,449</b>	<b>\$185,105</b>	<b>55.2%</b>	<b>\$10,344</b>	<b>5.3%</b>
Debt Service	199,025	116,098	112,000	56.3%	4,098	3.5%
PILOT/ROW	21,702	12,660	12,660	58.3%	0	0.0%
Cash Financed Capital Improvements	26,999	15,749	0	0.0%	15,749	100.0%
<b>TOTAL OPERATING</b>	<b>\$582,781</b>	<b>\$339,956</b>	<b>\$309,764</b>	<b>53.2%</b>	<b>\$30,193</b>	<b>8.9%</b>
Capital Labor	(18,259)	(10,651)	(10,326)	56.6%	(325)	3.1%
<b>TOTAL NET OPERATING</b>	<b>\$564,522</b>	<b>\$329,305</b>	<b>\$299,438</b>	<b>53.0%</b>	<b>\$29,867</b>	<b>9.1%</b>

\*Straight-lined (7/12 of budget)

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

Operating expenditures (including debt service and the Right-of-Way & PILOT fees) totaled \$309.8 million or 53.2 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, eliminated vacancies and lower benefit costs versus budget. A total of 1135 positions were filled at the end of April with a year-to-date vacancy rate of 7.4 percent after the elimination of aged vacancies. Overtime spending totals \$4.7 million or 62 percent of the annual budget due to increased after-hour work performed in response to emergencies and water main breaks during the winter season.

Contractual Services – Spending is in line with expectations and higher spending anticipated during the latter part of the fiscal year.

Water Purchases – Reflect DC Water's share of Washington Aqueduct expenditures with increase in consumption anticipated during the summer months.

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

Utilities – Presently, 15MW of the Authority's electric load is locked at an average Western hub price of \$30.38/MWh for the remainder of the year. Staff continues to monitor the market with plans to hedge additional loads for FY 2020 when market conditions are favorable.

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

Capital Labor – YTD spending is in line with budget and historical trend.

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2019

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

Service Area	A	B	C	D = C/A	E = B-C	F = E/B
	FY 2019 BUDGET	YTD BUDGET	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Non Process Facilities	\$15,309	\$13,721	\$5,376	35.1%	\$8,344	60.8%
Wastewater Treatment	69,979	49,720	35,090	50.1%	14,629	29.4%
Combined Sewer Overflow	195,350	133,485	115,571	59.2%	17,914	13.4%
Stormwater	4,220	2,101	1,229	29.1%	872	41.5%
Sanitary Sewer	44,927	29,750	22,793	50.7%	6,957	23.4%
Water	61,884	43,443	30,626	49.5%	12,817	29.5%
<b>SUBTOTAL: CAPITAL PROJECTS</b>	<b>\$391,669</b>	<b>\$272,220</b>	<b>\$210,686</b>	<b>53.8%</b>	<b>\$61,534</b>	<b>22.6%</b>
Capital Equipment*	34,518	20,135	11,219	32.5%	8,916	44.3%
Washington Aqueduct*	12,930	7,543	3,090	23.9%	4,453	59.0%
<b>SUBTOTAL: ADD'L CAPITAL PROGRAMS</b>	<b>\$47,448</b>	<b>\$27,678</b>	<b>14,309</b>	<b>30.2%</b>	<b>\$13,369</b>	<b>48.3%</b>
<b>TOTAL</b>	<b>\$439,116</b>	<b>\$299,898</b>	<b>\$224,995</b>	<b>51.2%</b>	<b>\$74,902</b>	<b>25.0%</b>

\*Straight-lined (7/12 of budget)

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of April 2019, capital disbursements totaled \$225 million or 51.2 percent of the revised budget.

Capital Projects – YTD disbursements remain low across all the service areas, but is expected to be slightly above budget by the end of the fiscal year. Detailed project performance and year-end projections will be reviewed as part of the quarterly CIP update by the Department of Engineering & Technical Services during this month's meeting.

Capital Equipment – Lower YTD underspending is primarily attributable to the lag in lead times for procurement and delivery of specialized Fleet equipment, delay in the Enterprise Resource Planning (ERP) project, Denitrification pumps rebuild, Facilities renovation and HVAC projects, and unused funds in the Authority-wide reserve. We anticipate an uptick in disbursements for several of these projects during the latter part of the fiscal year.

Washington Aqueduct – YTD underspending is primarily due to Phase II of the Advanced Treatment project being placed on hold for further review, and prior-year unbilled authority for the Dalecarlia Backwash Water Tank & Clearwell Improvement projects.

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 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 Policy</b>	<b>140.0</b>
Project Billing Refunds	11.5
Excess Revenue	24.5
<b>Operating Reserve Accounts</b>	<b>176.0</b>

<b>Operating Cash Balance Including RSF</b>	<b>\$</b>	<b>238.4</b>
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Debt Service Reserve - Series 1998		23.7
Bond Fund - Construction 2016B		4.9
Bond Fund - Construction 2018A		51.9
Bond Fund - Construction 2018B		128.6
CSO LTCP Appropriations		8.0
Fleet Relocation Fund		4.3
<b>Total All Funds</b>	<b>\$</b>	<b>459.8</b>

#### OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$176.0 million as compared to the operating reserve level of \$140.0 million for FY 2019
- Average cash balance for the month of April was \$167.8 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for April (on a cash basis) was \$266,603; YTD \$1,611,312
- A detailed investment performance report is attached

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2019

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

	Annual Budget Cash Basis	YTD 58% Cash Budget	YTD Actual Cash Oct. 1, 2018 - Apr. 30, 2019	Variance Favorable (Unfavorable)	
<b>OPERATING BUDGET</b>					
<b>Cash Provided</b>					
Retail	\$521,626	\$304,282	\$327,695	\$23,413	8%
Wholesale	82,992	48,412	41,011	(7,401)	-15%
Other	60,608	35,355	41,737	6,382	18%
<b>Total Cash Provided</b>	<b>665,226</b>	<b>388,049</b>	<b>410,443</b>	<b>22,394</b>	<b>6%</b>
<b>Operating Cash Used</b>					
Personnel Services	144,361	84,211	80,373	3,838	5%
Contractual Services	81,679	47,646	50,824	(3,178)	-7%
Chemicals & Supplies	32,082	18,715	21,098	(2,383)	-13%
Utilities	26,915	15,700	15,634	66	0%
Water Purchases	30,520	17,803	17,897	(94)	-1%
Small Equipment	1,240	723	266	457	63%
<b>Total Operating Cash Used</b>	<b>316,797</b>	<b>184,798</b>	<b>186,092</b>	<b>(1,294)</b>	<b>-1%</b>
Defeasance D.S./Cash Financed Capital Construction	26,999	15,749	0	15,749	100%
<b>Other Cash Used</b>					
Debt Service	198,754	115,940	112,000	3,940	3%
Payment In Lieu of Taxes/Right of Way	21,702	12,659	10,851	1,808	14%
<b>Total Other Cash Used</b>	<b>220,456</b>	<b>128,599</b>	<b>122,851</b>	<b>5,749</b>	<b>4%</b>
<b>Total Cash Used</b>	<b>564,252</b>	<b>329,147</b>	<b>308,943</b>	<b>20,204</b>	<b>6%</b>
<b>Net Cash Provided (Used) by Operating Act.</b>	<b>100,974</b>	<b>58,902</b>	<b>101,500</b>	<b>42,598</b>	
<b>CAPITAL BUDGET</b>					
<b>Cash Provided</b>					
Debt Proceeds	110,000	64,167	94,951	30,784	48%
EPA Grants	18,215	10,625	12,511	1,885	18%
CSO Grants			8,000	8,000	0%
System Availability Fee	3,850	2,246	0	(2,246)	-100%
Transfer from Operations	98,540	57,482		(57,482)	-100%
Interest Income	2,981	1,739	3,180	1,441	83%
Wholesale Capital Contributions	67,112	39,149	25,799	(13,350)	-34%
<b>Total Cash Provided</b>	<b>300,698</b>	<b>175,407</b>	<b>144,441</b>	<b>(30,966)</b>	<b>-18%</b>
<b>Cash Used</b>					
DC Water Capital Program	426,187	248,609	222,461	26,149	11%
Washington Aqueduct Projects	12,930	7,543	3,090	4,453	59%
<b>Total Cash Used</b>	<b>439,117</b>	<b>256,152</b>	<b>225,550</b>	<b>30,602</b>	<b>12%</b>
<b>Net Cash/PAYGO Provided (Used) by Cap. Act.</b>	<b>(\$138,419)</b>	<b>(\$80,744)</b>	<b>(\$81,109)</b>	<b>(\$365)</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	100,974	58,902	101,500		
Interest Earned From Bond Reserve	(11,000)	(6,417)	(7,216)		
Transfer to CAP Fund	424	247	389		
Prior Year Federal Billing Reconciliation	(5,821)	(3,395)	(4,365)		
Project Billing Refunds	(11,000)	(6,417)			
Cash Used for Capital	(75,391)	(43,978)	(81,109)		
<b>Balance Attributable to O&amp;M Reserve</b>	<b>\$164,982</b>		<b>\$175,994</b>		
<b>OTHER CASH RESERVES</b>					
	<b>Current</b>				
<b>Rate Stabilization Fund</b>	<b>Balance</b>				
	\$61,450				
<b>DC Insurance Reserve</b>	1,000				
<b>Fleet Relocation - DC Reimbursement</b>	4,331				



APPENDIX

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## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 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	\$376.2	\$219.5	\$229.0	\$9.5	4.4%	60.9%
Federal	67.1	39.1	50.9	11.8	30.2%	75.9%
District Government	18.0	10.5	9.3	(1.2)	-10.9%	51.8%
DC Housing Authority	9.9	5.8	6.7	0.9	16.6%	67.7%
Customer Metering Fee	10.8	6.3	6.9	0.6	10.2%	64.4%
Water System Replacement Fee (WSRF)	39.7	23.2	24.9	1.7	7.3%	62.6%
Wholesale	83.0	48.4	41.0	(7.4)	-15.3%	49.3%
Right-of-Way Fee/PILOT	21.7	12.7	12.3	(0.5)	-2.8%	56.8%
<b>Subtotal (before Other Revenues)</b>	<b>\$626.4</b>	<b>\$365.4</b>	<b>\$381.0</b>	<b>\$15.6</b>	<b>4.3%</b>	<b>60.8%</b>
Other Revenue without RSF						
IMA Indirect Cost Reimb. For Capital Projects	4.6	2.7	2.2	(0.5)	-18.5%	47.8%
DC Fire Protection Fee	12.5	7.3	9.4	2.1	28.8%	75.2%
Stormwater (MS4)	1.0	0.6	0.9	0.3	50.0%	90.0%
Interest	3.1	1.8	1.9	0.1	5.6%	61.3%
Developer Fees (Water & Sewer)	6.0	3.5	6.4	2.9	82.9%	106.7%
Transfer From Rates Stabilization	6.0	3.5	0.0	(3.5)	-100.0%	0.0%
System Availability Fee (SAF)	3.9	2.3	0.5	(1.8)	-78.3%	12.8%
Others	2.2	1.3	8.5	7.2	553.8%	386.4%
<b>Subtotal</b>	<b>\$39.3</b>	<b>\$22.9</b>	<b>\$29.8</b>	<b>\$6.9</b>	<b>29.7%</b>	<b>75.8%</b>
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
<b>Other Revenue Subtotal</b>	<b>\$39.3</b>	<b>\$22.9</b>	<b>\$29.8</b>	<b>\$6.9</b>	<b>29.7%</b>	<b>75.8%</b>
<b>Grand Total</b>	<b>\$665.7</b>	<b>\$388.3</b>	<b>\$410.8</b>	<b>\$22.5</b>	<b>5.8%</b>	<b>61.7%</b>

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

Customer Category	Water	Sewer	Clean Rivers		WSRF	Total
			IAC	Metering Fee		
Residential	\$20,833	\$32,860	\$19,232	\$3,018	\$5,447	\$81,390
Commercial	35,440	40,049	23,461	2,056	9,484	110,491
Multi-family	19,228	29,575	8,346	946	4,188	62,283
Federal	14,845	16,875	19,146	590	4,332	55,788
District Govt	1,563	2,115	5,654	249	1,142	10,723
DC Housing Authority	2,347	3,476	852	82	263	7,020
<b>Total:</b>	<b>\$94,257</b>	<b>\$124,950</b>	<b>\$76,690</b>	<b>\$6,941</b>	<b>\$24,856</b>	<b>\$327,695</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	FY 2019 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$31,594	\$18,430	\$19,232	\$802	4%	61%
Commercial	35,847	20,911	23,461	2,550	12%	65%
Multi-family	13,567	7,914	8,346	431	5%	62%
Federal	25,529	14,892	19,146	4,255	29%	75%
District Govt	8,888	5,185	5,654	469	9%	64%
DC Housing Authority	1,520	887	852	-35	-4%	56%
<b>Total:</b>	<b>\$116,945</b>	<b>\$68,218</b>	<b>\$76,690</b>	<b>\$8,473</b>	<b>12%</b>	<b>66%</b>

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 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
February 28, 2019	\$12.5	11,732
March 31, 2019	\$11.8	10,033
April 30, 2019	\$11.3	9,408

#### Greater Than 90 Days by Customer

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

	Number of Accounts			Month of April (All Categories)				Total Delinquent				
	Impervious Only		Total No. of	Active		Inactive		March		April		
	W & S a/c	a/c	a/c	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	%
Commercial	9,043	2,457	11,500	912	\$3,354,336	35	\$141,959	1,023	\$3,739,149	947	\$3,496,295	31%
Multi-family	8,345	355	8,700	768	\$3,762,408	10	\$34,778	773	\$3,837,603	778	\$3,797,186	34%
Single-Family Residential	105,724	3,089	108,813	7,598	\$3,917,773	85	\$92,310	8,237	\$4,256,379	7,683	\$4,010,083	35%
Total	123,112	5,901	129,013	9,278	\$11,034,517	130	\$269,048	10,033	\$11,833,130	9,408	\$11,303,565	100%

Notes: Included in the above \$11.30M (or 9,408 accounts) of the DC Water Over 90 days delinquent accounts, \$4,087,468.53 (or 1,750 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 April 30, 2019

### Overtime by Department

Department	FY 2019			
	Budget	YTD Actual	YTD Actual % of Budget	% of Regular Pay
Office of the Board Secretary *	\$9,000	\$8,012	89.0%	5.1%
General Manager	9,000	450	5.0%	0.0%
General Counsel	3,000	2,168	72.3%	0.2%
External Affairs	5,000	2,386	47.7%	0.3%
Internal Audit	-	0	0.0%	0.0%
Information Technology	15,000	4,819	32.1%	0.2%
Procurement	30,000	8,080	26.9%	0.4%
Customer Service **	311,000	277,523	89.2%	5.0%
Finance, Accounting & Budget	40,000	20,038	50.1%	0.6%
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	873	14.6%	0.0%
Occupational Safety and Health	1,000	75	7.5%	0.0%
Facilities Management	300,000	115,201	38.4%	5.7%
Department of Security	-	263	0.0%	0.1%
Wastewater Engineering	36,000	4,057	0.0%	0.3%
Water Quality and Technology	30,000	1,121	0.0%	0.1%
Distribution and Conveyance System	800,000	402,636	50.3%	9.3%
Engineering and Technical Services	864,000	426,203	49.3%	5.0%
Water Services	1,522,000	1,055,214	69.3%	13.9%
Clean Rivers	-	0	0.0%	0.0%
Sewer Services ***	1,068,000	974,187	91.2%	23.6%
Wastewater Treatment - Operations	1,831,000	1,005,508	54.9%	14.8%
Wastewater Treatment - Process Engineering	45,000	20,719	46.0%	1.0%
Maintenance Services	545,000	335,270	61.5%	7.3%
Permit Operations	99,000	11,690	11.8%	1.0%
Fleet Management	4,000	1,832	45.8%	0.4%
<b>Total DC WATER</b>	<b>\$7,575,000</b>	<b>\$4,678,324</b>	<b>61.8%</b>	<b>7.2%</b>

\* Office of the Board Secretary is experiencing high overtime due to new member orientations, board meetings

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

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

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2019

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

Service Areas	Budget		Actual			Variance		
	FY 2019 REVISED BUDGET	YTD BUDGET	Oct 2018 - Mar 2019	Apr 2019	YTD	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
<b>NON PROCESS FACILITIES</b>								
Facility Land Use	\$15,309	13,721	\$4,687	\$689	\$5,376	35.1%	\$8,344	60.8%
<b>Subtotal</b>	<b>15,309</b>	<b>13,721</b>	<b>4,687</b>	<b>689</b>	<b>5,376</b>	<b>35.1%</b>	<b>8,344</b>	<b>60.8%</b>
<b>WASTEWATER TREATMENT</b>								
Liquid Processing	21,488	14,913	9,832	1,419	11,250	52.4%	3,663	24.6%
Plantwide	15,777	8,582	5,953	578	6,531	41.4%	2,051	23.9%
Solids Processing	6,672	5,256	4,163	188	4,350	65.2%	905	17.2%
Enhanced Nitrogen Removal Facilities	26,042	20,969	9,757	3,202	12,959	49.8%	8,010	38.2%
<b>Subtotal</b>	<b>69,979</b>	<b>49,720</b>	<b>29,705</b>	<b>5,386</b>	<b>35,090</b>	<b>50.1%</b>	<b>14,629</b>	<b>29.4%</b>
<b>COMBINED SEWER OVERFLOW</b>								
D.C. Clean Rivers	187,859	128,842	98,726	12,292	111,019	59.1%	17,823	13.8%
Program Management	1,685	1,017	1,128	378	1,506	89.4%	(489)	-48.1%
Combined Sewer	5,805	3,626	2,907	139	3,046	52.5%	580	16.0%
<b>Subtotal</b>	<b>195,350</b>	<b>133,485</b>	<b>102,761</b>	<b>12,810</b>	<b>115,571</b>	<b>59.2%</b>	<b>17,914</b>	<b>13.4%</b>
<b>STORMWATER</b>								
Local Drainage	8	8	-	-	-	0.0%	8	100.0%
On-Going	1,056	416	865	-	865	81.9%	(449)	-107.8%
Pumping Facilities	1,996	956	267	64	331	16.6%	625	65.4%
DDOT	-	-	-	-	-	0.0%	-	0.0%
Research and Program Management	1,078	-	-	-	-	0.0%	-	0.0%
Trunk/Force Sewers	82	720	33	-	33	40.1%	687	95.4%
<b>Subtotal</b>	<b>4,220</b>	<b>2,101</b>	<b>1,164</b>	<b>64</b>	<b>1,229</b>	<b>29.1%</b>	<b>872</b>	<b>41.5%</b>
<b>SANITARY SEWER</b>								
Collection Sewers	5,434	4,947	2,594	10	2,604	47.9%	2,343	47.4%
On-Going	13,653	7,828	6,777	757	7,534	55.2%	294	3.8%
Pumping Facilities	2,248	1,392	808	-	808	35.9%	584	41.9%
Program Management	3,321	2,244	1,512	419	1,931	58.2%	312	13.9%
Interceptor/Trunk Force Sewers	20,270	13,339	8,898	1,017	9,916	48.9%	3,424	25.7%
<b>Subtotal</b>	<b>44,927</b>	<b>29,750</b>	<b>20,590</b>	<b>2,203</b>	<b>22,793</b>	<b>50.7%</b>	<b>6,957</b>	<b>23.4%</b>
<b>WATER</b>								
Distribution Systems	30,729	22,461	13,115	2,536	15,650	50.9%	6,811	30.3%
Lead Program	4,338	2,897	1,933	204	2,137	49.3%	760	26.2%
On-Going	10,080	6,656	4,686	534	5,220	51.8%	1,437	21.6%
Pumping Facilities	1,199	1,095	158	213	371	30.9%	724	66.1%
DDOT	992	670	-	-	-	0.0%	670	100.0%
Storage Facilities	9,384	7,643	3,758	768	4,526	48.2%	3,117	40.8%
Program Management	5,163	2,021	2,715	8	2,723	52.7%	(702)	-34.7%
<b>Subtotal</b>	<b>61,884</b>	<b>43,443</b>	<b>26,364</b>	<b>4,262</b>	<b>30,626</b>	<b>49.5%</b>	<b>12,817</b>	<b>29.5%</b>
<b>Capital Projects</b>	<b>391,669</b>	<b>272,220</b>	<b>185,271</b>	<b>25,415</b>	<b>210,686</b>	<b>53.8%</b>	<b>61,534</b>	<b>22.6%</b>
<b>CAPITAL EQUIPMENT</b>	<b>34,518</b>	<b>20,135</b>	<b>10,307</b>	<b>912</b>	<b>11,219</b>	<b>32.5%</b>	<b>8,916</b>	<b>44.3%</b>
<b>WASHINGTON AQUEDUCT</b>	<b>12,930</b>	<b>7,543</b>	<b>3,090</b>	<b>-</b>	<b>3,090</b>	<b>23.9%</b>	<b>4,453</b>	<b>59.0%</b>
<b>Additional Capital Programs</b>	<b>47,448</b>	<b>27,678</b>	<b>13,397</b>	<b>912</b>	<b>14,309</b>	<b>30.2%</b>	<b>13,369</b>	<b>48.3%</b>
<b>Total</b>	<b>\$439,116</b>	<b>\$299,898</b>	<b>\$198,668</b>	<b>\$26,327</b>	<b>\$224,995</b>	<b>51.2%</b>	<b>\$74,902</b>	<b>25.0%</b>



# DC Water

*Investment Performance Report – April 2019*



**DC Water  
Finance Division  
Economic Update**

### ECONOMIC COMMENTARY

- The U.S. Gross Domestic Product (“GDP”) increased at an annual rate of 3.2% in the first quarter of 2019, which came in higher than expected. This marks the first estimate since 2015 that first-quarter GDP growth has surpassed 3%. In comparison to GDP growth of 2.2% in the fourth quarter of 2018, the GDP increase for first quarter of 2019 was contributed to personal consumption expenditures (PCE), private inventory investment, exports, state and local government spending, and nonresidential fixed investment.
- The U.S. labor market added 263,000 jobs in April, which was again higher than the market expected. The unemployment rate decreased from 3.8% to 3.6%, which is the lowest level since December 1969.
- As expected, the Federal Reserve announced it will hold rates steady at the conclusion of the central bank’s two-day policy meeting on Wednesday, May 1, 2019. The target federal funds rate remains at a range of 2.25% to 2.50%. Federal Chairman Jerome Powell stated that “officials are not seeing any signs that the economy is overheating and does not see a strong case in moving rates in either direction at this time.”
- U.S. Treasury yields rose slightly during the month of April. Yields at the short- and intermediate-term of the curve experienced modest increases, while the yields at the long-term end experienced comparatively higher increases.

### PORTFOLIO RECAP

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

#### Operating Reserve

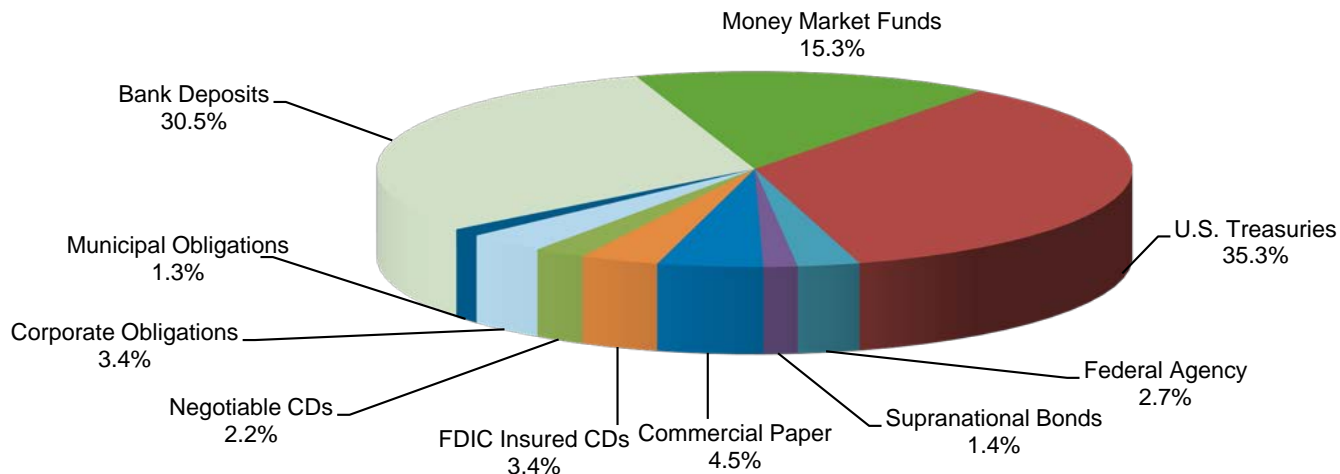
- PFM purchased \$1.3 million of a 3-year Treasury at a yield of 2.29%.
- PFM purchased \$0.9 million of a 1-year Certificate of Deposit, yielding 2.25%.
- PFM purchased \$0.9 million of a 2-year Corporate Note, yielding 2.86%.

#### Debt Service Reserve Fund

- PFM purchased \$9.3 million of 6- to 18-month Treasuries at an average yield of 2.42%.



**DC Water  
Finance Division  
Investments - By Security Type  
As of April 30, 2019**

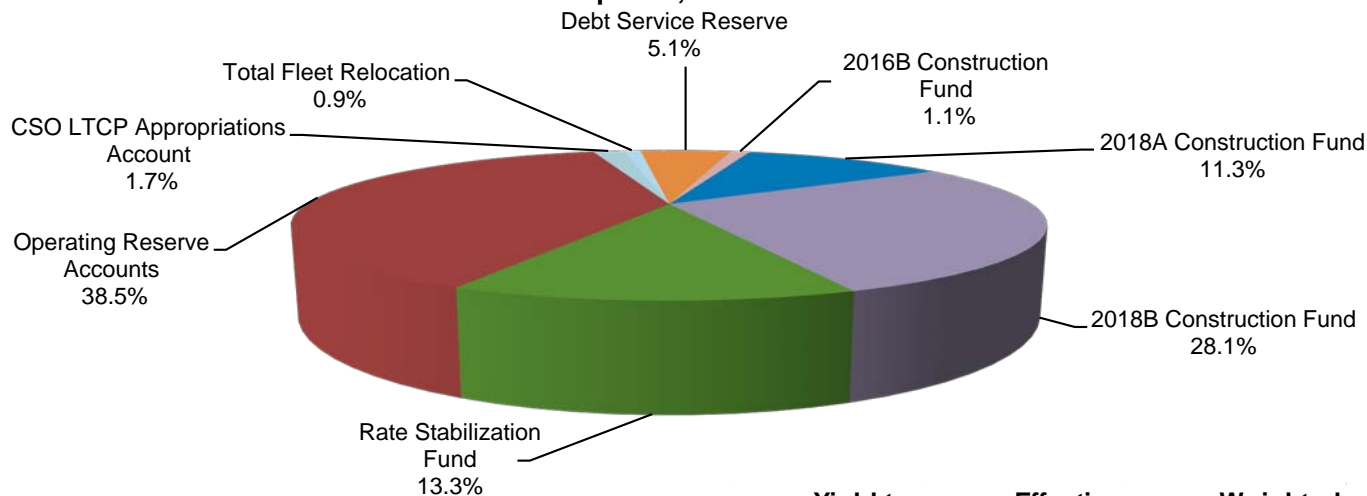


Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	140,633,897	30.5%	100.0%
Money Market Funds	70,677,597	15.3%	100.0%
U.S. Treasuries	162,985,093	35.3%	100.0%
Federal Agency	12,240,759	2.7%	80.0%
Supranational Bonds	6,690,313	1.4%	30.0%
Commercial Paper	20,815,544	4.5%	35.0%
FDIC Insured CDs	15,510,114	3.4%	30.0%
Negotiable CDs	10,228,340	2.2%	30.0%
Corporate Obligations	15,737,317	3.4%	30.0%
Municipal Obligations	6,086,234	1.3%	20.0%
<b>Total</b>	<b>\$ 461,605,209</b>	<b>100.0%</b>	





**DC Water  
Finance Division  
Investment Analysis – By Fund  
As of April 30, 2019**

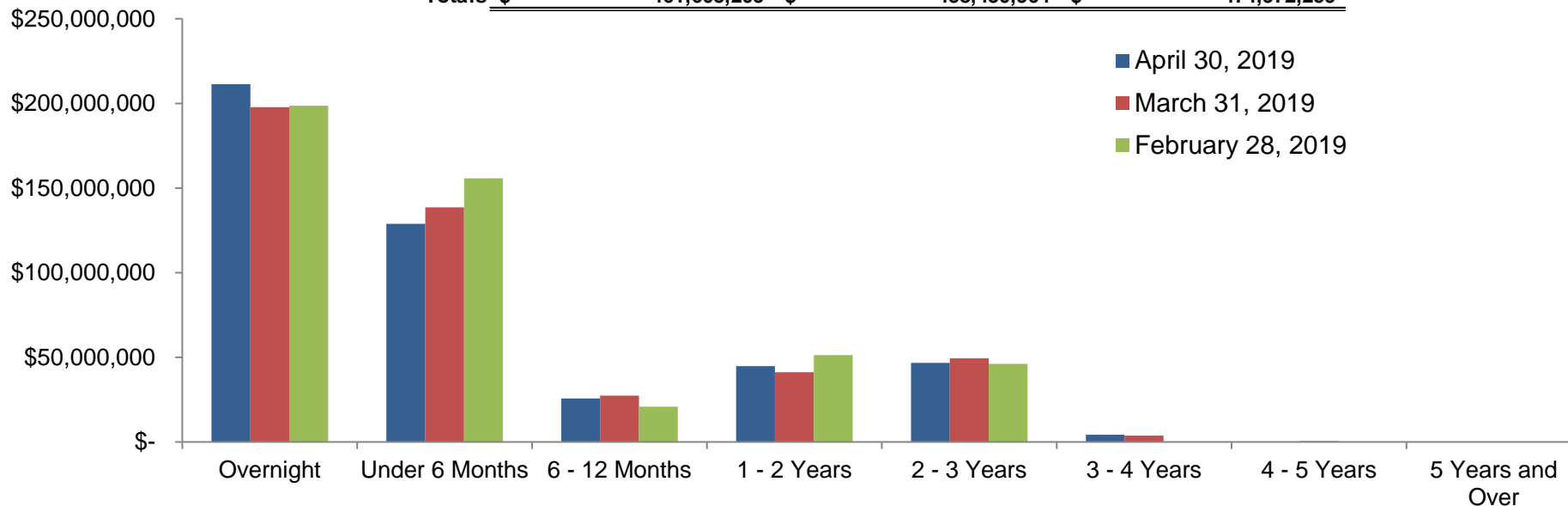


Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Rate Stabilization Fund	\$ 61,450,000	2.05%	0.00	1.0
Operating Reserve Accounts	\$ 177,650,732	1.80%	1.02	392.7
CSO LTCP Appropriations Account	\$ 8,015,911	2.34%	0.00	1.0
Fleet Relocation	\$ 4,331,000	1.51%	0.00	1.0
Debt Service Reserve	\$ 23,724,850	2.48%	1.31	491.2
Series B Commercial Paper Construction Fund	\$ 2,843	1.90%	0.00	1.0
2016B Construction Fund	\$ 4,892,840	2.31%	0.00	1.0
2018A Construction Fund	\$ 51,986,829	2.32%	0.02	8.1
2018B Construction Fund	\$ 129,550,203	2.44%	0.22	80.0
<b>Total</b>	<b>\$ 461,605,209</b>	<b>2.10%</b>	<b>0.52</b>	<b>199.9</b>



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

Maturity Distribution	April 30, 2019	March 31, 2019	February 28, 2019
Overnight \$	211,311,493.85 \$	197,747,835.27 \$	198,608,860.88
Under 6 Months	128,874,229.05	138,607,755.38	155,737,328.09
6 - 12 Months	25,678,901.84	27,331,509.36	20,850,020.68
1 - 2 Years	44,789,909.47	41,155,378.14	51,299,670.23
2 - 3 Years	46,725,469.18	49,393,377.71	46,114,181.64
3 - 4 Years	4,225,205.62	3,739,727.18	2,362,197.34
4 - 5 Years	-	475,380.83	-
5 Years and Over	-	-	-
<b>Totals \$</b>	<b>461,605,209 \$</b>	<b>458,450,964 \$</b>	<b>474,972,259</b>





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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
<b>Bank Deposits</b>					
TD Bank		140,633,897.31	30.5%	100.0%	Yes
<b>Sub-Total Bank Deposits</b>		<b>140,633,897.31</b>	<b>30.5%</b>	100.0%	Yes
<b>Money Market Mutual Funds</b>					
Wells Fargo Treasury Plus MMF	AAAm	70,468,171.48	15.3%	50.0%	Yes
Wells Fargo Government MMF	AAAm	206,581.98	0.0%	50.0%	Yes
First American Treasury	AAAm	2,843.08	0.0%	50.0%	Yes
<b>Sub-Total Money Market Mutual Funds</b>		<b>70,677,596.54</b>	<b>15.3%</b>	100.0%	Yes
<b>U.S. Treasuries</b>					
Treasury Note	AA+ / Aaa	162,985,093.10	35.3%	100.0%	Yes
<b>Sub-Total Treasuries</b>		<b>162,985,093.10</b>	<b>35.3%</b>	100.0%	Yes
<b>Federal Agencies</b>					
Fannie Mae	AA+ / Aaa	6,912,702.21	1.5%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	5,328,056.76	1.2%	40.0%	Yes
<b>Sub-Total Federal Agencies</b>		<b>12,240,758.97</b>	<b>2.7%</b>	80.0%	Yes
<b>Supranational Bonds</b>					
African Development Bank	AAA / Aaa	801,747.99	0.2%	5.0%	Yes
Asian Development Bank	AAA / Aaa	703,983.64	0.2%	5.0%	Yes
Inter-American Development Bank	AAA / Aaa	1,987,920.18	0.4%	5.0%	Yes
International Bank for Reconstruction and Development	AAA / Aaa	2,268,580.65	0.5%	5.0%	Yes
International Finance Corporation Note	AAA / Aaa	928,080.63	0.2%	5.0%	Yes
<b>Sub-Total Supranational Bonds</b>		<b>6,690,313.09</b>	<b>1.4%</b>	30.0%	Yes
<b>Commercial Paper</b>					
BNP Paribas NY Branch	A-1 / P-1	3,956,088.88	0.9%	5.0%	Yes
JP Morgan Securities LLC	A-1 / P-1	6,429,193.36	1.4%	5.0%	Yes
MUFG Bank Ltd. NY	A-1 / P-1	3,975,699.44	0.9%	5.0%	Yes
Toyota Motor Credit Corporation	A-1+ / P-1	6,454,562.75	1.4%	5.0%	Yes
<b>Sub-Total Commercial Paper</b>		<b>20,815,544.43</b>	<b>4.5%</b>	35.0%	Yes

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



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
<b>FDIC Insured Certificates of Deposit</b>					
CDARS - Placed by Industrial Bank	NR / NR	15,510,114.40	3.4%	5.0%	Yes
<b>Sub-Total FDIC-Insured Certificates of Deposit</b>		<b>15,510,114.40</b>	<b>3.4%</b>	30.0%	Yes
<b>Negotiable Certificates of Deposit</b>					
Bank of Montreal Chicago	A+ / Aa2	947,212.59	0.2%	5.0%	Yes
Bank of Nova Scotia Houston	A+ / Aa2	936,358.17	0.2%	5.0%	Yes
Canadian Imperial Bank NY	A-1 / P-1	1,402,436.93	0.3%	5.0%	Yes
HSBC Bank USA	AA- / Aa2	926,873.13	0.2%	5.0%	Yes
Nordea Bank AB NY	A-1+ / P-1	1,859,924.22	0.4%	5.0%	Yes
Royal Bank of Canada NY	AA- / Aa2	709,072.00	0.2%	5.0%	Yes
Swedbank NY	AA- / Aa2	934,682.18	0.2%	5.0%	Yes
UBS AG Stamford CT	A-1 / P-1	1,607,475.56	0.3%	5.0%	Yes
Westpac Banking Corp NY	AA- / Aa3	904,305.00	0.2%	5.0%	Yes
<b>Sub-Total Negotiable Certificates of Deposit</b>		<b>10,228,339.78</b>	<b>2.2%</b>	30.0%	Yes
<b>Corporate Obligations</b>					
3M Company	AA- / A1	340,776.09	0.1%	5.0%	Yes
Apple	AA+ / Aa1	500,851.35	0.1%	5.0%	Yes
Bank of Montreal	A- / A2	465,166.81	0.1%	5.0%	Yes
Bank of New York Mellon	A / A1	918,066.20	0.2%	5.0%	Yes
Bank of Nova Scotia	A+ / Aa2	930,858.12	0.2%	5.0%	Yes
Blackrock	AA- / Aa3	937,067.78	0.2%	5.0%	Yes
Coca-Cola	A+ / A1	383,039.43	0.1%	5.0%	Yes
Johnson & Johnson	AAA / Aaa	196,698.59	0.0%	5.0%	Yes
JP Morgan	A- / A2	1,414,114.04	0.3%	5.0%	Yes
Merck & Co.	AA / A1	891,729.99	0.2%	5.0%	Yes
Pfizer Inc.	AA / A1	847,626.00	0.2%	5.0%	Yes
Royal Bank of Canada	AA- / Aa2	869,659.55	0.2%	5.0%	Yes
Toronto Dominion Bank NY	AA- / Aa1	1,864,819.42	0.4%	5.0%	Yes
Total Capital	A+ / Aa3	886,181.67	0.2%	5.0%	Yes
Toyota	AA- / Aa3	1,843,720.39	0.4%	5.0%	Yes
Wal-Mart Stores Inc.	AA / Aa2	1,515,572.20	0.3%	5.0%	Yes
Westpac Banking	AA- / Aa3	931,369.32	0.2%	5.0%	Yes
<b>Sub-Total Corporate Obligations</b>		<b>15,737,316.95</b>	<b>3.4%</b>	30.0%	Yes

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



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

	<b>Credit Ratings S&amp;P / Moody's</b>	<b>Book Value</b>		<b>Investment Policy Limit</b>	<b>Compliance with Investment Policy</b>
<b>Municipal Obligations</b>					
California State	AA- / Aa3	1,077,528.89	0.2%	5.0%	Yes
Connecticut State	A / A1	987,911.67	0.2%	5.0%	Yes
Florida State	AA / Aa3	1,812,978.00	0.4%	5.0%	Yes
NYC Transitional Finance Authority	AAA / Aa1	1,471,522.25	0.3%	5.0%	Yes
New York State	NR / Aa1	391,544.83	0.1%	5.0%	Yes
University of California	AA / Aa2	344,748.80	0.1%	5.0%	Yes
<b>Sub-Total Municipal Obligations</b>		<b>6,086,234.44</b>	<b>1.3%</b>	20.0%	Yes
<b>Grand Total</b>		<b>\$ 461,605,209.01</b>	<b>100.0%</b>		

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**DC Water  
Finance Division  
Book Value Performance  
As of April 30, 2019**

*The portfolio is in compliance with the Authority’s Investment Policy*

	Trailing 1 Month		Trailing 3 Months		Trailing 6 Months		Trailing 12 Months	Trailing 24 Months
	Periodic	Annualized	Periodic	Annualized	Periodic	Annualized		
Rate Stabilization Fund	0.17%	2.07%	0.48%	2.00%	0.98%	1.98%	1.87%	1.26%
Operating Reserve Accounts	0.21%	2.64%	0.58%	2.39%	0.76%	1.55%	1.63%	1.48%
Debt Service Reserve	0.19%	2.38%	0.55%	2.28%	1.12%	2.26%	1.97%	1.56%
2018A Construction Fund	0.16%	1.99%	0.56%	2.34%	1.04%	4.35%	n/a	n/a
2018B Construction Fund	0.20%	2.43%	0.60%	2.47%	1.17%	4.89%	n/a	n/a
<b>Short-Term</b>	<b>0.17%</b>	<b>2.02%</b>	<b>0.49%</b>	<b>2.03%</b>	<b>1.00%</b>	<b>2.03%</b>	<b>1.90%</b>	<b>1.55%</b>
ICE BoAML 3-Month Treasury Index (Book Value) <sup>1</sup>	0.20%	2.37%	0.59%	2.43%	1.19%	2.41%	2.23%	1.81%
<b>Core (1+ Years)</b>	<b>0.20%</b>	<b>2.47%</b>	<b>0.60%</b>	<b>2.47%</b>	<b>1.19%</b>	<b>2.41%</b>	<b>2.25%</b>	<b>1.95%</b>
ICE BoAML 1-3 Year Treasury Index (Book Value) <sup>2</sup>	0.19%	2.32%	0.58%	2.40%	1.24%	2.52%	2.59%	2.28%

- (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
<b>Rate Stabilization Fund</b>										
TD BANK BANK DEPOSIT		\$ 61,450,000		5/1/2019		2.05%	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000.00
<b>Operating Reserve Accounts</b>										
TD BANK BANK DEPOSIT		\$ 65,836,986		5/1/2019		0.90%	\$ 65,836,986	\$ 65,836,986	\$ 65,836,986	
DC RESERVES TD BANK DEPOSIT		1,000,000		5/1/2019		2.34%	1,000,000	1,000,000	1,000,000	
WELLS FARGO GOVERNMENT MMF		206,582		5/1/2019		2.30%	206,582	206,582	206,582	
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	1,811,466	1,812,978	
CT ST TXBL GO BONDS	20772J3D2	985,000	1.300	8/15/2019	8/17/2016	1.23%	987,128	983,891	987,912	
INDUSTRIAL BANK CDARS		5,077,888	0.500	10/10/2019	10/11/2018	0.50%	5,077,888	5,091,959	5,091,959	
INDUSTRIAL BANK CDARS		5,110,912	1.500	11/7/2019	11/8/2018	1.49%	5,110,912	5,147,588	5,147,588	
INDUSTRIAL BANK CDARS		2,640,952	2.000	1/16/2020	1/17/2019	1.99%	2,640,952	2,656,044	2,656,044	
INDUSTRIAL BANK CDARS		2,599,667	2.000	1/16/2020	1/17/2019	1.99%	2,599,667	2,614,523	2,614,523	
NORDEA BANK AB NY CD	65590ASN7	1,850,000	2.720	2/20/2020	2/22/2018	2.72%	1,850,000	1,864,144	1,859,924	
UBS AG STAMFORD CT LT CD	90275DHG8	1,600,000	2.900	3/2/2020	3/6/2018	2.93%	1,600,000	1,612,586	1,607,476	
CANADIAN IMP BK COMM NY FLT CERT DEPOS	13606BVF0	1,400,000	2.984	4/10/2020	4/10/2018	2.78%	1,400,000	1,405,672	1,402,437	
TOYOTA MOTOR CREDIT CORP	89236TDU6	630,000	1.950	4/17/2020	4/17/2017	1.97%	629,710	626,164	630,383	
TOYOTA MOTOR CREDIT CORP	89236TDU6	295,000	1.950	4/17/2020	4/17/2017	1.94%	295,000	293,204	295,253	
US TREASURY NOTES	912828K58	425,000	1.375	4/30/2020	4/5/2017	1.53%	423,091	420,683	424,386	
US TREASURY NOTES	912828K58	1,575,000	1.375	4/30/2020	4/10/2017	1.55%	1,566,879	1,559,002	1,572,367	
NYC TRANS FIN AUTH, NY TXBL REV BONDS	64971W5W6	540,000	1.960	5/1/2020	6/29/2017	1.96%	540,000	542,641	545,292	
US TREASURY NOTES	912828VF4	1,650,000	1.375	5/31/2020	5/23/2018	2.58%	1,611,070	1,641,621	1,638,393	
BANK OF NOVA SCOTIA HOUSTON CD	06417GU22	925,000	3.080	6/5/2020	6/7/2018	3.10%	924,649	942,807	936,358	
WAL-MART STORES INC CORP NOTES	931142EG4	925,000	2.850	6/23/2020	6/27/2018	2.87%	924,713	938,079	934,205	
TOTAL CAPITAL SA CORP NOTES	89152UAD4	850,000	4.450	6/24/2020	4/10/2017	2.07%	912,492	880,897	886,182	
US TREASURY NOTES	912828X48	910,000	1.625	6/30/2020	6/16/2017	1.51%	912,986	907,122	916,105	
US TREASURY NOTES	912828X48	3,650,000	1.625	6/30/2020	6/28/2017	1.50%	3,663,117	3,638,457	3,674,982	
BANK OF NOVA SCOTIA HOUSTON CORP BOND	064159JX5	925,000	2.150	7/14/2020	7/14/2017	2.15%	924,871	926,255	930,858	
FNMA NOTES	3135G0T60	1,850,000	1.500	7/30/2020	9/1/2017	1.49%	1,850,481	1,837,436	1,857,226	
US TREASURY NOTES	912828XM7	825,000	1.625	7/31/2020	7/7/2017	1.60%	825,516	820,921	828,548	
BANK OF MONTREAL CHICAGO CERT DEPOS	06370REU9	925,000	3.190	8/3/2020	8/3/2018	3.23%	925,000	951,433	947,213	
WESTPAC BANKING CORP NY CD	96121T4A3	900,000	2.050	8/3/2020	8/7/2017	2.05%	900,000	899,761	904,305	
INTL BANK OF RECONSTRUCTION AND DEV NOTE	45905UP32	925,000	1.561	9/12/2020	9/19/2017	1.64%	922,780	915,686	925,936	
TORONTO-DOMINION BANK	89114QC71	925,000	3.150	9/17/2020	9/17/2018	3.16%	924,806	935,289	928,426	
FHLB NOTES	3130ACE26	965,000	1.375	9/28/2020	9/8/2017	1.48%	961,902	953,248	964,770	
HSBC BANK USA NA CERT DEPOS	40435RCN9	925,000	2.700	10/2/2020	4/4/2019	2.70%	925,000	926,309	926,873	
FANNIE MAE NOTES	3135G0U84	1,850,000	2.875	10/30/2020	11/6/2018	2.95%	1,847,373	1,864,894	1,848,154	
US TREASURY NOTES	912828L99	250,000	1.375	10/31/2020	10/17/2017	1.71%	247,539	246,543	248,781	
INTER-AMERICAN DEVELOPMENT BANK	4581X0CD8	915,000	2.125	11/9/2020	10/10/2017	1.81%	923,481	921,124	928,542	
JOHNSON & JOHNSON CORP NOTE	478160CH5	195,000	1.950	11/10/2020	11/10/2017	1.99%	194,791	195,289	196,699	
COCA-COLA CO/THE GLOBAL NOTES	191216AR1	370,000	3.150	11/15/2020	9/12/2017	1.78%	385,584	379,214	383,039	
SWEDBANK (NEW YORK) CERT DEPOS	87019U6D6	925,000	2.270	11/16/2020	11/17/2017	2.30%	925,000	927,857	934,682	
US TREASURY NOTES	912828M98	3,000,000	1.625	11/30/2020	11/3/2017	1.77%	2,986,992	2,987,897	3,013,581	
US TREASURY NOTES	912828N48	1,975,000	1.750	12/31/2020	12/5/2017	1.91%	1,965,588	1,968,345	1,981,386	
US TREASURY NOTES	912828N48	975,000	1.750	12/31/2020	12/6/2017	1.96%	968,830	971,715	977,311	
ASIAN DEVELOPMENT BANK NOTE	045167EF6	700,000	2.250	1/20/2021	1/19/2018	2.29%	699,251	702,784	703,984	
US TREASURY NOTES	912828N89	1,750,000	1.375	1/31/2021	1/4/2018	2.05%	1,715,000	1,728,023	1,735,781	
US TREASURY NOTES	912828N89	800,000	1.375	1/31/2021	1/4/2018	2.08%	783,188	789,953	793,029	

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**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
<b>Operating Reserve Accounts</b>										
US TREASURY NOTES	912828P87	1,100,000	1.125	2/28/2021	2/16/2018	2.42%	1,058,707	1,079,140	1,076,802	
INTERNATIONAL FINANCE CORPORATION NOTE	45950VLQ7	925,000	2.635	3/9/2021	3/16/2018	2.66%	924,306	928,137	928,081	
NY ST DORM AUTH PITS TXBL REV BONDS	64990FJN5	390,000	3.100	3/15/2021	12/21/2018	3.10%	390,000	394,957	391,545	
AFRICAN DEVELOPMENT BANK NOTE	00828ECZ0	800,000	2.625	3/22/2021	3/22/2018	2.66%	799,176	805,853	801,748	
CA ST TXBL GO BONDS	13063DGA0	1,075,000	2.800	4/1/2021	4/25/2018	2.80%	1,075,043	1,086,012	1,077,529	
TOYOTA MOTOR CREDIT CORP	89236TCZ6	475,000	1.900	4/8/2021	3/6/2018	2.82%	462,223	469,484	467,444	
TOYOTA MOTOR CREDIT CORP NOTES	89236TEU5	290,000	2.950	4/13/2021	4/13/2018	2.96%	289,884	292,453	290,351	
TOYOTA MOTOR CREDIT CORP NOTES	89236TEU5	160,000	2.950	4/13/2021	4/13/2018	2.93%	160,082	161,353	160,290	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406FAA1	515,000	2.500	4/15/2021	2/16/2018	2.93%	508,300	514,213	511,366	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406FAA1	410,000	2.500	4/15/2021	2/16/2018	2.99%	404,022	409,373	406,701	
INTER-AMERICAN DEVELOPMENT BANK NOTE	4581X0DB1	1,060,000	2.625	4/19/2021	4/19/2018	2.70%	1,057,668	1,065,974	1,059,378	
ROYAL BANK OF CANADA CORP NOTES	78013XKG2	870,000	3.200	4/30/2021	4/30/2018	3.23%	869,382	879,782	869,660	
US TREASURY N/B NOTES	9128284P2	1,900,000	2.625	5/15/2021	2/11/2019	2.45%	1,907,348	1,935,849	1,929,692	
UNIV OF CAL TXBL REV BONDS	91412HBH5	340,000	3.029	5/15/2021	6/5/2018	3.03%	340,000	349,189	344,749	
US TREASURY NOTES	912828WN6	975,000	2.000	5/31/2021	6/6/2018	2.62%	957,671	977,849	970,911	
ROYAL BANK OF CANADA NY CD	78012UEE1	700,000	3.240	6/7/2021	6/8/2018	3.24%	700,000	719,863	709,072	
TORONTO DOMINION BANK CORP NOTES	89114QBZ0	925,000	3.250	6/11/2021	6/12/2018	3.27%	924,584	947,822	936,393	
FANNIE MAE NOTES	3135G0U35	1,320,000	2.750	6/22/2021	6/25/2018	2.76%	1,319,696	1,345,181	1,332,786	
WAL-MART STORES INC CORP NOTES	931142EJ8	575,000	3.125	6/23/2021	6/27/2018	3.13%	574,971	588,541	581,367	
INTL BANK OF RECONSTRUCTION AND DEV NOTE	459058GH0	1,335,000	2.750	7/23/2021	7/25/2018	2.83%	1,331,876	1,357,201	1,342,645	
US TREASURY NOTES	9128284W7	3,500,000	2.750	8/15/2021	9/7/2018	2.72%	3,502,871	3,558,084	3,522,229	
US TREASURY NOTES	9128284W7	1,100,000	2.750	8/15/2021	9/28/2018	2.91%	1,095,316	1,118,255	1,102,525	
US TREASURY NOTES	9128284W7	450,000	2.750	8/15/2021	10/4/2018	2.89%	448,295	457,468	451,195	
US TREASURY NOTES	9128284W7	425,000	2.750	8/15/2021	10/11/2018	2.97%	422,443	432,053	425,353	
3M COMPANY	88579YBA8	340,000	3.000	9/14/2021	9/14/2018	3.07%	339,303	345,708	340,776	
PFIZER INC CORP NOTE	717081EM1	575,000	3.000	9/15/2021	9/7/2018	3.05%	574,224	584,005	576,591	
FEDERAL HOME LOAN BANKS NOTES (CALLABLE)	3130AEXV7	925,000	3.000	9/20/2021	9/20/2018	3.00%	925,000	930,187	928,160	
FEDERAL HOME LOAN BANKS NOTES	3130AF5B9	1,850,000	3.000	10/12/2021	11/6/2018	3.02%	1,848,927	1,883,907	1,852,048	
FEDERAL HOME LOAN BANKS NOTES	3130AF5B9	1,575,000	3.000	10/12/2021	12/12/2018	2.85%	1,581,395	1,603,867	1,583,078	
UNITED STATES TREASURY NOTES	9128285F3	1,000,000	2.875	10/15/2021	12/12/2018	2.77%	1,002,852	1,015,945	1,003,754	
FANNIE MAE NOTES	3135G0U92	935,000	2.625	1/11/2022	1/11/2019	2.65%	934,327	950,011	941,893	
FANNIE MAE NOTES	3135G0U92	925,000	2.625	1/11/2022	1/31/2019	2.62%	925,241	939,851	932,644	
WESTPAC BANKING CORP NY CORP NOTES	961214DG5	925,000	2.800	1/11/2022	4/10/2019	2.86%	923,418	933,397	931,369	
UNITED STATES TREASURY NOTES	9128285V8	4,600,000	2.500	1/15/2022	1/31/2019	2.55%	4,593,352	4,663,142	4,627,581	
UNITED STATES TREASURY NOTES	9128285V8	1,000,000	2.500	1/15/2022	2/11/2019	2.43%	1,001,992	1,013,726	1,009,173	
US TREASURY NOTES	912828V72	3,800,000	1.875	1/31/2022	1/9/2019	2.50%	3,730,828	3,779,566	3,755,317	
MERCK & CO INC CORP NOTES	58933YA08	450,000	2.350	2/10/2022	1/16/2019	2.99%	441,639	450,475	444,788	
UNITED STATES TREASURY NOTES	9128286C9	5,150,000	2.500	2/15/2022	3/5/2019	2.54%	5,144,367	5,212,282	5,171,344	
UNITED STATES TREASURY NOTES	9128286C9	1,250,000	2.500	2/15/2022	4/3/2019	2.29%	1,257,275	1,265,117	1,263,562	
PFIZER INC CORP BONDS	717081ER0	270,000	2.800	3/11/2022	3/11/2019	2.80%	269,984	272,985	271,035	
BANK OF MONTREAL	06367WJM6	465,000	2.900	3/26/2022	3/26/2019	2.99%	463,819	467,134	465,167	
APPLE INC CORP NOTES	037833BF6	500,000	2.700	5/13/2022	1/10/2019	3.08%	494,015	508,035	500,851	
BLACKROCK INC CORP NOTES	09247XAJ0	925,000	3.375	6/1/2022	11/9/2018	3.41%	923,909	959,573	937,068	
JPMORGAN CHASE & CO CORP NOTES	46647PAS5	925,000	3.514	6/18/2022	6/26/2018	3.50%	925,564	949,729	937,464	
MERCK & CO INC CORP NOTES	589331AT4	450,000	2.400	9/15/2022	3/15/2019	2.71%	445,401	450,180	446,942	
NYC TRANS FIN AUTH, NY TXBL REV BONDS	64971XHY7	925,000	2.520	11/1/2022	4/12/2019	2.52%	925,000	923,196	926,230	
JPMORGAN CHASE & CO BONDS	46647PBB1	475,000	3.207	4/1/2023	3/22/2019	3.21%	475,000	479,743	476,650	
								\$		177,650,731.56

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**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
<b>Debt Service Reserve</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 9,974		5/1/2019		2.31%	\$ 9,974	\$ 9,974	\$ 9,974	
US TREASURY NOTES	912828TR1	5,035,000	1.000	9/30/2019	4/5/2019	2.43%	5,000,384	5,008,974	5,009,705	
US TREASURY N/B NOTES	9128284C1	7,475,000	2.250	3/31/2020	2/6/2019	2.56%	7,449,013	7,479,319	7,468,520	
US TREASURY NOTES	912828VZ0	4,275,000	2.000	9/30/2020	4/5/2019	2.40%	4,249,951	4,262,201	4,258,377	
US TREASURY NOTES	912828F21	7,025,000	2.125	9/30/2021	4/2/2018	2.49%	6,940,206	7,016,787	6,978,274	
										\$ 23,724,849.99
<b>CSO LTCP Appropriations Account</b>										
TD BANK BANK DEPOSIT		\$ 8,015,911		5/1/2019		2.34%	\$ 8,015,911	\$ 8,015,911	\$ 8,015,911	
										\$ 8,015,911.39
<b>Fleet Relocation Account</b>										
TD BANK BANK DEPOSIT		\$ 4,331,000		5/1/2019		1.51%	\$ 4,331,000	\$ 4,331,000	\$ 4,331,000	
										\$ 4,331,000.00
<b>Series B Commercial Paper Construction Fund</b>										
FIRST AMERICAN FUNDS TREASURY MMF		\$ 2,843		5/1/2019		1.90%	\$ 2,843	\$ 2,843	\$ 2,843	
										\$ 2,843.08
<b>2016B Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 4,892,840		5/1/2019		2.31%	\$ 4,892,840	\$ 4,892,840	\$ 4,892,840	
										\$ 4,892,840.44
<b>2018A Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 45,320,973		5/1/2019		2.31%	\$ 45,320,973	\$ 45,320,973	\$ 45,320,973	
US TREASURY NOTES	912828XS4	4,795,000	1.250	5/31/2019	6/7/2018	2.34%	4,744,802	4,815,406	4,815,788	
US TREASURY NOTES	912828D80	1,850,000	1.625	8/31/2019	8/28/2018	2.45%	1,834,896	1,849,644	1,850,068	
										\$ 51,986,829.10
<b>2018B Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 20,244,384		5/1/2019		2.31%	\$ 20,244,384	\$ 20,244,384	\$ 20,244,384	
MUFG BANK LTD/NY COMM PAPER	62479MSQ7	1,500,000	-	5/24/2019	8/28/2018	2.61%	1,471,307	1,497,569	1,497,547	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233HSQ8	1,500,000	-	5/24/2019	8/28/2018	2.57%	1,471,755	1,497,594	1,497,585	
US TREASURY NOTES	912828XS4	27,200,000	1.250	5/31/2019	8/28/2018	2.37%	26,972,625	27,315,757	27,317,170	
US TREASURY NOTES	912828WS5	14,000,000	1.625	6/30/2019	8/31/2018	2.40%	13,911,406	14,056,667	14,058,344	
US TREASURY NOTES	912828K5	4,660,000	1.375	7/31/2019	8/28/2018	2.42%	4,615,766	4,663,469	4,663,840	
MUFG BANK LTD/NY COMM PAPER	62479MVV0	2,500,000	-	8/30/2019	3/1/2019	2.63%	2,467,139	2,478,303	2,478,153	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233HVW1	5,000,000	-	8/30/2019	3/1/2019	2.59%	4,935,289	4,957,790	4,956,978	
US TREASURY NOTES	912828D80	28,225,000	1.625	8/31/2019	8/31/2018	2.46%	27,994,569	28,219,574	28,225,415	
BNP PARIBAS NY BRANCH COMM PAPER	09659CWW4	4,000,000	-	9/30/2019	3/1/2019	2.64%	3,938,467	3,956,292	3,956,089	
JP MORGAN SECURITIES LLC COMM PAPER	46640QWW7	6,500,000	-	9/30/2019	3/1/2019	2.62%	6,400,778	6,427,317	6,429,193	
US TREASURY NOTES	912828F39	14,250,000	1.750	9/30/2019	3/1/2019	2.53%	14,185,986	14,228,814	14,225,506	
										\$ 129,550,203.45
							<b>\$ 459,839,843.16</b>	<b>\$ 461,927,349.99</b>	<b>\$ 461,605,209.01</b>	<b>\$ 461,605,209.01</b>

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



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<b>Operating Reserve Accounts</b>								
3130AF5B9	FEDERAL HOME LOAN BANKS NOTES	1,850,000.00	3.00	10/12/2021	11/2/2018	11/6/2018	3.02	1,852,627.00
3135G0U84	FANNIE MAE NOTES	1,850,000.00	2.88	10/30/2020	11/2/2018	11/6/2018	2.95	1,848,111.72
09247XAJ0	BLACKROCK INC CORP NOTES	925,000.00	3.38	6/1/2022	11/7/2018	11/9/2018	3.41	937,610.06
RE1061614	INDUSTRIAL BANK CDARS	5,110,911.79	1.50	11/7/2019	11/8/2018	11/8/2018	1.52	5,110,911.79
3130AF5B9	FEDERAL HOME LOAN BANKS NOTES	1,575,000.00	3.00	10/12/2021	12/11/2018	12/12/2018	2.85	1,589,269.50
9128285F3	UNITED STATES TREASURY NOTES	1,000,000.00	2.88	10/15/2021	12/11/2018	12/12/2018	2.77	1,007,432.60
64990FJN5	NY ST DORM AUTH PITS TXBL REV BONDS	390,000.00	3.10	3/15/2021	12/12/2018	12/21/2018	3.10	390,000.00
912828V72	US TREASURY NOTES	3,800,000.00	1.88	1/31/2022	1/7/2019	1/9/2019	2.50	3,762,193.62
037833BF6	APPLE INC CORP NOTES	500,000.00	2.70	5/13/2022	1/8/2019	1/10/2019	3.08	496,152.50
3135G0U92	FANNIE MAE NOTES	935,000.00	2.63	1/11/2022	1/9/2019	1/11/2019	2.65	934,326.80
58933YAQ8	MERCK & CO INC CORP NOTES	450,000.00	2.35	2/10/2022	1/14/2019	1/16/2019	2.99	446,221.50
RE1061648	INDUSTRIAL BANK CDARS	2,640,951.83	2.00	1/16/2020	1/17/2019	1/17/2019	2.02	2,640,951.83
RE1061648	INDUSTRIAL BANK CDARS	2,599,666.74	2.00	1/16/2020	1/17/2019	1/17/2019	2.02	2,599,666.74
3135G0U92	FANNIE MAE NOTES	925,000.00	2.63	1/11/2022	1/29/2019	1/31/2019	2.62	926,589.46
9128285V8	UNITED STATES TREASURY NOTES	4,600,000.00	2.50	1/15/2022	1/29/2019	1/31/2019	2.55	4,598,434.43
9128284P2	US TREASURY N/B NOTES	1,900,000.00	2.63	5/15/2021	2/8/2019	2/11/2019	2.45	1,919,471.97
9128285V8	UNITED STATES TREASURY NOTES	1,000,000.00	2.50	1/15/2022	2/8/2019	2/11/2019	2.43	1,003,856.83
9128286C9	UNITED STATES TREASURY NOTES	5,150,000.00	2.50	2/15/2022	3/1/2019	3/5/2019	2.54	5,150,769.12
717081ER0	PFIZER INC CORP BONDS	270,000.00	2.80	3/11/2022	3/4/2019	3/11/2019	2.80	269,983.80
589331AT4	MERCK & CO INC CORP NOTES	450,000.00	2.40	9/15/2022	3/13/2019	3/15/2019	2.71	445,401.00
46647PBB1	JPMORGAN CHASE & CO BONDS	475,000.00	3.21	4/1/2023	3/15/2019	3/22/2019	3.21	475,000.00
06367WJM6	BANK OF MONTREAL	465,000.00	2.90	3/26/2022	3/21/2019	3/26/2019	2.99	463,818.90
64971XHY7	NYC TRANS FIN AUTH, NY TXBL REV BONDS	925,000.00	2.52	11/1/2022	3/27/2019	4/12/2019	2.52	925,000.00
9128286C9	UNITED STATES TREASURY NOTES	1,250,000.00	2.50	2/15/2022	4/1/2019	4/3/2019	2.29	1,261,332.71
40435RCN9	HSBC BANK USA NA CERT DEPOS	925,000.00	2.70	10/2/2020	4/3/2019	4/4/2019	2.25	925,000.00
961214DG5	WESTPAC BANKING CORP NY CORP NOTES	925,000.00	2.80	1/11/2022	4/8/2019	4/10/2019	2.86	929,821.31
<b>Total Debt Service Reserve</b>								
9128284C1	US TREASURY N/B NOTES	7,475,000.00	2.25	3/31/2020	2/5/2019	2/6/2019	2.56	7,508,617.61
912828TR1	US TREASURY NOTES	5,035,000.00	1.00	9/30/2019	4/5/2019	4/5/2019	2.43	5,001,072.22
912828V20	US TREASURY NOTES	4,275,000.00	2.00	9/30/2020	4/5/2019	4/5/2019	2.40	4,251,119.20
<b>2018A Construction Fund</b>								
912828D23	US TREASURY NOTES	19,950,000.00	1.625	4/30/2019	2/28/2019	3/1/2019	2.440	20,031,085.63
912828W97	US TREASURY NOTES	16,080,000.00	1.250	3/31/2019	2/28/2019	3/1/2019	2.472	16,147,602.82
<b>2018B Construction Fund</b>								
09659CWW4	BNP PARIBAS NY BRANCH COMM PAPER	4,000,000.00	0.000	9/30/2019	3/1/2019	3/1/2019	2.672	3,938,466.67
46640QWW7	JP MORGAN SECURITIES LLC COMM PAPER	6,500,000.00	0.000	9/30/2019	3/1/2019	3/1/2019	2.651	6,400,777.50
62479MVW0	MUFG BANK LTD/NY COMM PAPER	2,500,000.00	0.000	8/30/2019	3/1/2019	3/1/2019	2.671	2,467,138.89
89233HVW1	TOYOTA MOTOR CREDIT CORP COMM PAPER	5,000,000.00	0.000	8/30/2019	3/1/2019	3/1/2019	2.630	4,935,288.89
912828F39	US TREASURY NOTES	14,250,000.00	1.750	9/30/2019	3/1/2019	3/1/2019	2.531	14,290,120.95

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



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<b>Operating Reserve Accounts</b>								
3130A8DB6	FHLB GLOBAL NOTE	1,015,000.00	1.13	6/21/2019	11/2/2018	11/6/2018	2.60	1,010,035.38
3137EAE1	FHLMC REFERENCE NOTE	1,250,000.00	0.88	7/19/2019	11/2/2018	11/6/2018	2.63	1,238,038.37
458182DX7	INTER-AMERICAN DEVELOPMENT BANK	1,260,000.00	1.00	5/13/2019	11/2/2018	11/6/2018	2.63	1,255,496.20
3137EAE1	FHLMC REFERENCE NOTE	1,000,000.00	0.88	7/19/2019	11/7/2018	11/9/2018	2.66	990,433.61
3135G0P49	FNMA NOTES	1,450,000.00	1.00	8/28/2019	12/6/2018	12/10/2018	2.67	1,436,998.33
3135G0P49	FNMA NOTES	975,000.00	1.00	8/28/2019	12/6/2018	12/10/2018	2.67	966,257.50
3135G0P49	FNMA NOTES	375,000.00	1.00	8/28/2019	12/12/2018	12/19/2018	2.71	371,776.25
912828G61	US TREASURY NOTES	2,325,000.00	1.50	11/30/2019	1/7/2019	1/9/2019	2.62	2,306,127.34
3135G0P49	FNMA NOTES	625,000.00	1.00	8/28/2019	1/7/2019	1/9/2019	2.56	621,155.56
00828EBQ1	AFRICAN DEVELOPMENT BANK NOTE	700,000.00	1.13	9/20/2019	1/7/2019	1/9/2019	2.70	694,831.38
912828H52	US TREASURY NOTES	500,000.00	1.25	1/31/2020	1/8/2019	1/10/2019	2.60	495,756.62
912828H52	US TREASURY NOTES	925,000.00	1.25	1/31/2020	1/9/2019	1/11/2019	2.61	917,108.90
931142DY6	WAL-MART STORES INC CORP NOTE	430,000.00	1.75	10/9/2019	1/14/2019	1/16/2019	2.71	429,056.27
30231GAG7	EXXON MOBIL (CALLABLE) CORP NOTE	925,000.00	1.91	3/6/2020	1/29/2019	1/31/2019	2.68	924,473.78
742718E28	THE PROCTER & GAMBLE CO CORP NOTES	440,000.00	1.75	10/25/2019	1/29/2019	1/31/2019	2.70	439,026.13
3135G0T29	FNMA NOTES	1,150,000.00	1.50	2/28/2020	1/29/2019	1/31/2019	2.62	1,143,692.25
912828H52	US TREASURY NOTES	2,050,000.00	1.25	1/31/2020	1/29/2019	1/31/2019	2.60	2,022,773.44
045167DT7	ASIAN DEVELOPMENT BANK NOTE	925,000.00	1.75	1/10/2020	1/30/2019	1/31/2019	2.66	918,165.02
83050FTX3	SKANDINAVISKA ENSKILDA BANKEN NY CD	1,850,000.00	1.84	8/2/2019	2/7/2019	2/11/2019	2.63	1,843,599.00
912828J50	US TREASURY NOTES	725,000.00	1.38	2/29/2020	2/8/2019	2/11/2019	2.54	720,850.22
912828J50	US TREASURY NOTES	275,000.00	1.38	2/29/2020	2/8/2019	2/11/2019	2.54	273,425.94
912828J50	US TREASURY NOTES	2,625,000.00	1.38	2/29/2020	3/1/2019	3/5/2019	2.56	2,595,343.92
40054PAE5	GOLDMAN SACHS BANK USA CERT DEPOS	1,400,000.00	2.80	8/5/2019	3/4/2019	3/5/2019	2.72	1,422,669.13
00828ECA5	AFRICAN DEVELOPMENT BANK NOTE	1,035,000.00	1.88	3/16/2020	3/4/2019	3/6/2019	2.68	1,035,811.61
717081EB5	PFIZER INC CORP NOTE	595,000.00	1.70	12/15/2019	3/5/2019	3/5/2019	2.70	592,690.08
717081EB5	PFIZER INC CORP NOTE	300,000.00	1.70	12/15/2019	3/5/2019	3/5/2019	2.70	298,835.33
912828K58	US TREASURY NOTES	100,000.00	1.38	4/30/2020	3/5/2019	3/5/2019	2.56	99,131.04
912828K58	US TREASURY NOTES	150,000.00	1.38	4/30/2020	3/15/2019	3/22/2019	2.53	148,934.05
06367T4W7	BANK OF MONTREAL CHICAGO CORP NOTES	470,000.00	3.10	4/13/2021	3/21/2019	3/26/2019	2.76	479,731.87
912828K58	US TREASURY NOTES	925,000.00	1.38	4/30/2020	3/27/2019	4/3/2019	2.37	920,654.88
912828K58	US TREASURY NOTES	1,150,000.00	1.38	4/30/2020	4/1/2019	4/3/2019	2.41	1,144,148.74
912828XH8	US TREASURY NOTES	915,000.00	1.63	6/30/2020	4/3/2019	4/4/2019	2.41	910,175.60
961214DJ9	WESTPAC BANKING CORP NOTES	925,000.00	2.15	3/6/2020	4/8/2019	4/10/2019	2.71	922,225.51
<b>Debt Service Reserve</b>								
912828C65	US TREASURY NOTES	7,475,000.00	1.63	3/31/2019	2/5/2019	2/6/2019	2.47	7,508,704.24

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	TRADE DATE	SETTLE DATE	TRANSACTION AMOUNT
<b>Operating Reserve Accounts</b>							
	INDUSTRIAL BANK CDARS	5,085,490.22	0.50	11/8/2018	11/8/2018	11/8/2018	5,110,848.01
	INDUSTRIAL BANK CDARS	2,614,746.18	1.00	1/17/2019	1/17/2019	1/17/2019	2,640,822.00
	INDUSTRIAL BANK CDARS	2,573,870.75	1.00	1/17/2019	1/17/2019	1/17/2019	2,599,538.94
<b>Total Debt Service Reserve</b>							
912828C65	US TREASURY NOTES	3,850,000.00	1.63	3/31/2019	3/31/2019	3/31/2019	3,850,000.00
912828W97	US TREASURY NOTES	5,175,000.00	1.25	3/31/2019	3/31/2019	3/31/2019	5,175,000.00
<b>2018A Construction Fund</b>							
22533UL19	CREDIT AGRICOLE CIB NY COMM PAPER	3,450,000.00	-	11/1/2018	11/1/2018	11/1/2018	3,450,000.00
89233HL10	TOYOTA MOTOR CREDIT CORP COMM PAPER	3,450,000.00	-	11/1/2018	11/1/2018	11/1/2018	3,450,000.00
21687BLW9	COOPERATIVE RABOBANK U.A. COMM PAPER	3,375,000.00	-	11/30/2018	11/30/2018	11/30/2018	3,375,000.00
63873KLW5	NATIXIS NY BRANCH COMM PAPER	3,500,000.00	-	11/30/2018	11/30/2018	11/30/2018	3,500,000.00
912828A34	US TREASURY NOTES	7,370,000.00	1.25	11/30/2018	11/30/2018	11/30/2018	7,370,000.00
912828U40	US TREASURY N/B	14,590,000.00	1.00	11/30/2018	11/30/2018	11/30/2018	14,590,000.00
62479MM34	MUFG BANK LTD/NY COMM PAPER	3,450,000.00	-	12/3/2018	12/3/2018	12/3/2018	3,450,000.00
25214PHP1	DEXIA CREDIT LOCAL SA NY COMM PAPER	3,500,000.00	-	2/26/2019	2/26/2019	2/26/2019	3,500,000.00
09659CQ19	BNP PARIBAS NY BRANCH COMM PAPER	3,500,000.00	-	3/1/2019	3/1/2019	3/1/2019	3,500,000.00
21687BQ12	COOPERATIVE RABOBANK U.A. COMM PAPER	2,380,000.00	-	3/1/2019	3/1/2019	3/1/2019	2,380,000.00
46640QQ12	JP MORGAN SECURITIES LLC COMM PAPER	5,750,000.00	-	3/1/2019	3/1/2019	3/1/2019	5,750,000.00
89233HQ15	TOYOTA MOTOR CREDIT CORP COMM PAPER	2,300,000.00	-	3/1/2019	3/1/2019	3/1/2019	2,300,000.00
912828W97	US TREASURY NOTES	16,080,000.00	1.25	3/31/2019	3/31/2019	3/31/2019	16,080,000.00
<b>912828D23</b>	<b>US TREASURY NOTES</b>	<b>19,950,000.00</b>	<b>1.63</b>	<b>4/30/2019</b>	<b>4/30/2019</b>	<b>4/30/2019</b>	<b>19,950,000.00</b>
<b>2018B Construction Fund</b>							
22533UL19	CREDIT AGRICOLE CIB NY COMM PAPER	4,400,000.00	-	11/1/2018	11/1/2018	11/1/2018	4,400,000.00
62479MM34	MUFG BANK LTD/NY COMM PAPER	4,400,000.00	-	12/3/2018	12/3/2018	12/3/2018	4,400,000.00
13607FMH6	CANADIAN IMPERIAL HOLDING COMM PAPER	4,400,000.00	-	12/17/2018	12/17/2018	12/17/2018	4,400,000.00
21687BMT5	COOPERATIVE RABOBANK U.A. COMM PAPER	6,055,000.00	-	12/27/2018	12/27/2018	12/27/2018	6,055,000.00
09659CMX3	BNP PARIBAS NY BRANCH COMM PAPER	4,400,000.00	-	12/31/2018	12/31/2018	12/31/2018	4,400,000.00
25214PHP1	DEXIA CREDIT LOCAL SA NY COMM PAPER	4,400,000.00	-	2/26/2019	2/26/2019	2/26/2019	4,400,000.00
63873KPU5	NATIXIS NY BRANCH COMM PAPER	4,400,000.00	-	2/28/2019	2/28/2019	2/28/2019	4,400,000.00
912828C24	US TREASURY NOTES	830,000.00	1.50	2/28/2019	2/28/2019	2/28/2019	830,000.00
46640QQ12	JP MORGAN SECURITIES LLC COMM PAPER	7,250,000.00	-	3/1/2019	3/1/2019	3/1/2019	7,250,000.00
89233HQ15	TOYOTA MOTOR CREDIT CORP COMM PAPER	1,500,000.00	-	3/1/2019	3/1/2019	3/1/2019	1,500,000.00

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
05/01/19	INTEREST	64971W5W6	NYC TRANS FIN AUTH, NY TXBL REV BONDS	1.960	05/01/20	540,000.00	0.00	5,292.00	5,292.00
05/01/19	INTEREST	64971XHY7	NYC TRANS FIN AUTH, NY TXBL REV BONDS	2.520	11/01/22	925,000.00	0.00	1,230.25	1,230.25
05/09/19	INTEREST	4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	2.125	11/09/20	915,000.00	0.00	9,721.88	9,721.88
05/10/19	INTEREST	478160CH5	JOHNSON & JOHNSON CORP NOTE	1.950	11/10/20	195,000.00	0.00	1,901.25	1,901.25
05/13/19	INTEREST	037833BF6	APPLE INC CORP NOTES	2.700	05/13/22	500,000.00	0.00	6,750.00	6,750.00
05/15/19	INTEREST	191216AR1	COCA-COLA CO/THE GLOBAL NOTES	3.150	11/15/20	370,000.00	0.00	5,827.50	5,827.50
05/15/19	INTEREST	9128284P2	US TREASURY N/B NOTES	2.625	05/15/21	1,900,000.00	0.00	24,937.50	24,937.50
05/15/19	INTEREST	91412HBH5	UNIV OF CAL TXBL REV BONDS	3.029	05/15/21	340,000.00	0.00	5,149.30	5,149.30
05/16/19	INTEREST	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.270	11/16/20	925,000.00	0.00	10,557.08	10,557.08
05/24/19	MATURITY	62479MSQ7	MUFG BANK LTD/NY COMM PAPER	0.000	05/24/19	1,500,000.00	1,471,306.67	28,693.33	1,500,000.00
05/24/19	MATURITY	89233HSQ8	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.000	05/24/19	1,500,000.00	1,471,755.00	28,245.00	1,500,000.00
05/31/19	INTEREST	912828M98	US TREASURY NOTES	1.625	11/30/20	3,000,000.00	0.00	24,375.00	24,375.00
05/31/19	INTEREST	912828VF4	US TREASURY NOTES	1.375	05/31/20	1,650,000.00	0.00	11,343.75	11,343.75
05/31/19	INTEREST	912828WN6	US TREASURY NOTES	2.000	05/31/21	975,000.00	0.00	9,750.00	9,750.00
05/31/19	MATURITY	912828XS4	US TREASURY NOTES	1.250	05/31/19	4,795,000.00	4,795,000.00	29,968.75	4,824,968.75
05/31/19	MATURITY	912828XS4	US TREASURY NOTES	1.250	05/31/19	27,200,000.00	27,200,000.00	170,000.00	27,370,000.00



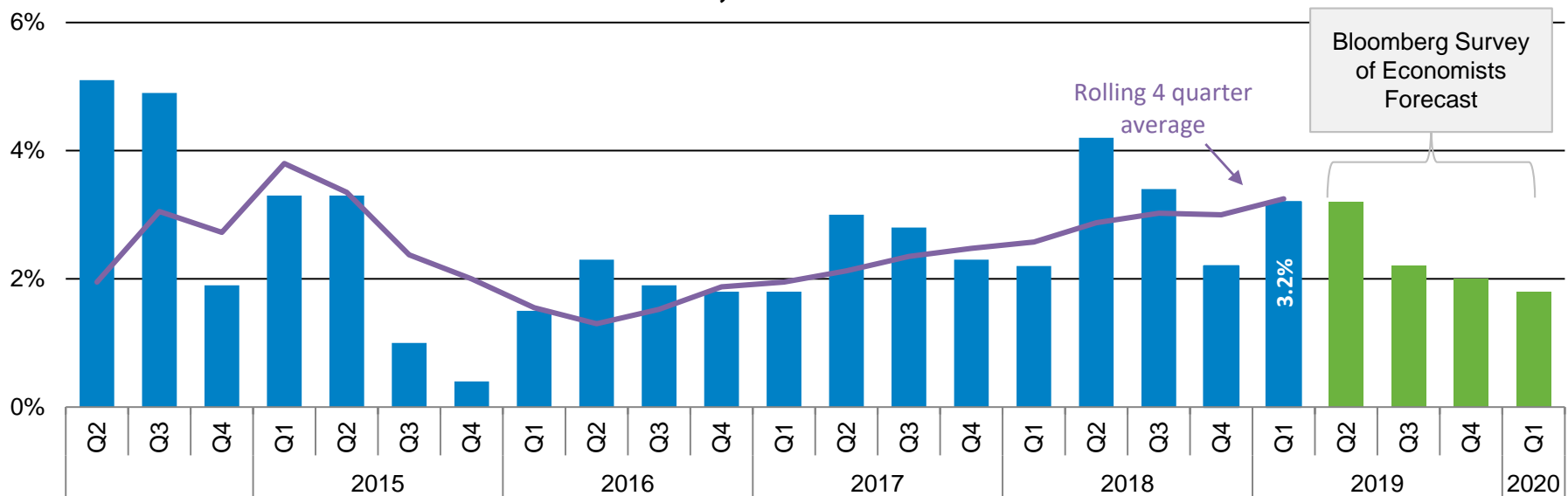
# Appendix: Economic Update



## Economic Growth Increases in First Quarter

- U.S. economic activity experienced relatively high growth during the first quarter of 2019.
  - GDP grew at a 3.2% annual rate, marking a significant increase from the 4<sup>th</sup> quarter's revised growth of 2.2%.
  - This marks the best GDP to start the year since 2015.
- Growth is projected to decline in the remaining quarters of 2019 and into 2020.
  - The main causes for this expected decrease in future growth include overall slower global growth and a growing budget deficit, as well as recent tariffs put in place by President Trump.

### U.S. Real GDP QoQ, SAAR



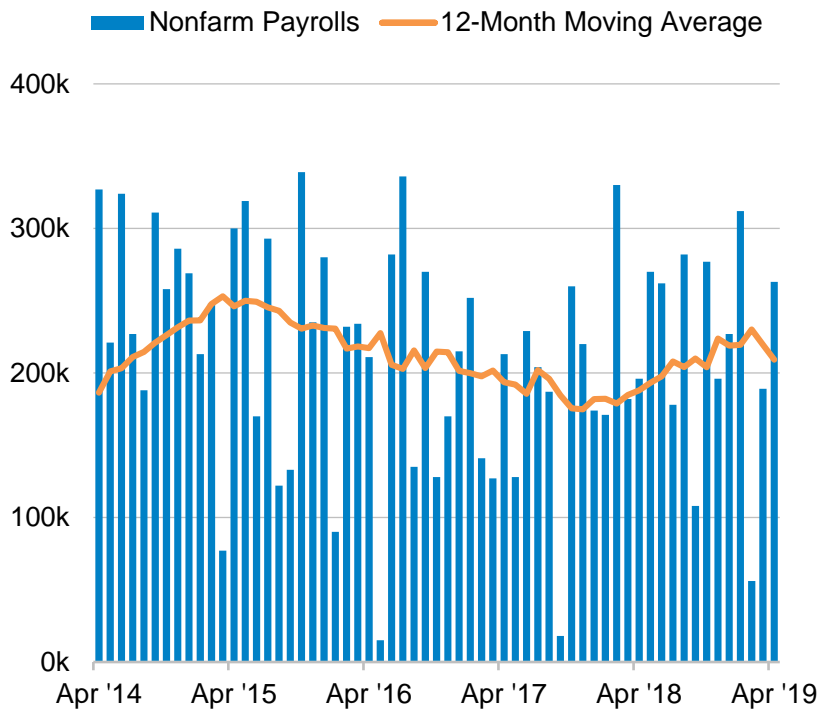
Source: Bloomberg, as of April 30, 2019. SAAR is seasonally adjusted annualized rate. Purple denotes rolling four-quarter averages.



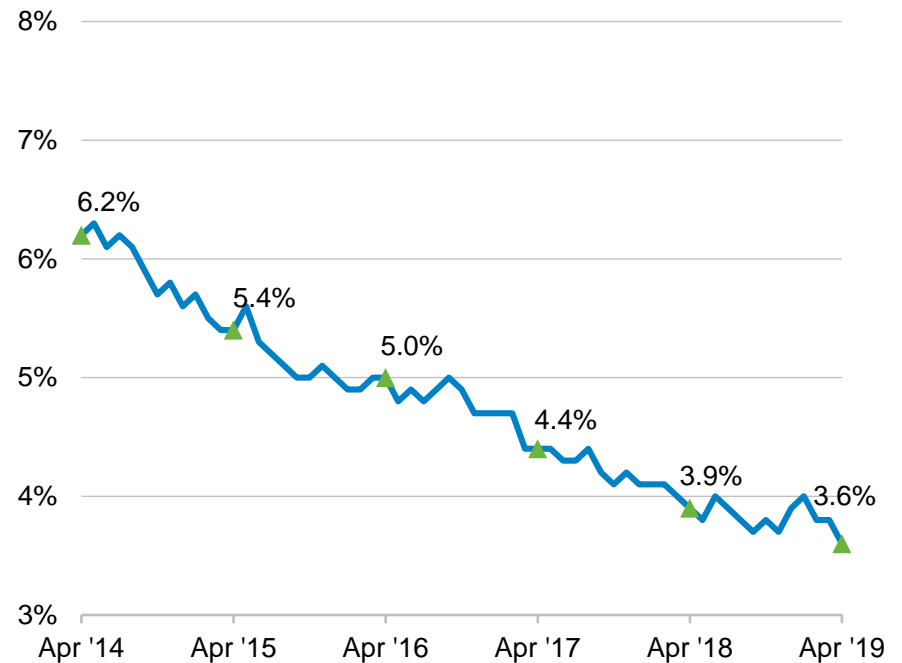
# Labor Market Shows Continued Strength in April

- The U.S. economy added 263,000 jobs throughout the month of April.
- Overall economic indicators remain strong as the unemployment rate fell to 3.6% by the end of the month, the lowest rate in nearly half a century.

**Monthly Change in Nonfarm Payrolls**



**Unemployment Rate**



Source: Bloomberg, as of April 2019.

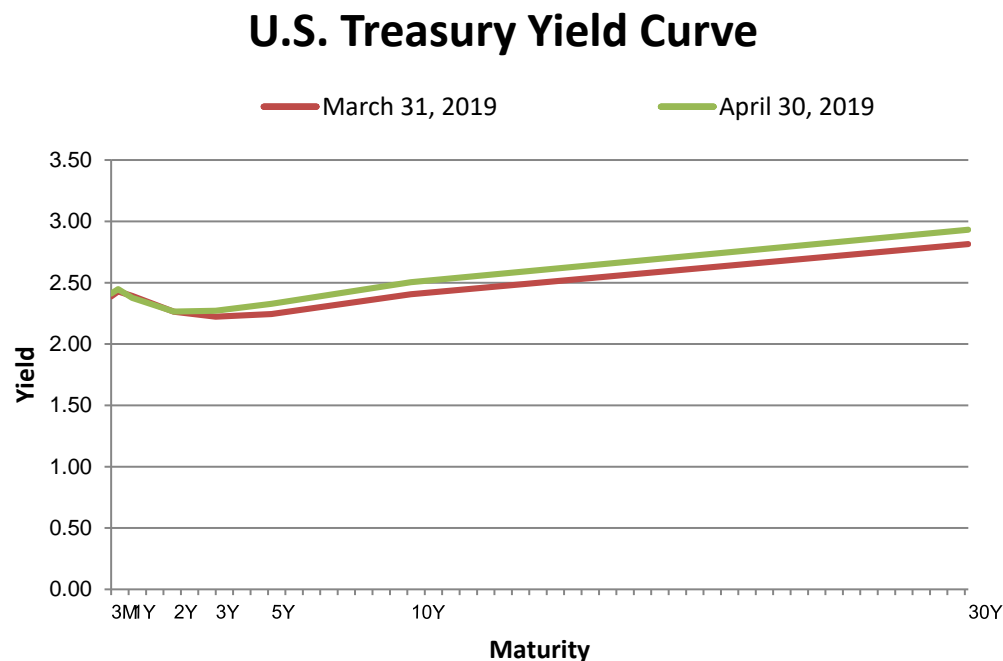




## U.S. Treasury Yield Curve

- The U.S. Treasury yield curve continues to exhibit a slight inversion.
- 3-month Treasury notes are yielding higher than intermediate-term notes as of April 30<sup>th</sup>, 2019, causing the abnormal curvature at the shorter end of the curve.

	<u>3/31/19</u>	<u>4/30/19</u>	<u>Change</u>
3 month	2.39%	2.41%	0.02%
6 month	2.43%	2.45%	0.02%
1 year	2.39%	2.38%	-0.02%
2 year	2.26%	2.27%	0.00%
3 year	2.22%	2.27%	0.05%
5 year	2.24%	2.33%	0.08%
10 year	2.41%	2.50%	0.10%
30 year	2.82%	2.93%	0.12%

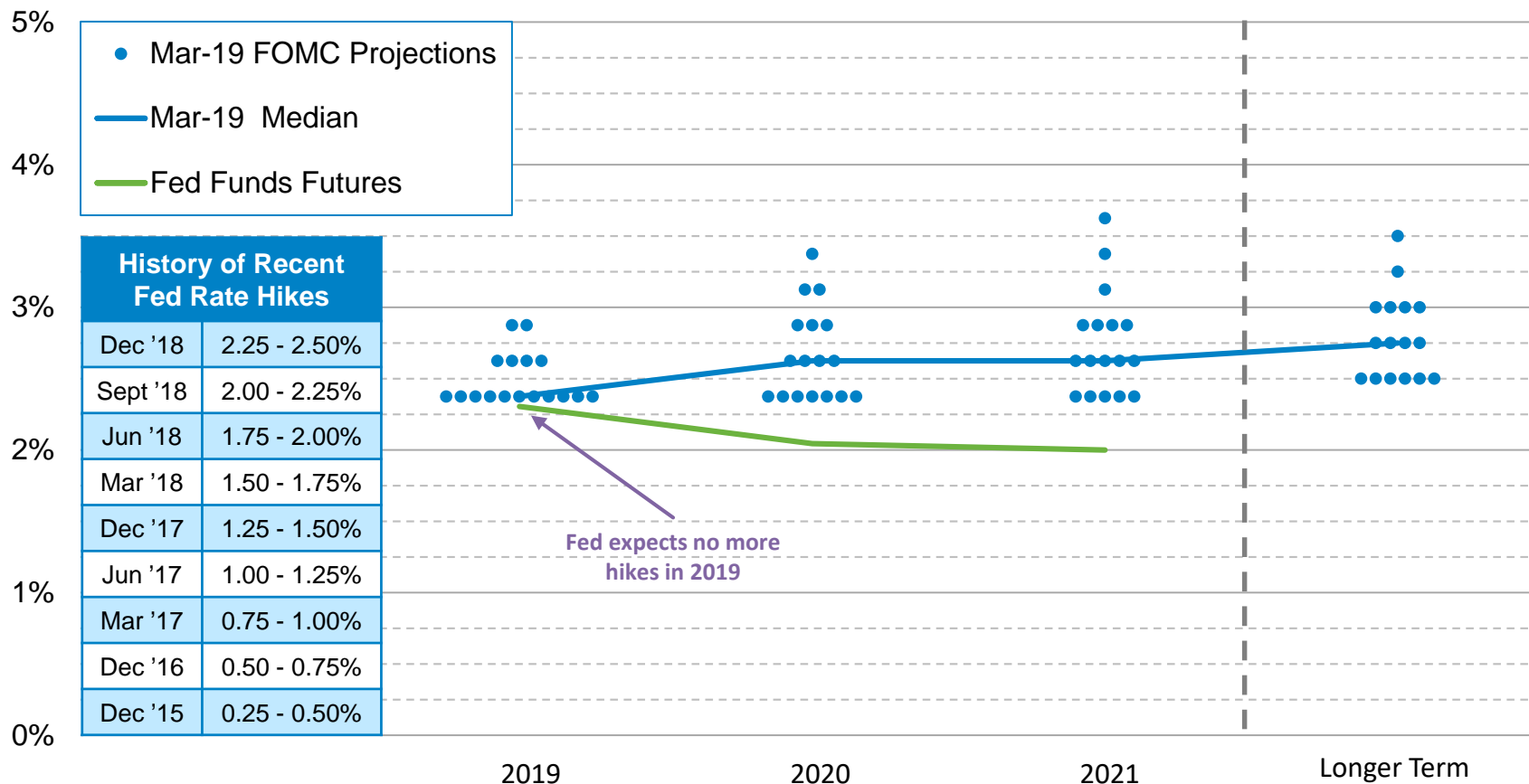


Source: Bloomberg



# FOMC's March "Dot Plot" Indicates No Hike in 2019

## Fed Participants' Assessments of 'Appropriate' Monetary Policy



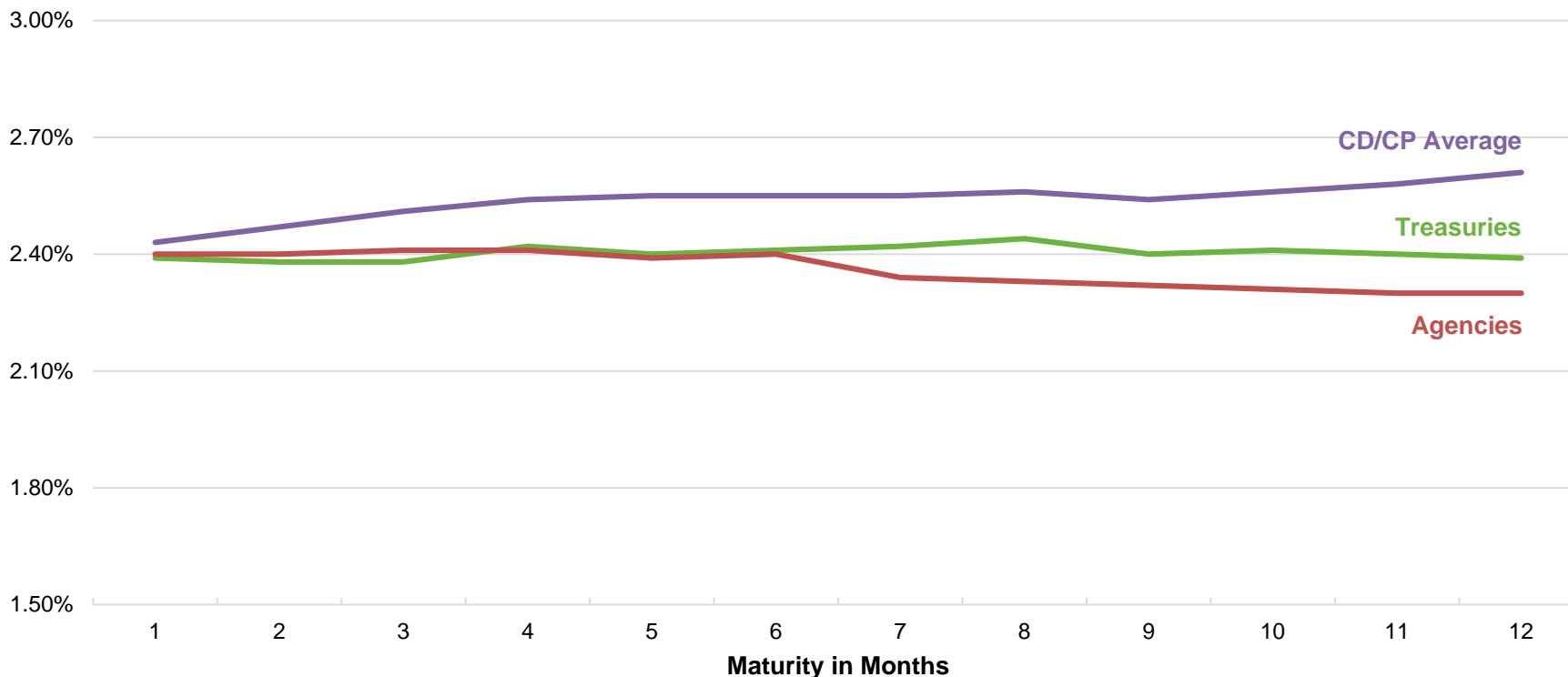
Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. Fed funds futures as of 3/20/19.



## Current Short-Term Credit Environment

- Commercial paper and bank certificate of deposit (CP/CD) yield spreads narrowed further in April.
- Treasuries continue to be relatively attractive versus agency discount notes, especially in the 7-12 month maturity range.

**Money Market Yield Curves**



Source: Bloomberg, PFMAM Trading Desk, as of 4/30/19. Not a specific recommendation.



## Disclosure

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

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

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

## **Capital Improvement Program Report**



**FY-2019 2<sup>nd</sup> Quarter  
January 1<sup>st</sup> through March 31<sup>st</sup>, 2019**

**Board of Directors  
Finance and Budget Committee**

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

**May 2019**

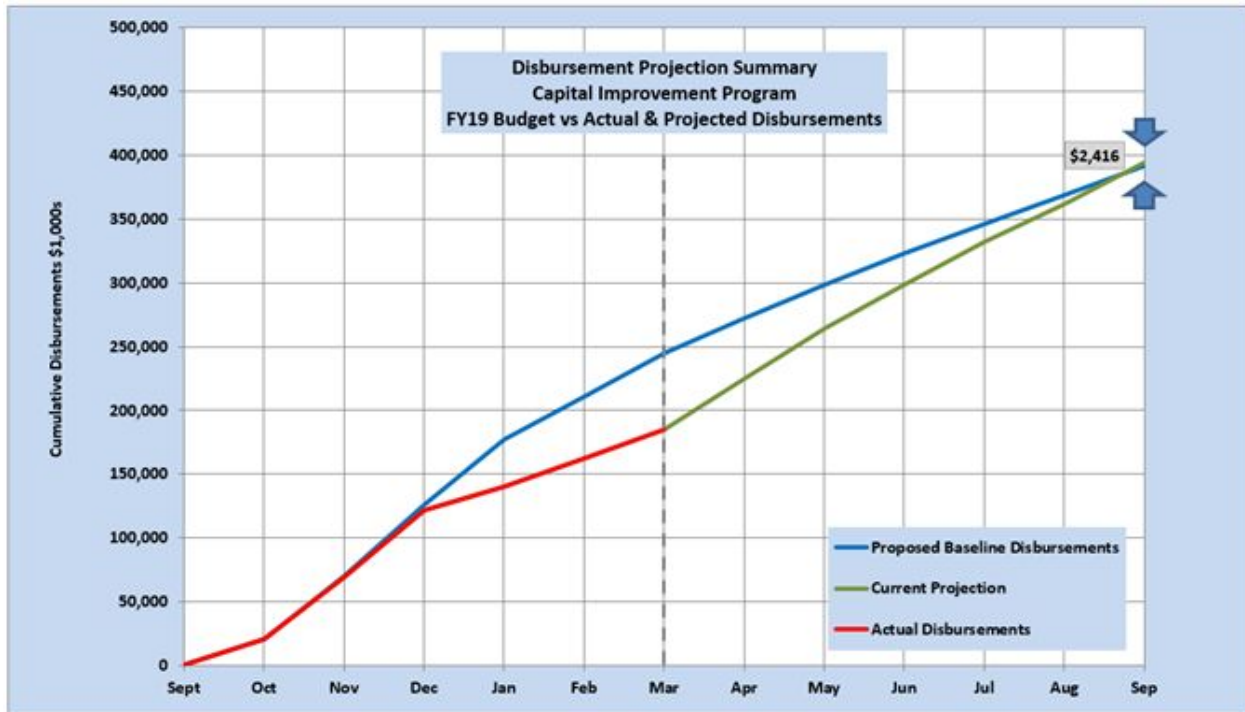


## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2019

### 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.

The current projected fiscal year 2019 CIP disbursements are \$394,084,000 through the end of September 2019, which is on track to meet the baseline disbursement projection of \$391,670,000. The disbursements to date thru the mid-year are \$185,827,000 which is \$59.1M under the baseline forecasted midyear disbursements of \$244,931,000. Overall, the majority of forecast spending is on committed construction projects that are currently anticipated to be caught up within the fiscal year.

Current disbursement projections within the service areas are as follows:

#### Non-Process Facilities

Baseline Disbursements      \$15,309,000  
 Projected Disbursements      \$15,921,000 (\$0.6M above baseline projection)

There are no significant project variances for this service area currently projected over the fiscal year. The spending thru the mid-year is \$8.4M below the baseline, this underspending is mainly due to the



## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2019

delay in retention release for the HQ building. It is anticipated the spending will still occur within this fiscal year

### Wastewater Treatment Service Area

Baseline Disbursements	\$69,979,000
Projected Disbursements	\$67,152,000 (\$2.8M below baseline projection)

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

The underspending thru the mid-year in the Enhanced Nitrogen Removal Facilities Program (\$10.1M) is mainly due to anticipated project closeouts slipping on projects E8 - Enhanced Clarification Facilities, FR - BP Tunnel Dewatering Pumping Station and FS - Div D - Bolling Overflow & Diversion, additionally the Raw Waste Water Pump Station No. 2 upgrades (RWWPS) pump rebuilds are behind schedule. It is anticipated the spending will still occur within this fiscal year.

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

### Combined Sewer Overflow Program Area

Baseline Disbursements	\$7,491,000
Projected Disbursements	\$9,533,000 (\$2M above baseline projection)

Significant project variances are listed below:

- *Combined Sewer Outfalls (\$1.9M above baseline)*
  - The disbursements for project EJ - Potomac Pumping Station-Ph III Rehab - are projecting higher than the baseline mainly due to Change Orders.

### DC Clean Rivers Program Area

Baseline Disbursements	\$187,859,000
Projected Disbursements	\$187,859,000

The DCCR team currently anticipate the spending to meet the baseline forecast by year end.

The underspending through the mid-year (\$18.2M) is mainly attributable to invoicing delays in the DC Clean Rivers projects, mainly due to compliance issues preventing processing payments to one Contractor and to untimely submittal of payment applications from another Contractor. It is currently anticipated the spending will catch up within the fiscal year.

### Stormwater Service Area

Baseline Disbursements	\$4,220,000
Projected Disbursements	\$5,286,000 (\$1M above baseline projection)

Significant project variances are listed below:

- *Storm Pumping Facilities (\$1.0M above baseline)*



## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2019

- The disbursements for project NG - Stormwater Pump Stations Rehabilitation are currently forecast higher than the baseline as Grant funded work was moved forward as required to be complete within the fiscal year.

### **Sanitary Sewer Service Area**

Baseline Disbursements      \$44,926,000  
Projected Disbursements      \$47,677,000 (\$2.8M above baseline projection)

Significant project variances are listed below:

- *Sanitary Trunk Sewer (\$4.0M above baseline projection)*
  - The disbursements for Project DR - Low Area Trunk Sewer Rehabilitation and Project J0 - B St/New Jersey Ave Trunk Sewer Rehabilitation are currently forecast higher than the baseline as the work is progressing faster than anticipated.

The mid-year underspending (\$5.8M) in the Sanitary Sewer System service area is mainly attributable to delays in the closeout of projects A4 – Watts Branch and IL - Creekbed Sewer Rehabilitation 2. It is currently anticipated these will closeout within the fiscal year.

### **Water Service Area**

Baseline Disbursements      \$61,884,000  
Projected Disbursements      \$60,658,000 (\$1.2M below baseline projection)

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

The mid-year underspending (\$6.6M) in the Water Distribution System program area is mainly attributable to delays in closing out two Small Diameter Water Main projects, these are still anticipated to be closed in FY19.





## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2019

### 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	Water Program Manager	Professional Services	No	\$20M -25M	EQ & Ops Jun	Jul
FA00	Soldiers Home Reservoir Upgrade	Construction	No	\$5M - \$10M	EQ & Ops Jul	Sep
LZ00	Potomac Interceptor – Phase 5 Pipe Rehab	Construction	Yes	\$10M - \$15M	EQ & Ops Sep	Oct
F100	Small Diameter Water Main Repl. 13c	Construction	No	\$5M - \$10M	EQ & Ops Oct	Nov
F100	Small Diameter Water Main Repl. 13d	Construction	No	\$5M - \$10M	EQ & Ops Oct	Nov



## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2019

### Schedule - Key Performance Indicators Capital Improvement Program

**Summary:**

For the 2<sup>nd</sup> Quarter, all the Key Performance Indicators (KPIs) completed this period were achieved within 90 days of their target date. One will be completed outside the 90-day threshold.

#	Performance
6	KPIs completed within threshold
0	KPIs completed outside threshold
6	Total KPIs completed to date
17	Total KPIs due this year

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

The Construction Substantial Completion for IL10 has slipped due to additional roadway restoration required from National Park Services  
The project OE01 project KPI has been moved to accommodate the project BX – Gravity Thickeners spending request

**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	0	✓
Q2	J306	National Arboretum Sewer Rehab (Eastside Interceptor)	Construction Substantial Completion	22-Jan-19		24-Jan-19	-2	✓
Q2	DE02	Small Diameter Water Main Replacement 12B	Construction Substantial Completion	25-Jan-19		23-Jan-19	2	✓
Q2	O302	Small Diameter Water Main Replacement 11b	Construction Substantial Completion	1-Feb-19		27-Dec-18	36	✓
Q2	MA01	St. Elizabeth Water Tank	Construction Substantial Completion	24-Jan-19		24-Dec-18	31	✓



## Capital Improvement Program Report 2<sup>nd</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
Q2	IL10	Creekbed Sewer Rehabilitation Rock Creek Oregon Avenue	Construction Substantial Completion	19-Feb-19	1-Jun-19			
Q2	DE01	Small Diameter Water Main Replacement 12A	Construction Substantial Completion	30-Apr-19		20-Dec-18	131	✓
Q3	AL05	Plantwide Projects Program Management	MFU6 - Start Milestone	1-May-19	15-May-19			
Q3	LZ09	PI Phase 6 Pipe Rehab at Clara Barton Pkwy and I495	Design Start Milestone	19-Jun-19	1-Oct-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	30-Jul-19			
Q4	C904	66" Low Service Steel Main at 8th Street NE & SE	Construction Substantial Completion	5-Jul-19	20-Apr-20			
Q4	I801	Large Valve Replacements 11R	Construction Substantial Completion	31-Jul-19	31-Jul-19			
Q4	CZ07	Potomac Project 1 (GI)	Substantial Completion Milestone	31-Jul-19	31-Jul-19			
Q4	FA03	Soldiers Home Reservoir Upgrade	Construction Start Milestone	8-Aug-19	20-Oct-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-21			

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



# FY 2019 Operating and Capital Budget (Year-End Projections)

Presentation to the Finance & Budget Committee

*Matthew T. Brown, EVP & Chief Financial Officer*

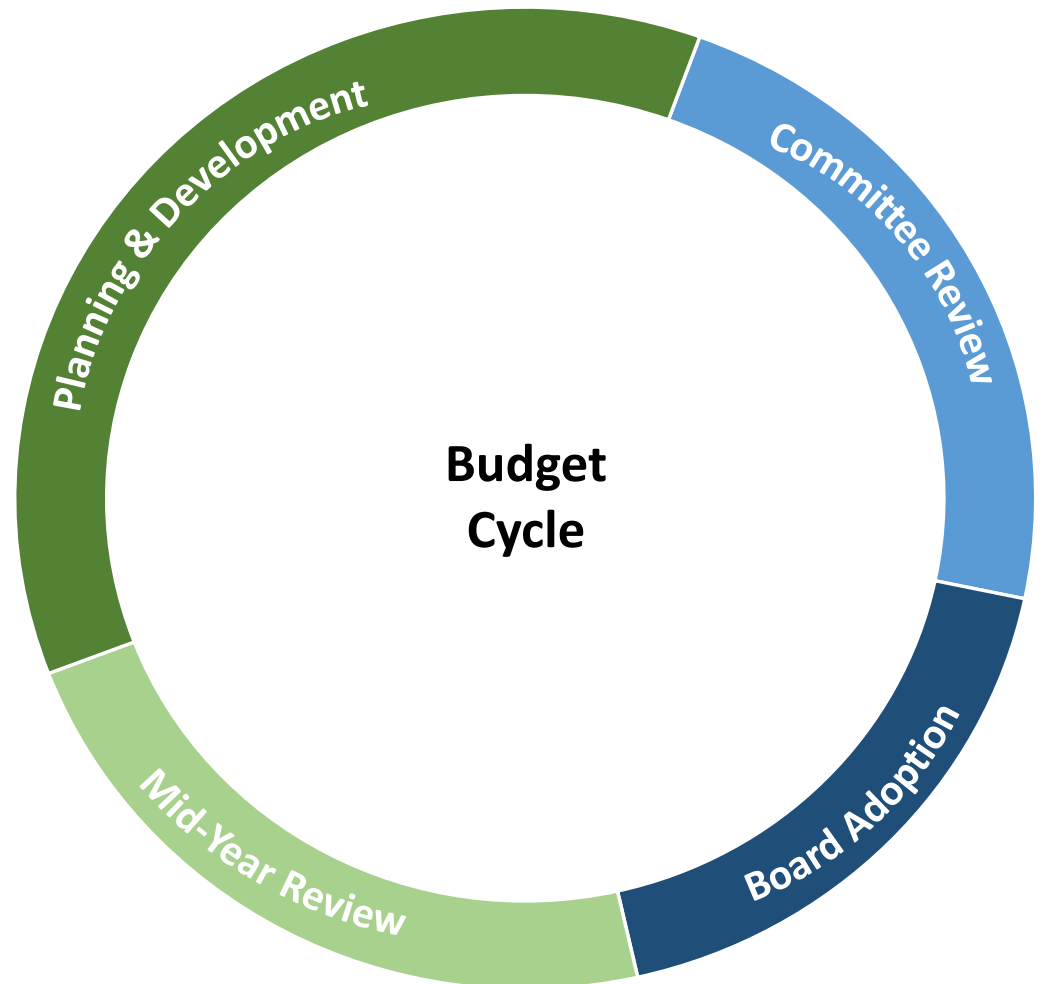
*May 23, 2019*



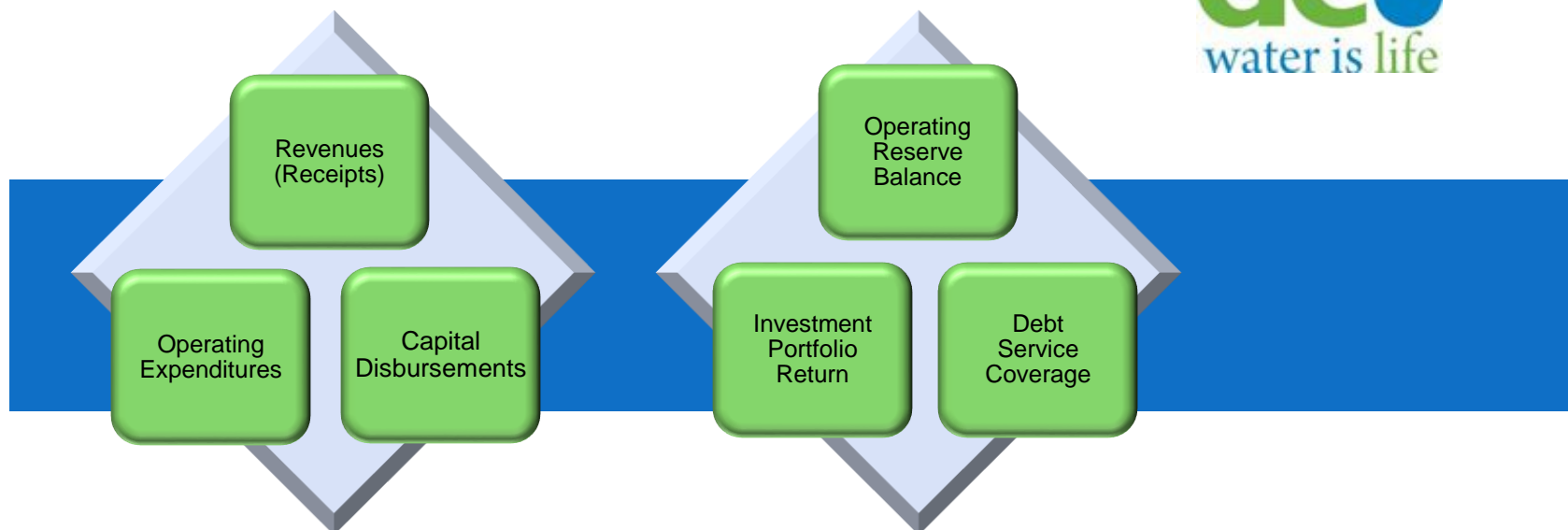
# OVERVIEW OF BUDGET PROCESS

The budget development process includes the:

- Annual Operating Expenditure Budget
- Annual Operating Revenues, Rates, Fees and Charges
- Two-Year Retail Rate Proposals
- Ten-Year Capital Improvement Program
- Ten-Year Financial Plan



## Summary (as of April 30, 2019)



(\$ in Millions)	Annual Budget	YTD April Actual	YTD % of Budget	Year-End Projections	Year-End % of Budget
Revenues/Receipts	\$665.7	\$410.8	62%	\$686.9	103.2%
Operating Expenditures	\$582.8	\$309.8	53%	\$571.6	98%
Capital Disbursements	\$439.1	\$225.0	51%	\$429.5	98%



# OPERATING REVENUES

## (\$000'S)

Category	Revised Budget	YTD Actual	Year-End Projections	Projected Variance (\$)	Projected % of Budget
Residential, Commercial, and Multi-family	\$376,210	\$229,024	\$389,024	\$12,814	3.4%
Federal	67,054	50,866	67,054	-	0.0%
District Government	18,009	9,333	16,733	(1,276)	-7.1%
DC Housing Authority	9,860	6,674	10,714	854	8.7%
Customer Metering Fee	10,776	6,941	11,544	768	7.1%
Water System Replacement Fee (WSRF)	39,717	24,856	40,527	810	2.0%
Wholesale	82,992	41,011	82,992	-	0.0%
Right-of-Way Fee/PILOT	21,701	12,320	21,035	(666)	-3.1%
<b>Subtotal (before Other Revenues)</b>	<b>\$626,318</b>	<b>\$381,027</b>	<b>\$639,623</b>	<b>\$13,304</b>	<b>2.1%</b>
Other Revenue without RSF:					
IMA Indirect Cost Reimb. For Capital Projects	4,566	2,198	4,396	(170)	-3.7%
DC Fire Protection Fee	12,527	9,395	12,527	-	0.0%
Stormwater (MS4)	1,000	953	1,263	263	26.3%
Interest	2,971	2,000	3,151	180	6.1%
Developer Fees & Deposits (Water & Sewer)	6,000	6,303	9,303	3,303	55.1%
System Availability Fee (SAF)	3,850	480	1,130	(2,720)	-70.6%
Others	2,417	8,475	9,555	7,138	295.3%
<b>Subtotal</b>	<b>\$33,331</b>	<b>29,804</b>	<b>\$41,325</b>	<b>\$7,994</b>	<b>24.0%</b>
Rate Stabilization Fund Transfer	6,000	-	6,000	-	-
<b>Grand Total</b>	<b>\$665,649</b>	<b>\$410,831</b>	<b>\$686,948</b>	<b>\$21,299</b>	<b>3.2%</b>



# OPERATING EXPENDITURE

## (\$000'S)

(\$000's)	FY 2017 Actual	FY 2018 Actual	FY 2019 Approved	YTD Actual*	Year-End Projections	Projected Variance	FY 2020 Approved
Authorized Headcount	1260	1260	1274	1126	1226	48	1,223
Filled/Budgeted Headcount	1134	1165	1274	1141	1176	98	1,223
Vacant Headcount	126	95					
Salary	\$ 116,827	\$ 123,803	\$ 126,484	\$ 70,085	\$ 120,983	\$ 5,501	\$ 131,377
Regular Pay	108,083	114,109	118,284	65,038	112,249	6,035	122,671
On-call time	593	706	625	369	669	(44)	622
Overtime	8,150	8,988	7,575	4,678	8,065	(490)	8,084
Benefits	32,466	33,832	36,137	19,321	33,946	2,190	39,303
<b>Total Personnel Services</b>	<b>\$ 149,293</b>	<b>\$ 157,635</b>	<b>\$ 162,620</b>	<b>\$ 89,405</b>	<b>\$ 154,929</b>	<b>\$ 7,691</b>	<b>\$ 170,680</b>
Chemicals	23,078	23,131	23,558	15,572	27,606	(4,048)	25,181
Supplies	8,295	7,351	8,524	4,598	8,132	391	7,977
Utilities	24,260	26,158	26,915	15,706	25,966	948	26,953
Contractual Services	72,951	74,914	81,679	41,973	78,725	2,954	81,886
Water Purchases	26,796	28,357	30,520	17,589	32,617	(2,097)	34,929
Small Equipment	1,178	700	1,240	262	867	373	989
<b>Total Non-Personnel Services</b>	<b>\$ 156,557</b>	<b>\$ 160,610</b>	<b>\$ 172,435</b>	<b>\$ 95,700</b>	<b>\$ 173,913</b>	<b>\$ (1,479)</b>	<b>\$ 177,914</b>
<b>Total O&amp;M Expenses</b>	<b>\$ 305,851</b>	<b>\$ 318,245</b>	<b>\$ 335,055</b>	<b>\$ 185,105</b>	<b>\$ 328,842</b>	<b>\$ 6,213</b>	<b>\$ 348,594</b>
Debt Service	165,836	178,399	199,025	112,000	194,021	5,004	215,340
PILOT / ROW	21,057	21,376	21,702	12,660	21,702	-	22,034
Payment in Lieu of Taxes	15,957	16,276	16,602	9,685	16,602	-	16,934
Right of Way	5,100	5,100	5,100	2,975	5,100	-	5,100
Cash Financed Capital Improvements	24,199	35,260	26,999	-	26,999	-	28,556
<b>Total Debt Service/PILOT/ROW/CFCI</b>	<b>211,092</b>	<b>235,035</b>	<b>247,726</b>	<b>124,660</b>	<b>242,722</b>	<b>5,004</b>	<b>265,929</b>
<b>Total Operating Expenditures</b>	<b>\$ 516,943</b>	<b>\$ 553,279</b>	<b>\$ 582,781</b>	<b>\$ 309,764</b>	<b>\$ 571,564</b>	<b>\$ 11,217</b>	<b>\$ 614,523</b>
<i>Less: PS charged to Capital Projects</i>	<i>(17,231)</i>	<i>(15,527)</i>	<i>(18,259)</i>	<i>(10,326)</i>	<i>(17,676)</i>	<i>(583)</i>	<i>(22,748)</i>
<b>Total Net Operating Expenditures</b>	<b>\$ 499,712</b>	<b>\$ 537,752</b>	<b>\$ 564,522</b>	<b>\$ 299,438</b>	<b>\$ 553,888</b>	<b>\$ 10,634</b>	<b>\$ 591,775</b>

\*YTD April





## FY 2019 OPERATING EXPENDITURE: MAJOR VARIANCES – O&M \$6.2M

Total operations and maintenance expenditure is projected at a net of \$11.2 million or 1.9% below the approved budget mainly in personnel, contractual services and debt service costs

- **Personnel Services (\$7.7 million decrease)** - Projection reflects impact of temporary hiring freeze coupled with the elimination of 63 vacant positions and lower than anticipated health benefit costs. Overtime costs are expected to be slightly above budget at approximately \$0.5 million mainly for Water Services, Sewer Services, and the AMR project. Total projection includes year-end estimates for employee-related expenses
- **Chemicals & Supplies (\$3.7 million increase)** - Projected overspending mainly due to higher unit prices for major chemicals (methanol, sodium bisulfite and ferric chlorite); coupled with higher than anticipated use of chemicals for treatment in the Tunnel Dewatering Pump Station (TDPS), and higher influent at the Plant
- **Utilities (\$1 million net decrease)** - Projection reflects underspending in electricity as a result of favorable market prices (all in cost of \$75.42/MWh vs. budget of \$81.31/MWh) and natural gas from relatively mild winter conditions; *offset* slightly by higher water usage costs for treatment process from increased influent



## FY 2019 OPERATING EXPENDITURE: MAJOR VARIANCES, CONT.

- **Contractual Services (\$3.0 million net decrease)** - Projected underspending in several areas including equipment maintenance and repairs, professional services, janitorial contract, delayed implementation of the Enterprise Resource Planning project, insurance premiums, and legal matters (\$0.4M); *offset* by higher spending for biosolids hauling, credit card fees, consulting temps for billing and customer care associates, automotive repairs and maintenance of aged vehicles, and claims
- **Water Purchase (\$2.1 million increase)** - DC Water's proportionate share of the Washington Aqueduct (WAD)'s budget (approximately 75%). WAD costs are trending almost at par to budget (e.g. lifting of hiring freeze, coupled with higher water purchase experienced to date) and projected to achieve 98% of its budget
- **Debt Service (\$5.0 million decrease)** - Debt to be issued at year-end, resulting in no payments on the new debt this fiscal year
- **PILOT & ROW** – These are payments to the District consistent with the MOU
- **Cash Financed Capital Improvements** – Due to favorable O&M position, 100% will be utilized for paygo financing



# CAPITAL DISBURSEMENTS (\$000'S)

## Capital Disbursements (\$000's)

Service Area	FY 2018 Actual	FY 2019 YTD Actual Budget	YTD Actual April	Year-End Projections	Projected Variance (\$)	Projected % of Budget	FY 2020 Budget
Non Process Facilities	\$35,527	\$15,309	\$5,376	\$15,921	(\$612)	-4.0%	\$36,002
Wastewater Treatment	106,104	69,979	35,090	67,152	2,828	4.0%	66,620
Combined Sewer Overflow	188,294	195,350	115,571	197,391	(2,041)	-1.0%	151,427
Stormwater	1,988	4,220	1,229	5,286	(1,065)	-25.2%	8,571
Sanitary Sewer	46,888	44,927	22,793	47,677	(2,750)	-6.1%	43,646
Water	69,005	61,884	30,626	60,658	1,227	2.0%	71,720
<b>SUBTOTAL: CAPITAL PROJECTS</b>	<b>\$447,805</b>	<b>\$391,669</b>	<b>\$210,686</b>	<b>\$394,084</b>	<b>(\$2,415)</b>	<b>-0.6%</b>	<b>\$377,987</b>
Capital Equipment	28,929	34,518	11,219	25,740	8,778	25.4%	26,823
Washington Aqueduct	13,194	12,930	3,090	9,664	3,266	25.3%	15,532
<b>SUBTOTAL: ADD'L CAPITAL PROGRAMS</b>	<b>\$42,123</b>	<b>\$47,448</b>	<b>\$14,309</b>	<b>\$35,404</b>	<b>\$12,043</b>	<b>25.4%</b>	<b>\$42,355</b>
<b>TOTAL CIP DISBURSEMENTS</b>	<b>\$489,929</b>	<b>\$439,117</b>	<b>\$224,995</b>	<b>\$429,489</b>	<b>\$9,628</b>	<b>2.2%</b>	<b>\$420,342</b>



## FY 2019 CAPITAL DISBURSEMENTS: MAJOR VARIANCES

Total capital disbursements is projected at a net of \$9.6 million or 2.2% below the FY 2019 revised budget

- **Capital Projects (\$2.4 million net increase)** - Higher projected disbursements are mainly in the Combined Sewer Overflow and Sanitary Sewer service areas. Detailed information on project performance and major drivers are included in this month's Quarterly CIP report
- **Capital Equipment (\$8.8 million decrease)** - Reflects lower than planned use of Authority-wide reserves for capital equipment needs and delay in the Enterprise Resource Planning (ERP) Project
- **Washington Aqueduct (\$3.3 million decrease)** – Lower projected disbursements are primarily due to the delay in execution of scheduled projects (Dalecarlia Clearwell and Backwash Water Tank, Reservoir Improvements & Conduits)



# FY 2019 PROJECTED NET CASH (\$000'S)

Category	Board Approved Financial Plan	Year-End Projection*	Variance Positive / (Negative)
Total Revenue	\$665,650	\$686,949	\$21,299
Total Expense	537,253	526,889	10,364
Cash Financed Capital Improvements (CFCI)	26,999	26,999	-
<b>Revenue Less Expense and CFCI</b>	<b>\$101,398</b>	<b>\$133,061</b>	<b>\$31,663</b>
County Refunds / Mid-Year Projected Refund (Reversal)	(10,982)	(15,446)	(4,464)
Project Billing Refunds	(11,000)	(11,000)	-
Prior Year's Federal Billing Reconciliation	(5,821)	(5,821)	-
Transfer to CAP Fund	-	(10,246)	(10,246)
<b>NET INCOME / PLANNED CAPITAL CONTRIBUTIONS</b>	<b>\$73,595</b>	<b>\$90,548</b>	<b>\$16,953</b>
Beginning Cash Balance over Target	26,796	26,796	-
Transfer to Capital Improvement Program (CIP)	(75,391)	(75,391)	-
Transfer to Rate Stabilization Fund (RSF)	-	-	-
	<b>25,000</b>	<b>\$41,953</b>	<b>\$16,953</b>

\* Preliminary unaudited year-end projections, subject to change



## NEXT STEPS

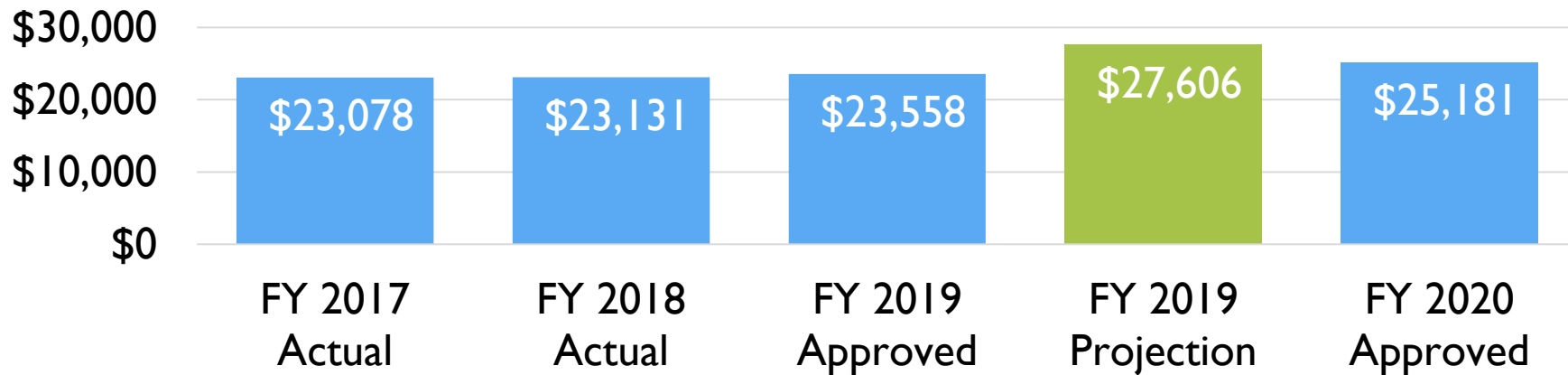
- ✓ Use of FY 2019 Projected Net Cash Surplus
  - Committee Recommendation (June)
  - Board Action (July)

# APPENDIX

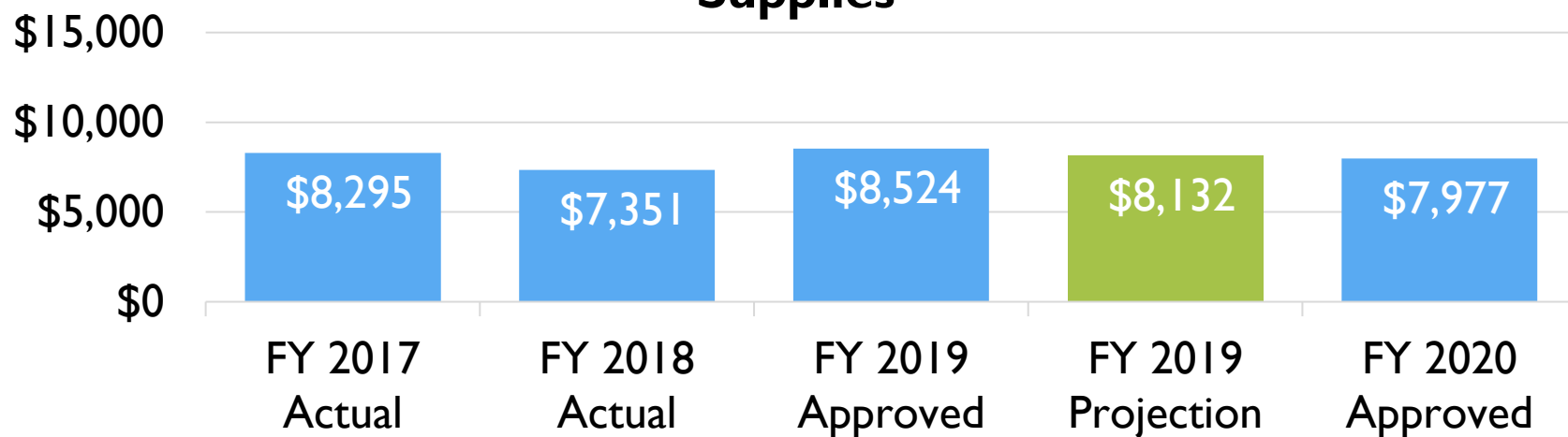


# CHEMICALS & SUPPLIES (\$000'S)

## Chemicals



## Supplies

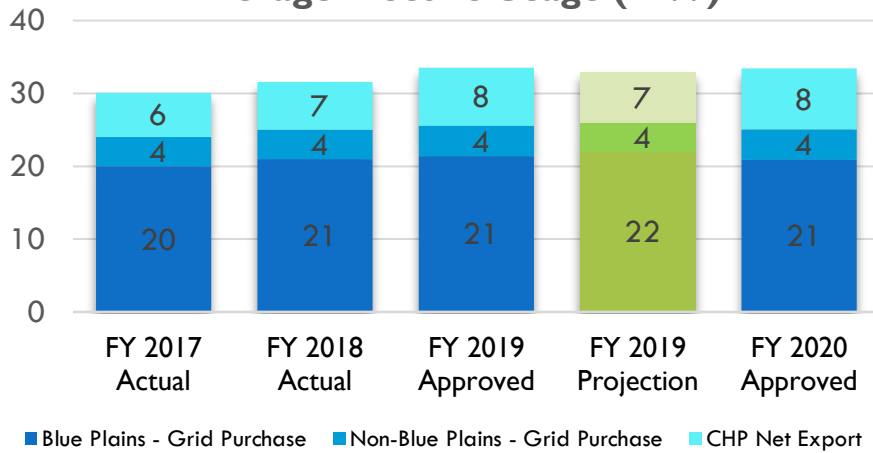




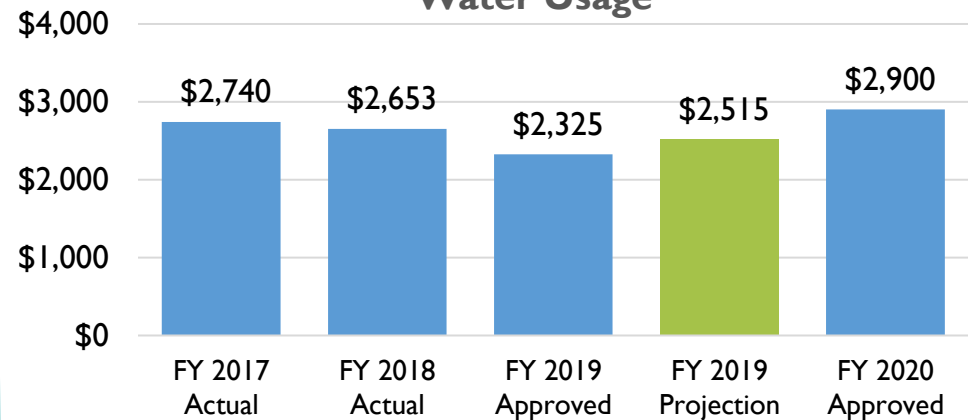


# UTILITIES (\$000'S)

**Average Electric Usage (MW)**

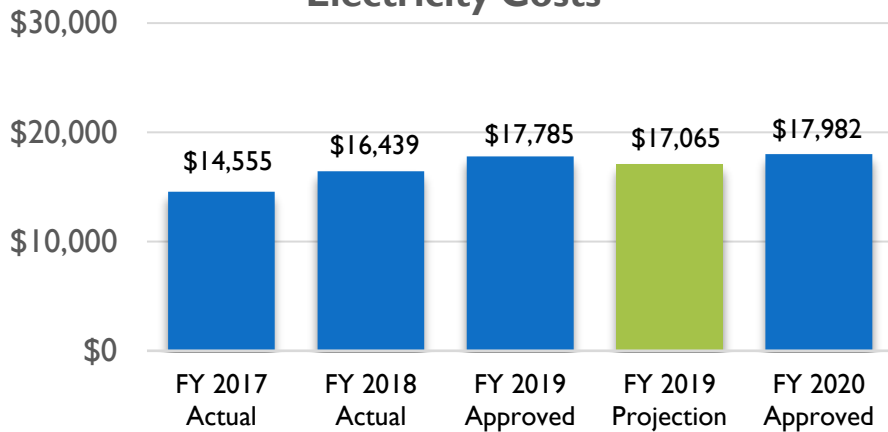


**Water Usage**

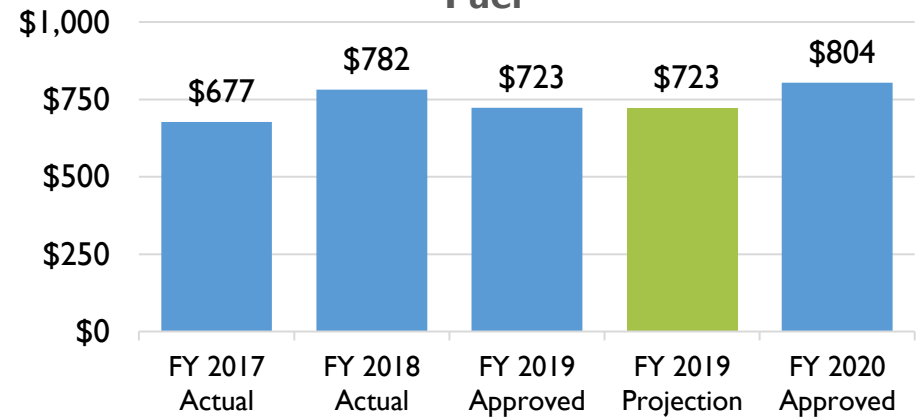


\$ in thousands

**Electricity Costs**



**Fuel**





# Capital Improvement Plan and Finance Review

Presentation to the Finance and Budget Committee  
May 23, 2019

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District of Columbia Water and Sewer Authority





## Purpose

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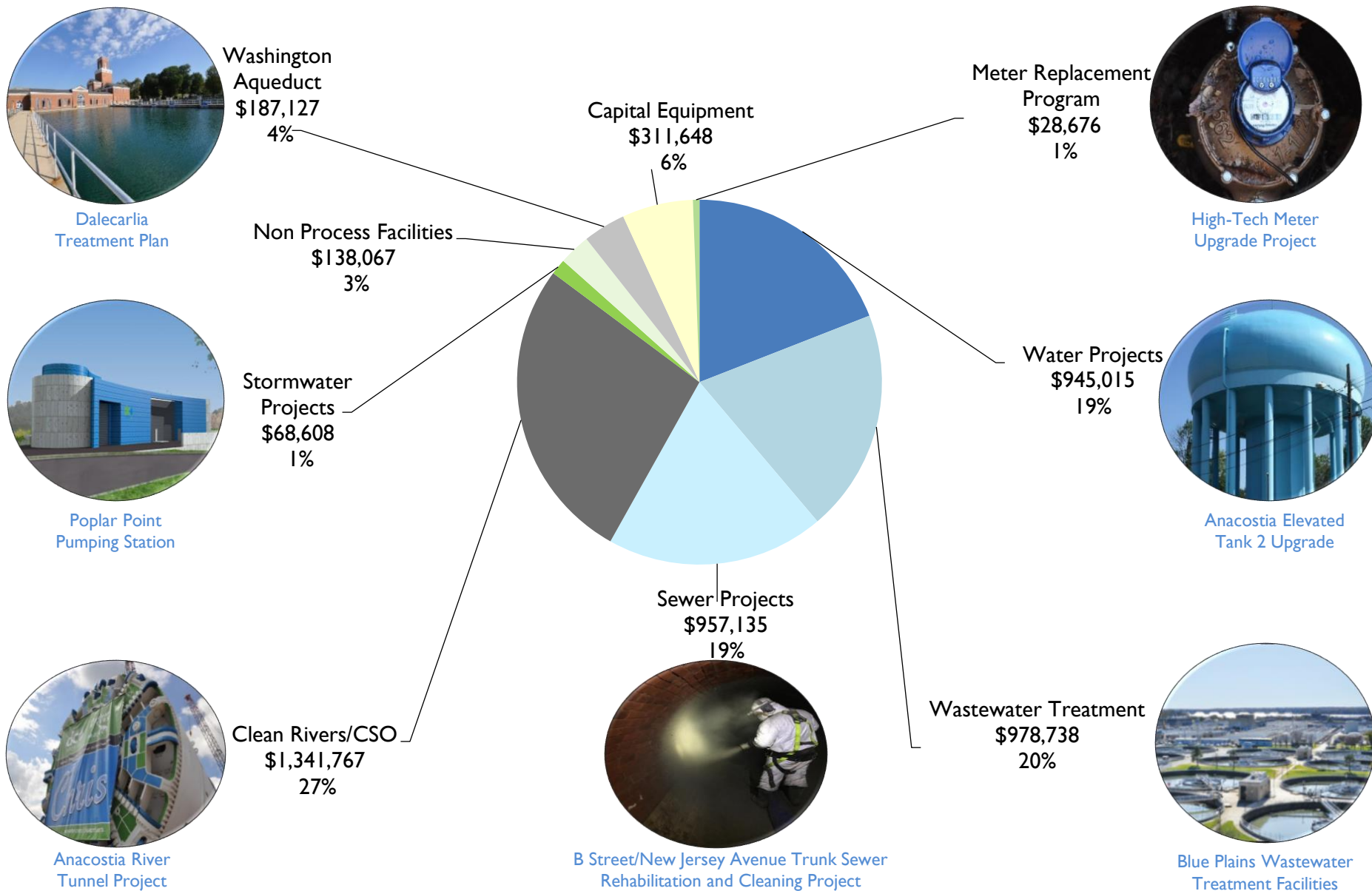
- Discuss FY2019-FY2028 Capital Improvement Plan
- Review financial metrics and rating agencies scorecards
- Discuss 10 year Financial Plan for FY2019-2028



# Capital Improvement Plan



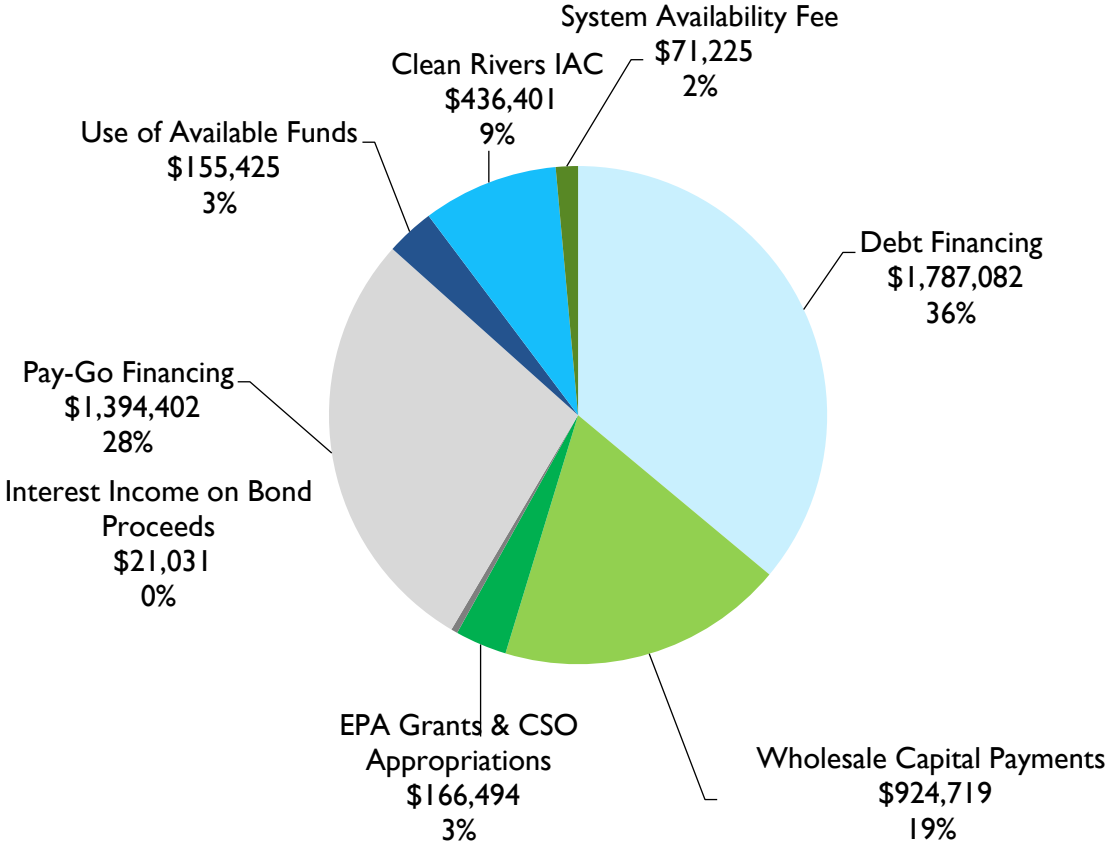
# 10-Year Disbursements of \$4.96 Billion





# Ten Year CIP: Sources

## Sources \$4.96 Billion





# Financial Metrics and Rating Agencies



# Select Peer Group

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

Selected Peer	Type	Moody’s Rating (Senior)	S&P Rating (Senior)	Total Operating Revenues (\$000s)	Total Annual Debt Service (\$000s)	Debt Ratio	Long Term Debt (\$000s)	Total Debt Service Coverage	DS as a % of Total Operating Revenues	Days Cash on Hand	Average Bill as % of Median Effective Buying Income
Atlanta, GA	Water & Sewer	Aa2	AA-	486,285	213,856	45.6%	2,924,317	1.9x	44.0%	1,364	4.1%
Charlotte, NC	Water & Sewer	Aaa	AAA	378,019	132,439	40.9%	1,527,327	1.8x	35.0%	864	2.0%
Dallas, TX	Water & Sewer	Aa1	AAA	632,469	182,000	46.7%	2,605,865	2.1x	28.8%	225	1.8% <sup>1</sup>
DC Water	Water & Sewer	Aa1	AAA	624,447	169,346	62.8%	3,224,567	1.9x	27.1%	259	1.6%
Louisville MSD, KY	Sewer	Aa3	AA	273,907	137,857	61.9%	1,865,260	1.4x	50.3%	220	1.3% <sup>1</sup>
Metro St. Louis Sewer District, MO	Sewer	Aa1	AAA	333,470	69,328	40.4%	1,351,437	2.4x	20.8%	623	1.2% <sup>1</sup>
NE Ohio Regional Sewer District	Sewer	Aa1	AA+	343,880	110,603	50.4%	1,546,085	1.9x	32.2%	754	2.3%
NYC Water	Water & Sewer	Aa1	AAA	3,828,715	821,000	97.8%	31,266,750	3.1x	21.4%	382	2.2%
San Antonio, TX	Water & Sewer	Aa1	AA+	678,110	173,005	46.0%	2,811,870	2.1x	25.5%	440	1.7%





# Value of Robust Credit Ratings

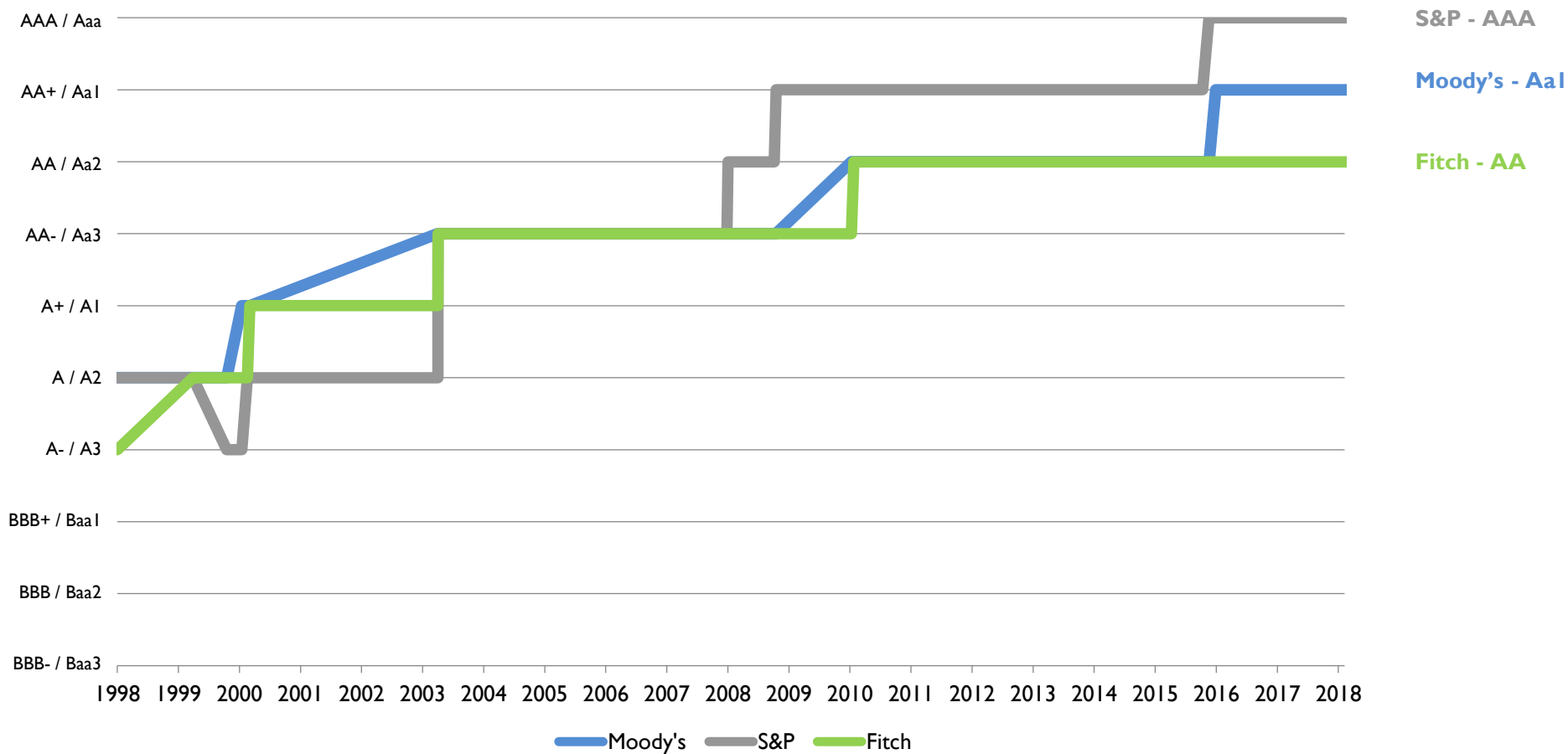
DC Water’s AAA credit rating saves our ratepayers money

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



# Senior Lien Credit Rating History

Senior Lien Ratings History (1998 – Present)





# Moody's Water & Sewer Utility Scorecard

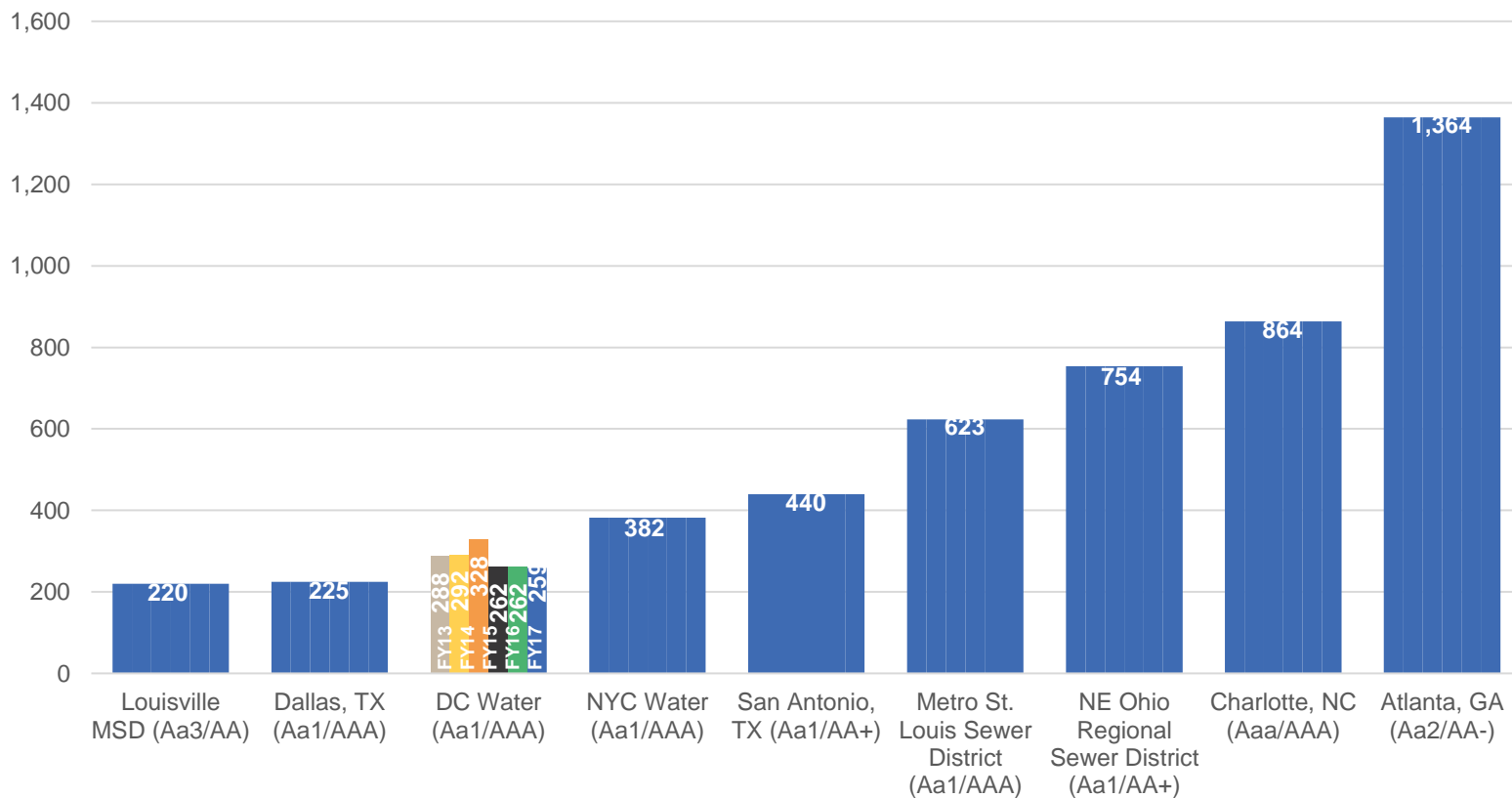
Scoring on Moody's Municipal Utility Methodology										
Factor	Description	Weight	Aaa 0.50-1.49	Aa 1.50-2.49	A 2.50-3.49	Baa 3.50-4.49	Ba 4.50-5.49	DC Water Input	Category Score	DC Water Est. Score
System Characteristics (30%)	Asset Condition - Remaining Useful Life (Net Fixed Assets / Annual Depreciation)	10%	> 75 Years	75 years ≥ n > 25 years	25 years ≥ n > 12 years	12 years ≥ n > 9 years	9 years ≥ n > 6 years	66.8 years	2	0.200
	System Size: (O&M in 000s)	7.5%	> \$65 million	\$65 M ≥ n > \$30 M	\$30 M ≥ n > \$10 M	\$10 M ≥ n > \$3 M	\$3 M ≥ n > \$1 M	\$299.4 million	1	0.075
	Service Area Wealth: MFI	12.5%	> 150% of US median	150% to 90% of US Median	90% to 75% of US Median	75% to 50% of US Median	50% to 40% of US Median	131%	2	0.250
Financial Strength and Liquidity (40%)	Annual Debt Service Coverage	15%	> 2.00x	2.00x ≥ n > 1.70x	1.70x ≥ n > 1.25x	1.25x ≥ n > 1.00x	1.00x ≥ n > 0.70x	1.9x	2	0.300
	Days Cash on Hand	15%	> 250 days	250 days ≥ n > 150 days	150 days ≥ n > 35 days	35 days ≥ n > 15 days	15 days ≥ n > 7 days	259 days	1	0.150
	Debt to Operating Revenues	10%	Less than 2.00x	2.00x < n ≤ 4.00x	4.00x < n ≤ 7.00x	7.00x < n ≤ 8.00x	8.00x < n ≤ 9.00x	5.2x	3	0.300
Management of System (20%)	Rate Management	10%	Excellent rate setting; no material political, practical, or regulatory limit to rate increases	Strong rate setting; little material political, practical, or regulatory limit to rate increases	Average rate setting; some material political, practical, or regulatory limit to rate increases	Adequate rate setting; political, practical, or regulatory impediments place material limits to rate increases	Below average rate setting; political, practical, or regulatory impediments place material limits to rate increases	Strong rate setting	1	0.100
	Regulatory Compliance and Capital Planning	10%	Fully compliant OR proactively addressing compliance issues; Maintains sophisticated and manageable Capital Improvement Plan that addresses more than a 10-year period	Actively addressing minor compliance issues; Maintains comprehensive and manageable 10-year Capital Improvement Plan	Moderate violations with adopted plan to address issues; Maintains manageable 5-year Capital Improvement Plan	Significant compliance violations with limited solutions adopted; Maintains single year Capital Improvement Plan	Not fully addressing compliance issues; Limited or weak capital planning	Addressing compliance Issues	1	0.100
Legal Provisions (10%)	Rate Covenant	5%	>1.30x	1.30x ≥ n > 1.20x	1.20x ≥ n > 1.10x	1.10x ≥ n > 1.00x	≤ 1.00x	1.20x	3	0.150
	Debt Service Reserve Requirement	5%	DSRF funded at MADS	DSRF funded at lesser of standard 3 prong test	DSRF funded at less than 3 prong test	No explicit DSRF	No explicit DSRF	1998 Reserve only	3	0.150
<i>(Aaa = 0.50 to 1.50; Aa1 = 1.50 to 1.83; Aa2 = 1.83 to 2.17)</i>										1.775

Source: Moody's US Municipal Utility Debt Methodology, October 19, 2017. Data from Series 2018 Moody's Report, updated where available.



# Days of Cash on Hand

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





# Days of Cash Calculation

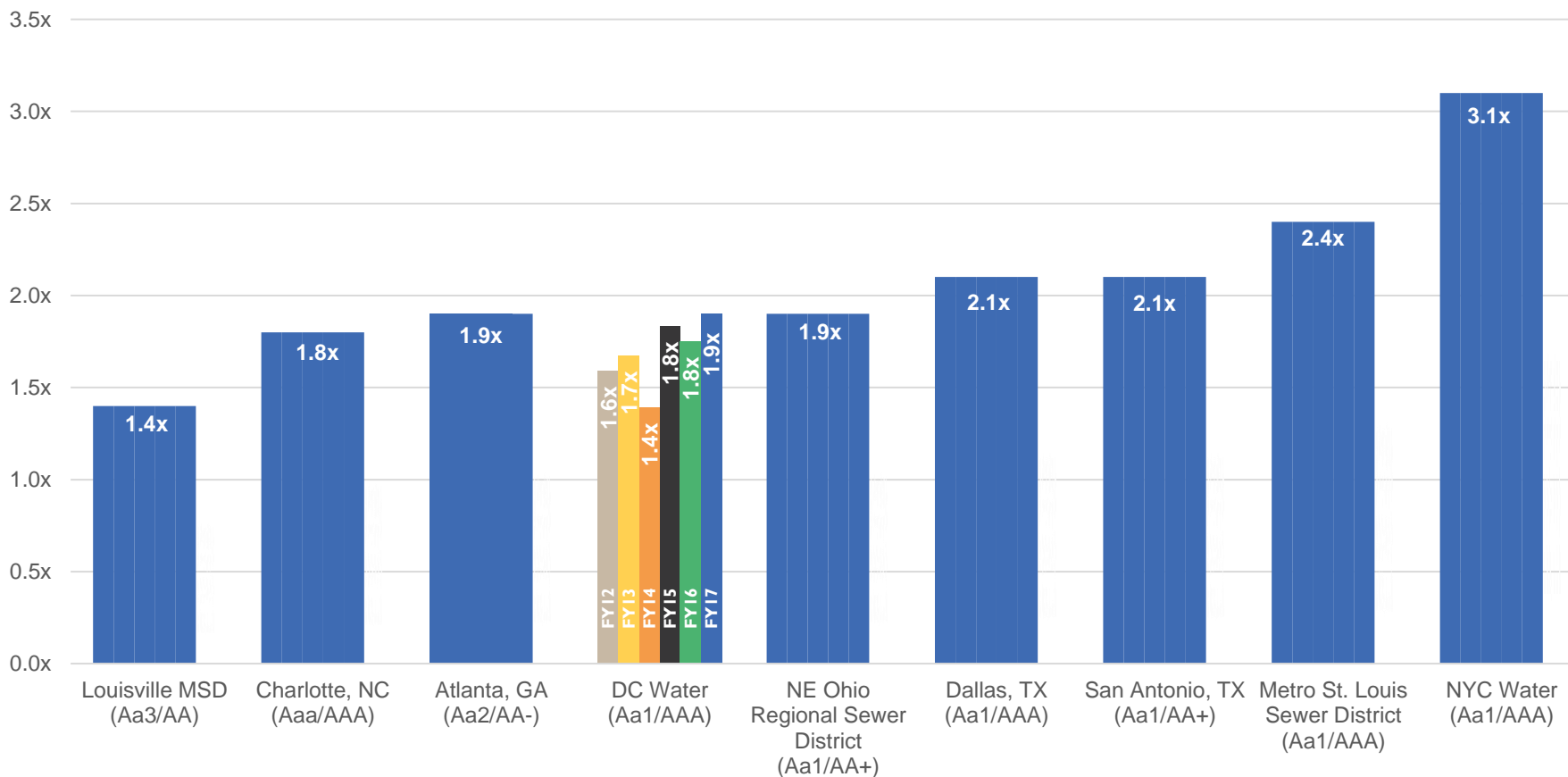
- DC Water is recognized by rating agencies for having over 250 days of cash
- Board Policy is 120 days-of-cash

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Operating and Maintenance</b>	\$ 313,869,035	\$ 320,137,447	\$ 338,498,706	\$ 347,880,740	\$ 358,264,355	\$ 368,966,872	\$ 379,998,224
<b>Less: PILOT, ROW &amp; Stormwater</b>	21,057,041	21,376,182	22,701,706	23,033,740	23,372,415	23,717,863	24,070,220
<b>Net Operating and Maintenance</b>	\$ 292,811,994	\$ 298,761,265	\$ 315,797,000	\$ 324,847,000	\$ 334,891,940	\$ 345,249,009	\$ 355,928,004
<b>Daily Operating Expenditures</b>	\$ 813,367	\$ 829,892	\$ 877,214	\$ 902,353	\$ 930,255	\$ 959,025	\$ 988,689
<b>Ending Cash Balance</b>	\$ 147,212,244	\$ 166,795,693	\$ 165,000,000	\$ 180,000,000	\$ 185,000,000	\$ 194,000,000	\$ 201,000,000
<b>Rate Stabilization Fund (RSF)</b>	\$ 61,450,000	\$ 61,450,000	\$ 55,450,000	\$ 55,450,000	\$ 55,450,000	\$ 55,450,000	\$ 55,450,000
<b>DC Reserve Insurance</b>	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Ending Cash Balance including RSF</b>	209,662,244	229,245,693	221,450,000	236,450,000	241,450,000	250,450,000	257,450,000
<b>Days Cash on Hand</b>	257	276	252	262	260	261	260



# Coverage

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





# Rating Agency Viewpoint

Summary of Rating Agency Views		
Moody's Investors Service	Standard & Poor's	Fitch Ratings
Aa1 (Sr.) / Aa2 (Sub.) / P-1 (Short-term) Stable Outlook	AAA (Sr.) / AA (Sub.) / A-1+ (Short-term) Stable Outlook	AA (Sr.) / AA- (Sub.) / F1+ (Short-term) Positive Outlook
Strengths		
<ul style="list-style-type: none"> <li>Large service area bolstered by considerable wealth and institutional presence</li> <li>Excellent rate management record</li> <li>Liquidity is solid, and indenture requirements and board policies will protect the authority's cash position in the future</li> <li>Excellent financial metrics because the utility has consistently raised rates to ensure good debt service coverage</li> <li>No unfunded pension or OPEB liability</li> </ul>	<ul style="list-style-type: none"> <li>Robust service area that has continued to demonstrate a strong economic rebound from the recession</li> <li>Strong financial management, including conservative financial forecasts and a detailed CIP</li> <li>Governing board's demonstrated willingness to adjust rates</li> <li>View that the management team remains committed to balancing environmental stewardship and a socially responsible agenda with ongoing financial commitments</li> <li>Liquidity and reserves that include high levels of unrestricted cash and investments</li> </ul>	<ul style="list-style-type: none"> <li>Essential service provider to a large and economically diverse territory and affluent customer base</li> <li>Demonstrated ability to raise rates independent of outside oversight</li> <li>Continued shift towards greater fixed cost recovery</li> <li>Financial projections include rate increases sufficient for stable debt service coverage metrics</li> <li>Retail rates are considered affordable for the base majority of the rate base and are regionally competitive</li> <li>Strong financial margins and healthy liquidity</li> </ul>
Challenges		
<ul style="list-style-type: none"> <li>Heavy capital needs, in part from regulatory mandates</li> <li>Need for further rate increases to support substantial capital plan</li> </ul>	<ul style="list-style-type: none"> <li>Downward pressure could come from a collapse in financial performance, a change in the way the federal government pays the Authority, or prolonged interruption in operations</li> </ul>	<ul style="list-style-type: none"> <li>Leverage is considered high, but projected rate increases should offset annual debt service costs</li> <li>An unexpected or material increase in the current capital spending plan, or a sharp escalation in unfunded capital mandates could preclude or delay future upward rating potential</li> </ul>



# Financial Plan and Planned Borrowing





## FY2019-FY2028 Financial Plan

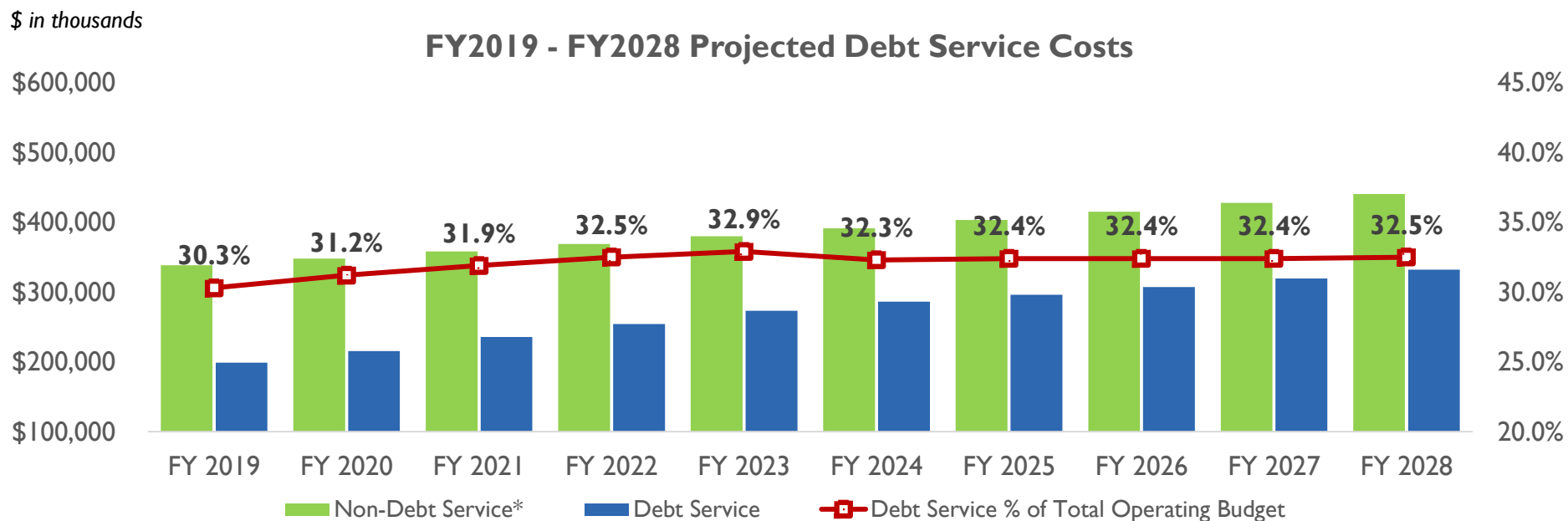
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- 💧 Total borrowing of \$1.9 billion
- 💧 250 Days of Cash on Hand
- 💧 Coverage of 1.62x – 1.88x
- 💧 Value of triple AAA credit rating
- 💧 Debt service does not exceed 33% of operating revenue



# Debt Service

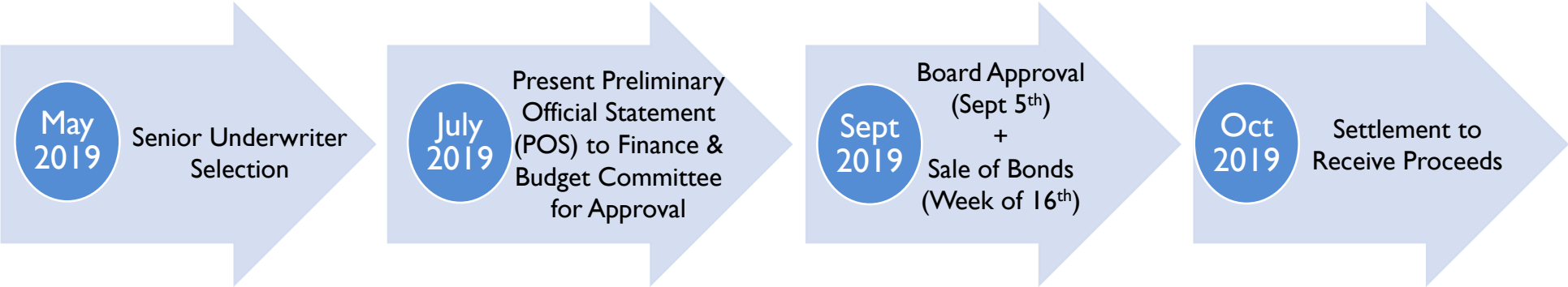
- Debt Service - Overall increase is to support the capital program
  - Represents 30% and 31% of the total operating revenue in FY 2019 and FY 2020, respectively
  - Projected to grow from \$198.8 million in FY 2019 to \$332.1 million by FY 2028 (approximately 67% increase)
  - Projected ten-year average of 32% of total operating revenue



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



# Debt Issuance Schedule





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

**May 23, 2019**

Tanya DeLeon, Risk Manager



# Purpose

- Provide an informational update on the Authority's insurance program.
- Discuss Board Action Item: July 1 insurance renewal coverage at a total amount not to exceed the approved FY19 and FY20 P&C insurance budget.



# Background

- The Authority is on track to renew its Property/Equipment, Flood, Cyber, Excess Workers' Compensation, Excess Liability, Employment Practices Liability, Public Officials' Liability, Crime, Fiduciary Liability, and Professional Liability insurance coverages on July 1. A summary of the Authority's insurance program is provided in Appendix I.
- We are working with brokers qualified through the May 2017 broker RFP process (Alliant and Aon) for the renewal. A summary of the Authority's insurance procurement approach is provided in Appendix II.
- The commercial property insurance market is rapidly hardening (worsening for buyers). This is driven by the past few years of catastrophes including: Hurricanes Harvey, Irma, Maria, Florence and Michael; California Wildfires; and Midwest Flooding
- Property premium rates are increasing an average of 10-15% for accounts with low historical losses and without significant catastrophe risk exposure. Rate increases over 20% are common for accounts with high windstorm and/or flood exposure. While DC Water's loss experience has been good, the majority of Blue Plains is within a 100 year flood zone.



# Background (cont.)

- In addition to market conditions, premiums are driven by increases in underwriting exposures:
  - 15%+ increase in estimated property values
  - 6% increase in estimated revenues
  - 1% increase in estimated workers compensation payroll
- Property value increases include:
  - NEW: Tunnel Dewatering Pump Station and Enhanced Clarification Facility (TDPS-ECF) - Contract Value of \$215M
  - NEW: Filtrate Treatment Facility (FTF) - Contract Value of \$65M
  - 4% average cost of construction inflationary adjustment



## Background (cont.)

- We request the Board's approval to bind July 1 insurance renewal coverage at a total amount not to exceed \$3,303,841. This amount is equal to the approved FY19 insurance budget.
- Negotiations on pricing and coverage continue. All competitive quotes are due on May 13. To avoid a gap in coverage, insurance must be bound on or before June 28. We will supply an update at the June 27 Committee meeting.





# Recommendation

We recommend the Committee Authorize Management to bind insurance coverage pursuant to the established not to exceed figures.



# Appendix I

## Current Program – Jul 1, 2018-19

Coverage	Main Limit	Main Deductible / Retention	Insurer	Premium**
Property incl. Boiler & Machinery	\$1 Bil per occurrence \$100 Mil annual Flood \$25 Mil ann.–100 Yr Flood	\$1 Mil per occurrence  \$10,000 equip	Alliant Property Ins. Program (APIP)*	\$907,482
Property Supplemental Terrorism	\$250 Mil	\$1 Mil per occurrence	Hiscox	\$104,438
National Flood Policies (15 total)	Ea. Policy: \$500K bldg., \$500k contents	\$50k bldg., \$50k contents	Hartford / National Flood Insurance Program	\$79,730
Cyber/Data Security	\$5 Mil ann.	\$100,000 per loss	XL	\$35,838
Excess Workers' Compensation (WC) and Employers' Liability (EL)	Full benefits due under WC law; \$3 Mil Employers' Liability	\$1 Mil per accident or disease	Safety National	\$407,493
Excess Liability (excess of GL, AL, EL, EPL)	\$100 Mil	\$1 Mil per occurrence	AEGIS and EIM	\$1,233,254
Public Officials' Liability (POL)	\$20 Mil ann.	\$250,000 per claim	RSUI and Hiscox	\$109,508
Crime & Fidelity	\$10 Mil	\$200,000 per loss	AIG	\$23,593
Fiduciary Liability	\$5 Mil ann.	Nil	Travelers	\$19,078
Professional Liability	\$2 Mil ann.	\$10,000 per claim	Lloyds of London	\$15,657
<b>TOTAL</b>				<b>\$2,936,071</b>

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

\*\* Includes broker placement fees



# Appendix I (cont.)

## Insurance Coverages

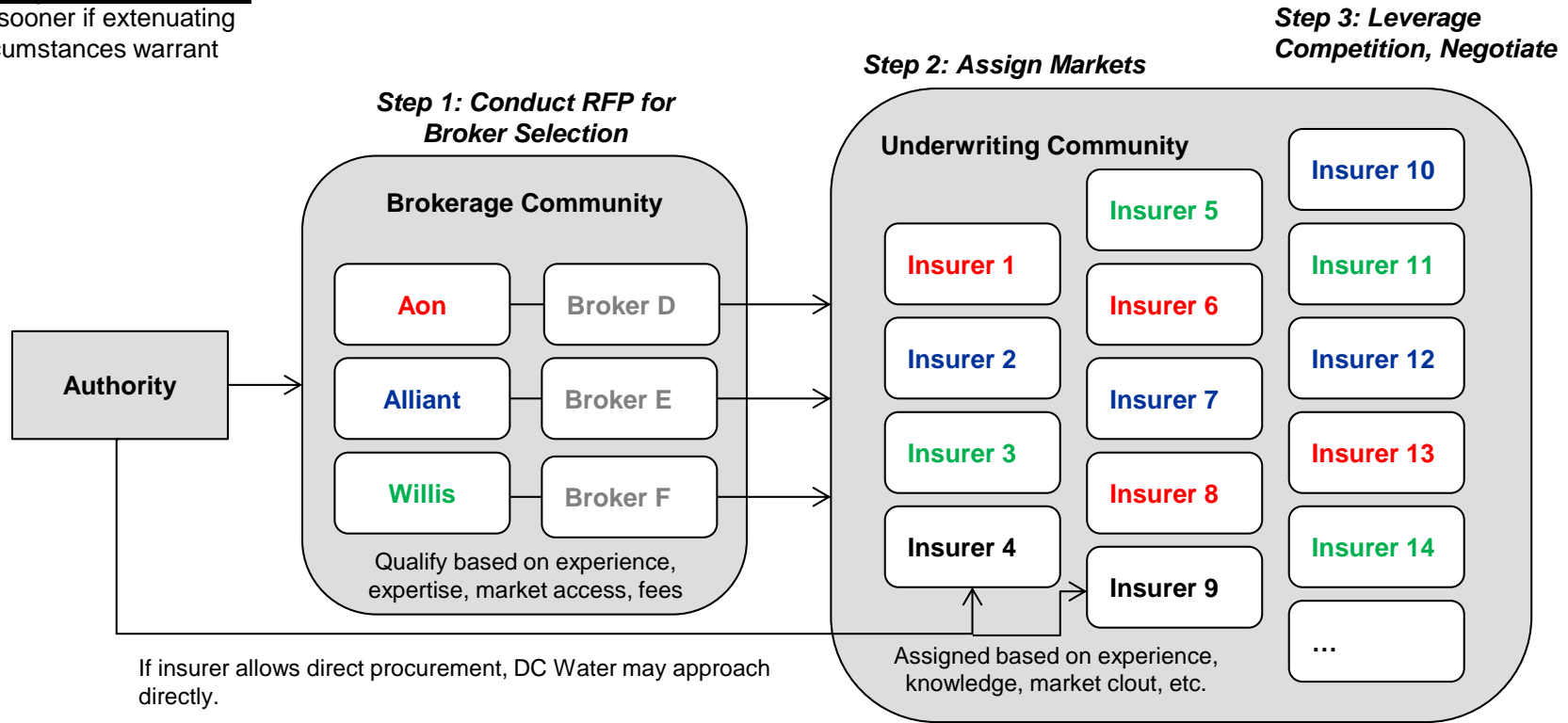
Coverage	Summary Description
Property, Equip. and Boiler & Machinery	Provides blanket "all risk" coverage for direct physical damage to DC Water structures, buildings and contents.
National Flood Insurance	Government sponsored program that provides a modest amount of insurance protection at affordable 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.
Cyber/Data Security and Breach Notification	Provides coverage for third party liability and privacy notification expenses resulting from data breaches.
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.
Employment Practices Liability (EPL)	Provides protection for claims of discrimination, harassment, or wrongful termination.
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. The Authority's policy also provides excess EPL coverage over self-insured levels.
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.
Crime & Fidelity	Employee dishonesty coverage and miscellaneous crime coverages.
Fiduciary Liability	Provides protection for wrongful acts that are actually or allegedly caused by trustees and employees of the DC Water sponsored Employee Benefit Plans.
Professional Liability	Provides protection for errors or omissions arising from engineering, consulting or testing services provided to third parties for a fee.



# Appendix II - Procurement Approach

## Every 3-6 Years

Or sooner if extenuating circumstances warrant



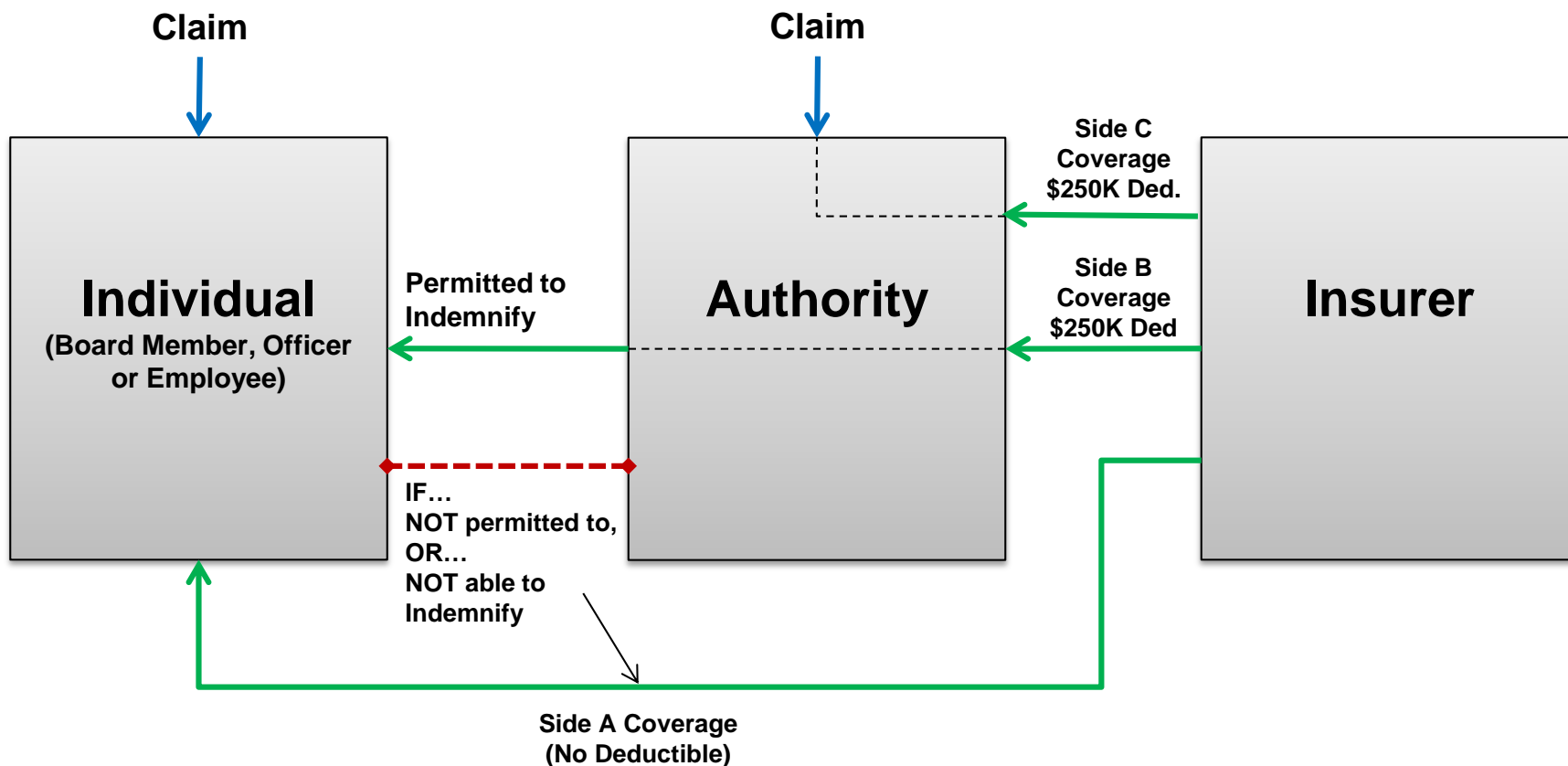
Serves Public Interests: Maximizes Competition with Competent Broker Firms ♦ Requires Demonstration of Marketing Skill ♦ Preserves Options

## Interim Years

Multi-year insurance contracts are generally 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



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

**ACTION REQUESTED**

**GOODS AND SERVICES CONTRACT MODIFICATION**

**Property and Casualty Insurance Premiums  
(Joint Use-Indirect)**

Approval to pay property and casualty insurance premiums through DC Water’s brokers of record in the total amount not to exceed \$3,303,841.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b>	<b>SUBS:</b>	<b>PARTICIPATION:</b>
Alliant Insurance Services 100 Pine Street, 11 <sup>th</sup> Floor San Francisco, CA 94111	N/A	N/A
Aon Risk Solutions, Inc., of Washington, DC 1120 20 <sup>th</sup> Street, NW Washington, DC 20036	N/A	N/A
Willis of Maryland, Inc. 12505 Park Potomac Avenue, Suite 300 Potomac, MD 20854	N/A	N/A

**DESCRIPTION AND PURPOSE**

<b>Year 1 Premium Values:</b>	<b>\$2,906,599.00</b>
<b>Year 1 Premium Dates:</b>	<b>07-01-2017 – 06-30-2018</b>
<b>Year 2 Premium Values:</b>	<b>\$3,220,000.00</b>
<b>Year 2 Premium Dates:</b>	<b>07-01-2018 – 06-30-2019</b>
<b>Year 3 Premium Values:</b>	<b>\$3,303,841.00</b>
<b>Year 3 Premium Dates</b>	<b>07-01-2019 – 06-30-2020</b>

**Scope of Broker Services:**

This is the final option year of the broker of record contracts. Three (3) commercial insurance brokers were selected through a competitive Request for Proposal (RFP) process to provide various types of insurance brokerage services to DC Water including Property, Flood, Cyber, Pollution, Excess Liability, Excess Worker’s Compensation, Employment Practices, Public Officials, Crime and Fidelity and Fiduciary. These three (3) brokers market/negotiate DC Water’s insurance coverages and periodically compete with each other to bring DC Water the best insurance coverages and premiums. Their annual broker fees are shown below if selected in all of the categories, however, fees are only paid to the placing broker:

Insurance Brokerage Firm	Annual Fee
Alliant	\$131,920.00
Aon	\$142,163.00
Willis	\$144,500.00

**Spending Previous Years:**

Cumulative Premium Values:	07-01-2017 to 05-13-2019: \$6,126,599.00
Cumulative Premium Spending:	07-01-2017 to 05-13-2019: \$5,842,670.00

**Contractor's Past Performance:**

According to the COTR, the brokerage firm's service level, timeliness of service delivery, conformance to DC Water's risk management policies, procedures and contract terms and invoicing all meet expectations.

No LBE/LSBE participation.

**PROCUREMENT INFORMATION**

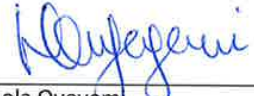
<b>Contract Type:</b>	Fixed Unit Price	<b>Award Based On:</b>	Highest Ranked Offerors
<b>Commodity:</b>	Services	<b>Contract Numbers:</b>	17-PR-CFO-20A, 20B, 20C
<b>Contractor Market:</b>	Open Market with Preference Points for LBE and LSBE Participation		

**BUDGET INFORMATION**

<b>Funding:</b>	Operating	<b>Department:</b>	Finance
<b>Project Area:</b>	DC Water Wide	<b>Department Head:</b>	Ivan Boykin

**ESTIMATED USER SHARE INFORMATION**

User – Operating	Share %	Dollar Amount
District of Columbia	84.61%	\$2,795,380.00
Washington Suburban Sanitary Commission	11.11%	\$367,057.00
Fairfax County	2.74%	\$90,525.00
Loudoun Water	1.33%	\$43,941.00
Other (PI)	0.21%	\$6,938.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$3,303,841.00</b>

 / 05/15/19  
 Lola Oyeyemi Date  
 Director of Budget

 / 05/15/19  
 Dan Bae Date  
 VP of Procurement and Compliance

 / 5/15/19  
 Matthew T. Brown Date  
 CFO and EVP of Finance and Procurement

\_\_\_\_\_/\_\_\_\_\_  
 David L. Gadis Date  
 CEO and General Manager



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

**Thursday, June 27, 2019; 11:00 a.m.  
1385 Canal Street, SE, Boardroom  
AGENDA**

<b>Call to Order</b>	Chairman
<b>May 2019 Financial Report</b>	Chief Financial Officer
<b>Agenda for July 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)