



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Finance and Budget Committee

Thursday, May 24, 2012

11:00 a.m.

1. **Call to Order** Timothy L. Firestine, Chairperson
2. **April 2012 Financial Report (Attachment 1)** Yvette Downs and Robert Hunt
 - A. Operating Revenues & Expenditures
 - B. Cash Reserves & Investments
 - C. Capital Disbursements Summary
 - D. Investment Report
3. **Discussions on FY 2012 Projections (Attachment 2)** Olu Adebo
4. **CIP Quarterly Update (Attachment 3)** Dave McLaughlin
5. **Financial/Procurement System Expansion/Upgrade** Olu Adebo
6. **Action Item** Yvette Downs
 - A. **Lawson Financial and Procurement System Improvements (Attachment 4)**
7. **Agenda for June Committee Meeting (Attachment 5)** Timothy L. Firestine
8. **Adjournment**

FOLLOW-UP ITEMS – Finance & Budget Committee (There were no Follow-up Items from the Meeting held April 26, 2012)

ATTACHMENT 1



**April 2012
FINANCIAL REPORT**

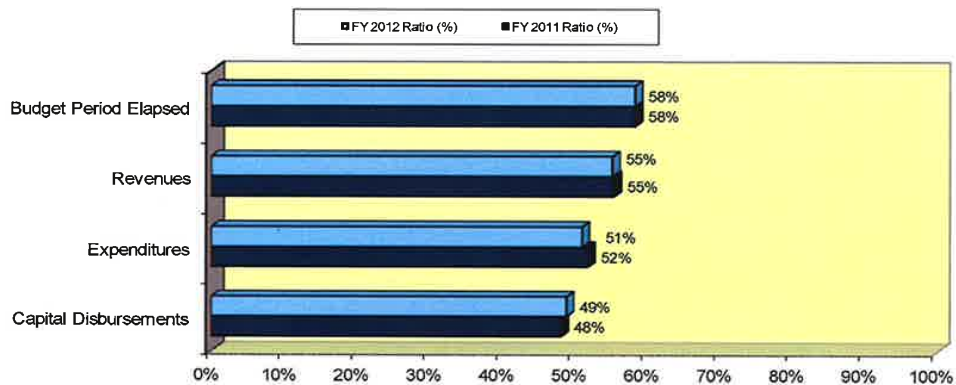
FY 2012 FINANCIAL PERFORMANCE

At the end of April, with approximately 58 percent of the fiscal year completed, we are on track with budgetary expectations. The FY 2012 mid-year budget review process is well underway and we are providing the Committee and Board with preliminary projections for revenues, operating expenses, and capital disbursements. The table below summarizes detailed information as discussed later in this report.

**Financial Performance
As of April 30, 2012
(\$ in millions)**

	Approved	Revised Budget	YTD Budget	YTD	Variance		% Revised Budget	Year-End Projection
				Actual	Favorable (Unfavorable)			
Revenues (Receipts)*	\$412.2	\$426.4	\$248.7	\$235.5	(\$13.2)	-5.3%	55.2%	\$422.5
Expenditures*	\$422.4	\$415.4	\$242.3	\$212.0	\$30.3	12.5%	51.0%	\$388.6
Capital Disbursements	\$555.8	\$531.7	\$303.1	\$260.1	\$43.0	14.2%	48.9%	\$500.1

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



**120-day Operating Reserve Analysis
(\$ in millions)**

FY 2012 120-day Operating Reserve Objective	\$125.5
Actual Average Daily Balances	\$158.2
Difference	\$32.7

OPERATING REVENUES & RECEIPTS

At the end of April 2012, cash receipts totaled \$235.5 million, or 55.2 percent of the revised FY 2012 budget. Several categories of customers make payments on a quarterly basis, including the federal and District governments, and wholesale customers. The table below provides a summary of operating receipts at the end of April.

**REVENUE VARIANCE BY CATEGORY
(In millions)
As of April 30, 2012**

Revenue Category	FY 2012 Revised Budget	Year-to-Date Budget	Actual Received	Variance Favorable	Variance (Unfavorable)	Actual % of Budget	Year End Projections	Variance Proj v. Bud	Percent
Residential, Commercial, and Multi-family	226.2	132.0	122.9	(9.1)	-6.9%	54.3%	221.4	(4.8)	97.9%
Federal	47.5	27.7	34.1	6.4	23.1%	71.8%	47.5	0.0	100.1%
District Government	11.1	6.4	6.4	(0.0)	0.0%	58.0%	10.6	(0.5)	95.8%
DC Housing Authority	6.4	3.7	4.5	0.8	20.4%	70.2%	6.9	0.5	108.3%
Customer Metering Fee	10.8	6.3	6.7	0.4	5.6%	61.6%	11.0	0.2	101.9%
Wholesale	74.4	43.4	37.6	(5.8)	-13.3%	50.6%	74.4	0.0	100.0%
Right-of-Way Fee/PILOT	22.5	13.1	13.5	0.4	2.8%	59.8%	22.4	(0.1)	99.6%
Subtotal (before Other Revenues)	\$398.9	\$232.7	\$225.7	(\$7.0)	-3.0%	56.6%	\$394.3	(\$4.6)	98.9%
Other Revenue without RSF									
IMA Indirect Cost Reimb. For Capital Projects	4.0	2.3	0.0	(2.3)	-100.0%	0.0%	6.0	2.0	150.0%
DC Fire Protection Fee	6.2	3.6	3.1	(0.5)	-14.7%	50.0%	6.2	0.0	100.0%
Stormwater (MS4)	1.1	0.6	0.4	(0.2)	-37.7%	33.6%	0.9	(0.3)	77.3%
Interest	0.8	0.5	0.5	0.0	7.4%	62.7%	0.5	(0.2)	69.4%
Developer Fees (Water & Sewer)	6.0	3.5	5.1	1.6	45.7%	85.0%	6.9	0.9	115.0%
Others	2.9	1.7	0.7	(1.0)	-60.8%	22.9%	1.2	(1.7)	41.4%
Subtotal	\$21.0	\$12.2	\$9.8	(2.4)	-20.0%	46.5%	\$21.7	\$0.7	103.4%
Rate Stabilization Fund Transfer	\$6.5	\$3.8	\$0.0	(3.8)	-100.0%	0.0%	\$6.5	\$0.0	100.0%
Other Revenue Subtotal	\$27.5	\$16.0	\$9.8	(6.2)	-38.9%	35.5%	\$28.2	\$0.7	102.6%
Grand Total	\$426.4	\$248.7	\$235.5	-\$13.2	-5.3%	55.2%	\$422.5	(\$3.9)	99.1%

Discussion of Relevant Variance

Receipts for Residential, Commercial and Multi-Family categories in April were \$14.6 million and cumulative receipts totaled \$122.9 million, or 54.3 percent of the revised FY 2012 budget. The consumption is generally lower in winter months whereas the year-to-date budget is based on straight-line basis. However, the receipts in these categories are projected to be slightly lower than the revised budget. Staff will continue to monitor and report receipts for these categories.

Receipts for the Federal payment were \$34.1 million or 71.8 percent of the annual budget. A total of \$1.42 million remains unpaid from the second and third quarterly payments. The unpaid balance pertains to Walter Reed Hospital, Joint Based Anacostia Bolling and National Geospatial Agencies. The staff is coordinating with U.S. Treasury to collect the payment.

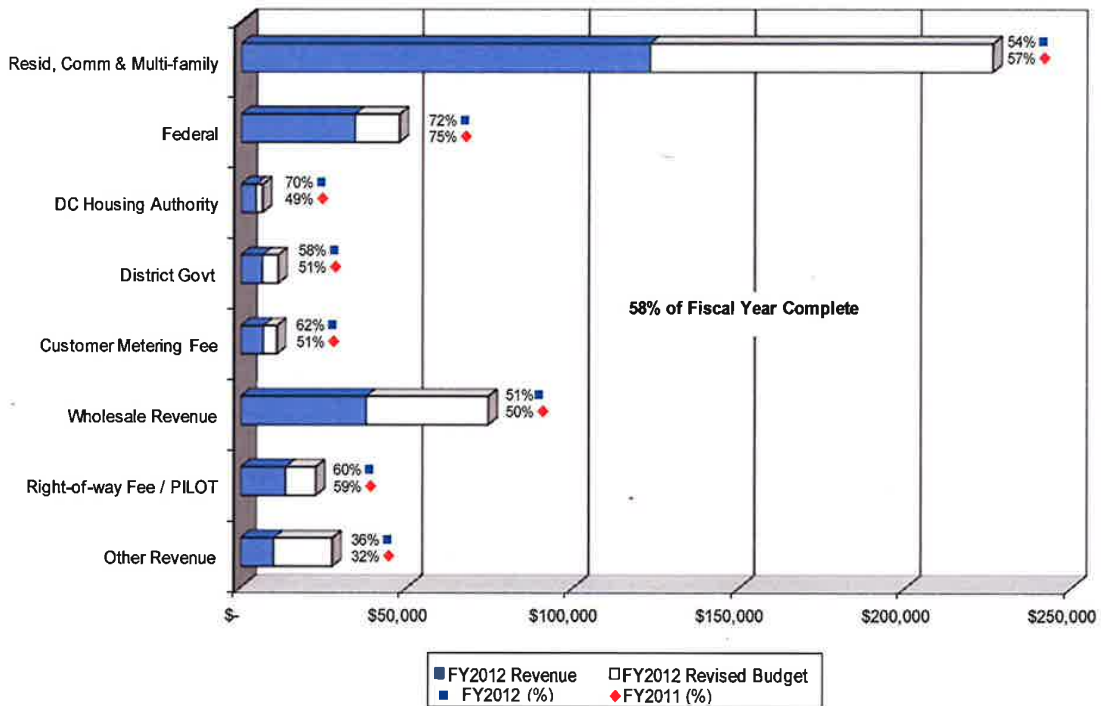
The District Government actual receipts for the first three quarters total \$6.4 million or 58 percent of the revised FY 2012 budget. The District Government has disputed consumption on a large account, withholding a portion of their quarterly payment while the account is being investigated. Staff is meeting with the officials to complete the review.

DC Housing Authority's actual receipts total \$4.5 million or 70.2 percent of the revised budget. The receipt for the month of April 2012 was \$0.49 million. Since the fourth quarter 2011, DC Housing Authority was behind on their payments by a month due to significant turnover within their Accounts Payable Department. They have now caught up with their payment schedule. DC Water, therefore, has received one additional payment this year, not anticipated within the FY 2012 revised budget.

At the end of April, payments from Wholesale Customers total \$37.6 million or approximately 50.6 percent of the budget. The Wholesale customers are billed on a quarterly basis and payments are expected to be received in May 2012.

Other Revenue receipts are lower than the straight-lined budget at \$9.8 million or 35.5 percent of the budgeted category primarily due to IMA Indirect Cost Reimbursement and transfer of Rate Stabilization Fund. The IMA indirect capital reimbursement is not anticipated to be received until the fourth quarter of the fiscal year. We also anticipate the Rate Stabilization Fund transfer during the fourth quarter of the fiscal year.

**FY 2012
OPERATING RECEIPTS BY CUSTOMER CATEGORY
As of April 30, 2012**



BREAKDOWN OF RETAIL RECEIPTS BY CUSTOMER CATEGORY
 (\$ in 000's)
 April 30, 2012

Customer Category	Water	Sewer	Clean Rivers		Total
			IAC	Metering Fee	
Residential	15,034	18,524	4,903	2,897	41,359
Commercial	23,092	23,685	6,301	1,939	55,017
Multi-family	13,422	16,142	1,816	682	32,062
Federal	14,762	14,821	4,539	711	34,832
District Govt	2,193	2,691	1,554	347	6,785
DC Housing Authority	1,920	2,356	219	78	4,572
Total:	70,423	78,219	19,332	6,654	174,628

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
 April 30, 2012
 (\$ in 000's)

Customer Category	FY2012 Budget	Year-To-Date Budget	Actual Received	Variance	Variance % of YTD Budget	Actual % of Budget
				Favorable / <Unfavorable>		
Residential	8,178	4,770	4,903	133	3%	60%
Commercial	9,714	5,667	6,301	635	11%	65%
Multi-family	3,235	1,887	1,816	(71)	-4%	56%
Federal	6,052	3,530	4,539	1,009	29%	75%
District Govt	2,131	1,243	1,554	311	25%	73%
DC Housing Authority	380	222	219	(3)	-1%	57%
Total:	29,690	17,319	19,332	2,013	12%	65%

OPERATING EXPENDITURES

At the end of April, with approximately 58 percent of the fiscal year completed, operating expenditures (including debt service and the right of way and PILOT fees) totaled \$212.0 million, or 51 percent of the FY 2012 Board-revised budget of \$415.4 million. These numbers include estimated incurred but unpaid invoices.

EXPENDITURE VARIANCE BY CATEGORY
 (\$ in 000's)
 As of April 30, 2012

	FY 2012							FY 2013	
	Board Revised Budget	YTD as of 04/30/2012	YTD Variance Favorable(Unfavorable) \$ \$ %		Percent of Budget	Preliminary Year-End Projections	Projection Percent of Budget	Year-End Variance	Board Approved Budget
Personnel Services	111,114	60,226	4,590	7.1%	54%	107,382	97%	3,732	117,796
Contractual Services	79,747	35,291	11,228	24.1%	44%	73,516	92%	6,231	82,350
Water Purchases	31,517	15,130	3,255	17.7%	48%	29,400	93%	2,117	32,523
Chemicals and Supplies	29,947	13,661	3,808	21.8%	46%	26,112	87%	3,835	31,360
Utilities	37,446	16,027	5,816	26.6%	43%	29,800	80%	7,646	38,047
Small Equipment	995	441	139	24.0%	44%	787	79%	208	993
Subtotal O & M Expenditures	290,765	140,776	28,838	17.0%	48%	266,998	92%	23,768	303,069
Debt Service	102,613	58,450	1,407	2.4%	57%	99,627	97%	2,986	129,392
Payment in Lieu of Taxes	16,882	9,848	-	0.0%	58%	16,882	100%	-	19,215
Right of Way	5,100	2,975	-	0.0%	58%	5,100	100%	-	5,100
Total O & M Expenditures	415,360	212,049	30,246	12.5%	51%	388,606	94%	26,755	456,775
Personnel Services Charged to Capital Projects	(14,000)	(7,588)	578	-7.1%	54%	(13,530)	97%	(470)	(16,690)
Total Net Operating Expenditures	401,360	204,461	29,667	12.7%	51%	375,076	93%	26,285	440,085

Discussion

Personnel Services (\$111.1 million annual budget; 38.2 percent of O&M budget) – At the end of April, personnel costs total \$60.2 million or 54 percent of budget. Of the 1,171 positions budgeted (1,202 positions authorized), 1,046 positions were filled at the end of April. Overtime spending totals \$2.7 million of the annual budget of \$5.0 million, or 6 percent of regular payroll costs. Overtime costs remain below the level of spending for the same period last year due to tighter controls and milder winter months experienced to date. We will continue to monitor and report overtime activities and risks. We expect to end the fiscal year at 97 percent of the revised operating budget in this category with savings mainly attributable to higher than anticipated vacancy rate and lower benefits costs.

Water Purchases (\$31.5 million annual budget; 10.8 percent of O&M budget) – At the end of April, water purchases incurred total \$15.1 million or 48 percent of budget. The current variance in this category is attributable to hiring delays and lower than anticipated water demand at the Washington Aqueduct. We expect to end the fiscal year at 93 percent of the budget in this category.

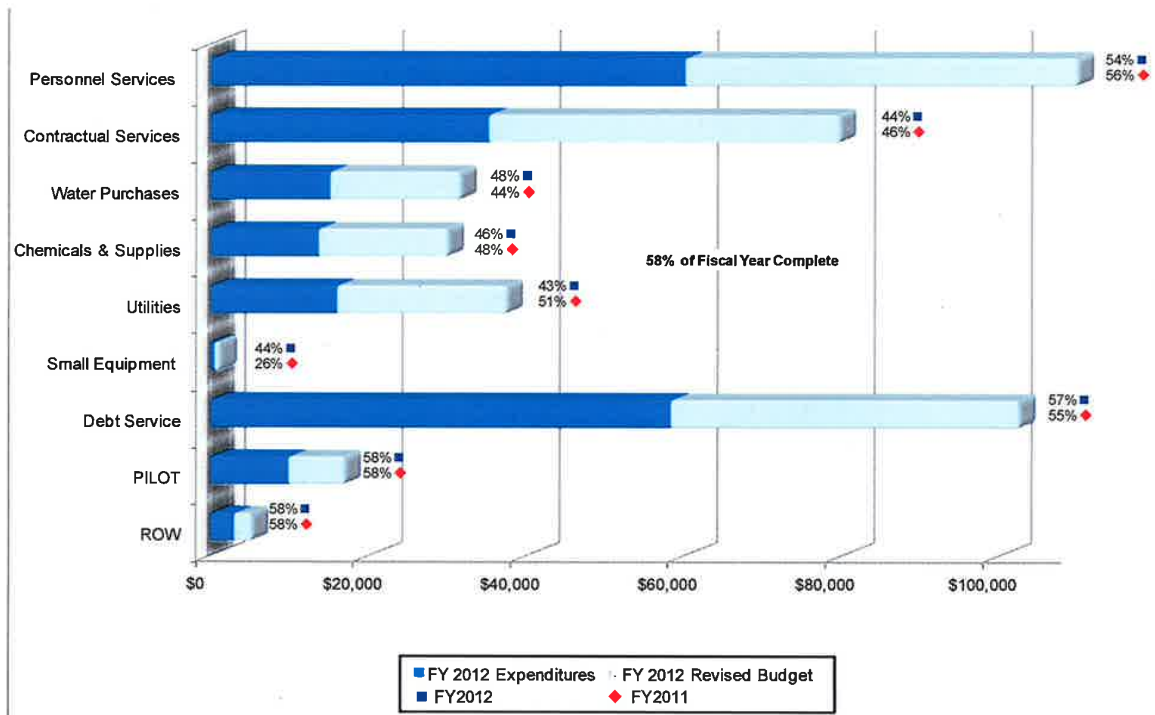
Chemicals and Supplies (\$29.9 million annual budget; 10.3 percent of O&M budget) – At the end of April, chemical and supplies costs total \$13.7 million or 46 percent of budget. We continue to experience lower than anticipated spending on major chemicals, including ferric chloride, caustic soda (sodium hydroxide), various polymer and sodium hypochlorite resulting from lower flows. We expect to end the fiscal year at 87 percent of the revised operating budget in this category.

Utilities (\$37.4 million annual budget; 12.9 percent of O&M budget) – At the end of April, utilities expenditures total \$16.0 million or 43 percent of the budget. We expect to end the fiscal year at 80 percent of the revised operating budget in this category based on current and anticipated electricity market conditions. Later in the report is additional information concerning actual performance in this category.

Debt Service (\$102.6 million annual budget) – At the end of April, debt service expenditures total \$58.5 million or 57 percent of the budget. We expect to end the fiscal year at 97 percent of the budget in this category with savings primarily due to the successful issuance of the 2012 bond series at a lower than anticipated All-in-TIC of 3.27 percent.

Payment in Lieu of Taxes – (\$16.9 million annual budget) – Payments and accrued expenses for the District’s PILOT fee totaled \$9.8 million. Actual payment differs due to previous Board direction and resulting offsets associated with the Fire Protection fee. We are accruing in accordance with the MOU on PILOT payments. The actual 2007 Board directive was to continue paying at the FY 2007 level until questions were resolved between DC Water and the City Administrator, which is still currently under discussion. The difference in the amount paid to the District annually and what is left in budget will be placed into an escrow account until the account is settled.

**FY 2012 Operating Expenditures
by Category
(\$ in 000's)
As of April 30, 2012**



CAPITAL SPENDING

For the month of April 2012, actual disbursements totaled \$35.5 million, with year-to-date disbursements totaling \$260.1 million or 49 percent of the FY 2012 Revised disbursements budget. Planned capital disbursements through April 2012 were \$303.1 million, or 57 percent of the FY 2012 Revised disbursements budget.

Capital Disbursements Variance
(\$ in 000's)
As of April 30, 2012

Description	FY 2012 Revised Disbursements Budget		Actual Disbursements		% of FY 2012 Revised Disbursements Budget		FY 2012 *Projected Disbursements Budget	
	Annual	YTD	APR. '12	¹ YTD	Variance Compared to Plan	Percent of Annual Budget	Amount	Percent of Annual Budget
Wastewater Treatment	\$275,845	\$152,009	\$19,240	\$137,668	9%	50%	\$268,667	97%
Sanitary Sewer	39,922	21,652	2,413	13,073	40%	33%	24,332	61%
Combined Sewer Overflow	132,016	79,013	9,655	70,249	11%	53%	130,140	99%
Stormwater	2,775	1,408	401	2,626	-87%	95%	2,965	107%
Water	54,461	33,085	3,119	24,336	26%	45%	47,228	87%
Washington Aqueduct	11,373	7,000	0	3,436	51%	30%	11,373	100%
Capital Equipment	15,349	8,953	720	8,672	3%	56%	15,349	100%
Total Capital Projects	\$ 531,741	\$303,120	\$ 35,547	\$260,060	14%	49%	\$500,053	94%

Discussion

The spending variance between the FY 2012 Revised Disbursements Budget and Actual disbursements, on a year-to-date basis, amounted to \$43.1 million resulting from under-spending in all service areas except Stormwater.

Spending in the Wastewater Treatment Service Area was at 91 percent through April as compared to 94 percent as of March 2012, with bulk of the under-spending resulting from a lag in contract award for two contracts for the New Digestion Facilities (Project XA). Spending for the Enhanced Nitrogen Removal Facility (ENRF) continues ahead of schedule, while spending in the Liquid Process and Plantwide Programs continues to lag behind the budgeted amounts. With regards to the Liquids Processing Program, there are four projects that continue to comprise the majority of the under-spending: Project BG – Dual Purpose Rehabilitation; Project BR – Nitrification/Denitrification Facilities; Project BT – Filtration/Disinfection Facilities Phase II; and Project TQ – 504H3 Nitrification Facility. Spending for the Liquid Process Program is

currently projected to be approximately 87 percent of the Revised FY 2012 budget and the reduced spending will not impact any of the critical aspects of the projects. In the Plantwide Program, the Process Computer and Control Systems (Projects GP and TA) still accounts for the majority of the year-to-date under-spending, but is still forecasted to recover during the balance of FY 2012. Generally, overall spending in the Wastewater Treatment area is anticipated to recover during the remainder of FY 2012.

The Sanitary Sewer Service Area continues to experience year-to-date reduced spending and recovery is not projected to occur in FY 2012. As indicated in previous months, this is the result of a reprioritization that would result in additional inspection work being done to refine project scopes, prior to the awarding of construction contracts.

In the Combined Sewer Overflow Service Area, spending related to the Clean Rivers Project has been marginally lower than budgeted; however, there is no impact on project progress and spending should be on target for the remaining of FY 2012. As indicated previously, the under-spending in the Combined Sewer Projects Program will continue for the remainder of FY 2012 due to a delayed close-out process related to the Outfall Sewer Rehabilitation (Project D2) and the Main & O Pump Station (Project K1).

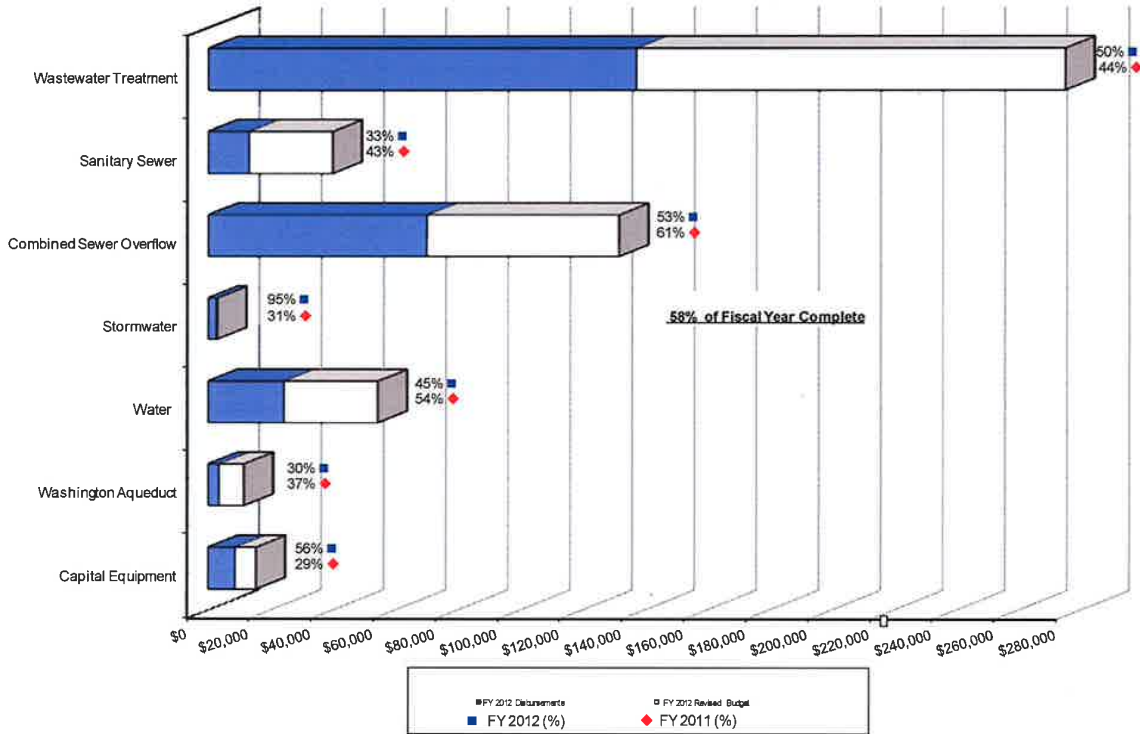
The Stormwater Service Area continues to spend ahead of schedule but is estimated to come within budget for FY 2012.

The Water Service Area under-spending amounts to approximately \$8.8 million, primary driven by the Water Pumping, Distribution and Lead Programs. Spending in the Water Distribution Program is currently projected to be 90 percent of the budgeted disbursements. However, spending is not anticipated to recover in the Lead Program. With regards to the Pumping Program, the reduced spending continues in the Upgrades to Ft. Reno Pump Station (Project AY) and Rehabilitation of Bryant St. Pump Station (Project M6) projects. As indicated previously, with regards to the Ft. Reno Pump Station project, there are design change as well as coordination issues with Pepco: depending on the timing of the resolutions of these items, the spending may recover during FY 2012. There are a number of items impacting the spending at the Bryant St. Pump Station (painting, change order for the hydraulic loop, scada, etc.) none of which are critical to the project, but the spending is not anticipated to recover in FY 2012.

The Washington Aqueduct's billings remain below what was originally budgeted, but the Aqueduct staff has indicated that the billings will recover over the third and fourth quarter of FY 2012 to come within the budgeted disbursements.

Capital Equipment spending, estimated on a pro-rata basis for the fiscal year, is in close proximity to the budgeted disbursements on a year-to-date basis.

**FY 2012 Capital Disbursements Compared to Plan
By Service Area
(\$ in 000's)
As of April 30, 2012**



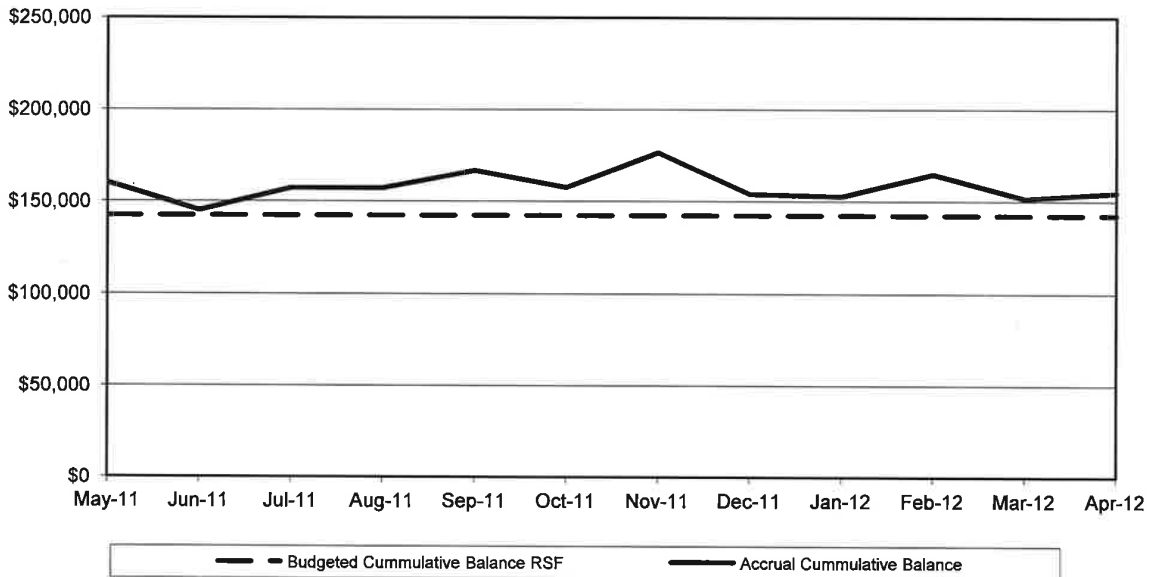
CASH AND INVESTMENT BALANCES

At the end of April, our operating reserve balance was \$138.0 million as compared to the FY 2012 operating reserve level objective of \$125.5 million. The following table provides a summary of all cash and investment account balances.

**Cash Balances
As of April 30, 2012
(\$ in millions)**

Rate Stabilization Fund Account (RSF)	\$16.7
Operating Reserve Accounts	138.0
DC PILOT Fund	<u>10.0</u>
Operating Cash Balance Including RSF	164.7
Debt Service Reserve - Series 98	24.0
Bond Construction Fund - Series 10	62.1
Bond Construction Fund - Series 12	302.1
CSO LTCP Appropriations Account	<u>60.1</u>
Total All Funds	\$613.0

**FY 2012 Operating Cash Balances
(\$ in 000's)
(Operating Reserve and RSF)**



Overall Portfolio Performance

As of April 2012, DC Water's total investment portfolio continues to perform well and complies with the Authority's Investment Policy. Returns continue to exceed the established benchmarks for short term (less than one year) and core (one plus years) funds. Interest income for April (**on a cash basis**) was \$73,878 with year-to-date totals of \$275,840 as compared to the budget of \$535,376 for the year. A detailed investment performance report is attached.

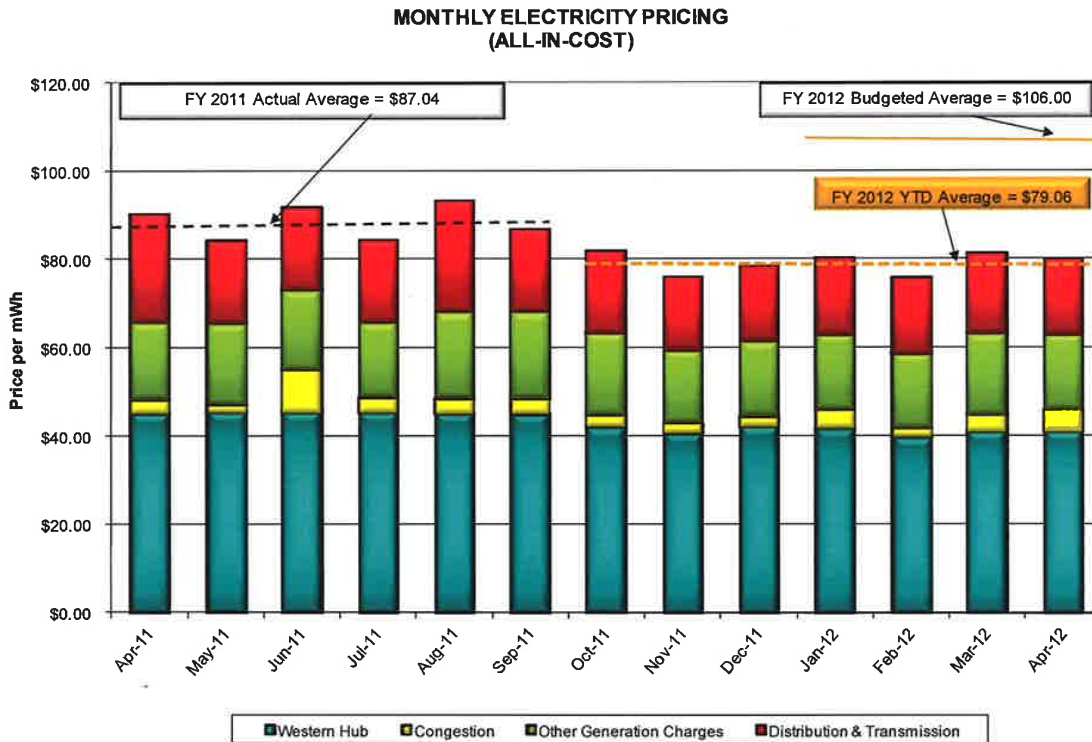
OTHER STATUS REPORTS

ELECTRICITY

As of April 2012, we have purchased approximately 79 percent, or 23 MW, of the Authority's electric load at annual Western Hub average unit price of \$43.67/mWh. For FY 2013, staff has already purchased approximately 69 percent, or 20MW, of the Authority's electric load through January 31 at the Western Hub average unit price of \$39.98/mWh.

Current electricity market conditions have been significantly below prior years' experience. Staff continues to monitor the futures market with intent to purchase additional electric loads for FY 2013 if market conditions are appropriate and in line with budget assumptions.

The chart below depicts the all-in-cost for the electricity purchased by the Authority. As indicated in the chart, electricity prices generally increase during the winter and summer peak months. The average all-in-cost paid for April 2012 was \$80.05/mWh, with the year-to-date average at \$79.06/mWh. We expect to end the fiscal year at an estimated average all-in-cost of \$81.90/mWh.



Notes: A) Other generation charges include the capacity charges, loss factor adjustments, ancillary costs, and other adder (administrative) fees associated with electricity procurement over the spot market
 B) Prices include accruals for invoices not yet received.

Electricity Costs

The revised FY 2012 electricity budget of \$29.2 million represents 78 percent of the total utilities budget and assumes an average all-in-cost of \$106.00/mWh.

The current purchasing strategy can be compared to two benchmarks: the Standard Offer Service (S.O.S.) and spot market prices. As indicated in the chart below, DC Water's average year-to-date actual price is higher than the spot market price and significantly below the S.O.S. price.

All-In-Cost (\$/mWh)			
Unit Price			
	Standard Offer Service (S.O.S.)	Spot Market	Actual ¹
Oct-11	\$127.19	76.55	81.99
Nov-11	\$128.01	69.88	75.92
Dec-11	\$127.72	69.60	78.27
Jan-12	\$128.30	71.67	80.30
Feb-12	\$126.46	65.86	75.57
Mar-12	\$126.67	70.12	81.34
Apr-12	\$128.30	71.91	80.05
YTD Average	\$127.52	\$70.80	\$79.06

Electricity Budget (\$000)			
	Amount		Variance
	Budgeted	Actual	Budgeted vs Actual
Oct-11	\$1,943	\$792	\$1,151
Nov-11	\$1,933	\$1,267	\$666
Dec-11	\$2,475	\$1,166	\$1,309
Jan-12	\$2,474	\$1,343	\$1,131
Feb-12	\$2,515	\$1,118	\$1,397
Mar-12	\$1,878	\$1,438	\$440
Apr-12	\$1,876	\$1,597	\$279
YTD Total	\$15,094	\$8,720	\$6,374
Remainder	\$14,124		
Total Budget	\$29,218		

¹ Actual prices are inclusive of the price mix of monthly block purchases and spot market unit prices.

Overall, the FY 2012 electricity expenditure to date continues to track favorably to budget. We expect to end the fiscal year with significant savings in this category mainly attributable to lower than anticipated market prices for electricity.

RETAIL & WHOLESALE ACCOUNTS RECEIVABLE

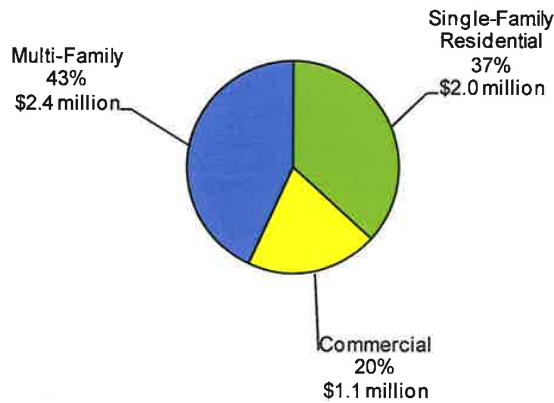
The following tables and chart show retail and wholesale accounts receivable over 90 days including a breakdown by customer class.

**Delinquent Accounts Receivable
Greater Than 90 Days by Customer
April 30, 2012**

	RETAIL		WHOLESALE		TOTAL	
	Greater than 90 Days		Greater than 90 Days		Greater than 90 Days	
	\$ in millions	# of accounts	\$ in millions	# of accounts	\$ in millions	# of accounts
September 30, 2006	\$7.4	14,762	\$0.0	0	\$7.4	14,762
September 30, 2007	\$7.1	14,917	\$0.0	0	\$7.1	14,917
September 30, 2008	\$6.1	15,635	\$0.0	0	\$6.1	15,635
September 30, 2009	\$4.9	10,211	\$0.0	0	\$4.9	10,211
September 30, 2010	\$5.1	13,441	\$0.0	0	\$5.1	13,441
September 30, 2011	\$5.5	13,039	\$0.0	0	\$5.5	13,039
October 31, 2011	\$5.5	12,831	\$0.0	0	\$5.5	12,831
November 30, 2011	\$5.4	12,629	\$0.0	0	\$5.4	12,629
December 31, 2011	\$5.6	13,549	\$0.0	0	\$5.6	13,549
January 31, 2012	\$5.6	13,541	\$0.0	0	\$5.6	13,541
February 29, 2012	\$5.6	12,938	\$0.0	0	\$5.6	12,938
March 31, 2012	\$5.4	12,533	\$0.0	0	\$5.4	12,533
April 30, 2012	\$5.5	12,384	\$0.0	0	\$5.5	12,384

**In June 09 the Authority wrote off approximately \$1.3M of bad debt*

**Retail Accounts
Greater Than 90 Days by Customer Class
April 30, 2012**



**Delinquent Accounts Receivable
Greater Than 90 Days by Customer
April 30, 2012**

	Number of Accounts			Month of April (All Categories)				Total Delinquent			
				Active		Inactive		a/c Mar.		a/c Apr.	
	W & S a/c	Impervious Only a/c	Total No. of a/c	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c	Amount (\$)
Commercial	11,799	3,441	15,240	1,442	968,160.08	155	147,845.24	1,893	1,086,754.26	1,597	1,116,005.32
Multi-family	7,367	464	7,831	948	2,152,348.52	145	240,701.26	1,072	2,340,058.57	1,093	2,393,049.78
Single-Family Residential	103,670	3,398	107,068	7,997	1,349,351.17	1,697	686,889.49	9,568	2,010,086.18	9,694	2,036,240.66
Total	122,836	7,303	130,139	10,387	4,469,859.77	1,997	1,075,435.99	12,533	5,436,899.01	12,384	5,545,295.76

-Included in the above \$4.47m (or 10,387 accounts) of the DC Water Over 90 days delinquent accounts, \$646,166.11 (or 2,589 accounts) represents Impervious only Accounts over 90 days delinquent.

-Reportable delinquencies do not include balances associated with long-standing disputes between DC Water and two large commercial customers.

D.C. WATER AND SEWER AUTHORITY
 FY 2012 CASH FLOW SUMMARY
 through 4/30/12
 (\$ in 000's)

	Annual Budget Cash Basis	YTD 58% Cash Budget	YTD Actual Cash Oct. 1, 2011 - Apr. 30, 2012	Variance Favorable (Unfavorable)		FY 2012 Year End Projection
OPERATING BUDGET						
Cash Provided						
Retail	302,041	175,184	174,628	(555)	0%	297,506
Wholesale	74,361	43,129	37,632	(5,497)	-13%	74,361
Other	43,259	25,090	23,019	(2,071)	-8%	43,919
Transfer from Rate Stabilization Fund	6,500	3,770		(3,770)	-100%	6,500
Total Cash Provided	426,161	247,173	235,279	(11,894)	-5%	422,285
Operating Cash Used						
Personnel Services	97,114	56,326	56,755	(429)	-1%	93,852
Contractual Services	79,746	46,253	39,270	6,983	15%	73,516
Chemicals & Supplies	29,946	17,369	15,721	1,648	9%	26,112
Utilities	37,447	21,719	13,693	8,026	37%	29,800
Water Purchases	31,517	18,280	15,909	2,371	13%	29,400
Small Equipment	995	577	606	(29)	-5%	787
Total Operating Cash Used	276,765	160,524	141,954	18,570	12%	253,467
Other Cash Used						
Debt Service	100,776	58,450	54,742	3,709	6%	99,627
Payment In Lieu of Taxes/Right of Way	22,365	12,972	8,757	4,214	32%	21,982
Total Other Cash Used	123,141	71,422	63,499	7,923	11%	121,609
Total Cash Used	399,906	231,945	205,452	26,493	11%	375,076
Net Cash Provided (Used) by Operating Act.	26,255	15,228	29,826	14,599		47,209
CAPITAL BUDGET						
Cash Provided						
Debt Proceeds	258,889	150,156	100,868	(49,288)	-33%	249,477
Capital Equipment Financing	8,184	4,747		(4,747)	-100%	8,184
EPA Grants	25,455	14,764	14,883	119	1%	23,905
CSO Grants	31,332	18,173	16,065	(2,107)	-12%	21,065
Interest Income	93	54	180	126	232%	305
Wholesale Capital Contributions	175,242	101,640	86,468	(15,173)	-15%	164,571
Total Cash Provided	499,195	289,533	218,463	(71,070)	-25%	467,507
Cash Used						
WASA Capital Program	520,368	301,813	256,623	45,190	15%	488,680
Washington Aqueduct Projects	11,373	6,596	3,436	3,160	48%	11,373
Total Cash Used	531,741	308,410	260,059	48,351	16%	500,053
Net Cash/PAYGO Provided (Used) by Cap. Act.	(32,546)	(18,876)	(41,596)	(22,719)		(32,546)
Beginning Balance, October 1 (Net of Rate Stab. Fund)						
Plus (Less) Operating Surplus	150,035		150,035			150,035
Wholesale Customer Refunds from Prior Years	26,255	15,228	29,826			47,209
Interest Earned From Bond Reserve	(5,250)	(3,045)	0			(5,661)
Transfer to Rate Stabilization Fund	256	148	220			223
Prior Year Federal Billing Reconciliation	(12,250)	(7,105)	0			(12,250)
Cash Used for Capital	(1,000)	(580)	(500)			(1,000)
Balance Attributable to O&M Reserve	(32,546)	(18,877)	(41,596)			(32,546)
	125,500		137,986			146,011
OTHER CASH RESERVES						
	Current Balance					
Rate Stabilization Fund	16,700					
CSO Long-Term Control Plan Appropriation	60,199					
DC PILOT Reserve Fund	10,003					

Finance and Budget Committee - 2. April 2012 Financial Report (Attachment 1) - Yvette Downs and Robert Hunt

FY 2012 Overtime
Budget vs Actual
Period Ended April 30, 2012

Department	FY 2011				FY 2012						
	Annual Budget	Actual	Percent of Budget Expended	Actual to Budget \$ Variance	Annual Budget	Percent of Annual Budget Expended	FY 2012 Year-to-Date				
							Straight-Line Budget 10/01/11 - 04/30/12	Actual 10/01/11 - 04/30/12	Actual to Straight-Line Budget Variance	Percentage YTD Straight-Line Budget Expended	YTD Overtime as % of YTD Regular
Office of the Secretary	4,000	1,854	46%	2,146	4,000	38%	2,320	1,523	797	66%	1%
General Manager	15,000	671	4%	14,329	13,000	7%	7,540	963	6,577	13%	0%
General Counsel	2,000	2,731	137%	(731)	2,000	26%	1,160	524	636	45%	0%
External Affairs	2,000	2,703	135%	(703)	2,000	21%	1,160	418	742	36%	0%
Internal Audit	-	-	0%	-	-	0%	0	0	0	0%	0%
Information Technology	25,000	15,471	62%	9,529	24,006	64%	13,923	15,356	(1,433)	110%	1%
Procurement	30,000	24,545	82%	5,455	30,000	54%	17,400	16,123	1,277	93%	1%
Customer Service	250,000	188,688	75%	61,312	240,000	39%	139,200	93,640	45,560	67%	2%
Finance & Budget	30,000	28,140	94%	1,860	30,000	44%	17,400	13,207	4,193	76%	1%
Risk Management	1,000	94	9%	906	1,000	9%	580	88	492	15%	0%
Assistant General Manager	1,000	222	22%	778	1,000	46%	580	462	118	80%	0%
Human Capital Management	5,000	2,852	57%	2,148	5,000	26%	2,900	1,311	1,589	45%	0%
Occupational Safety & Health	2,000	154	8%	1,846	2,000	21%	1,160	428	732	37%	0%
Facilities & Security	150,000	203,883	136%	(53,883)	150,000	69%	87,000	104,000	(17,000)	120%	4%
Water / Sewer Pump Maintenance	200,000	110,681	55%	89,319	200,000	24%	116,000	48,750	67,250	42%	4%
Engineering & Technical Services	549,960	611,204	111%	(61,244)	548,481	69%	318,119	375,836	(57,717)	118%	6%
Water Services	1,080,000	1,111,758	103%	(31,758)	1,080,000	43%	626,400	464,102	162,298	74%	7%
Clean Rivers	10,000	3,745	37%	6,255	25,000	9%	14,500	2,164	12,336	15%	0%
Sewer Services	900,000	1,063,680	118%	(163,680)	900,000	57%	522,000	510,627	11,373	98%	9%
Wastewater Treatment	956,000	1,010,473	106%	(54,473)	956,000	65%	554,480	625,656	(71,176)	113%	13%
Maintenance Services	800,000	880,595	110%	(80,595)	800,000	54%	464,000	434,438	29,562	94%	8%
Permit Operations	1,000	1,503	150%	(503)	2,500	72%	1,450	1,790	(340)	123%	0%
Fleet Management	1,000	926	93%	74	1,000	33%	580	330	250	57%	0%
Total DC WATER	\$5,014,960	\$5,266,573	105%	-\$251,613	\$5,016,987	54%	\$2,909,852	\$2,711,739	\$198,114	93%	6%

Notes:

- (1) "Budget 10/01/11 - 04/07/12" reflects annual budget straight-lined
- (2) "% YTD Budget Expended" reflects variance between straight-lined budget to-date and actual overtime
- (3) "Actual 10/01/11 thru. 04/30/12" includes 9 days accruals for April.
- (4) YTD payroll does not include fringe benefits

Finance and Budget Committee - 2. April 2012 Financial Report (Attachment 1) - Yvette Downs and Robert Hunt

Capital Projects
 FY 2012 Disbursements Analysis
 As of Apr. 30, 2012
 (\$ in 000's)

Description	FY 2012 Revised Disbursements Budget		Actual Disbursements			% of FY 2012 Revised Disbursements Budget		Commitments
	Annual	Annual - Projected	Oct. -'11 to Mar. -'12	APR. -'12	¹ YTD	Annual	YTD	
Wastewater Treatment								
Liquid Processing Projects	\$23,263	\$20,198	\$8,213	\$1,958	\$10,172	44%	50%	41,964
Plantwide Projects	18,018	21,096	8,625	881	9,506	53%	45%	26,917
Solids Processing Projects	119,295	104,813	42,213	6,835	49,048	41%	47%	388,464
Enhanced Nitrogen Removal Facilities (formerly Total Nitrogen Program)	<u>115,269</u>	<u>122,561</u>	<u>59,376</u>	<u>9,565</u>	<u>68,943</u>	60%	56%	<u>272,935</u>
Total Wastewater Treatment	275,845	268,667	118,428	19,240	137,669	50%	51%	730,280
Sanitary Sewer								
Sanitary Collection Sewers	2,140	1,241	502	148	650	30%	52%	2,336
Sanitary On-Going Projects	16,081	6,483	3,249	710	3,959	25%	61%	10,398
Sanitary Pumping Facilities	659	318	129	7	137	21%	43%	692
Sanitary Sewer Program Management	6,860	4,829	2,034	226	2,260	33%	47%	18,866
Sanitary Interceptor/Trunk Force Sewers	<u>14,162</u>	<u>11,461</u>	<u>4,746</u>	<u>1,322</u>	<u>6,068</u>	43%	53%	<u>19,352</u>
Total Sanitary Sewer	39,922	24,332	10,660	2,413	13,073	33%	54%	51,644
Combined Sewer Overflow								
CSO Program Management	1,590	1,602	953	0	953	60%	60%	12,967
Combined Sewer Projects	14,504	11,135	6,263	816	7,080	49%	64%	11,282
D.C. Clean Rivers Project (aka Long-Term Control Plan)	<u>115,922</u>	<u>117,404</u>	<u>53,378</u>	<u>8,838</u>	<u>62,217</u>	54%	53%	<u>266,162</u>
Total Combined Sewer Overflow	132,016	130,140	60,595	9,655	70,249	53%	54%	290,410
Stormwater								
Stormwater Local Drainage	17	1	0	0	0	0%	0%	239
Stormwater On-Going Program	731	1,181	1,082	99	1,181	162%	100%	402
Stormwater Pumping Facilities	-	-	0	0	0			0
DDOT Stormwater Program	2	-	0	0	0	0%		0
Stormwater Research and Program Management	499	322	240	0	240	48%	75%	1,392
Stormwater Trunk/Force Sewers	<u>1,527</u>	<u>1,461</u>	<u>904</u>	<u>302</u>	<u>1,205</u>	79%	82%	<u>1,069</u>
Total Stormwater	2,775	2,965	2,226	401	2,626	95%	89%	3,103
Water								
Water Distribution Systems	23,024	20,681	9,362	1,222	10,584	46%	51%	37,307
Water On-Going Projects	8,239	10,185	4,648	443	5,091	62%	50%	6,938
Water Pumping Facilities	5,327	1,788	730	2	732	14%	41%	6,060
DDOT Water Projects	4,002	3,665	2,110	808	2,918			7,110
Water Storage Facilities	2,083	2,557	1,480	0	1,480	71%	58%	809
Water Projects Program Management	4,109	3,375	1,554	293	1,847	45%	55%	12,036
Water Lead Program	4,801	2,102	818	226	1,045	22%	50%	7,369
AMR Installation / Replacement	<u>2,876</u>	<u>2,876</u>	<u>514</u>	<u>124</u>	<u>638</u>	22%	22%	<u>1,500</u>
Total Water	54,461	47,228	21,216	3,119	24,335	45%	52%	79,129
Washington Aqueduct	11,373	11,373	3,436	0	3,436	30%	30%	
Capital Equipment	15,349	15,349	7,952	720	8,672	56%	56%	6,258
Total Capital Projects	\$531,741	\$500,053	\$224,513	\$35,547	\$260,060	49%	52%	1,160,824

Notes:

¹ Includes actual OCIP related disbursements of \$418,331.29



DC Water
Investment Performance Report – April 2012

dc 
water is life

DC Water
Finance Division
Economic Update

ECONOMIC COMMENTARY

- During its April 25th meeting, the Federal Open Market Committee (FOMC) raised its economic outlook but left the target federal funds rate unchanged. The Fed has indicated that it intends to keep rates at “exceptionally” low levels through late 2014.
- Although the unemployment rate has inched lower, the pace of job growth has slowed alarming some market observers.
- Corporate revenues and profitability are on the rise helping strengthen companies’ balance sheets.
- Interest rates declined in April with the 10-year Treasury Note falling from 2.18% to 1.91%. Rates declined as concerns about the Eurozone resurfaced.

PORTFOLIO RECAP

- The portfolio is diversified among Bank Deposits, Commercial Paper, Federal Agencies, U.S. Treasuries, FDIC Insured CDs, and SEC registered money market funds.
- The overall yield-to-cost of the portfolio is 0.33%.
- The portfolio is in compliance with the Authority’s Investment Policy.

Operating Reserve Account

- In April, the Authority purchased \$5 million of 3 month commercial paper issued by JP Morgan.

CSO LTCP Appropriations Account

- The Authority purchased \$10 million of 6 month Federal Agencies and \$10 million of 3 month commercial paper.

2010 Construction Fund

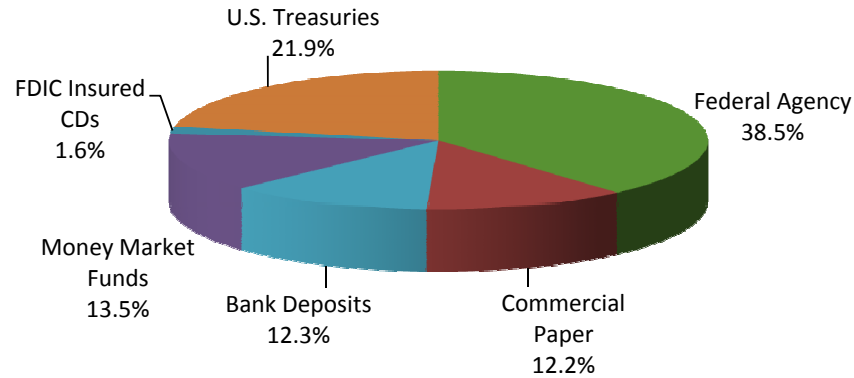
- The Authority purchased \$9 million of 3 month Federal Agencies.

2012 Construction Fund

- The Authority purchased \$20 million of 2 month Federal Agencies and an additional \$10 million of 2 month commercial paper.



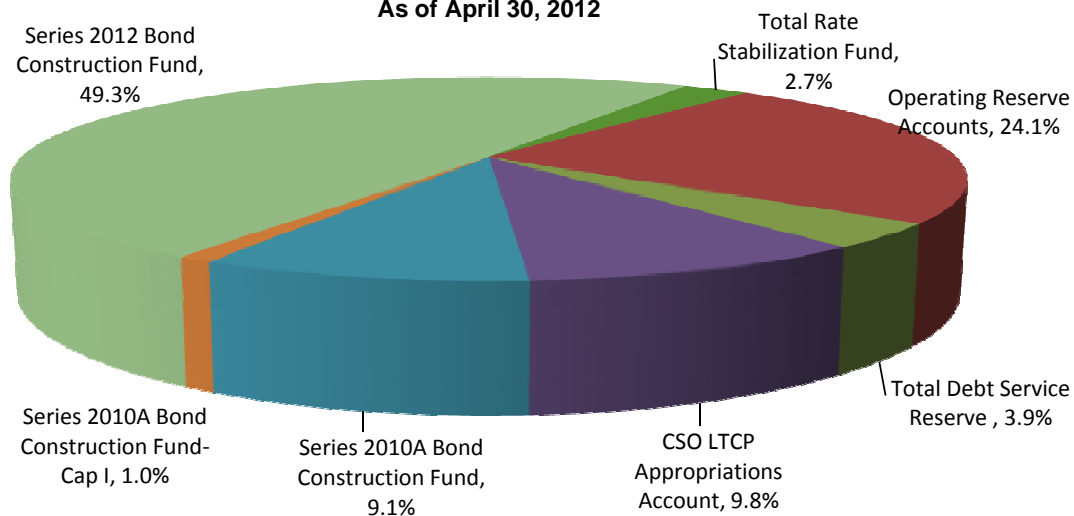
**DC Water
Finance Division
Investments - By Security Type
As of April 30, 2012**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	\$ 75,181,453	12.3%	100.0%
Money Market Funds	82,869,437	13.5%	100.0%
Bankers Acceptances	-	0.0%	40.0%
Commercial Paper	74,981,983	12.2%	35.0%
U.S. Treasuries	134,059,371	21.9%	100.0%
Federal Agency	235,884,802	38.5%	80.0%
FDIC Insured CDs	10,012,136	1.6%	30.0%
Municipal Obligations	-	0.0%	20.0%
Total	\$ 612,989,182	100.0%	



**DC Water
Finance Division
Investment Analysis – By Fund
As of April 30, 2012**



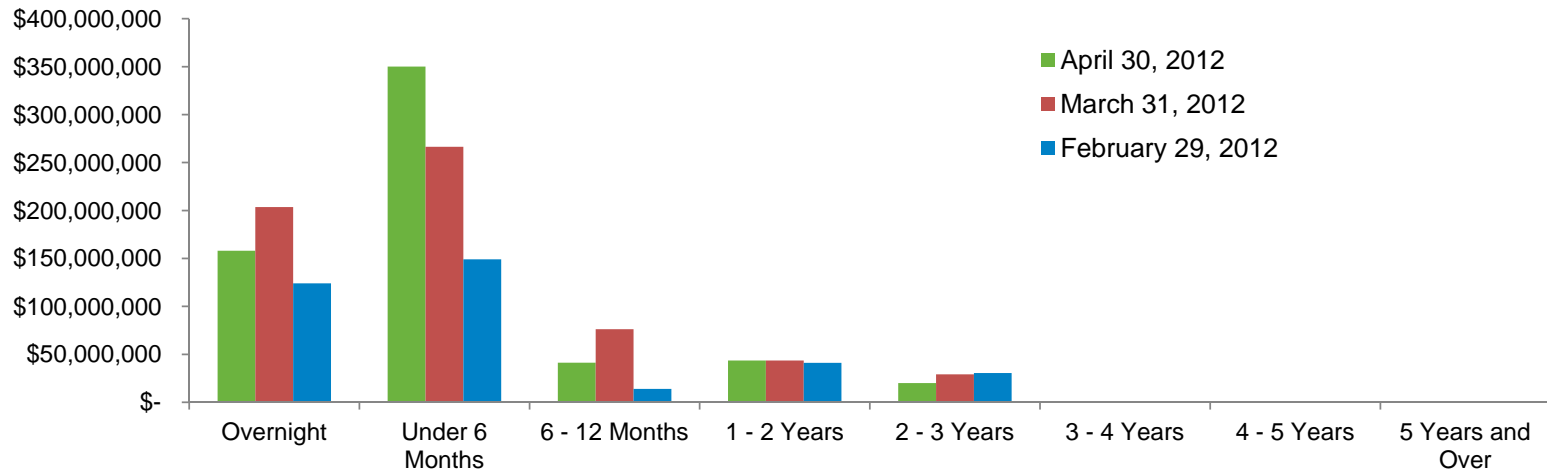
Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Total Rate Stabilization Fund	\$ 16,703,789	0.55%	0.10	35.7
Operating Reserve Accounts	\$ 148,030,675	0.74%	0.55	283.7
Total Debt Service Reserve	\$ 23,932,638	0.47%	0.58	217.9
Series 2010A Bond Construction Fund	\$ 56,079,236	0.08%	0.10	35.8
Series 2010A Bond Construction Fund- Cap I	\$ 6,059,210	0.77%	1.05	387.3
Total CSO LTCP Appropriations Account	\$ 60,071,590	0.46%	0.15	55.1
2012 Bond Construction Fund	\$ 302,112,044	0.11%	0.28	101.9
Total	\$ 612,989,182	0.32%	0.33	140.7



Investment Performance Report - April 2012

DC Water
Finance Division
Investment Analysis – By Maturity

Maturity Distribution	April 30, 2012	March 31, 2012	February 29, 2012
Overnight \$	158,050,890.11 \$	203,648,373.81 \$	124,029,773.49
Under 6 Months	350,108,868.71	266,415,363.91	149,014,483.46
6 - 12 Months	41,212,860.91	76,147,337.84	13,924,902.34
1 - 2 Years	43,547,243.42	43,543,515.48	41,095,236.70
2 - 3 Years	20,069,318.84	29,142,117.56	30,532,278.48
3 - 4 Years	-	-	-
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
Totals \$	612,989,181.99 \$	618,896,708.60 \$	358,596,674.47





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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
Bank Deposits					
TD Bank		\$ 65,143,257.02	10.6%	100.0%	Yes
Premier Bank		5,022,032.90	0.8%	100.0%	Yes
Capital One Bank		5,016,163.32	0.8%	100.0%	Yes
Sub-Total Bank Deposits		75,181,453.24	12.3%	100.0%	Yes
Money Market Mutual Funds					
American Beacon MMF	AAAm	1,482,288.58	0.2%	50.0%	Yes
Williams Capital Money Market Fund	AAAm	2,500,092.64	0.4%	50.0%	Yes
Merrill Lynch MMF	AAAm	3,500,769.96	0.6%	50.0%	Yes
Wells Fargo Advantage Treasury Plus	AAAm	20,077,751.07	3.3%	50.0%	Yes
Wells Fargo Government MMF	AAAm	55,308,534.62	9.0%	50.0%	Yes
Sub-Total Money Market Mutual Funds		82,869,436.87	13.5%	100.0%	Yes
Certificates of Deposit					
CDARs - Placed by Industrial Bank	NR / NR	5,009,205.48	0.8%	30.0%	Yes
CDARs - Placed by City First Bank	NR / NR	5,002,930.33	0.8%	30.0%	Yes
Sub-Total Certificates of Deposit		10,012,135.81	1.6%	30.0%	Yes
Commercial Paper					
Bank Of Nova Scotia Ny Comm Paper	A-1+ / P-1	9,996,458.30	1.6%	5.0%	Yes
FCAR Owners Trust	A-1+ / P-1	9,999,027.80	1.6%	5.0%	Yes
General Elec Cap Corp Comm Paper	A-1+ / P-1	9,996,455.60	1.6%	5.0%	Yes
Honeywell International Comm Paper	A-1 / P-1	9,997,822.20	1.6%	5.0%	Yes
JP Morgan Chase & Co Comm Paper	A-1 / P-1	9,997,770.80	1.6%	5.0%	Yes
Mizuho Funding Llc Comm Paper	A-1 / P-1	4,998,920.85	0.8%	5.0%	Yes
Sumitomo Corp Of America Comm Paper	A-1 / P-1	9,996,694.40	1.6%	5.0%	Yes
Toyota Motor Credit Corp Comm Paper	A-1+ / P-1	9,998,833.30	1.6%	5.0%	Yes
Sub-Total Commercial Paper		74,981,983.25	12.2%	35.0%	Yes
Federal Agencies					
Fannie Mae	AA+ / Aaa	34,354,115.01	5.6%	40.0%	Yes
Freddie Mac	AA+ / Aaa	75,059,166.35	12.2%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	126,471,520.18	20.6%	40.0%	Yes
Federal Farm Credit Bank	AA+ / Aaa	-	0.0%	40.0%	Yes
Sub-Total Federal Agencies		235,884,801.54	38.5%	100%	Yes
Treasuries					
Treasury Note	AA+ / Aaa	134,059,371.28	21.9%	100.0%	Yes
Sub-Total Treasuries		134,059,371.28	98.8%	80.0%	No
Total		\$ 612,989,181.99	138.5%		



Investment Performance Report - April 2012

**DC Water
Finance Division
Book Value Performance
As of April 30, 2012**

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

	Trailing 1 Months		Trailing 3 Months		Trailing 6 Months		Trailing 12 Months
	Periodic	Annualized	Periodic	Annualized	Periodic	Annualized	
Total Rate Stabilization Fund	0.05%	0.56%	0.14%	0.56%	0.28%	0.56%	0.58%
Operating Reserve Accounts	0.05%	0.64%	0.16%	0.64%	0.30%	0.61%	0.59%
Total Debt Service Reserve	0.04%	0.47%	0.13%	0.54%	0.29%	0.58%	0.60%
Total CSO LTCP Appropriations Account	0.02%	0.29%	0.09%	0.35%	0.21%	0.41%	0.41%
2010A Construction Fund	0.01%	0.07%	0.03%	0.12%	0.09%	0.18%	0.22%
2010A Capitalized Interest Fund	0.07%	0.80%	0.18%	0.73%	0.35%	0.70%	0.64%
2012 Construction Fund	0.01%	0.10%	n/a	n/a	n/a	n/a	n/a
Short-Term	0.02%	0.27%	0.08%	0.34%	0.20%	0.41%	0.42%
Merrill Lynch 3-Month Treasury Index (Book Value) ¹	0.01%	0.07%	0.02%	0.07%	0.02%	0.04%	0.04%
Core (1+ Years)	0.07%	0.82%	0.22%	0.89%	0.45%	0.90%	0.90%
Merrill Lynch 1-3 Year Treasury Index (Book Value) ²	0.03%	0.37%	0.07%	0.30%	0.14%	0.28%	0.34%

(1) The Merrill Lynch 3-Month Treasury Bill is an unmanaged index tracking the on-the-run 3-month 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 1-3 Year Treasury Index 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.

(3) Performance prior to February 2011 provided by the Authority.

*Weighted average maturity



Investment Performance Report - April 2012

DC Water
Finance Division
Portfolio Holdings by Fund

DESCRIPTION	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
Total Rate Stabilization Fund									
TD BANK BANK DEPOSIT	\$ 6,707,333		5/1/2012		1.05%	\$ 6,707,333	\$ 6,707,333	\$ 6,707,333	
GENERAL ELEC CAP CORP COMM PAPER	10,000,000	-	6/28/2012	2/29/2012	0.22%	9,992,667	9,997,390	9,996,456	
									\$ 16,703,788.90
Operating Reserve Accounts									
TD BANK BANK DEPOSIT	\$ 44,918,438		5/1/2012		1.05%	\$ 44,918,438	\$ 44,918,438	\$ 44,918,438	
CAPITAL ONE BANK	5,016,163		5/1/2012		0.50%	5,016,163	5,016,163	5,016,163	
WILLIAMS CAPITAL MONEY MARKET FUND	2,500,093		5/1/2012		0.01%	2,500,093	2,500,093	2,500,093	
FCAR OWNER TRUST COMM PAPER	5,000,000	-	5/15/2012	2/22/2012	0.24%	4,997,233	4,999,625	4,999,533	
FCAR OWNER TRUST COMM PAPER	5,000,000	-	5/15/2012	2/22/2012	0.26%	4,997,003	4,999,625	4,999,494	
MIZUHO FUNDING LLC COMM PAPER	5,000,000	-	5/22/2012	2/22/2012	0.37%	4,995,375	4,999,475	4,998,921	
JP MORGAN CHASE & CO COMM PAPER	5,000,000	-	5/23/2012	2/22/2012	0.15%	4,998,104	4,999,630	4,999,542	
JP MORGAN CHASE & CO COMM PAPER	5,000,000	-	7/25/2012	4/25/2012	0.15%	4,998,104	4,997,505	4,998,229	
FHLMC NOTES	10,000,000	1.000	8/28/2012	7/27/2010	0.73%	10,068,578	10,045,430	10,026,243	
INDUSTRIAL BANK CDARS	2,500,000	0.500	1/27/2013	1/26/2012	0.50%	2,500,000	2,503,288	2,503,288	
CITY FIRST BK OF WASHINGTON, DC (CDARS)	2,500,000	0.500	3/23/2013	3/23/2012	0.50%	2,500,000	2,502,160	2,501,332	
FHLB NOTES	10,000,000	0.750	8/28/2013	5/18/2011	0.72%	10,008,025	10,095,665	10,038,823	
FREDDIE MAC (CALLABLE) GLOBAL NOTES	10,000,000	0.500	10/18/2013	10/18/2011	0.56%	9,987,200	10,007,956	9,992,423	
FHLB TAP BONDS	10,000,000	3.125	12/13/2013	5/19/2011	0.99%	10,675,134	10,573,032	10,461,318	
INDUSTRIAL BANK CDARS	2,500,000	0.900	1/27/2014	1/26/2012	0.90%	2,500,000	2,505,918	2,505,918	
CITY FIRST BK OF WASHINGTON, DC (CDARS)	2,500,000	0.600	3/23/2014	3/23/2012	0.60%	2,500,000	2,505,328	2,501,598	
FHLMC NOTES (CALLABLE)	10,000,000	0.875	11/14/2014	11/18/2011	0.87%	10,000,972	10,060,610	10,040,590	
FNMA NOTES (CALLABLE)	10,000,000	0.800	11/21/2014	11/21/2011	0.83%	9,992,000	10,052,946	10,028,729	
									\$ 148,030,674.88
Total Debt Service Reserve									
WELLS FARGO GOVERNMENT MMF	\$ 5,176,317		5/1/2012		0.01%	\$ 5,176,317	\$ 5,176,317	\$ 5,176,317	
MERRILL LYNCH MMF	3,500,770		5/1/2012		0.06%	3,500,770	3,500,770	3,500,770	
FHLMC NOTES	10,000,000	0.515	11/26/2012	11/22/2010	0.64%	9,981,294	10,039,124	10,015,063	
FHLB TAP BONDS	5,000,000	3.125	12/13/2013	5/25/2011	0.87%	5,354,034	5,286,516	5,240,488	
									\$ 23,932,637.80



Investment Performance Report - April 2012

DC Water
Finance Division
Portfolio Holdings by Fund

DESCRIPTION	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
Series 2010A Bond Construction Fund									
WELLS FARGO ADVANTAGE TREASURY PLUS	\$ 2,117,640		5/1/2012		0.01%	\$ 2,117,640	\$ 2,117,640	\$ 2,117,640	
WELLS FARGO GOVERNMENT MMF	19,917,446		5/1/2012		0.01%	19,917,446	19,917,446	19,917,446	
TOYOTA MOTOR CREDIT CORP COMM PAPER	10,000,000	-	5/29/2012	2/29/2012	0.15%	9,996,250	9,998,810	9,998,833	
FHLB DISC NOTE	15,000,000	-	6/27/2012	4/25/2012	0.10%	14,997,375	14,998,350	14,997,375	
FNMA GLOBAL NOTES	9,000,000	1.125	7/30/2012	4/18/2012	0.12%	9,047,549	9,047,491	9,047,941	
									\$ 56,079,235.72
Series 2010A Bond Construction Fund- Cap I									
WELLS FARGO ADVANTAGE TREASURY PLUS	\$ 237,589		5/1/2012		0.01%	\$ 237,589	\$ 237,589	\$ 237,589	
WELLS FARGO GOVERNMENT MMF	160,305		5/1/2012		0.01%	160,305	160,305	160,305	
FHLB GLOBAL BONDS	1,400,000	1.625	9/26/2012	3/16/2011	0.43%	1,436,191	1,410,522	1,408,936	
FHLB TAP BONDS	1,400,000	3.875	3/8/2013	3/16/2011	0.70%	1,488,359	1,451,188	1,445,706	
FNMA NOTES	1,400,000	1.125	9/30/2013	3/16/2011	0.97%	1,412,681	1,417,802	1,404,390	
FNMA NOTES (EX-CALLABLE)	1,400,000	1.250	3/14/2014	3/16/2011	1.19%	1,402,617	1,426,083	1,402,285	
									\$ 6,059,210.44
Total CSO LTCP Appropriations Account									
TD BANK BANK DEPOSIT	\$ 13,517,486		5/1/2012		1.05%	\$ 13,517,486	\$ 13,517,486	\$ 13,517,486	
PREMIER BANK DEPOSIT	5,022,033		5/1/2012		0.24%	5,022,033	5,022,033	5,022,033	
AMERICAN BEACON MMF	1,482,289		5/1/2012		0.34%	1,482,289	1,482,289	1,482,289	
SUMITOMO CORP OF AMERICA COMM PAPER	10,000,000	-	6/5/2012	2/28/2012	0.34%	9,990,744	9,997,360	9,996,694	
FHLB TAP BONDS	10,000,000	1.375	6/8/2012	11/22/2010	0.50%	10,197,461	10,067,198	10,063,588	
BANK OF NOVA SCOTIA NY COMM PAPER	10,000,000	-	7/25/2012	4/25/2012	0.15%	9,996,208	9,996,460	9,996,458	
FHLMC DISC NOTE	10,000,000	-	10/15/2012	4/18/2012	0.15%	9,992,500	9,992,687	9,993,042	
									\$ 60,071,590.37
Series 2012 Bond Construction Fund									
WELLS FARGO GOVERNMENT MMF	\$ 47,776,989		5/1/2012		0.01%	\$ 47,776,989	\$ 47,776,989	\$ 47,776,989	
FHLB DISC NOTE	50,000,000	-	6/20/2012	3/27/2012	0.09%	49,989,965	49,991,003	49,994,097	
FHLB DISC NOTE	2,800,000	-	6/20/2012	3/27/2012	0.09%	2,799,438	2,799,496	2,799,669	
HONEYWELL INTERNATIONAL COMM PAPER	10,000,000	-	6/26/2012	4/18/2012	0.14%	9,997,317	9,997,630	9,997,822	
FHLB NOTES	20,000,000	0.250	6/29/2012	4/18/2012	0.11%	20,020,739	20,021,444	20,021,519	
FNMA GLOBAL NOTES	12,405,000	1.125	7/30/2012	3/27/2012	0.13%	12,469,240	12,470,458	12,470,771	
FHLMC DISC NOTE	25,000,000	-	8/27/2012	3/30/2012	0.10%	24,989,583	24,987,934	24,991,806	
US TREASURY NOTES	25,000,000	0.375	8/31/2012	3/27/2012	0.14%	25,032,269	25,036,295	25,035,525	
US TREASURY NOTES	49,500,000	0.375	9/30/2012	3/27/2012	0.15%	49,648,792	49,564,084	49,562,874	
US TREASURY NOTES	34,500,000	1.375	10/15/2012	3/27/2012	0.15%	34,945,706	34,712,105	34,713,500	
US TREASURY NOTES	24,500,000	1.125	12/15/2012	3/27/2012	0.18%	24,743,133	24,747,470	24,747,472	
									\$ 302,112,043.88
						\$ 613,690,730.54	\$ 613,353,981.28	\$ 612,989,181.99	\$ 612,989,181.99



Investment Performance Report - April 2012

DC Water
Finance Division
Security Transactions
Last 6 Months

ACCOUNT	CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Purchases								
DC WASA 2010A CONSTRUCTION FUND	02665JBN9	AMERICAN HONDA FINANCE COMM PAPER	10,000,000	-	02/22/12	11/17/11	0.172	\$ 9,995,419.44
DC WASA 2010A CONSTRUCTION FUND	89233GBV7	TOYOTA MOTOR CREDIT CORP COMM PAPER	10,000,000	-	02/29/12	11/21/11	0.142	\$ 9,996,111.11
DC WASA 2010A CONSTRUCTION FUND	14912DCS6	CATERPILLAR FIN SERV CRP COMM PAPER	10,000,000	-	03/26/12	01/17/12	0.041	\$ 9,999,233.33
DC WASA 2010A CONSTRUCTION FUND	90526MDH7	UNION BANK NA COMM PAPER	10,000,000	-	04/17/12	01/17/12	0.304	\$ 9,992,416.67
DC WASA 2010A CONSTRUCTION FUND	89233GEV4	TOYOTA MOTOR CREDIT CORP COMM PAPER	10,000,000	-	05/29/12	02/29/12	0.152	\$ 9,996,250.00
DC WASA 2010A CONSTRUCTION FUND	31398AT77	FNMA GLOBAL NOTES	9,000,000	1.125	07/30/12	04/18/12	0.120	\$ 9,047,548.80
DC WASA 2010A CONSTRUCTION FUND	313384YR4	FHLC DISC NOTE	15,000,000	-	06/27/12	04/25/12	0.101	\$ 14,997,375.00
DC WASA OPERATING RESERVE ACCOUNTS	45778NBF0	INOVA HEALTH SYSTEMS COMM PAPER	4,750,000	-	02/15/12	11/17/11	0.183	\$ 4,747,862.50
DC WASA OPERATING RESERVE ACCOUNTS	7426M4BV8	PRIVATE EXPORT FUND COMM PAPER	5,000,000	-	02/29/12	11/17/11	0.132	\$ 4,998,122.22
DC WASA OPERATING RESERVE ACCOUNTS	3134G24Y5	FHLMC NOTES (CALLABLE)	10,000,000	0.875	11/14/14	11/18/11	0.875	\$ 10,000,972.22
DC WASA OPERATING RESERVE ACCOUNTS	3135G0FT5	FNMA NOTES (CALLABLE)	10,000,000	0.800	11/21/14	11/21/11	0.827	\$ 9,992,000.00
DC WASA OPERATING RESERVE ACCOUNTS	66844CBG8	NORTHWEST UNIVERSITY COMM PAPER	5,000,000	-	02/16/12	11/21/11	0.152	\$ 4,998,187.50
DC WASA OPERATING RESERVE ACCOUNTS	7426M2BM2	PRIVATE EXPORT FUND COMM PAPER	5,000,000	-	02/21/12	11/22/11	0.112	\$ 4,998,609.72
DC WASA OPERATING RESERVE ACCOUNTS	RE0854415	INDUSTRIAL BANK CDARS	2,500,000	0.500	01/27/13	01/26/12	0.507	\$ 2,500,000.00
DC WASA OPERATING RESERVE ACCOUNTS	RE0854423	INDUSTRIAL BANK CDARS	2,500,000	0.900	01/27/14	01/26/12	0.913	\$ 2,500,000.00
DC WASA OPERATING RESERVE ACCOUNTS	3024A6EF5	FCAR OWNER TRUST COMM PAPER	5,000,000	-	05/15/12	02/22/12	0.244	\$ 4,997,233.33
DC WASA OPERATING RESERVE ACCOUNTS	3024A6EF5	FCAR OWNER TRUST COMM PAPER	5,000,000	-	05/15/12	02/22/12	0.264	\$ 4,997,002.78
DC WASA OPERATING RESERVE ACCOUNTS	4662J0EP3	JP MORGAN CHASE & CO COMM PAPER	5,000,000	-	05/23/12	02/22/12	0.152	\$ 4,998,104.17
DC WASA OPERATING RESERVE ACCOUNTS	60688FEN5	MIZUHO FUNDING LLC COMM PAPER	5,000,000	-	05/22/12	02/22/12	0.376	\$ 4,995,375.00
DC WASA OPERATING RESERVE ACCOUNTS	RE0857798	CITY FIRST BK OF WASHINGTON, DC (CDARS)	2,500,000	0.500	03/23/13	03/23/12	0.507	\$ 2,500,000.00
DC WASA OPERATING RESERVE ACCOUNTS	RE0857806	CITY FIRST BK OF WASHINGTON, DC (CDARS)	2,500,000	0.600	03/23/14	03/23/12	0.608	\$ 2,500,000.00
DC WASA OPERATING RESERVE ACCOUNTS	4662J0GR7	JP MORGAN CHASE & CO COMM PAPER	5,000,000	-	07/25/12	04/25/12	0.152	\$ 4,998,104.17
DC WASA TOTAL CSO LTCP APPROPRIATIONS	06416JDW0	BANK OF NOVA SCOTIA NY COMM PAPER	10,000,000	-	04/30/12	01/17/12	0.112	\$ 9,996,822.22
DC WASA TOTAL CSO LTCP APPROPRIATIONS	86561AF51	SUMITOMO CORP OF AMERICA COMM PAPER	10,000,000	-	06/05/12	02/28/12	0.345	\$ 9,990,744.45
DC WASA TOTAL CSO LTCP APPROPRIATIONS	313396K77	FHLMC DISC NOTE	10,000,000	-	10/15/12	04/18/12	0.152	\$ 9,992,500.00
DC WASA TOTAL CSO LTCP APPROPRIATIONS	06416JGR8	BANK OF NOVA SCOTIA NY COMM PAPER	10,000,000	-	07/25/12	04/25/12	0.152	\$ 9,996,208.33
DC WASA RATE STABILIZATION FD	36959HFU6	GENERAL ELEC CAP CORP COMM PAPER	10,000,000	-	06/28/12	02/29/12	0.223	\$ 9,992,666.67
DC WASA 2012 CONSTRUCTION FUND	31398AT77	FNMA GLOBAL NOTES	12,405,000	1.125	07/30/12	03/27/12	0.130	\$ 12,469,239.67
DC WASA 2012 CONSTRUCTION FUND	91282LR9	US TREASURY NOTES	34,500,000	1.375	10/15/12	03/27/12	0.150	\$ 34,945,706.01
DC WASA 2012 CONSTRUCTION FUND	91282MB3	US TREASURY NOTES	24,500,000	1.125	12/15/12	03/27/12	0.183	\$ 24,743,133.01
DC WASA 2012 CONSTRUCTION FUND	91282NX4	US TREASURY NOTES	49,500,000	0.375	09/30/12	03/27/12	0.146	\$ 49,648,791.62
DC WASA 2012 CONSTRUCTION FUND	91282PH7	US TREASURY NOTES	25,000,000	0.375	08/31/12	03/27/12	0.137	\$ 25,032,269.03
DC WASA 2012 CONSTRUCTION FUND	313384YJ2	FHLC DISC NOTE	50,000,000	-	06/20/12	03/27/12	0.086	\$ 49,989,965.28
DC WASA 2012 CONSTRUCTION FUND	313384YJ2	FHLC DISC NOTE	2,800,000	-	06/20/12	03/27/12	0.086	\$ 2,799,438.06
DC WASA 2012 CONSTRUCTION FUND	313396D67	FHLMC DISC NOTE	25,000,000	-	08/27/12	03/30/12	0.101	\$ 24,989,583.33
DC WASA 2012 CONSTRUCTION FUND	313374K25	FHLC NOTES	20,000,000	0.250	06/29/12	04/18/12	0.108	\$ 20,020,738.89
DC WASA 2012 CONSTRUCTION FUND	43851TF50	HONEYWELL INTERNATIONAL COMM PAPER	10,000,000	-	06/26/12	04/18/12	0.142	\$ 9,997,316.67

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

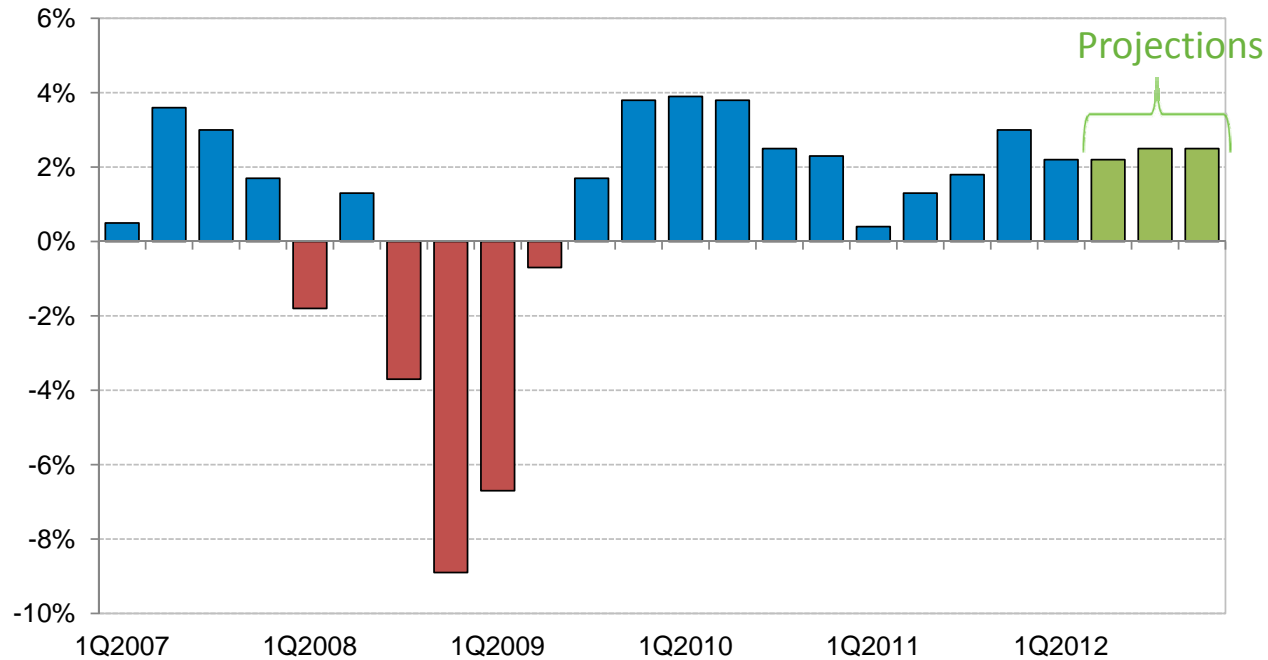


Appendix: Economic Update



Gross Domestic Product

- GDP grew only 2.2% in the first quarter, compared to estimates of 2.5%.
- Consumer spending has strengthened, but inventory spending was lower than anticipated in the first quarter.

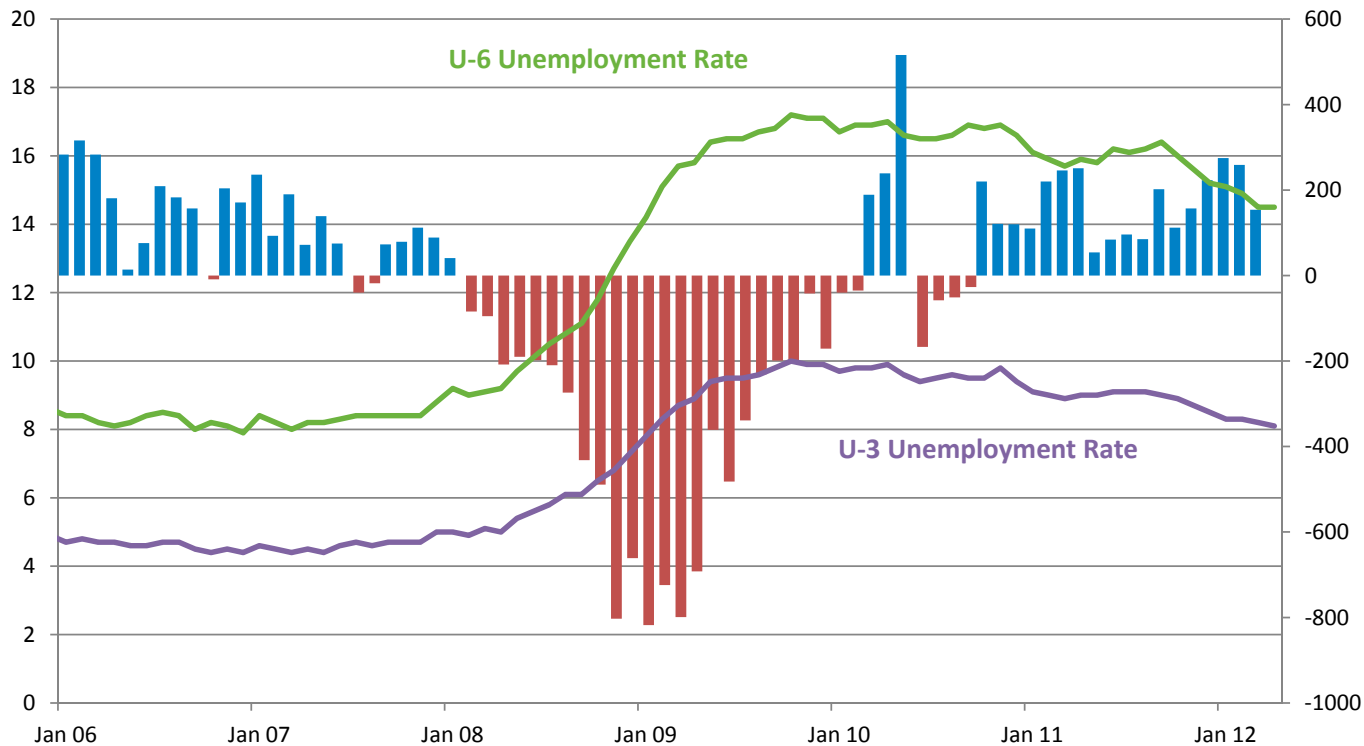


Source: Bloomberg



Unemployment Remains Elevated

- The national unemployment rate is at 8.2%
- Economists feel that the unemployment rate is unlikely to decrease significantly due to pace of job creation slowing.

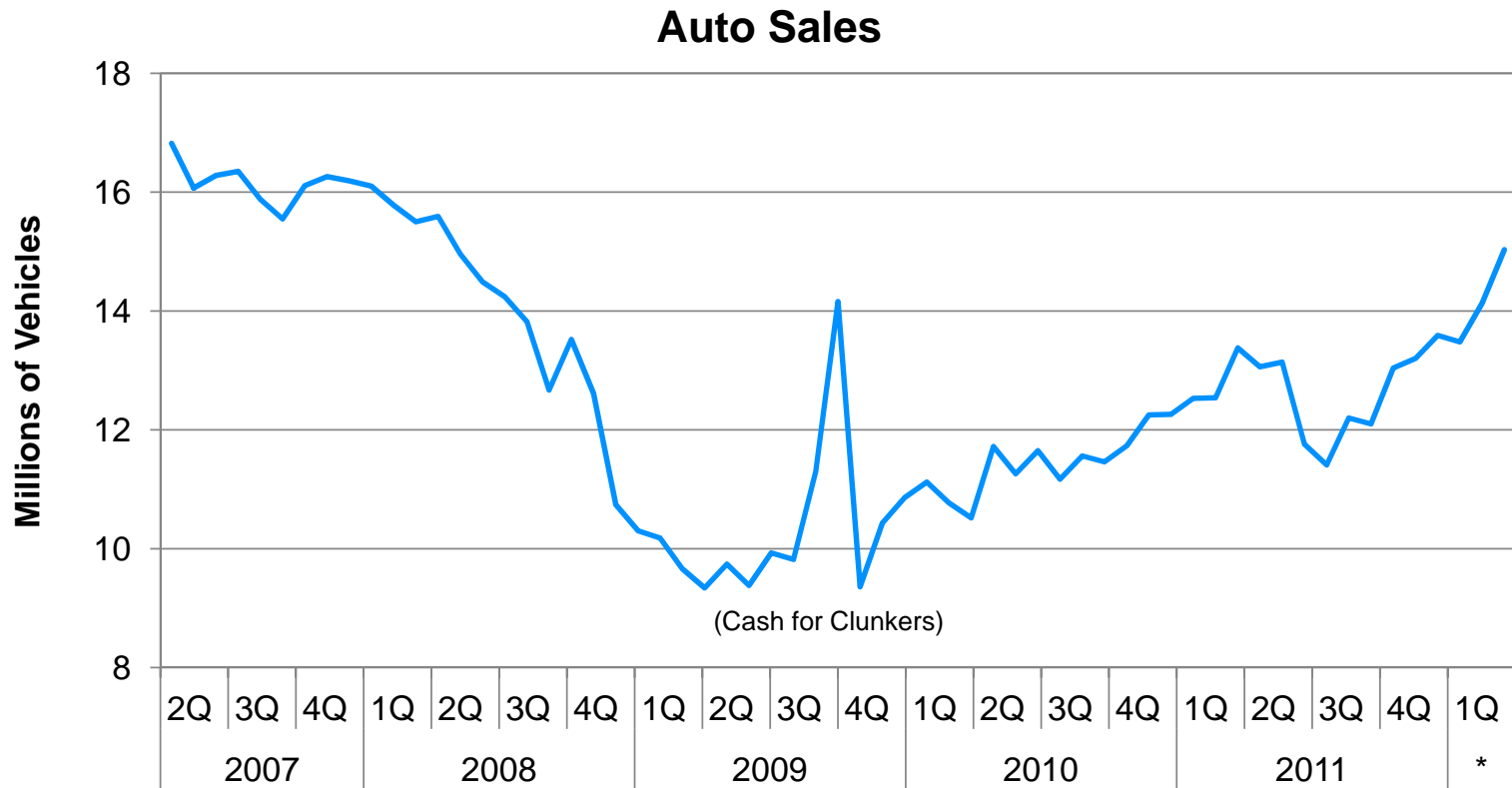


Source: Bloomberg



Automobile Sales Are Rising

- Auto sales contributed to strong retail sales growth.



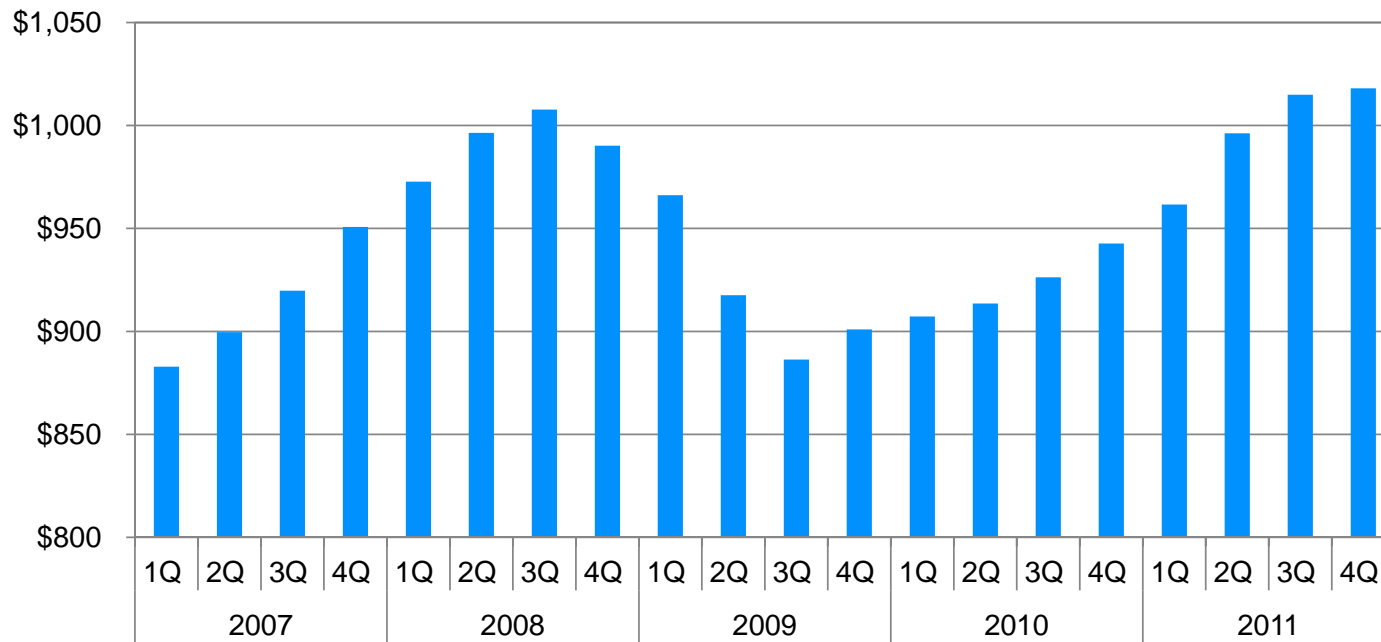
Source: Bloomberg



Corporate Sales & Profitability

- Corporate earnings show companies are able to move inventories without deep discounts that cut into profits.

Revenues/Sales Have Recovered

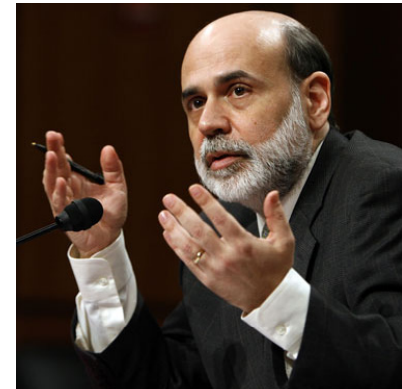


Source: Bloomberg



Federal Reserve (April 25th Meeting)

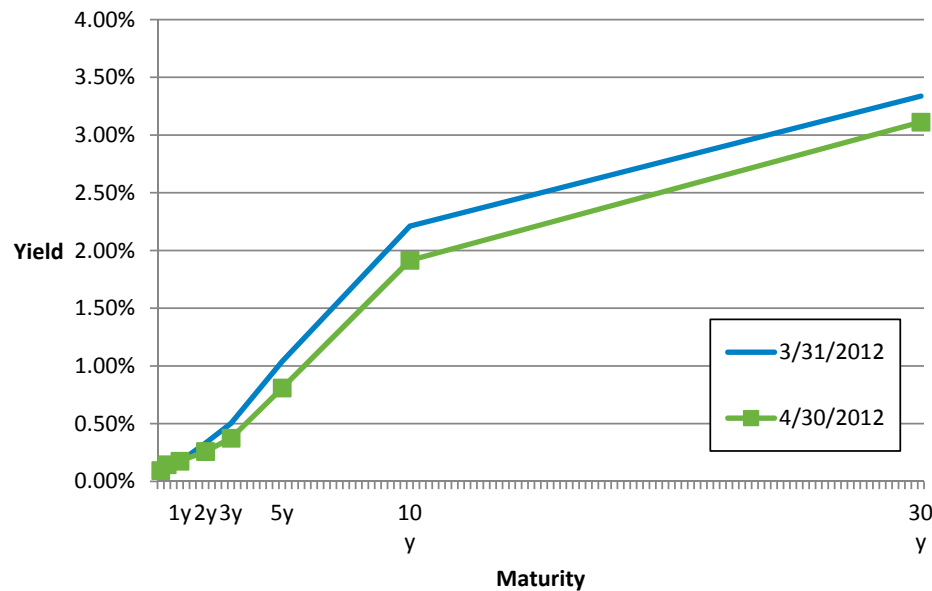
- Economic conditions likely to warrant “exceptionally low” rate “at least through late 2014”.
- The program to extend the average maturity of its holdings will continue.
- Moderate economic growth is expected over coming quarters and then to pick up gradually. Strains in global financial markets continue to pose significant downside risks to the economic outlook.
- Inflation will run at or below the rate most consistent with the Committee’s dual mandate. The increase in gasoline prices will affect inflation only temporarily.
- The unemployment rate has declined but remains elevated. It is anticipated that unemployment will decline gradually toward levels consistent with the Committee’s dual mandate.





Longer-Term Interest Rates Declined in April

U.S. Treasury Yield Curve
March 31, 2012 versus April 30, 2012



	3/31/2012	4/30/2012	Change
3 month	0.07%	0.08%	0.02%
6 month	0.13%	0.13%	0.00%
1 year	0.17%	0.17%	0.00%
2 year	0.33%	0.27%	-0.06%
3 year	0.50%	0.40%	-0.10%
5 year	1.04%	0.85%	-0.19%
10 year	2.21%	1.97%	-0.24%
30 year	3.34%	3.13%	-0.21%

Source: Bloomberg

ATTACHMENT 2



OVERVIEW OF FY 2012 BUDGET PROJECTIONS

05/24/2012

Presented to the Finance & Budget Committee
By: Olu Adebo, Chief Financial Officer



FY 2012 Revenue Projections

Revenues Through April

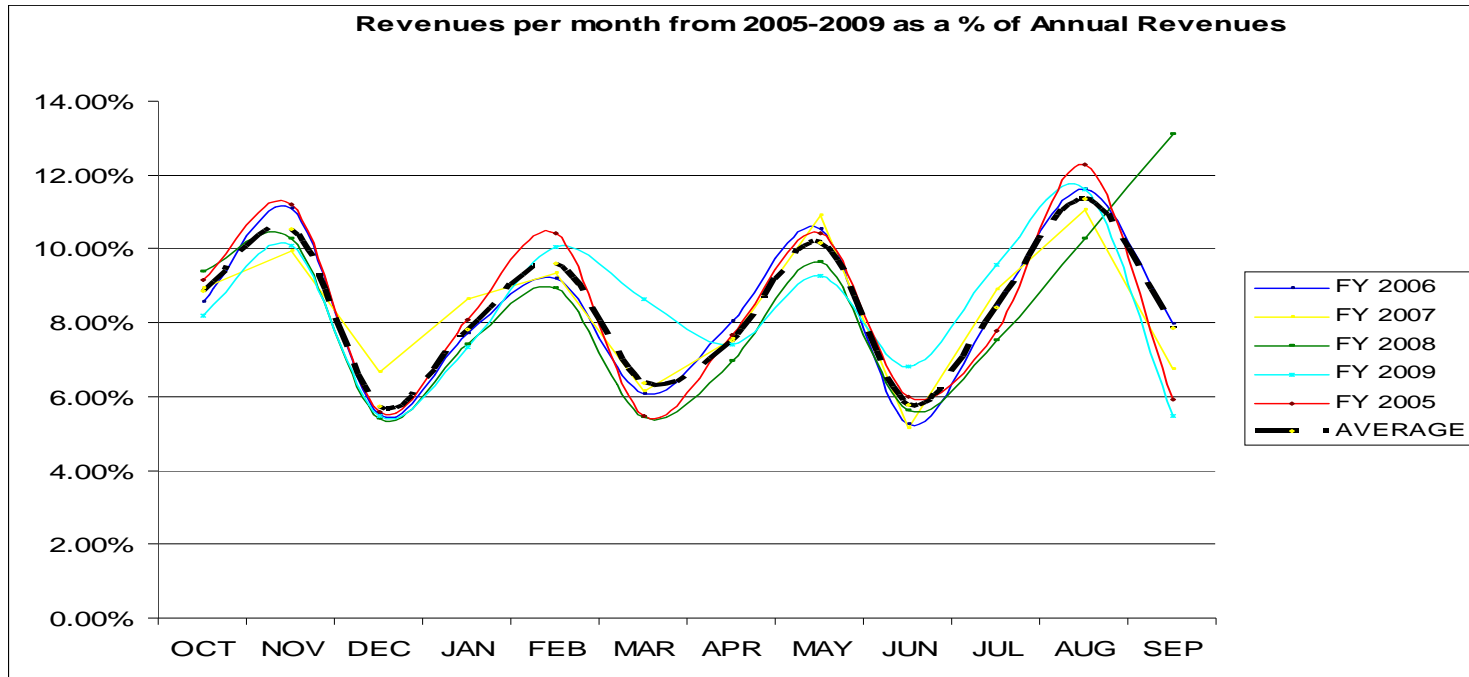
(in millions)

3

	Budget	Actual (through 4/30)	Percent Complete
FY 2012	\$426.4	\$235.5	55.2%
FY 2011	399.1	221.3	55.4%
Historic Average (as a % of year-end totals)	N/A	N/A	55.4%

Current Revenues are in Line with Historic Trends

4



	Total	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Total
FY 2005	\$ 285,075,422	9.15%	11.21%	5.59%	8.08%	10.43%	5.48%	7.68%	10.42%	5.99%	7.77%	12.28%	5.93%	100.00%
FY 2006	\$ 296,238,067	8.55%	11.11%	5.52%	7.69%	9.21%	6.08%	8.05%	10.53%	5.25%	8.43%	11.61%	7.97%	100.00%
FY 2007	\$ 303,740,411	8.93%	9.96%	6.68%	8.64%	9.35%	6.13%	7.56%	10.92%	5.13%	8.88%	11.05%	6.75%	100.00%
FY 2008	\$ 346,343,080	9.38%	10.29%	5.39%	7.40%	8.95%	5.43%	6.98%	9.63%	5.63%	7.52%	10.28%	13.12%	100.00%
FY 2009	\$ 341,142,800	8.20%	10.11%	5.46%	7.34%	10.07%	8.65%	7.42%	9.28%	6.81%	9.55%	11.62%	5.49%	100.00%
AVG	\$ 314,507,956	8.85%	10.54%	5.73%	7.83%	9.60%	6.35%	7.54%	10.15%	5.76%	8.43%	11.37%	7.85%	100.00%

Revenue Assumptions

(in millions)

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- Historically, 55% of annual revenues have been received in the first 7 months of the fiscal year (October – April)
- FY 2012 Consumption through April is less than FY 2011, impacting residential, commercial and multi-family revenues
- Year-end projections assume receipt of additional 45% revenues in remaining 5 months
- DC government has disputed some billings at St. Elizabeth's, but it is assumed that this dispute will be resolved in favor of DC Water

REVENUE VARIANCE BY CATEGORY (\$ in millions)					
As of April 30, 2012					
Revenue Category	FY 2012 Revised Budget	Actual Received	Year End Projections	Variance Proj v. Bud	Percent
Residential, Commercial, and Multi-family	226.2	122.9	221.4	(4.8)	97.9%
Federal	47.5	34.1	47.5	0.0	100.1%
District Government	11.1	6.4	10.6	(0.5)	95.8%
DC Housing Authority	6.4	4.5	6.9	0.5	108.3%
Customer Metering Fee	10.8	6.7	11.0	0.2	101.9%
Wholesale	74.4	37.6	74.4	0.0	100.0%
Right-of-Way Fee/PILOT	22.5	13.5	22.4	(0.1)	99.6%
Subtotal (before Other Revenues)	\$398.9	\$225.7	\$394.3	(\$4.6)	98.9%
Other Revenue without RSF					
IMA Indirect Cost Reimb. For Capital Projects	4.0	0.0	6.0	2.0	150.0%
DC Fire Protection Fee	6.2	3.1	6.2	0.0	100.0%
Stormwater (MS4)	1.1	0.4	0.9	(0.3)	77.3%
Interest	0.8	0.5	0.5	(0.2)	69.4%
Developer Fees (Water & Sewer)	6.0	5.1	6.9	0.9	115.0%
Others	2.9	0.7	1.2	(1.7)	41.4%
Subtotal	\$21.0	\$9.8	\$21.7	\$0.7	103.4%
Rate Stabilization Fund Transfer	\$6.5	\$0.0	\$6.5	\$0.0	100.0%
Other Revenue Subtotal	\$27.5	\$9.8	\$28.2	\$0.7	102.6%
Grand Total	\$426.4	\$235.5	\$422.5	(\$3.9)	99.1%



FY 2012 Operating Expenditure Projections

Expenditures Through April

(in millions)

7

	Revised Budget	Actual (through 4/30)	Percent Complete
FY 2012	\$415.4	\$212.0	51%
FY 2011	403.3	209.1	52%
Historic Average (as a % of actual year-end totals)	N/A	N/A	55%

FY 2012 Operating Budget Projections

(in thousands)

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	FY 2012 Revised	FY 2012 Actual (4/30/12)	FY 2012 Projections	FY 2012 Variance	Y/E % of Budget
Personnel Services	\$111,114	\$ 60,226	\$ 107,382	\$ 3,732	97%
Contractual Services	79,747	35,291	73,516	6,231	92%
Water Purchases	31,517	15,130	29,400	2,117	93%
Chemicals and Supplies	29,947	13,661	26,112	3,835	87%
Utilities	37,446	16,027	29,800	7,646	80%
Small Equipment	995	441	787	208	79%
Subtotal O & M Expenditures	\$290,765	\$140,776	\$ 266,998	\$ 23,768	92%
Debt Service	102,613	58,450	99,627	2,986	97%
Payment in Lieu of Taxes	16,882	9,848	16,882	0	100%
Right of Way	5,100	2,975	5,100	0	100%
Subtotal Debt Service & PILOT/ROW	\$124,595	\$ 71,273	\$ 121,609	\$ 2,986	98%
Total O & M Expenditures	\$415,360	\$212,049	\$ 388,606	\$ 26,755	94%
Less PS Charged to Capital Projects	(14,000)	(7,588)	(13,530)	(470)	97%
Total Net Operating Expenditures	\$401,360	\$204,461	\$ 375,076	\$ 26,285	93%

FY 2012 Major Variance Explanation

9

Personnel Services - \$3.7M

- Regular Pay – Projecting savings from higher vacancy than budgeted (8% vs 3%)
- Overtime – Lower expenditure due to tighter controls and milder winter months
- Benefits - Lower projection due to
 - Lower health costs and employment taxes; offset by higher retirement benefits due to increased employee awareness.

Contractual Services - \$6.2 M

- Projected savings from various professional services in the areas of the Green LID program, revenue initiatives, energy quick wins; support services for LAN/WAN, Maximo and GIS; other security-related expenses.

Chemicals & Supplies - \$3.8 M

- Chemicals - saving from lower than anticipated spending on ferric chloride, various polymer, caustic soda, and sodium hypochlorite resulting from lower flows
- Anticipated supplies savings mainly from spare parts and other custodial services

Water Purchases - \$2.1M

- Savings attributable to the Washington Aqueduct's hiring delays and lower than anticipated water demand.

Utilities - \$7.6M

- Projected savings in electricity due the adopted purchasing strategy, lower unit prices and decreased consumption; offset by increased fuel expenditure and natural gas unit prices

Debt Service - \$3.0M

- Savings based on the successful issuance of the 2012 Bond Series at lower than anticipated All-in-TIC of 3.27%.



FY 2012 Capital Program Disbursement Projections

Capital Program Disbursement Projections

(in millions)

11

	Revised Budget	Actual (through 4/30)	Percent Complete
FY 2012 Disbursements	\$531.7	\$260.1	49%
FY 2011	\$325.2	\$156.6	48%

FY 2012 Major Variance Explanation

12

\$\$ In thousands

Description	FY 2012 Disbursements Budget				
	Annual	Actual (through 4/30/12)	Annual - Projected	Variance	Y/E % of Budget
Wastewater Treatment	\$ 275,845	\$ 137,669	\$ 268,667	\$7,177	97%
Sanitary Sewer	39,922	13,073	24,332	15,590	61%
Combined Sewer Overflow	132,016	70,249	130,140	1,875	99%
Stormwater	2,775	2,626	2,965	(189)	107%
Water	54,461	24,335	47,228	7,232	87%
Washington Aqueduct	11,373	3,436	11,373	0	100%
Capital Equipment	15,349	8,672	15,349	0	100%
Total Capital Projects	\$531,741	\$ 260,060	\$500,053	\$31,684	94.0%

Wastewater Treatment

- Projects are on schedule
- 2 Digester contracts awarded later than anticipated, but project still scheduled for start up in late FY 2014
- Under spending in liquid processing program expected to continue through year-end, but does not impact critical aspects of the projects

Sanitary Sewers

- Fiscal year spending will be reduced due to reprioritization of inspection work within the program

Water

- Water distribution program projected to be 90% of budgeted spending
- Water Pumping and Lead are not likely to recover. Design changes and utility coordination issues at Fort Reno and Bryant street may result in lags to implementation of those contracts.



FY 2012 Cash Position Projections

Cash Position Projections

(in millions)

14

\$20.5 M excess cash above the operating reserve requirement is projected at year-end

	Annual Budget Cash Basis	YTD Actual Cash 30-Apr-12	FY 2012 Year End Projection	FY 2012 Variance	Y/E % of Budget
OPERATING BUDGET					
Total Cash Provided	426,161	235,279	422,285	3,875	99%
Total Operating Cash Used	276,765	141,954	253,467	23,298	92%
Total Other Cash Used	123,141	63,499	121,609	1,532	99%
Total Cash Used	399,906	205,452	375,076	24,830	94%
Net Cash Provided (Used) by Operating Act.	26,255	29,826	47,209	(20,955)	180%
CAPITAL BUDGET					
Total Cash Provided	499,195	218,463	467,507	31,688	94%
Total Cash Used	531,741	260,059	500,053	31,688	94%
Net Cash/PAYGO Provided (Used) by Cap. Act.	(32,546)	(41,596)	(32,546)	-	100%
Beginning Balance, October 1 (Net of Rate Stab. Fi	150,035	150,035	150,035	-	100%
Plus (Less) Operating Surplus	26,255	29,826	47,209	(20,954)	180%
Wholesale Customer Refunds from Prior Years	(5,250)	0	(5,661)	411	108%
Interest Earned From Bond Reserve	256	220	223	33	87%
Transfer to Rate Stabilization Fund	(12,250)	0	(12,250)	-	100%
Prior Year Federal Billing Reconciliation	(1,000)	(500)	(1,000)	-	100%
Cash Used for Capital	(32,546)	(41,596)	(32,546)	-	100%
Balance Attributable to O&M Reserve	125,500	137,986	146,011	(20,511)	116%

Next Steps

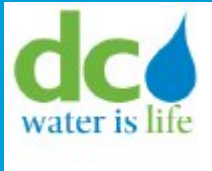
15

□ June:

- ▣ Recommendations for FY 2012 Paygo and Rate Stabilization Fund
- ▣ Revised FY 2013 Budget proposal

□ July:

- ▣ Recommendation to Board for Revised FY 2013 operating budget, retail rates, Paygo and Rate Stabilization Fund



APPENDIX

Personnel Services

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Category	FY 2012 Revised	FY 2012 Projection	FY 2012 Variance	
			\$	%
Authorized Positions	1,202	1,202	0	0%
Budgeted/Filled Positions	1,171	1,103	68	6%
Regular	81,573,085	80,507,230	1,065,856	1%
Merits	-	-	0	
Bonus	-	-	0	
Overtime	5,016,987	4,816,107	200,880	4%
Interns	289,337		289,337	100%
Sub-Total	\$86,879,410	\$85,323,337	\$1,556,073	2%
Fringe Benefits:				
Health Insurance	9,900,000	9,267,842	632,158	6%
Retirement Benefits	6,950,000	7,466,033	(516,033)	-7%
Employment Taxes	6,694,590	4,904,987	1,789,603	27%
Dental Insurance	410,000	182,359	227,641	56%
Life Insurance	130,000	119,389	10,611	8%
Optical	150,000	118,337	31,663	21%
Sub-Total (Fringe Benefits)	\$24,234,590	\$22,058,947	\$2,175,643	9%
Total	\$111,114,000	\$107,382,284	\$3,731,716	3%
<i>Benefits as a % of Payroll</i>	29.71%	27.40%	2.31%	8%
<i>Overtime as a % of Payroll</i>	6%	6%	0%	3%
<i>Vacancy Rates</i>	3%	8%	-6%	

Non-Personnel Services

18

\$000's

FY 2012

	Revised	Year-End	Variance	
	Budget	Projection	\$	%
Supplies	\$6,014	\$4,742	\$1,272	21%
Chemicals	\$23,933	\$21,370	\$2,563	11%
Chemicals & Supplies	\$29,947	\$26,112	\$3,835	13%
Automotive Fuel	\$895	\$1,111	(\$216)	-24%
Natural Gas	\$937	\$1,075	(\$138)	-15%
Electricity	\$29,218	\$20,703	\$8,515	29%
Water Usage	\$951	\$2,221	(\$1,271)	-134%
Telecommunications	\$2,075	\$1,937	\$138	7%
Rental	\$3,352	\$2,754	\$598	18%
Utilities	\$37,427	\$29,800	\$7,626	20%
Contractual Services	\$79,747	\$73,516	\$6,231	8%
Water Purchases	\$31,517	\$29,400	\$2,117	7%
Small Equipment	\$995	\$787	\$208	21%
Total Non-Personnel Services	\$179,631	\$159,616	\$20,015	11%

District of Columbia Water and Sewer Authority

Capital Improvement Program Report



**FY-2012 2nd Quarter
January 1st through March 31st, 2012**

**Board of Directors
Environmental Quality and Sewerage Services Committee**

**George S. Hawkins, General Manager
Leonard R. Benson, Chief Engineer**

May 2012



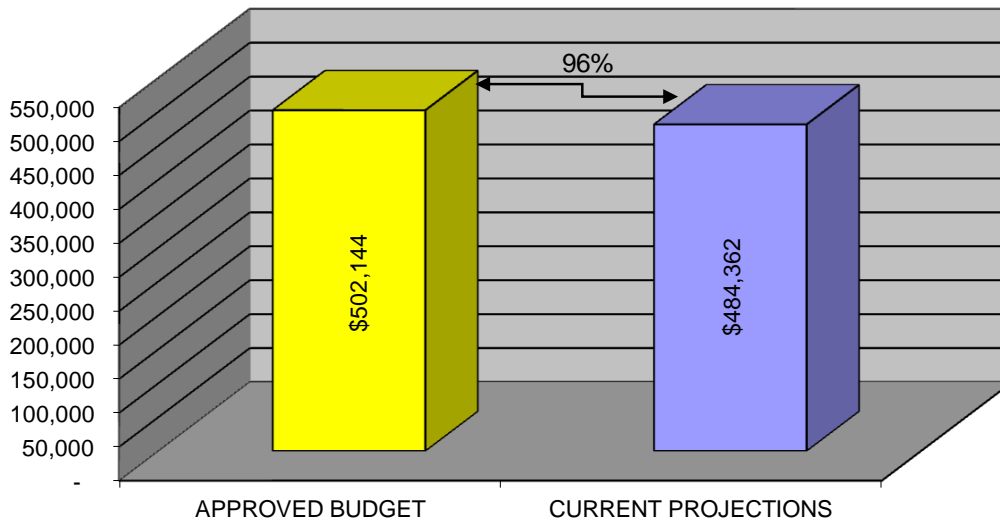
Capital Improvement Program Report 2nd Quarter FY2012

Program Performance

Current projected program spending through the end of the fiscal year compared with the approved FY12 projection is shown in the chart below:

Disbursement Projections Summary

Capital Improvement Program Summary
FY12 Approved Budget vs Current Projection



Overall, progress is consistent with baseline projections.

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

On July 11, 2008, DC Water issued notification advising of two issues that had the potential to delay achieving certification of Firm Pumping Capacity at Potomac Pumping Station. One issue, related to a failure of one new electric motor, was resolved, and all new pumping equipment was placed in service prior to the September 1, 2008, Consent Decree compliance date. The second issue, related to performance of the new pumping units under certain conditions, remains under investigation. This issue has prevented the design engineer from certifying Firm Pumping Capacity. A team of experts is working to resolve this issue. Monthly updates are provided to the Environmental Quality and Sewerage Services Committee and to the parties to the Consent Decree.

All other priority 1 projects are on schedule and within budget.



Capital Improvement Program Report 2nd Quarter FY2012

Large Contract Actions Anticipated

Project HC – New Warehouse Facility at Blue Plains

Construction Contract (\$8M - \$15M) EQ&SS Jul, BOD Sep

Project FH – Discharge Piping Bryant Street Pump Station

Construction Contract (\$5M - \$10M), WQ&WS Jul, BOD Sep

Project AZ, CH, JY, TF – Miscellaneous Facilities Upgrades, Phase III

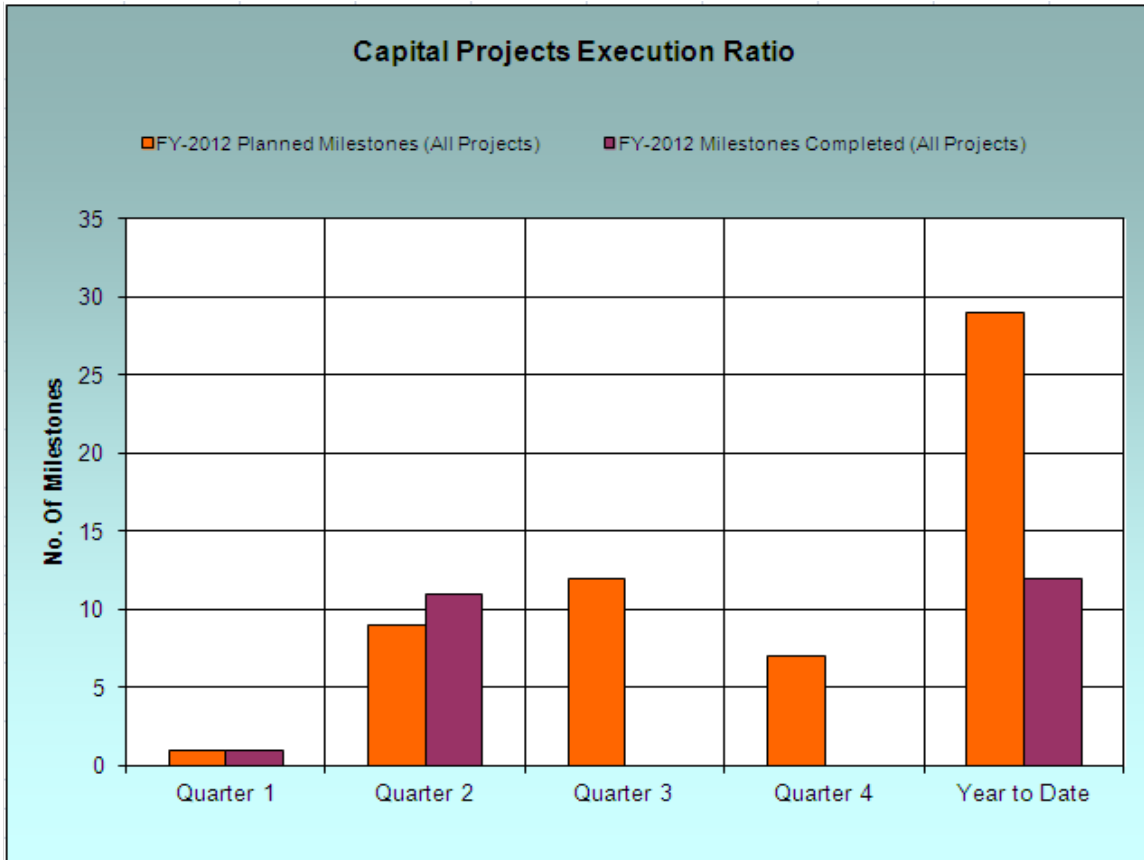
Construction Contract (\$10M - \$15M), EQ&SS Jul, BOD Sep



Capital Improvement Program Report 2nd Quarter FY2012

Key Performance Indicators, Capital Program

Key performance indicators related to the Capital Improvement Program are shown below.



Note: Capital Projects Execution Ratio measures the completion of critical project milestones for large capital projects during the fiscal year. Critical project milestones include: Design Starts, Construction Starts and Construction Substantial Completion.

Variance Description: For the 2nd Quarter, the following milestone variances were noted:

Project N7 – Potomac Interceptor Sewer - Odor Remedy (VA Sites) construction start is delayed by the issuance of building permits for sites in Fairfax and Loudon Counties. Reports on the status of this project are provided each month to the Environmental Quality and Sewerage Services Committee.

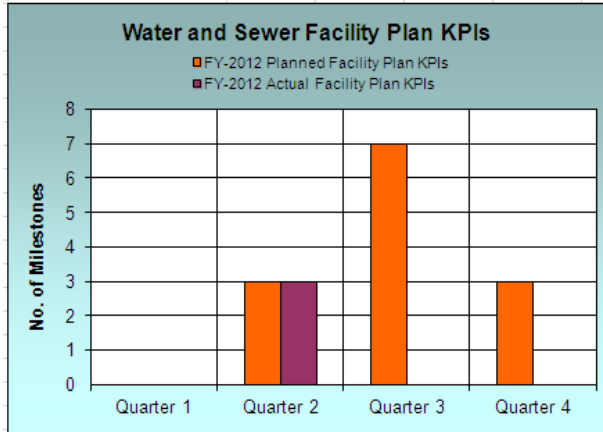
Project CY – Job CY01 Div B - Tingley Street Diversion Sewers – This design start milestone was scheduled for the 4th quarter, but was achieved in the 2nd quarter.

Project S5 – Large Dia. Water Main Internal Repairs 2 – This construction start milestone was scheduled for the 3rd quarter, but was achieved in the 2nd quarter.

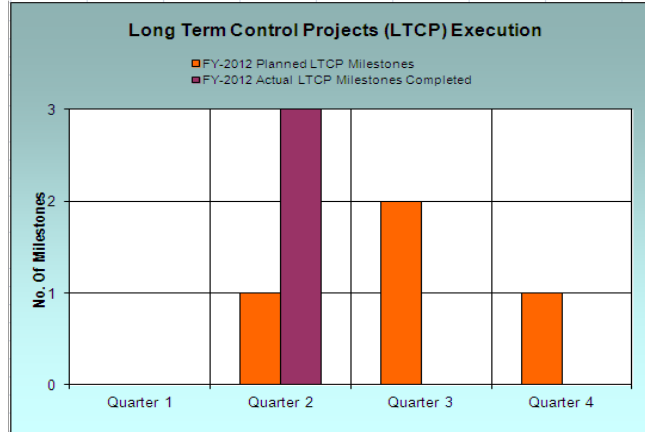
Project CY – Job CY04 – Div E - CSO 015-017 Structures/Diversions – This construction start milestone was scheduled for the 3rd quarter, but was achieved in the 2nd quarter.



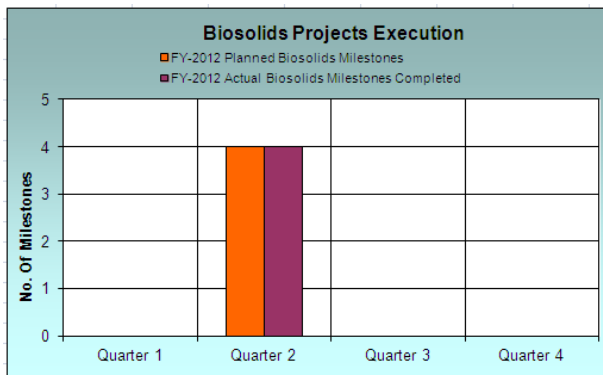
Capital Improvement Program Report 2nd Quarter FY2012



Note: Water and Sewer Facility Plan KPIs measure the completion of critical project milestones for projects developed through either the Water or the Sewer Facility Plan. For Variance, see note above.



Note: LTCP Project Execution measures the completion of critical project milestones for the LTCP projects during the fiscal year. Critical project milestones include all those required to meet Consent Decree dates. For Variance, see note above.



Note: Biosolids Project Execution measures the completion of critical project milestones for the Biosolids projects during the fiscal year.



Capital Improvement Program Report 2nd Quarter FY2012

For FY12, the following KPI Milestones will be monitored:

Quarter	Project	Job Name	KPI Name
1st	UC00	Filtration Concrete Repairs	Design Start Milestone
2nd	BZ00	Large Valve Replacement Contract 8	Construction Substantial Completion
2nd	CY00	Div Z - Poplar Point Pumping Sta. Replacement	Design Start Milestone
2nd	N700	Potomac Sewer - Odor Remedy (VA Sites)	Construction Start Milestone
2nd	XA00	Biosolids Combined Heat and Power (CHP)	Construction Start Milestone
2nd	XA00	Biosolids Site Preparation	Construction Substantial Completion Milestone
2nd	XA00	Biosolids Final Dewatering	Construction Start Milestone Contract 1C
2nd	XB00	Centrifuge Thickener Facility	Construction Substantial Completion Milestone
2nd	N900	Small Dia. Watermain Rehab 7-1	Construction Start Milestone
2nd	FV00	Lower East Side Interceptor Rehab - Div E	Construction Start Milestone
3rd	CY00	Div E - CSO 015-017 Structures/Diversions	Construction Start Milestone
3rd	F600	Steel Water Mains Contract 2	Design Start Milestone
3rd	F600	Steel Water Mains - Contract 1	Construction Start Milestone
3rd	S500	Large Dia. Watermain Internal Repairs 2	Construction Start Milestone
3rd	O100	Small Dia. Watermain Rehab 9	Design Start Milestone
3rd	CY00	Div I - Main Pumping Sta. Diversions	Design Start Milestone
3rd	BZ00	Large Valve Replacement Contract 9	Construction Start Milestone
3rd	Q300	12 inch Sewer Pope's Branch	Construction Start Milestone
3rd	I800	Large Valve Replacements 11	Design Start Milestone
3rd	DN00	Sewer Inspection & Cleaning Contract # 9	Inspection Start Milestone (NTP)
3rd	IN00	Cleaning/Inspection Upper East Side Sewer	Inspection Start Milestone (NTP)
3rd	XA00	Biosolids Final Dewatering	Construction Start Milestone Contract 2C
4th	CY00	Div B - Tingey Street Diversions	Design Start Milestone
4th	EV00	Area Substation No. 6	Construction Substantial Completion Milestone
4th	FH00	Discharge Piping Bryant Street Pump Station	Construction Start Milestone
4th	GU00	Crosstown Water Main Rehab	Construction Substantial Completion
4th	MX00	SDWM Replacement FY2010 -Contract 090250 with N802	Construction Substantial Completion
4th	N800	Small Dia. Watermain Rehab Contract 6	Construction Substantial Completion
4th	BR00	Nitrification RAS Piping Rehabilitation	Construction Start Milestone



Procurement and Financial System Improvements Project

Finance and Budget Committee
May 24, 2012



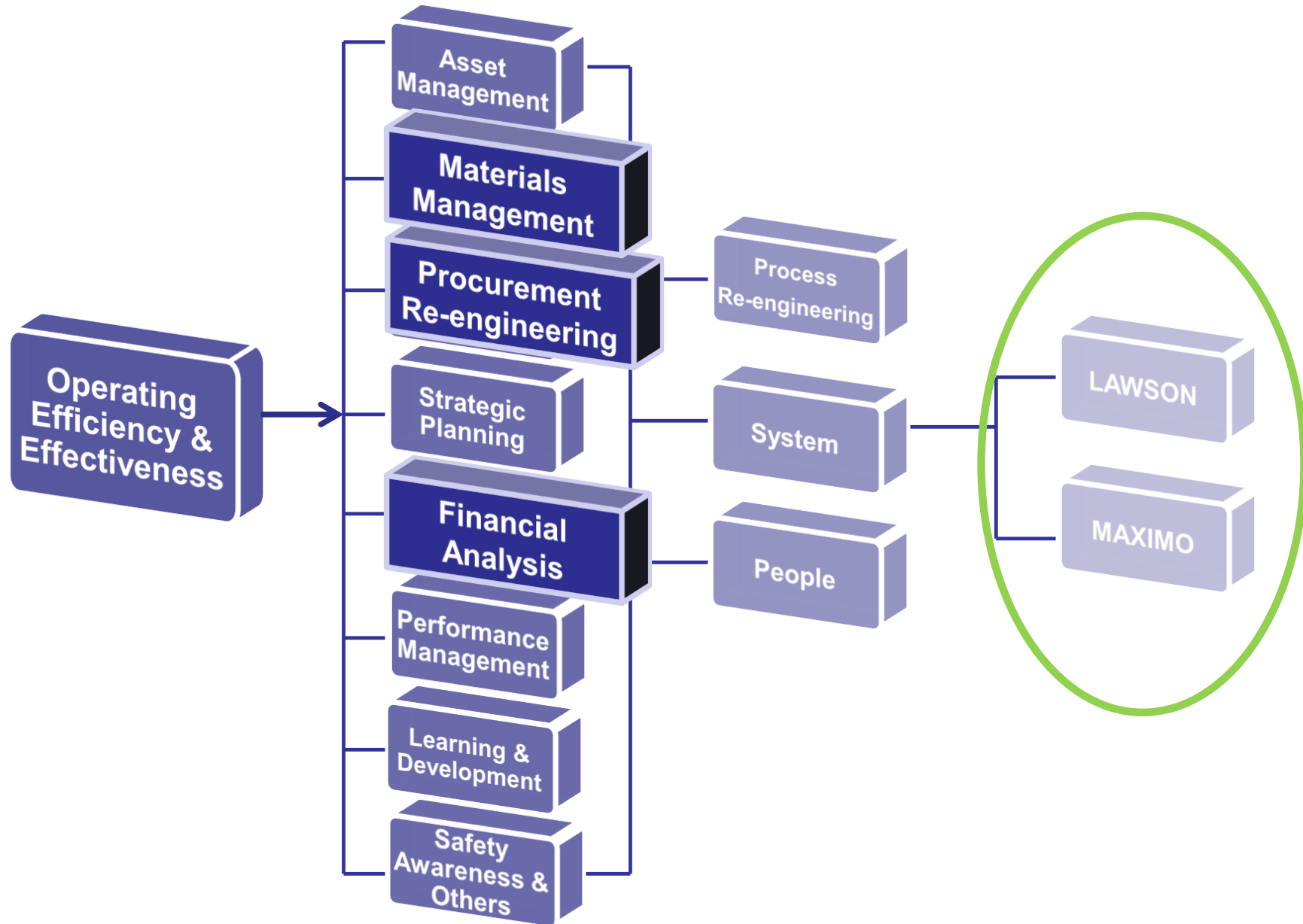
Project Highlights

- DC Water is embarking on a program to re-tool our procurement personnel and finance staff through implementation of new information technology that will expand the current financial system (Lawson) as well as integrate with our current work order system (Maximo) to re-engineer our inventory management
 - Upgrades to the financial system were completed in the summer of 2011
 - The current system supports the next generation of Lawson tools and modules
- This project represents team effort between the departments of the Chief Financial Officer, Chief Engineer, Procurement, and IT to meet key organizational goals



water is life

Organizational Change Management





Project Highlights

- While the existing Lawson business applications meet the basic financial transactional needs and provides minimal procurement functionality, there are a host of additional tools and functionality desired to enhance productivity and improve operational services and efficiencies.
- A project with multiple activities was developed to address the needs of the system users and the organization
- The project is based on a study of the business needs and requirements of the Procurement and Finance departments as well as ongoing efforts identified within the Asset Management Program.



Project Benefits

PROCUREMENT:

- Improve internal and external service levels for procurement & warehousing
 - Re-engineer the manual procurement processes to improve vendor sourcing, contract monitoring and reporting and reduce procurement cycle time, making it easier to do business with DC Water
 - Reduce operating costs
 - Support Asset Management through materials management proven technologies and updated procedures
 - Streamline the process of moving materials to improve access to inventory and accountability
 - Reduce operating maintenance costs as parts will be available when needed, and maintenance productivity will increase
 - Reduce procurement life cycle
 - Improved support to internal stakeholders



Project Benefits

FINANCE:

- Implement an integrated budget process to improve the operating budget development, monitoring and reporting processes
 - Improve reporting capabilities
 - Reduce redundant manual work
- Enhance customer/stakeholder services
 - Provide electronic payment to vendors (no manual checks)
 - Implement an integrated tracking system for grant utilization and wholesale customer billings that will eliminate the manual processes currently undertaken
 - Greatly improve financial and procurement reporting capabilities
 - Security enhancements to system
 - Eliminate manual tracking of various functions (such as travel expenses)
 - Moves DC Water further toward a paperless environment
- Support Asset Management through better integration with Maximo tool



System Enhancements

To achieve these goals, DC Water will revise its current practices in three ways:

- Purchase and install new technology tools
 - Purchase Lawson software
 - Develop and integrate Lawson tools with existing system as well as Maximo (for materials management improvements)
- Re-engineer procurement and budgeting processes
 - New tools will provide the opportunity to adopt best practices which will result in process improvements
- Examine existing organizational structure
 - New business processes and technology may provide opportunities to reduce redundancies and provide greater service to stakeholders



Schedule

- This project will be implemented over a 2 year period and should be completed within the first quarter of FY 2014
 - Interim milestone: inventory management fully operational in time to support the new warehouse planned for completion at Blue Plains in the 4th quarter of FY 2013.
 - The various Lawson tools support both the interim and final milestones and integrate with Maximo to provide a “best of breed” solution for the functions it performs.



Budget

	Vendor	Estimate
Software		\$ 705,000
	Lawson	525,000
	Other	180,000
Process development & implementation		\$2,115,000
	Lawson	1,715,000
	Maximo	400,000
Other		255,000
Total		\$3,075,000

- The budgets exist within the current 10 year CIP within several Information Technology projects.
- An increase in the annual maintenance fee will be required and will be determined through negotiations

**DC WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES MODIFICATION

**Lawson Financial and Procurement System Improvements
(Joint Use)**

Approval to modify the Lawson Software End User Agreement in the amount of \$2,250,00.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Lawson Software Inc 389 Saint Peter Street Saint Paul, MN 55102-1313	N/A	N/A

DESCRIPTION AND PURPOSE

Original Contract Value::	\$700,000
Original Contract time:	January 1, 2011 – December 31, 2012
No. of Option Years:	3
Modification Value:	\$2,250,000
Modification Dates:	June 15, 2012 – December 31, 2013

Purpose of the Contract:

The purpose of the Lawson contract is to provide products, services, support, and maintenance for DC Water's financial and procurement system.

Modification Scope:

The purpose of the modification request is to purchase, install and implement software to apply new solutions in the following areas—logistics, procurement, contract administration, grants management, budgeting, and reporting. This project represents a partnership (team) between the Chief Financial Officer, Engineering, Procurement, and IT to meet key organizational goals. The scope of the modification is DC Water wide. Based on the enhancements, DC Water will achieve efficiencies in procurement, finance, and logistics that will impact all departments within the Authority.

Spending Previous Year:

- Cumulative Contract Value: (01/01/2011 to 12/31/2012) - \$700,000.00
- Cumulative Contract Spending: (01/01/2011 to 04/30/2012) - \$179,963.91

Contractor's Past Performance

- The contractor's performance has been satisfactory.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price Labor Hour	Award Based On:	Sole Source
Commodity:	Financial System	Contract Number:	WAS-11-012-AA-GA
Contractor Market:	NA		

BUDGET INFORMATION

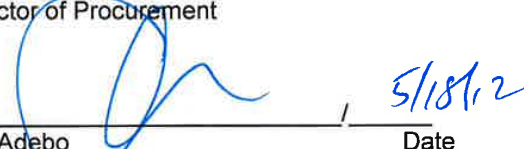
Funding:	Capital (EG4)	Department:	Finance
Service Area:	Capital Equipment (I.T.)	Department Head:	Olu Adebo
Project:	Lawson Financial and Procurement System Improvements		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	73.19%	\$1,646,775
Washington Suburban Sanitary Commission	20.22%	\$ 454,950
Fairfax County	4.28%	\$ 96,300
Loudoun County & Potomac Interceptor	2.31%	\$ 51,975
Total Estimated Dollar Amount	100.00%	\$2,250,000


 _____, 5/18/12
 Yvette Downs Date
 Director of Finance & Budget


 _____, 5/18/12
 Rosalind R. Inge Date
 Director of Procurement


 _____, 5/18/12
 Olu Adebo Date
 Chief Financial Officer

_____,
 George S. Hawkins Date
 General Manager



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

Thursday, June 28, 2012; 11:00 a.m.
Blue Plains Wastewater Treatment Plant
5000 Overlook Avenue, SW, DC
AGENDA

Call to Order	Chairman
May 2012 Financial Report	Director of Finance & Budget
Action Items	Chairman
Agenda for July Committee Meeting	Chairman
Adjournment	Chairman

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