



## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

### Board of Directors

*Joint Meeting of the Finance and Budget and  
DC Retail Water & Sewer Rates Committees*

*Thursday, May 26, 2011*

11:00 a.m.

1. **Call to Order** ..... Timothy Firestine, Chairperson
2. **April 2011 Financial Report (Attachment 1)**..... Yvette Downs
  - A. Operating Revenues & Expenditures
  - B. [Cash Reserves & Investments](#)
  - C. Capital Disbursements Summary
3. **FY 2012 Revised Budget**..... George Hawkins
  - A. [FY 2011 Year-end Projections \(Attachment 2\)](#)
  - B. FY 2012 Revised Budget Status
4. **Metropolitan Washington Council of Governments (COG) Overview (Attachment 3)**  
..... Leonard Benson
5. **Agenda for June 23<sup>rd</sup> Committee Meeting** ..... Timothy Firestine
6. **Action Items**
  - A. [AON Risk Services \(Attachment 4\)](#)
7. **Adjournment**

#### ***FOLLOW-UP ITEMS – Finance & Budget Committee (Meeting held March 24, 2011)***

1. Staff will follow up consumption trends for the D.C. Housing receipts. **(Mr. Bardin)**  
**Status:** TBD
2. Provide details regarding payments to the Metropolitan Washington Council of Governments (COG) and if those payments are being properly allocated within the cash flow data between retail and wholesale customers. **(Mr. Bardin)** **Status:** See agenda.
3. Provide progress report on the operating and capital cost allocations between DC Retail Rate payers and the suburban areas. **(Mr. Bardin)** **Status:** TBD
4. Revised capital section of the report. Focus on performance as related to budget. **(Mr. Firestine)** **Status:** Incorporated into April's Report
5. Determine if there are opportunities for revising the existing small PI customer contracts/agreements **(Mr. Bardin)** **Status:** TBD

**ATTACHMENT 1**  
**Revised 05-25-11**



## APRIL 2011 FINANCIAL REPORT

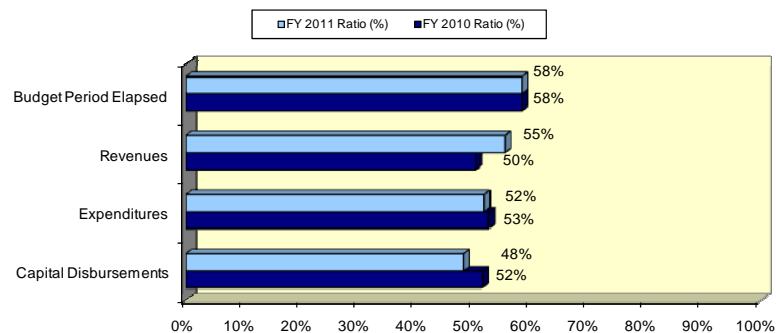
### FY 2011 FINANCIAL PERFORMANCE

At the end of April, with 58 percent of the fiscal year completed, we are on track with budgetary expectations. The FY 2011 mid-year budget review process is well underway. Based on the mid-year budget review process, we are providing the Committee and Board with preliminary projections for revenues, operating expenses, capital disbursements. Management will discuss these projections in detail at the Joint Committee meeting in May. The table below summarizes detailed information as discussed later in this report.

#### Financial Performance As of April 30, 2011 (\$ in millions)

	Approved	Revised Budget	YTD Budget	YTD	Variance		Projection	% Revised Budget
				Actual	Favorable (Unfavorable)			
				58.3% of Budget				
Revenues (Receipts)*	\$395.9	\$399.1	\$232.8	\$221.3	(\$11.5)	-4.9%	\$396.1	99.2%
Expenditures*	\$408.1	\$403.3	\$235.3	\$209.1	\$26.2	11.2%	\$384.5	95.3%
Capital Disbursements	\$383.7	\$325.2	\$184.9	\$156.6	\$28.3	15.3%	\$302.3	93.0%

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



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

FY 2011 120-day Operating Reserve Objective	\$125.5
Actual Average Daily Balances	\$139.1
Difference	\$13.6

## OPERATING REVENUES & RECEIPTS

At the end of April 2011, cash receipts totaled \$221.3 million, or 55.4 percent of the revised FY 2011 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 31, 2011

Revenue Category	FY 2011 Budget	Year-to- Date Budget	Actual Received	Variance Favorable (Unfavorable)		Actual % of Budget	Year End Projections	Variance Proj v. Bud	Percent
Residential, Commercial, and Multifamily	201.5	117.5	115.4	(2.1)	-1.8%	57.3%	201.4	-0.1	100.0%
Federal	44.9	26.2	33.5	7.3	28.1%	74.7%	44.9	0.0	100.0%
District Government	9.7	5.7	4.9	(0.8)	-13.6%	50.5%	9.1	(0.6)	93.8%
DC Housing Authority	6.5	3.8	3.2	(0.5)	-14.3%	49.8%	5.6	(0.9)	86.2%
Customer Metering Fee	10.8	6.3	5.5	(0.8)	-13.5%	50.5%	9.8	(1.0)	90.7%
Wholesale	68.8	40.1	34.6	(5.5)	-13.8%	50.2%	69.3	0.5	100.7%
Right-of-Way Fee/PILOT	22.0	12.8	13.1	0.3	2.1%	59.4%	21.6	(0.4)	98.2%
<b>Sub-Total (before Other Revenues)</b>	<b>\$364.2</b>	<b>\$212.4</b>	<b>\$210.2</b>	<b>(2.2)</b>	<b>-1.0%</b>	<b>57.7%</b>	<b>\$361.7</b>	<b>(\$2.5)</b>	<b>99.3%</b>
Other Revenue without RSF									
IMA Indirect Cost Reimb. For Capital Projects	4.0	2.3	0.0	(2.3)	-100.0%	0.0%	4.0	0.0	100.0%
DC Fire Protection Fee	13.3	7.8	6.2	(1.6)	-20.0%	46.2%	13.3	0.0	99.8%
Stormwater (MS4)	0.8	0.5	0.4	(0.1)	-15.6%	49.3%	0.8	0.0	100.0%
Interest	0.8	0.5	0.6	0.1	28.5%	75.0%	0.7	-0.1	85.5%
Developer Fees (Water & Sewer)	3.0	1.7	3.3	1.6	88.6%	110.0%	3.0	0.0	100.0%
Others	3.5	2.0	0.7	(1.4)	-67.3%	19.1%	3.1	(0.4)	88.6%
<b>Sub-Total</b>	<b>\$25.4</b>	<b>\$14.8</b>	<b>11.1</b>	<b>(3.7)</b>	<b>-24.9%</b>	<b>43.8%</b>	<b>\$24.9</b>	<b>-\$0.5</b>	<b>97.8%</b>
Rate Stabilization Fund Transfer	\$9.5	5.5		(5.5)	-100.0%	0.0%	\$9.5	\$0.0	100.0%
<b>Other Revenue Sub-Total</b>	<b>\$34.9</b>	<b>\$20.4</b>	<b>11.1</b>	<b>(9.2)</b>	<b>-45.4%</b>	<b>31.9%</b>	<b>\$34.4</b>	<b>-\$0.5</b>	<b>98.4%</b>
<b>Grand Total</b>	<b>\$399.1</b>	<b>\$232.8</b>	<b>\$221.3</b>	<b>(11.5)</b>	<b>-4.9%</b>	<b>55.4%</b>	<b>\$396.1</b>	<b>(\$3.0)</b>	<b>99.2%</b>

### Discussion of Relevant Variance

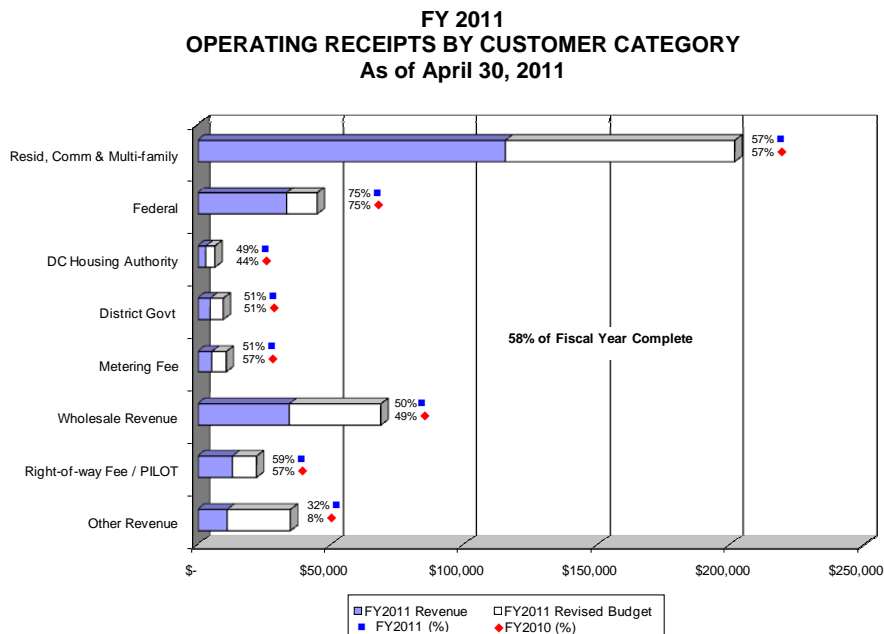
In general, revenues are on target with 55.4 percent of the total revenues received through 58 percent of the year completed.

The largest variance of note in revenues exists in the category of Other Revenue. Other Revenue receipts are lower than the straight-lined budget at \$11.1 million or 31.9 percent of the budgeted category primarily due to the Rate Stabilization Fund transfer. The Rate Stabilization Fund transfer is anticipated in the fourth quarter of the fiscal year. The IMA indirect cost reimbursement for capital projects receipts are \$2.3 million lower than year-to-date budget. The entire budgeted amount will be billed and received in the fourth quarter.

At the end of April, payments from Wholesale Customers total \$34.6 million or approximately 50.2 percent of the budget. The Wholesale Customers are billed on a quarterly basis and payments are expected to receive in May 2011.

D.C. Housing Authority's actual receipts through April total \$3.2 million or 49.8 percent of the revised FY 2011 budget. This is due to lower than anticipated consumption. We will continue to monitor this category for variations in trends.

Receipts for the Customer Metering fee in the first seven months of the year total \$5.5 million or 50.5 percent of the revised FY 2011 budget. In October 2010, the Customer Metering fee was increased for all meter sizes and higher revenues have been anticipated for FY 2011. A review of trends indicates this to be true. However, there is a lag between billing the new fee and collection of the new fee that contributes to the variance in this revenue category. April receipts alone were 8.5 percent of the yearly budget and appear to be much closer aligned to expectations.



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

<b>Customer Category</b>	<b>Water</b>	<b>Sewer</b>	<b>Clean Rivers IAC</b>	<b>Metering Fee</b>	<b>Total</b>
Residential	13,092	19,721	2,587	2,560	37,960
Commercial	20,508	25,448	3,306	1,673	50,935
Multi-family	12,010	17,791	970	610	31,380
Federal	14,142	17,496	1,911	378	33,927
District Govt	1,768	2,566	559	165	5,057
DC Housing Authority	1,253	1,872	120	70	3,315
<b>Total:</b>	<b>62,773</b>	<b>84,892</b>	<b>9,454</b>	<b>5,456</b>	<b>162,576</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

## OPERATING EXPENDITURES

At the end of April, with approximately 58 percent of the fiscal year completed, operating expenditures totaled \$209.1 million (including debt service and the right of way and PILOT fees). This is approximately 52 percent of the FY 2011 revised budget, which totals \$403.4 million. These numbers include estimated incurred but unpaid invoices.

### EXPENDITURE VARIANCE BY CATEGORY

(in millions)  
As of April 30, 2011

	Board Revised Budget	YTD Budget	YTD as of 04/30/2011	FY 2011 YTD Variance Favorable/(Unfavorable)		Percent of Budget	Preliminary Year-End Projection	Projection Percent of Budget	Year-End Variance	FY 2012 Board Approved Budget
				\$	%					
Personnel Services	105,292	61,420	59,271	2,150	3.5%	56%	102,569	97%	2,723	113,354
Contractual Services	79,114	46,150	36,196	9,954	21.6%	46%	74,470	94%	4,644	78,826
Water Purchases	33,000	19,250	14,570	4,680	24.3%	44%	29,175	88%	3,825	33,000
Chemicals and Supplies	29,234	17,053	14,026	3,027	17.8%	48%	28,213	97%	1,021	29,946
Utilities	34,938	20,381	17,753	2,627	12.9%	51%	32,188	92%	2,750	37,447
Small Equipment	1,095	639	283	355	55.7%	26%	852	78%	243	995
<b>Subtotal O &amp; M Expenditures</b>	<b>282,674</b>	<b>164,893</b>	<b>142,099</b>	<b>22,794</b>	<b>13.8%</b>	<b>50%</b>	<b>267,467</b>	<b>95%</b>	<b>15,206</b>	<b>293,569</b>
Debt Service	98,726	57,590	54,177	3,413	5.9%	55%	95,044	96%	3,682	105,387
Payment in Lieu of Taxes	16,882	9,848	9,848	-	0.0%	58%	16,882	100%	-	18,301
Right of Way	5,100	2,975	2,975	-	0.0%	58%	5,100	100%	-	5,100
<b>Total O &amp; M Expenditures</b>	<b>403,382</b>	<b>235,306</b>	<b>209,099</b>	<b>26,207</b>	<b>11.2%</b>	<b>52%</b>	<b>384,493</b>	<b>95%</b>	<b>18,888</b>	<b>422,357</b>
Personnel Services Charged to Capital Projects	(11,000)	(6,417)	(6,192)	(225)	3.5%	56%	(10,716)	97%	(284)	(16,000)
<b>Total Net Operating Expenditures</b>	<b>392,382</b>	<b>228,889</b>	<b>202,907</b>	<b>25,982</b>	<b>11.4%</b>	<b>52%</b>	<b>373,777</b>	<b>95%</b>	<b>18,604</b>	<b>406,357</b>

Note: Actuals include accruals

## Discussion

*Personnel services (\$105.3 million annual budget; 37.2 percent of O&M budget)* – At the end of April, personnel costs total \$59.3 million or 56 percent of budget. Of the 1,137 positions budgeted (1,165 positions authorized), 1,019 positions were filled at the end of April. Overtime spending totals \$3.3 million of the annual budget of \$5.0 million, or 8 percent of regular payroll costs. Spending in this category is typically higher during the winter months due to emergency response to water main breaks, snow removal, after-hour infrastructure repairs and other winter-weather related issues. 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.

*Water Purchases (\$33.0 million annual budget; 11.7 percent of O&M budget)* – At the end of April, water purchases incurred total \$14.6 million. The current variance in this category reflects several items including the timing of billings, seasonal variation on water demand (and thus chemical costs), the federal freeze in employee salaries and delay in the operations of the hypochlorite project, which is now projected to begin in early FY 2012. We will continue to monitor the operations and expenses in this category and expect to end the fiscal year at 88 percent of the revised operating budget.

*Chemicals and Supplies (\$29.2 million annual budget; 10.3 percent of O&M budget)* – At the end of April, chemical and supplies costs total \$14.0 million or 48 percent of budget. We continue to experience a rise in certain chemical costs primarily due to increase in world oil prices. While we have fixed market prices for most of our chemicals, some suppliers for the major chemicals, including methanol, ferric chloride and caustic soda (sodium hydroxide), are requesting substantial price increases to defray their costs. The unit prices for these chemicals

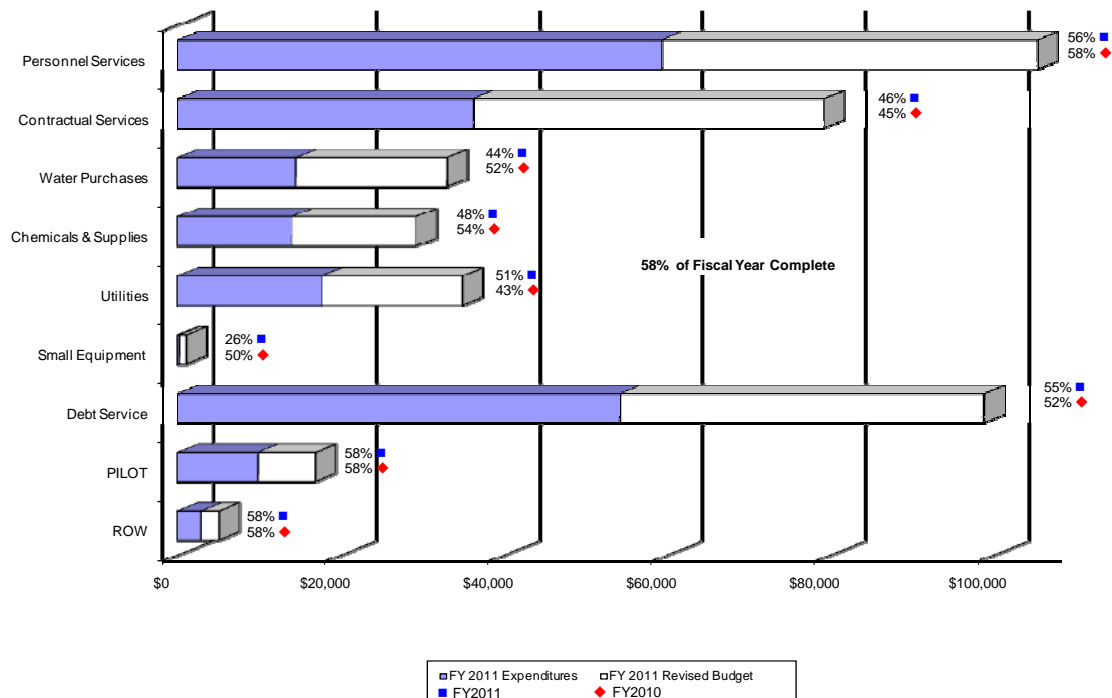
may change through the fiscal year as contract options are exercised. We will continue to monitor the market and report to the Committee accordingly. We expect to end the fiscal year at 97 percent of the revised operating budget in this category.

*Utilities (34.9 million annual budget; 12.4 percent of O&M budget)* – At the end of April, utilities expenditures total \$17.8 million or 51 percent of the budget. Later in the report is additional information concerning actual performance in this category. We expect to end the fiscal year at 92 percent of the revised operating budget in this category.

*Debt Service (98.7 million annual budget)* – At the end of April, debt service expenditures total \$54.2 million or 55 percent of the budget. We expect to end the fiscal year at 96 percent of the budget in this category with savings primarily due to favorable interest on bond issuance and lower interest on outstanding commercial paper.

*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.

**FY 2011 Operating Expenditures  
by Category  
(\$ in 000's)  
As of April 30, 2011**



## CAPITAL SPENDING

For the month of April 2011 disbursements totaled \$23.1 million, with year-to-date disbursements totaling \$156.6 million, or 48 percent of the FY 2011 Revised (Annual) disbursements budget. Planned capital disbursements through April 2011 were \$184.9 million, or 57 percent of the FY 2011 Revised disbursements budget.

**Capital Disbursements Variance**  
(dollars in thousands)  
As of April 30, 2011

Description	FY 2011 Revised Disbursements Budget		Actual Disbursements			% of FY 2011 Revised Disbursements Budget		FY 2011 Projected Disbursements Budget	
	Annual	YTD	Oct. '10 to Mar. '11	Apr. '11	<sup>1</sup> YTD	Variance Compared to Plan	Percent of Annual Budget	Amount	Percent of Annual Budget
Wastewater Treatment	133,128	67,073	49,552	8,843	58,396	13%	44%	126,052	95%
Sanitary Sewer	33,996	16,951	12,223	2,384	14,608	14%	43%	22,676	67%
Combined Sewer Overflow	76,084	53,285	38,597	7,490	46,087	14%	61%	81,442	107%
Stormwater	3,491	2,099	1,053	12	1,066	49%	31%	1,952	56%
Water	50,612	29,557	23,835	3,551	27,386	7%	54%	47,049	93%
Washington Aqueduct	10,449	5,735	3,902	0	3,902	32%	37%	10,407	100%
Capital Equipment	17,462	10,186	4,313	827	5,140	50%	29%	12,698	73%
<b>Total Capital Projects</b>	<b>\$ 325,222</b>	<b>\$184,886</b>	<b>\$ 133,475</b>	<b>\$23,108</b>	<b>\$156,583</b>	<b>15%</b>	<b>48%</b>	<b>\$302,275</b>	<b>93%</b>

### Discussion

The \$28 million variance in capital disbursements is primarily attributable to accruals within the OCIP program, delays in execution of MOU'S under the CSO program, project closeouts within the Water Service Area and under spending on capital equipment and various projects performed by the Department of Facilities. Nearly \$11 million of the variance is due to the ongoing difference between accounting accruals of the OCIP related costs versus actual cash disbursements. There is no impact to the capital projects due to this accrual variance. Another \$4 million in disbursements is anticipated within the CSO program area once an MOU between the District Government and DC Water has been executed. Management has provided full reports as needed on the status of these discussions within the Environmental Quality and Sewage Committee meetings as the outcome has some schedule risks associated with the negotiations. Within the Water service area, the major spending variances continue to be related to the closeout of some replacement projects and the temporary suspension of work on a rehabilitation project. Work has resumed and the project will be completed in FY 2012. Under spending on plant wide projects (such as replacement of locks on buildings) and various technology (IT) related projects continue. It is anticipated that IT will be approximately \$5.0 million under their FY 2011 budget levels. Staff is working with the IT department to realign project priorities with resource levels for FY 2012.



Projects in the Wastewater Treatment service area led the disbursements at \$8.8 million followed by projects in the Combined Sewer Overflow service area at \$7.5 million. Disbursements for the Water service area totaled \$3.6 million, followed by disbursements for the Sanitary Sewer and Capital Equipment service areas at \$2.4 million and \$0.8 million, respectively.

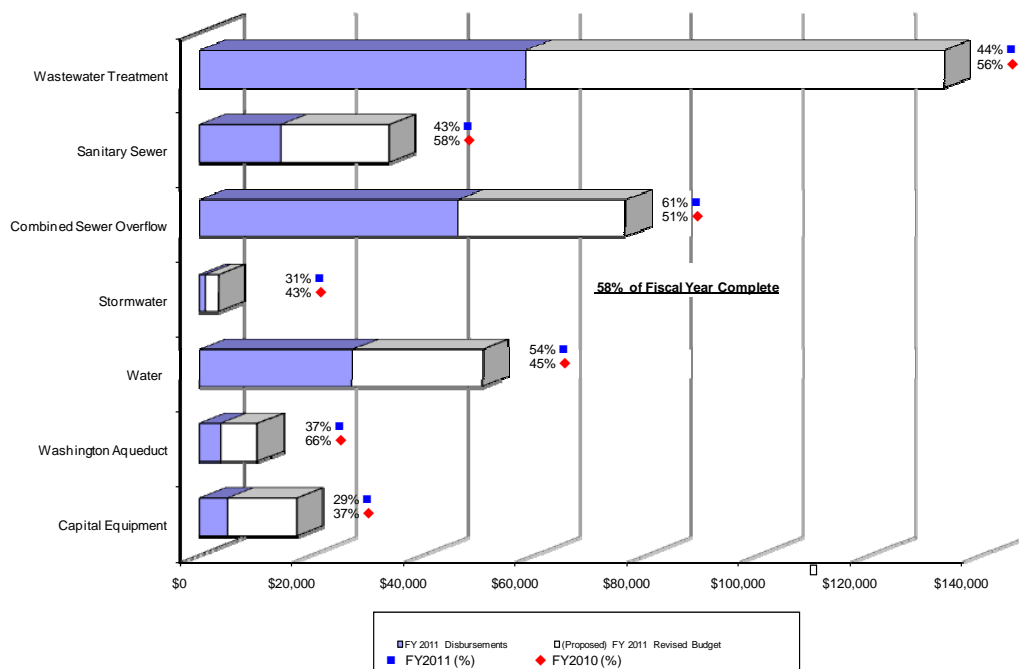
*Wastewater Treatment (Blue Plains):* the Solids Processing program registered the highest disbursements, \$4.4 million; primarily for Area Substation No. 6, Centrifuge Thickener Facility, Solids Processing Building / DSLF, and the New Digestion Facilities projects. Enhanced Nitrogen Removal Facilities Program (formerly, BTN - the Total Nitrogen Program) disbursements came in next, at \$3 million; over 80% which was for the Nitrogen Removal Facilities, and the Blue Plains Tunnel Site Preparation projects.

*Combined Sewer Overflow (CSO) service area:* almost \$5 million was disbursed under the D.C. Clean Rivers Project (aka Long Term Control Plan, or LTCP), over 90% of which was for the Anacostia LTCP Projects. 'Combined Sewer Projects' Program disbursements of \$2.5 million—almost all of this was for the 'Nine Minimum Control' group of projects, e.g., Outfall Sewer Rehabilitation, Rock Creek CSO projects, and the Poplar Point Pumping Station project

*Water Service area:* Water Distribution (Systems) program disbursements totaled \$1.2 million, majority of which was for the various Small Diameter Watermain Rehab contracts, and Fire Hydrant Replacement projects.

*Sanitary Sewer Service area:* Disbursements for Sanitary Interceptor/Trunk Force Sewers program amounted to \$1.5 million, primarily for the Future Sewer Systems Upgrades, and the Potomac Sewer System Rehabilitation projects.

**FY 2011 Capital Disbursements Compared to Plan  
By Service Area  
(\$ in 000's)  
As of April 30, 2011**

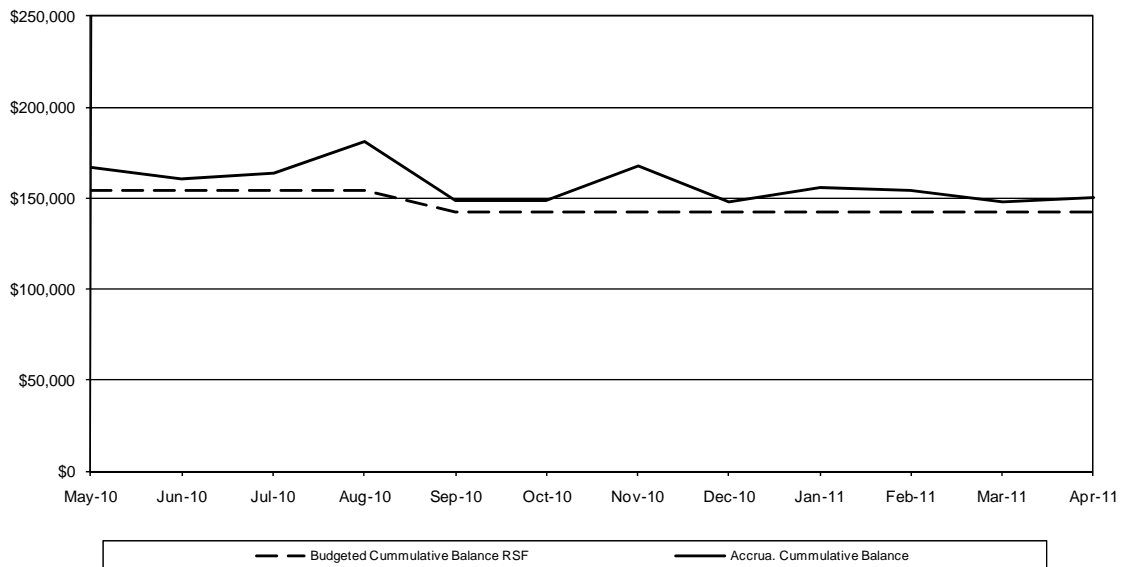


## CASH AND INVESTMENT BALANCES

At the end of April, our operating reserve balance was \$133.8 million as compared to the FY 2011 operating reserve level objective of \$125.5 million. The following table provides a summary of all cash and investment account balances.

<b>Cash Balances</b>	
<b>As of April 30, 2011</b>	
<b>(\$ in millions)</b>	
Rate Stabilization Fund Account (RSF)	<b>\$16.7</b>
Operating Reserve Accounts	<u>133.8</u>
<b>Operating Cash Balance Including RSF</b>	<b>150.5</b>
Debt Service Reserve - Series 98	23.9
Bond Construction Fund - Series 10	210.6
Capital Interest Fund - Series 10	10.4
CSO LTCP Appropriations Account	<u>70.0</u>
<b>Total All Funds</b>	<b>\$465.4</b>

**FY 2011 Operating Cash Balances**  
 (\$ in 000's)  
 (Operating Reserve and RSF)



### *Overall Portfolio Performance*

As of April, DC Water's total investment portfolio continues to perform well and is in compliance 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 March on a cash basis was \$83,833, year to date income is \$493,870 compared to the budget of \$542,519 for the year. See Investment Report – April 2011 attached to this report.

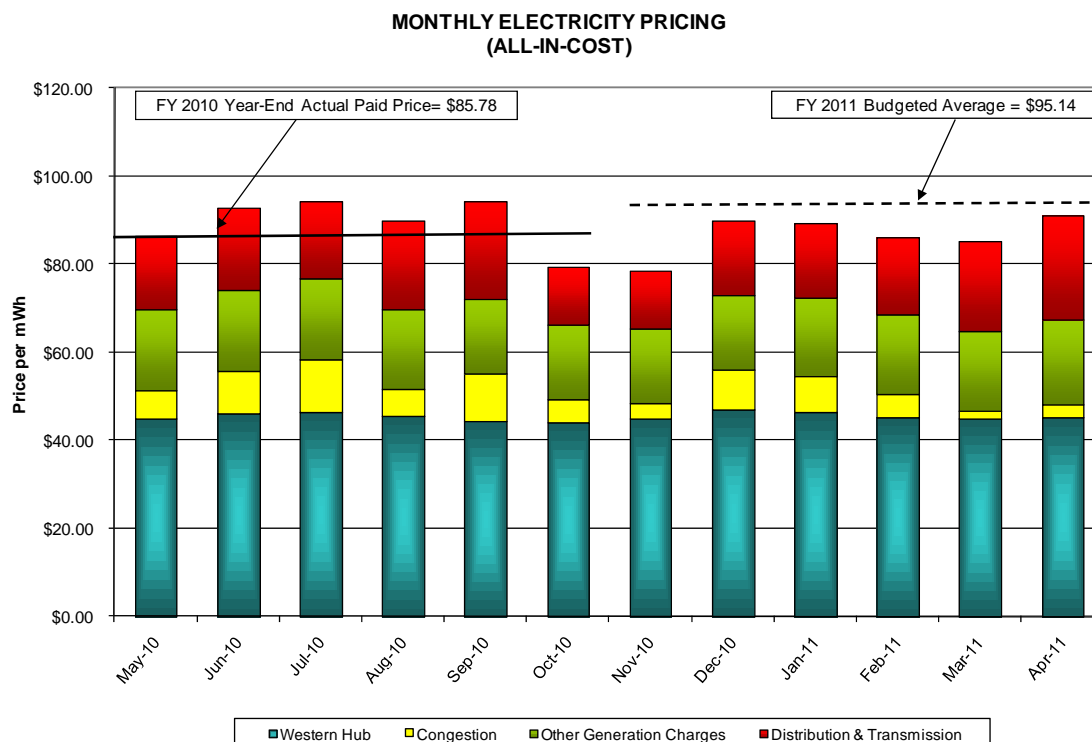
## **OTHER STATUS REPORTS**

### **ELECTRICITY PROCUREMENT STRATEGY**

The overall objective of our procurement strategy is to mitigate DC Water's exposure to daily electricity spot market prices in the deregulated electricity market. In view of the above, staff has adopted the strategy to purchase long and short term blocks of electricity at a mix of Western Hub future market prices with the unlocked portions floating at spot market prices.

In line with this strategy and the Board's directive, we have locked approximately 90 percent or 27MW of the Authority's monthly electricity load for FY 2011 at the Western Hub price of \$45.39/mWh. Staff continues to monitor the consumption trend and electricity market closely with intent to lock in the remaining 10 percent of the Authority's electricity load.

The chart, which follows, 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 2011 was \$91.14/mWh, with the year-to-date average at \$85.68/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) March FY 2011 prices include accruals for invoices not yet received.

## ELECTRICITY COSTS

The revised FY 2011 electricity budget of \$26.9 million represents 77 percent of the total utilities budget and assumes an average all-in-cost of \$95.14/mWh.

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

All-In-Cost (\$/mWh)			
Unit Price			
	Standard Offer Service (S.O.S.)	Spot Market	Actual <sup>1</sup>
Oct-10	\$158.24	\$70.98	\$79.34
Nov-10	\$152.48	\$71.55	\$78.62
Dec-10	\$155.93	\$99.91	\$89.97
Jan-11	\$153.78	\$95.53	\$89.28
Feb-11	\$154.33	\$85.25	\$86.10
Mar-11	\$148.46	\$80.44	\$85.32
Apr-11	\$152.84	\$89.54	\$91.14
<b>YTD Average</b>	<b>\$153.72</b>	<b>\$84.74</b>	<b>\$85.68</b>

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

Electricity Budget (\$000)			
Amount			Variance
	Budgeted	Actual	Budgeted vs Actual
Oct-10	\$2,478	\$1,709	\$769
Nov-10	\$2,187	\$1,641	\$546
Dec-10	\$2,388	\$2,120	\$268
Jan-11	\$2,386	\$2,133	\$253
Feb-11	\$1,877	\$1,832	\$45
Mar-11	\$1,968	\$1,883	\$85
Apr-11	\$1,896	\$1,906	(\$10)
YTD Total	\$15,180	\$13,224	\$1,956
Remainder	\$11,743		
Total Budget	\$26,923		

The current purchasing strategy is tracking favorably to the FY 2011 budget.

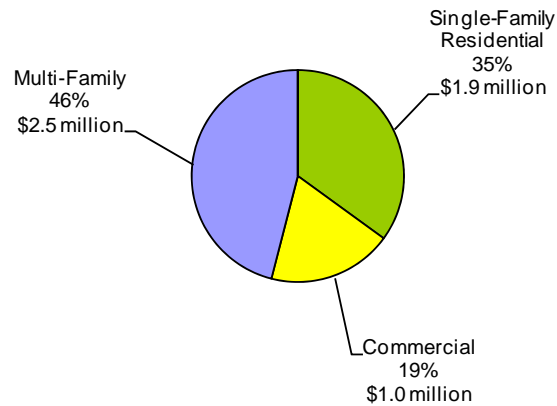
## RETAIL & WHOLESALE ACCOUNTS RECEIVABLE

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, 2011

December 31, 2005	\$10.6	14,613	\$31.7	4	\$42.3	14,617
December 31, 2006	\$7.2	15,101	\$0.0	0	\$7.2	15,101
December 31, 2007	\$6.3	16,101	\$0.0	0	\$6.3	16,101
December 31, 2008	\$6.1	16,345	\$0.0	0	\$6.1	16,345
December 31, 2009	\$5.2	15,469	\$0.0	0	\$5.2	15,469
December 31, 2010	\$5.4	14,107	\$0.0	0	\$5.4	14,107
January 31, 2011	\$5.7	14,369	\$0.0	0	\$5.7	14,369
February 28, 2011	\$5.9	14,217	\$0.0	0	\$5.9	14,217
March 31, 2011	\$5.7	13,633	\$0.0	0	\$5.7	13,633
April 30, 2011	\$5.3	13,134	\$0.0	0	\$5.3	13,134

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



**Delinquent Accounts Receivable  
Greater Than 90 Days by Customer  
April 30, 2011**

	Number of Accounts			Month of April (All Categories)				Total Delinquent			
	W & S a/c	Impervious Only a/c	Total No. of a/c	Active		Inactive		No. of a/c Mar.	Amount (\$)	No. of a/c April.	Amount (\$)
Commercial	11,670	3,444	15,114	1,724	858,331.73	128	157,139.87	2,081	1,239,205.75	1,852	1,015,471.60
Multi-family	7,398	492	7,890	1,068	2,088,006.00	97	372,247.73	1,213	2,586,970.42	1,165	2,460,253.73
Single-Family Residential	103,661	3,145	106,806	8,831	1,254,735.87	1,286	617,428.50	10,339	1,876,972.99	10,117	1,872,164.37
<b>Total</b>	<b>122,729</b>	<b>7,081</b>	<b>129,810</b>	<b>11,623</b>	<b>4,201,073.60</b>	<b>1,511</b>	<b>1,146,816.10</b>	<b>13,633</b>	<b>5,703,149.16</b>	<b>13,134</b>	<b>5,347,889.70</b>

Notes:

-Included in the above \$4.20m (or 11,623 accounts) of the DC Water Over 90 days delinquent accounts, \$402,227.25 (or 2,927 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 2011 CASH FLOW SUMMARY  
through 4/30/11  
(\$ in 000's)**

	<b>Annual Budget Cash Basis</b>	<b>YTD 58% Of Cash Budget</b>	<b>YTD Actual Cash Oct 1, 2010 - Apr. 30, 2011</b>	<b>Variance Favorable (Unfavorable)</b>		<b>FY11 Year End Projection</b>
<b>OPERATING BUDGET</b>						
<b>Cash Provided</b>						
Retail	273,374	159,459	162,576	3,117	2%	270,797
Wholesale	68,825	40,146	34,560	(5,586)	-14%	69,260
Other	47,133	27,492	24,112	(3,381)	-12%	46,559
Transfer from Rate Stabilization Fund	9,500	5,541		(5,541)	-100%	9,500
<b>Total Cash Provided</b>	<b>398,832</b>	<b>232,639</b>	<b>221,248</b>	<b>(11,391)</b>	<b>-5%</b>	<b>396,116</b>
<b>Operating Cash Used</b>						
Personnel Services	94,265	54,985	51,958	3,027	6%	91,842
Contractual Services	79,114	46,147	38,896	7,251	16%	74,811
Chemicals & Supplies	29,234	17,052	16,441	611	4%	28,213
Utilities	34,965	20,395	17,057	3,338	16%	32,614
Water Purchases	33,000	19,249	15,287	3,962	21%	29,176
Small Equipment	1,095	639	609	30	5%	852
<b>Total Operating Cash Used</b>	<b>271,673</b>	<b>158,467</b>	<b>140,247</b>	<b>18,220</b>	<b>11%</b>	<b>257,508</b>
<b>Other Cash Used</b>						
Debt Service	96,334	56,191	54,177	2,015	4%	92,189
Payment In Lieu of Taxes/Right of Way	30,748	17,936	11,054	6,882	38%	30,748
<b>Total Other Cash Used</b>	<b>127,082</b>	<b>74,127</b>	<b>65,230</b>	<b>8,897</b>	<b>12%</b>	<b>122,937</b>
<b>Total Cash Used</b>	<b>398,755</b>	<b>232,594</b>	<b>205,477</b>	<b>27,117</b>	<b>12%</b>	<b>380,445</b>
<b>Net Cash Provided (Used) by Operating Act.</b>	<b>77</b>	<b>45</b>	<b>15,771</b>	<b>15,726</b>		<b>15,671</b>
<b>CAPITAL BUDGET</b>						
<b>Cash Provided</b>						
Debt Proceeds	166,497	97,117	84,193	(12,924)	-13%	166,321
Capital Equipment Financing	8,000	4,666		(4,666)	-100%	6,100
EPA Grants	33,445	19,508	8,815	(10,693)	-55%	18,415
CSO Grants	25,108	14,645	16,490	1,844	13%	25,108
Interest Income	286	167	253	86	52%	350
Wholesale Capital Contributions	89,421	52,159	34,688	(17,472)	-33%	83,541
<b>Total Cash Provided</b>	<b>322,767</b>	<b>188,264</b>	<b>144,439</b>	<b>(43,825)</b>	<b>-23%</b>	<b>299,835</b>
<b>Cash Used</b>						
WASA Capital Program	314,773	183,607	152,681	30,926	17%	291,868
Washington Aqueduct Projects	10,449	6,095	3,902	2,193	36%	10,407
<b>Total Cash Used</b>	<b>325,222</b>	<b>189,702</b>	<b>156,583</b>	<b>33,119</b>	<b>17%</b>	<b>302,275</b>
<b>Net Cash/PAYGO Provided (Used) by Cap. Act.</b>	<b>(2,465)</b>	<b>(1,438)</b>	<b>(12,144)</b>	<b>(10,706)</b>		<b>(2,440)</b>
<b>Beginning Balance, October 1 (Net of Rate Stab. Fund)</b>	<b>131,996</b>	<b>76,993</b>	<b>131,996</b>			<b>131,996</b>
Plus (Less) Operating Surplus	77	45	15,771			15,671
Wholesale Customer Refunds from Prior Years	(5,053)	(2,948)	0			(3,880)
Interest Earned From Bond Reserve	277	161	120			131
Transfer to Rate Stabilization Fund	(1,000)	(583)	0			(1,000)
Prior Year Federal Billing Reconciliation	1,669	973	1,252			1,669
Cash Used for Capital	(2,465)	(1,438)	(12,144)			(2,440)
<b>Balance Attributable to O&amp;M Reserve</b>	<b>125,500</b>	<b>73,204</b>	<b>133,818</b>			<b>142,147</b>
<b>OTHER CASH RESERVES</b>						
	<b>Current Balance</b>	<b>Budget Year End</b>				
Rate Stabilization Fund	16,700	8,200				
CSO Long-Term Control Plan Appropriation	70,019					

Comparative Statement of Expenditures  
as of April 30, 2011  
(\$000's)

	FY 2011						April			FY 2012 Board Approved Budget
	Board Revised Budget	YTD Budget	YTD as of 04/30/2011	YTD Variance Favorable/(Unfavorable)		Percent of Budget	Preliminary Year-End Projection	Projection Percent of Budget	Year-End Variance	
				\$	%					
Personnel Services	105,292	61,420	59,271	2,150	3.5%	56%	102,569	97%	2,723	113,354
Contractual Services	79,114	46,150	36,196	9,954	21.6%	46%	74,470	94%	4,644	78,826
Water Purchases	33,000	19,250	14,570	4,680	24.3%	44%	29,175	88%	3,825	33,000
Chemicals and Supplies	29,234	17,053	14,026	3,027	17.8%	48%	28,213	97%	1,021	29,946
Utilities	34,938	20,381	17,753	2,627	12.9%	51%	32,188	92%	2,750	37,447
Small Equipment	1,095	639	283	355	55.7%	26%	852	78%	243	995
<b>Subtotal O &amp; M Expenditures</b>	<b>282,674</b>	<b>164,893</b>	<b>142,099</b>	<b>22,794</b>	<b>13.8%</b>	<b>50%</b>	<b>267,467</b>	<b>95%</b>	<b>15,206</b>	<b>293,569</b>
Debt Service	98,726	57,590	54,177	3,413	5.9%	55%	95,044	96%	3,682	105,387
Payment in Lieu of Taxes	16,882	9,848	9,848	-	0.0%	58%	16,882	100%	-	18,301
Right of Way	5,100	2,975	2,975	-	0.0%	58%	5,100	100%	-	5,100
<b>Total O &amp; M Expenditures</b>	<b>403,382</b>	<b>235,306</b>	<b>209,099</b>	<b>26,207</b>	<b>11.2%</b>	<b>52%</b>	<b>384,493</b>	<b>95%</b>	<b>18,888</b>	<b>422,357</b>
Personnel Services Charged to Capital Projects	(11,000)	(6,417)	(6,192)	(225)	3.5%	56%	(10,716)	97%	(284)	(16,000)
<b>Total Net Operating Expenditures</b>	<b>392,382</b>	<b>228,889</b>	<b>202,907</b>	<b>25,982</b>	<b>11.4%</b>	<b>52%</b>	<b>373,777</b>	<b>95%</b>	<b>18,604</b>	<b>406,357</b>

Note: Actuals include accruals

FY 2011 Overtime  
Budget vs Actual  
Period Ended April

Department	FY 2010				FY 2011						
	Annual Budget	Percent of Budget Expended	Actual	Actual to Budget \$ Variance	Annual Budget	Percent of Annual Budget Expended	FY 2011 Year-to-Date				
							Straight-Line Budget 10/01/10 - 04/23/11	Actual 10/01/10 - 04/23/11	Actual to Straight-Line Budget Variance	Percentage YTD Straight-Line Budget Expended	YTD Overtime as % of YTD Regular
Office of the Secretary	3,000	141%	4,230	(1,230)	4,000	24%	1,690	961	729	57%	1%
General Manager	20,000	45%	9,051	10,949	15,000	3%	11,264	422	10,842	4%	0%
General Counsel	2,000	56%	1,110	890	2,000	77%	1,126	1,532	(405)	136%	0%
Public Affairs	2,000	39%	787	1,213	2,000	47%	1,126	930	196	83%	0%
Internal Audit	-	-	-	-	-	0%	0	0	0	0%	0%
Information Technology	25,000	107%	26,785	(1,785)	25,000	30%	14,080	7,523	6,556	53%	1%
Procurement/Material Mgmt	40,000	61%	24,241	15,759	30,000	63%	22,527	18,793	3,734	83%	1%
Customer Service	260,000	85%	220,601	39,399	250,000	44%	146,429	110,824	35,605	76%	3%
Finance & Budget	35,000	61%	21,208	13,792	30,000	70%	19,712	21,081	(1,370)	107%	1%
Risk Management	1,000	3%	32	968	1,000	9%	563	94	469	17%	0%
Assistant General Manager	1,000	61%	607	393	1,000	0%	563	0	563	0%	0%
Human Resources	10,000	33%	3,347	6,653	5,000	47%	5,632	2,363	3,269	42%	0%
Safety & Security	2,000	31%	628	1,372	2,000	8%	1,126	154	972	14%	0%
Facilities Management	150,000	168%	251,635	(101,635)	150,000	96%	84,478	144,618	(60,140)	171%	8%
Water / Sewer Pump Maintenance	200,000	62%	124,619	75,381	200,000	27%	112,637	53,819	58,818	48%	6%
Engineering Services	500,000	116%	582,418	(82,418)	549,960	67%	281,593	368,807	(85,214)	130%	7%
Water Services	1,000,000	138%	1,379,488	(379,488)	1,080,000	70%	563,187	760,208	(197,021)	135%	13%
Long-Term Control Plan	1,000	91%	910	90	10,000	19%	563	1,854	(1,291)	329%	0%
Sewer Services	900,000	134%	1,204,082	(304,082)	900,000	76%	506,868	687,250	(180,382)	136%	13%
Wastewater Treatment	950,000	116%	1,100,335	(150,335)	956,000	60%	535,027	571,249	(36,222)	107%	12%
Maintenance Services	800,000	119%	950,854	(150,854)	800,000	66%	450,549	531,860	(81,310)	118%	11%
Permits	1,000	0%	0	1,000	1,000	40%	563	398	165	71%	0%
Fleet Services	1,000	127%	1,268	(268)	1,000	17%	563	167	396	30%	0%
<b>Total WASA</b>	<b>\$4,904,000</b>	<b>120%</b>	<b>\$5,908,237</b>	<b>\$ (1,004,237)</b>	<b>\$5,014,960</b>	<b>65%</b>	<b>\$2,761,868</b>	<b>\$3,282,908</b>	<b>-\$521,040</b>	<b>119%</b>	<b>8%</b>

Notes:

(1) "Budget 10/01/10 - 04/23/11" reflects annual budget straight-lined

(2) " % YTD Budget Expended" reflects variance between straight-lined budget to-date and actual overtime

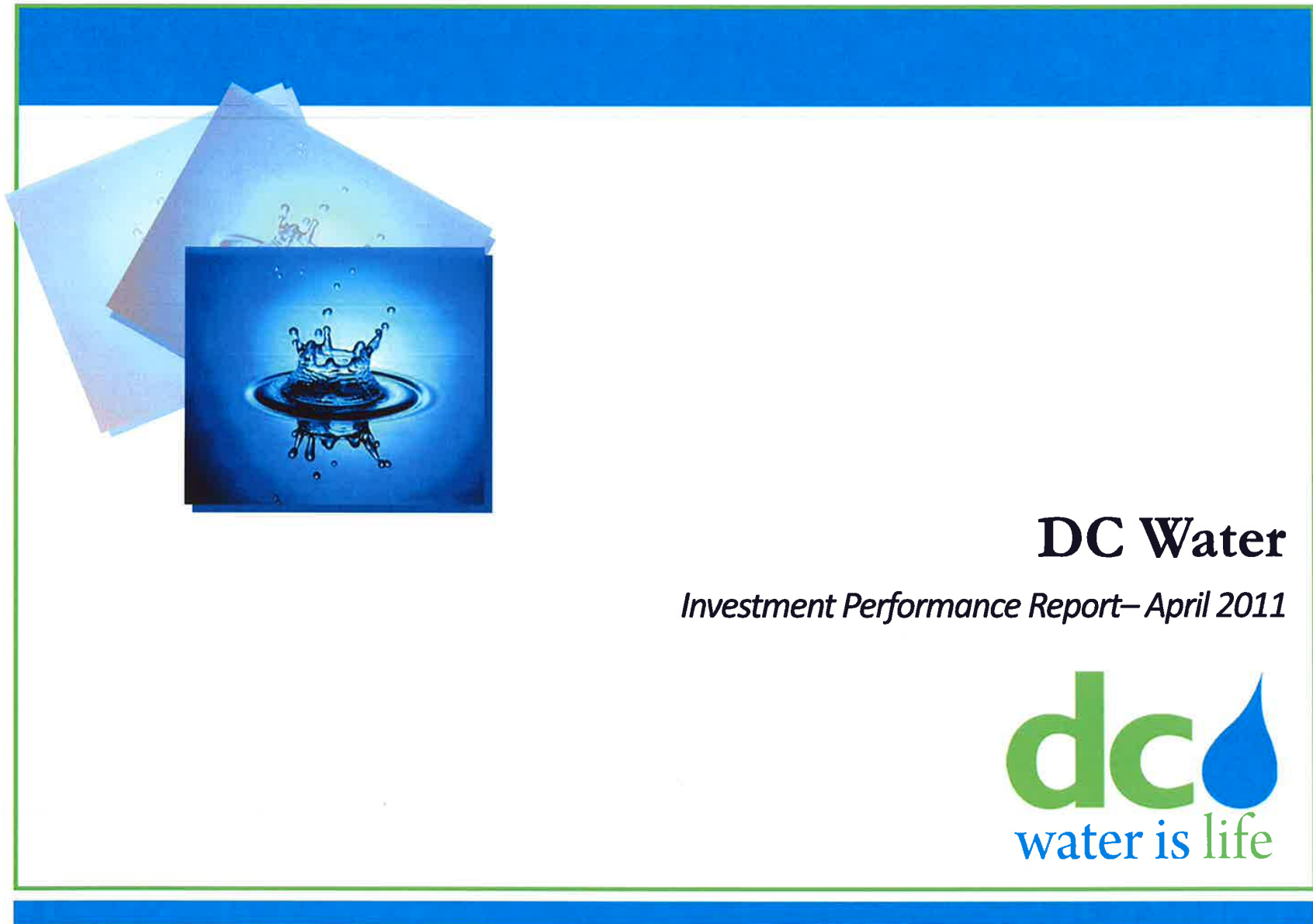
Joint Meeting of the Finance and Budget and Retail Rates - 2. April 2011 Financial Report (Attachment 1) - Yvette Downs

Capital Projects  
FY 2011 Disbursements Analysis  
As of April 30, 2011  
(dollars in thousands)

Description	FY 2011 Revised Disbursements Budget		Actual Disbursements			% of FY 2011 Revised Disbursements Budget		FY 2011 Projected Disbursements Budget		Commitments Balance
	Annual	YTD	Oct. '10 to Mar. '11	Apr. '11	<sup>1</sup> YTD	Annual	YTD	Amount	Percent of Annual Budget	
<b>Wastewater Treatment</b>							58% of Fiscal Year Completed			
Liquid Processing Projects	12,660	7,408	7,809	433	8,242	65%	111%	14,453	57%	27,944
Plantwide Projects	22,894	15,726	9,993	997	10,990	48%	70%	19,008	58%	20,329
Solids Processing Projects	45,849	20,311	18,117	4,396	22,513	49%	111%	51,461	44%	47,607
Enhanced Nitrogen Removal Facilities (formerly Total Nitrogen Program)	<u>51,725</u>	<u>23,628</u>	<u>13,633</u>	<u>3,017</u>	<u>16,651</u>	32%	70%	<u>41,130</u>	<u>40%</u>	<u>334,720</u>
<b>Total Wastewater Treatment</b>	<b>133,128</b>	<b>67,073</b>	<b>49,552</b>	<b>8,843</b>	<b>58,396</b>	<b>44%</b>	<b>87%</b>	<b>126,052</b>	<b>46%</b>	<b>430,600</b>
<b>Sanitary Sewer</b>										
Sanitary Collection Sewers	1,293	913	1,212	231	1,444	112%	158%	2,042	71%	837
Sanitary On-Going Projects	10,281	4,620	4,186	475	4,662	45%	101%	7,316	64%	7,094
Sanitary Pumping Facilities	681	352	91	10	101	15%	29%	437	23%	637
Sanitary Sewer Program Management	7,328	4,049	2,660	191	2,851	39%	70%	3,447	83%	21,319
Sanitary Interceptor/Trunk Force Sewers	<u>14,413</u>	<u>7,017</u>	<u>4,074</u>	<u>1,477</u>	<u>5,550</u>	39%	79%	<u>9,434</u>	<u>59%</u>	<u>16,869</u>
<b>Total Sanitary Sewer</b>	<b>33,986</b>	<b>16,951</b>	<b>12,223</b>	<b>2,384</b>	<b>14,608</b>	<b>43%</b>	<b>86%</b>	<b>22,676</b>	<b>64%</b>	<b>46,758</b>
<b>Combined Sewer Overflow</b>										
CSO Program Management	3,480	1,713	999	46	1,045	30%	61%	1,977	53%	12,629
Combined Sewer Projects	28,669	24,208	24,762	2,479	27,242	95%	113%	40,315	68%	21,391
Clean Rivers Project (aka Long-Term Control Plan)	<u>43,935</u>	<u>27,364</u>	<u>12,836</u>	<u>4,965</u>	<u>17,800</u>	41%	65%	<u>39,150</u>	<u>45%</u>	<u>225,656</u>
<b>Total Combined Sewer Overflow</b>	<b>76,084</b>	<b>53,285</b>	<b>38,597</b>	<b>7,490</b>	<b>46,087</b>	<b>61%</b>	<b>86%</b>	<b>81,442</b>	<b>57%</b>	<b>259,676</b>
<b>Stormwater</b>										
Stormwater Local Drainage	11	6	0	0	0	0%	0%	1	0%	239
Stormwater On-Going Program	841	226	0	0	0	0%	0%	7	0%	112
Stormwater Pumping Facilities	-	0	0	0	0			0	0%	0
DDOT Stormwater Program	35	24	0	0	0	0%	0%	0	0%	0
Stormwater Research and Program Management	1,157	848	292	11	302	26%	36%	661	48%	2,127
Stormwater Trunk/Force Sewers	<u>1,446</u>	<u>995</u>	<u>762</u>	<u>2</u>	<u>763</u>	53%	77%	<u>1,283</u>	<u>60%</u>	<u>767</u>
<b>Total Stormwater</b>	<b>3,491</b>	<b>2,099</b>	<b>1,053</b>	<b>12</b>	<b>1,066</b>	<b>31%</b>	<b>51%</b>	<b>1,952</b>	<b>55%</b>	<b>3,245</b>
<b>Water</b>										
Water Distribution Systems	26,301	16,665	10,806	1,218	12,024	46%	72%	21,570	56%	28,860
Water On-Going Projects	6,260	2,205	4,606	596	5,202	83%	236%	7,394	70%	5,929
Water Pumping Facilities	5,568	3,079	721	582	1,304	23%	42%	2,265	58%	5,524
DDOT Water Projects	-	0	1,749	107	1,856			3,089	60%	6,495
Water Storage Facilities	2,577	1,504	693	42	735	29%	49%	2,228	33%	1,820
Water Projects Program Management	3,963	2,366	2,201	342	2,544	64%	108%	4,233	60%	16,491
Water Lead Program	3,323	2,210	1,632	258	1,889	57%	85%	2,997	63%	7,321
AMR Installation / Replacement	<u>2,619</u>	<u>1,528</u>	<u>1,426</u>	<u>406</u>	<u>1,832</u>	70%	120%	<u>3,273</u>	<u>56%</u>	<u>1,096</u>
<b>Total Water</b>	<b>50,612</b>	<b>29,557</b>	<b>23,835</b>	<b>3,551</b>	<b>27,386</b>	<b>54%</b>	<b>93%</b>	<b>47,049</b>	<b>58%</b>	<b>73,536</b>
<b>Washington Aqueduct</b>	<b>10,449</b>	<b>5,735</b>	<b>3,902</b>	<b>0</b>	<b>3,902</b>	<b>37%</b>	<b>68%</b>	<b>10,407</b>	<b>37%</b>	
<b>Capital Equipment</b>	<b>17,482</b>	<b>10,186</b>	<b>4,313</b>	<b>827</b>	<b>5,140</b>	<b>29%</b>	<b>50%</b>	<b>12,698</b>	<b>40%</b>	<b>8,736</b>
<b>Total Capital Projects</b>	<b>\$ 325,222</b>	<b>\$ 184,886</b>	<b>\$ 133,475</b>	<b>\$ 23,108</b>	<b>\$ 156,583</b>	<b>48%</b>	<b>85%</b>	<b>\$ 302,275</b>	<b>52%</b>	<b>\$ 822,550</b>

Notes:

<sup>1</sup> Includes actual OCIP related disbursements of \$338,611.53





## Investment Performance Report- April 2011

**DC Water  
Finance Division  
Book Value Performance  
As of April 30, 2011**

*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	0.02%	0.25%	0.05%	0.21%	0.07%	0.15%	0.18%
Operating Reserve Accounts	0.06%	0.74%	0.13%	0.54%	0.18%	0.37%	0.36%
Total Debt Service Reserve	0.06%	0.70%	0.15%	0.63%	0.31%	0.62%	0.65%
Total CSO LTCP Appropriations Account	0.04%	0.50%	0.09%	0.37%	0.16%	0.32%	0.28%
2010A Construction Fund	0.02%	0.28%	0.07%	0.28%	0.09%	0.18%	n/a
2010A Capitalized Interest Fund	0.02%	0.24%	0.04%	0.18%	0.06%	0.13%	n/a
<b>Short-Term</b>	<b>0.02%</b>	<b>0.29%</b>	<b>0.07%</b>	<b>0.28%</b>	<b>0.10%</b>	<b>0.21%</b>	<b>0.26%</b>
Merrill Lynch 3-Month Treasury Index (Book Value) <sup>1</sup>	0.01%	0.09%	0.03%	0.13%	0.07%	0.13%	0.14%
<b>Core (1+ Years)</b>	<b>0.07%</b>	<b>0.86%</b>	<b>0.18%</b>	<b>0.74%</b>	<b>0.39%</b>	<b>0.79%</b>	<b>0.91%</b>
Merrill Lynch 1-3 Year Treasury Index (Book Value) <sup>2</sup>	0.06%	0.73%	0.16%	0.64%	0.27%	0.55%	0.59%

(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 2011

**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
<b><u>Total Rate Stabilization Fund</u></b>									
TD BANK BANK DEPOSIT	\$ 6,710,708		5/1/2011		0.10%	\$ 6,710,708	\$ 6,710,708	\$ 6,710,708	
RABOBANK USA FIN CORP COMM PAPER	5,000,000	-	6/3/2011	2/7/2011	0.30%	4,995,167	4,995,167	4,998,625	
DEUTSCHE BANK FINL LLC COMM PAPER	5,000,000	-	6/28/2011	3/15/2011	0.40%	4,994,125	4,994,125	4,996,755	
									\$ 16,706,088.08
<b><u>Operating Reserve Accounts</u></b>									
TD BANK BANK DEPOSIT	\$ 29,669,746		5/1/2011		0.10%	\$ 29,669,745.82	\$ 29,669,746	\$ 29,669,746	
FEDERATED U.S. TREASURY CASH RESERVES	\$ -		5/1/2011		0.00%	-	-	-	
NATIXIS COMM PAPER	5,000,000	-	6/10/2011	2/7/2011	0.43%	4,992,654	4,992,654	4,997,611	
ABBIEY NATL N AMERICA LLC COMM PAPER	5,000,000	-	6/13/2011	2/7/2011	0.48%	4,991,600	4,991,600	4,997,133	
FCAR OWNER TRUST II COMM PAPER	5,000,000	-	6/13/2011	2/7/2011	0.40%	4,993,000	4,993,000	4,997,611	
INTESA FUNDING COMM PAPER	5,000,000	-	6/30/2011	2/7/2011	0.46%	4,990,864	4,990,864	4,996,167	
SUMITOMO CORP OF AMERICA COMM PAPER	5,000,000	-	7/12/2011	3/21/2011	0.30%	4,995,292	4,995,292	4,997,000	
NATIXIS COMM PAPER	5,000,000	-	7/19/2011	3/21/2011	0.44%	4,992,667	4,992,667	4,995,172	
NORTHWEST NATURAL GAS COMM PAPER	5,000,000	-	7/20/2011	1/26/2011	0.36%	4,991,250	4,991,250	4,996,000	
UBS FINANCE DELAWARE LLC COMM PAPER	5,000,000	-	7/29/2011	3/29/2011	0.25%	4,995,764	4,995,764	4,996,910	
DEXIA DELAWARE LLC COMM PAPER	5,000,000	-	8/24/2011	4/26/2011	0.49%	4,991,833	4,991,833	4,992,174	
FHLB NOTES	10,000,000	0.625	1/13/2012	12/16/2010	0.37%	10,053,892	10,053,892	10,036,558	
FHLMC DISC NOTE	10,000,000	-	1/20/2012	1/26/2011	0.30%	9,970,582	9,970,582	9,978,367	
FHLMC NOTES	10,000,000	1.000	8/28/2012	7/27/2010	0.73%	10,068,578	10,068,578	10,052,573	
FNMA NOTES (CALLABLE)	10,000,000	0.550	12/27/2012	3/8/2011	0.69%	9,985,347	9,985,347	9,995,521	
FHLB NOTES (CALLABLE)	10,000,000	1.000	3/25/2013	3/28/2011	1.00%	10,000,833	10,000,833	10,010,000	
FHLB NOTES (CALLABLE)	9,000,000	2.000	4/25/2014	4/27/2011	1.49%	9,134,740	9,134,740	9,135,248	
									\$ 133,843,789.22
<b><u>Total Debt Service Reserve</u></b>									
WELLS FARGO GOVERNMENT MMF	\$ 460,032		5/1/2011		0.01%	\$ 460,032	\$ 460,032	\$ 460,032	
MERRILL LYNCH MMF	3,499,388		5/1/2011		0.17%	3,499,388	3,499,388	3,499,388	
FHLB TAP BONDS	4,600,000	5.000	3/9/2012	6/22/2010	0.76%	4,997,236	4,997,236	4,799,197	
FNMA NOTES (CALLABLE)	5,000,000	1.300	5/25/2012	5/25/2010	1.19%	5,010,450	5,010,450	5,028,865	
FHLMC NOTES	10,000,000	0.515	11/26/2012	11/22/2010	0.64%	9,981,294	9,981,294	10,002,637	
									\$ 23,790,119.37





## Investment Performance Report- April 2011

**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
<b><u>Series 2010A Bond Construction Fund</u></b>									
WELLS FARGO ADVANTAGE TREASURY PLUS	\$ -		5/1/2011		0.01%	\$ -	\$ -	\$ -	
WELLS FARGO GOVERNMENT MMF	19,710,541		5/1/2011		0.00%	19,710,541	19,710,541	19,710,541	
INTESA FUNDING COMM PAPER	5,000,000	-	5/13/2011	1/24/2011	0.38%	4,994,247	4,994,247	4,999,367	
DEXIA DELAWARE LLC COMM PAPER	5,000,000	-	5/24/2011	1/24/2011	0.50%	4,991,667	4,991,667	4,998,403	
SOCIETE GENERALE NA COMM PAPER	5,000,000	-	6/1/2011	1/24/2011	0.41%	4,992,711	4,992,711	4,998,235	
FHLB NOTES	22,000,000	0.670	6/14/2011	1/25/2011	0.19%	22,056,647	22,056,647	22,067,577	
CREDIT AGRICOLE NA COMM PAPER	5,000,000	-	7/14/2011	3/11/2011	0.32%	4,994,444	4,994,444	4,996,711	
HSBC FINANCE CORP COMM PAPER	5,000,000	-	7/15/2011	3/11/2011	0.29%	4,994,925	4,994,925	4,996,979	
ING (US) FUNDING LLC COMM PAPER	6,500,000	-	7/15/2011	1/24/2011	0.39%	6,487,888	6,487,888	6,494,719	
ABBAY NATL N AMERICA LLC COMM PAPER	6,500,000	-	7/25/2011	1/24/2011	0.65%	6,478,640	6,478,640	6,490,024	
CREDIT AGRICOLE NA COMM PAPER	6,500,000	-	7/25/2011	1/24/2011	0.44%	6,485,541	6,485,541	6,493,247	
FHLMC DISC NOTE	8,500,000	-	9/15/2011	1/25/2011	0.21%	8,488,447	8,488,447	8,493,207	
FHLMC DISC NOTE	28,000,000	-	10/14/2011	1/26/2011	0.23%	27,953,310	27,953,310	27,970,304	
FHLB NOTES	37,000,000	0.320	12/9/2011	1/26/2011	0.28%	37,027,008	37,027,008	37,054,753	
FNMA GLOBAL NOTES	27,500,000	2.000	1/9/2012	1/26/2011	0.30%	27,969,272	27,969,272	27,991,730	
FHLMC NOTES	22,500,000	1.720	3/14/2012	1/26/2011	0.37%	22,985,250	22,985,250	22,814,056	
									\$ 210,569,852.94
<b><u>Series 2010A Bond Construction Fund- Cap I</u></b>									
WELLS FARGO ADVANTAGE TREASURY PLUS	\$ 890,395		5/1/2011		0.01%	\$ 890,395		\$ 890,395	
WELLS FARGO GOVERNMENT MMF	925,103		5/1/2011		0.00%	925,103		925,103	
FHLMC DISC NOTE	1,400,000	-	9/23/2011	3/16/2011	0.16%	1,398,812	1,398,812	1,399,098	
FHLMC GLOBAL NOTES	1,400,000	2.125	3/23/2012	3/16/2011	0.27%	1,440,656	1,440,656	1,426,270	
FHLB GLOBAL BONDS	1,400,000	1.625	9/26/2012	3/16/2011	0.43%	1,436,191	1,436,191	1,425,583	
FHLB TAP BONDS	1,400,000	3.875	3/8/2013	3/16/2011	0.70%	1,488,359	1,488,359	1,489,661	
FNMA NOTES	1,400,000	1.125	9/30/2013	3/16/2011	0.97%	1,412,681	1,412,681	1,406,512	
FNMA NOTES (EX-CALLABLE)	1,400,000	1.250	3/14/2014	3/16/2011	1.19%	1,402,617	1,402,617	1,402,285	
									\$ 10,364,905.87
<b><u>Total CSO LTCP Appropriations Account</u></b>									
TD BANK BANK DEPOSIT	\$ 2,973,189		5/1/2011		0.10%	\$ 2,973,189	\$ 2,973,189	\$ 2,973,189	
ADAMS NATIONAL BANK	5,010,504		5/1/2011		0.25%	5,010,504	5,010,504	5,010,504	
AMERICAN BEACON MMF	11,481,123		5/1/2011		0.03%	11,481,123	11,481,123	11,481,123	
GENERAL ELECTRIC CO COMM PAPER	5,000,000	-	6/30/2011	3/7/2011	0.21%	4,996,646	4,996,646	4,998,250	
HSBC USA INC COMM PAPER	5,000,000	-	6/30/2011	3/7/2011	0.28%	4,995,528	4,995,528	4,997,667	
FORD MOTOR CREDIT CO COMM PAPER	5,000,000	-	7/5/2011	3/21/2011	0.35%	4,994,847	4,994,847	4,996,840	
SOCIETE GENERALE NA COMM PAPER	5,000,000	-	8/19/2011	3/21/2011	0.44%	4,990,877	4,990,877	4,993,354	
FHLB TAP BONDS	10,000,000	1.125	3/9/2012	6/21/2010	0.84%	10,080,075	10,080,075	10,040,367	
FHLB GLOBAL BONDS	10,000,000	2.250	4/13/2012	3/7/2011	0.32%	10,301,743	10,301,743	10,194,169	
FHLB TAP BONDS	10,000,000	1.375	6/8/2012	11/22/2010	0.50%	10,197,461	10,197,461	10,150,714	
									\$ 69,836,176.07
						\$ 465,494,386.98	\$ 463,678,889.62	\$ 465,110,931.55	\$ 465,110,931.55





## Investment Performance Report- April 2011

**DC Water  
Finance Division  
Security Transactions  
Last 6 Months (Page 1 of 2)**

ACCOUNT	CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<b>Purchases</b>								
DC WASA 2010A CONSTRUCTION FUND	74977LRC3	RABOBANK USA FIN CORP COMM PAPER	5,000,000	-	04/12/11	01/24/11	0.264	\$ 4,997,183.33
DC WASA 2010A CONSTRUCTION FUND	6555P1RD1	NORDEA NORTH AMERICAL INC COMM P/	5,000,000	-	04/13/11	01/24/11	0.274	\$ 4,997,037.50
DC WASA 2010A CONSTRUCTION FUND	4042F1RF8	HSBC FINANCE CORP COMM PAPER	5,000,000	-	04/15/11	01/24/11	0.244	\$ 4,997,300.00
DC WASA 2010A CONSTRUCTION FUND	4611K1SD8	INTESA FUNDING COMM PAPER	5,000,000	-	05/13/11	01/24/11	0.386	\$ 4,994,247.22
DC WASA 2010A CONSTRUCTION FUND	2521E1SQ9	DEXIA DELAWARE LLC COMM PAPER	5,000,000	-	05/24/11	01/24/11	0.508	\$ 4,991,666.67
DC WASA 2010A CONSTRUCTION FUND	83365ST11	SOCIETE GENERALE NA COMM PAPER	5,000,000	-	06/01/11	01/24/11	0.416	\$ 4,992,711.11
DC WASA 2010A CONSTRUCTION FUND	4497W1UF1	ING (US) FUNDING LLC COMM PAPER	6,500,000	-	07/15/11	01/24/11	0.396	\$ 6,487,888.33
DC WASA 2010A CONSTRUCTION FUND	0027A1UR8	ABBNEY NATL N AMERICA LLC COMM PAPER	6,500,000	-	07/25/11	01/24/11	0.661	\$ 6,478,640.28
DC WASA 2010A CONSTRUCTION FUND	22532CUR3	CREDIT AGRICOLE NA COMM PAPER	6,500,000	-	07/25/11	01/24/11	0.447	\$ 6,485,541.11
DC WASA 2010A CONSTRUCTION FUND	31359MF40	FNMA GLOBAL BENCHMARK NOTES	11,541,000	4.500	02/15/11	01/25/11	0.152	\$ 11,799,674.43
DC WASA 2010A CONSTRUCTION FUND	313384BY4	FHLB DISC NOTE	26,459,000	-	02/16/11	01/25/11	0.133	\$ 26,456,881.81
DC WASA 2010A CONSTRUCTION FUND	3133XWCP2	FHLB NOTES	22,000,000	0.670	06/14/11	01/25/11	0.186	\$ 22,056,647.41
DC WASA 2010A CONSTRUCTION FUND	313396LT8	FHLMC DISC NOTE	8,500,000	-	09/15/11	01/25/11	0.213	\$ 8,488,447.08
DC WASA 2010A CONSTRUCTION FUND	313396MY6	FHLMC DISC NOTE	28,000,000	-	10/14/11	01/26/11	0.234	\$ 27,953,310.00
DC WASA 2010A CONSTRUCTION FUND	313371XU0	FHLB NOTES	37,000,000	0.320	12/09/11	01/26/11	0.284	\$ 37,027,008.20
DC WASA 2010A CONSTRUCTION FUND	31398AUU4	FNMA GLOBAL NOTES	27,500,000	2.000	01/09/12	01/26/11	0.304	\$ 27,969,272.22
DC WASA 2010A CONSTRUCTION FUND	3128X8Q62	FHLMC NOTES	22,500,000	1.720	03/14/12	01/26/11	0.369	\$ 22,985,250.00
DC WASA 2010A CONSTRUCTION FUND	313384CX5	FHLB DISC NOTE	11,541,000	-	03/11/11	02/15/11	0.114	\$ 11,540,138.27
DC WASA 2010A CONSTRUCTION FUND	313384DK2	FHLB DISC NOTE	20,000,000	-	03/23/11	02/16/11	0.107	\$ 19,997,958.33
DC WASA 2010A CONSTRUCTION FUND	22532CUE2	CREDIT AGRICOLE NA COMM PAPER	5,000,000	-	07/14/11	03/11/11	0.325	\$ 4,994,444.44
DC WASA 2010A CONSTRUCTION FUND	4042F1UF4	HSBC FINANCE CORP COMM PAPER	5,000,000	-	07/15/11	03/11/11	0.294	\$ 4,994,925.00
DC WASA OPERATING RESERVE ACCOUNTS	4497W1RV0	ING (US) FUNDING LLC COMM PAPER	5,000,000	-	04/29/11	11/22/10	0.325	\$ 4,992,977.80
DC WASA OPERATING RESERVE ACCOUNTS	36959JPU1	GENERAL ELEC CAP CORP COMM PAPER	5,000,000	-	02/28/11	11/30/10	0.203	\$ 4,997,500.00
DC WASA OPERATING RESERVE ACCOUNTS	89233HPU2	TOYOTA MOTOR CREDIT CORP COMM P.	5,000,000	-	02/28/11	11/30/10	0.213	\$ 4,997,375.00
DC WASA OPERATING RESERVE ACCOUNTS	4662J1QG8	JP MORGAN CHASE & CO COMM PAPER	5,000,000	-	03/16/11	12/16/10	0.193	\$ 4,997,625.00
DC WASA OPERATING RESERVE ACCOUNTS	86561BQV0	SUMITOMO CORP OF AMERICA COMM PA	5,000,000	-	03/29/11	12/16/10	0.264	\$ 4,996,280.56



## Investment Performance Report- April 2011

**DC Water  
Finance Division  
Security Transactions  
Last 6 Months (Page 2 of 2)**

ACCOUNT	CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<b>Purchases</b>								
DC WASA OPERATING RESERVE ACCOUNTS	17307SQX3	CITIGROUP FUNDING INC COMM PAPER	5,000,000	-	03/31/11	12/16/10	0.274	\$ 4,996,062.50
DC WASA OPERATING RESERVE ACCOUNTS	3133706G8	FHLB NOTES	10,000,000	0.625	01/13/12	12/16/10	0.370	\$ 10,053,891.60
DC WASA OPERATING RESERVE ACCOUNTS	66765FUL4	NORTHWEST NATURAL GAS COMM PAPE	5,000,000	-	07/20/11	01/26/11	0.366	\$ 4,991,250.00
DC WASA OPERATING RESERVE ACCOUNTS	313396SA2	FHLMC DISC NOTE	10,000,000	-	01/20/12	01/26/11	0.300	\$ 9,970,581.94
DC WASA OPERATING RESERVE ACCOUNTS	6323A1TA4	NATIXIS COMM PAPER	5,000,000	-	06/10/11	02/07/11	0.437	\$ 4,992,654.17
DC WASA OPERATING RESERVE ACCOUNTS	0027A1TD1	ABBEY NATL N AMERICA LLC COMM PAPER	5,000,000	-	06/13/11	02/07/11	0.488	\$ 4,991,600.00
DC WASA OPERATING RESERVE ACCOUNTS	3024A7TD2	FCAR OWNER TRUST II COMM PAPER	5,000,000	-	06/13/11	02/07/11	0.406	\$ 4,993,000.00
DC WASA OPERATING RESERVE ACCOUNTS	4611K1TW5	INTESA FUNDING COMM PAPER	5,000,000	-	06/30/11	02/07/11	0.467	\$ 4,990,863.89
DC WASA OPERATING RESERVE ACCOUNTS	31398A6J6	FNMA NOTES (CALLABLE)	10,000,000	0.550	12/27/12	03/08/11	0.693	\$ 9,985,347.22
DC WASA OPERATING RESERVE ACCOUNTS	86561BUC7	SUMITOMO CORP OF AMERICA COMM PA	5,000,000	-	07/12/11	03/21/11	0.305	\$ 4,995,291.67
DC WASA OPERATING RESERVE ACCOUNTS	6323A1UK0	NATIXIS COMM PAPER	5,000,000	-	07/19/11	03/21/11	0.447	\$ 4,992,666.67
DC WASA OPERATING RESERVE ACCOUNTS	313372UM4	FHLB NOTES (CALLABLE)	10,000,000	1.000	03/25/13	03/28/11	1.000	\$ 10,000,833.33
DC WASA OPERATING RESERVE ACCOUNTS	90262DUV5	UBS FINANCE DELAWARE LLC COMM PAF	5,000,000	-	07/29/11	03/29/11	0.254	\$ 4,995,763.89
DC WASA OPERATING RESERVE ACCOUNTS	2521E1VQ5	DEXIA DELAWARE LLC COMM PAPER	5,000,000	-	08/24/11	04/26/11	0.498	\$ 4,991,833.33
DC WASA OPERATING RESERVE ACCOUNTS	313373CH3	FHLB NOTES (CALLABLE)	9,000,000	2.000	04/25/14	04/27/11	1.491	\$ 9,134,740.00
DC WASA TOTAL CSO LTCP APPROPRIATIONS	3133XWKU2	FHLB TAP BONDS	10,000,000	1.375	06/08/12	11/22/10	0.500	\$ 10,197,078.89
DC WASA TOTAL CSO LTCP APPROPRIATIONS	36959STW3	GENERAL ELECTRIC CO COMM PAPER	5,000,000	-	06/30/11	03/07/11	0.213	\$ 4,996,645.83
DC WASA TOTAL CSO LTCP APPROPRIATIONS	4042F1TW9	HSBC USA INC COMM PAPER	5,000,000	-	06/30/11	03/07/11	0.284	\$ 4,995,527.78
DC WASA TOTAL CSO LTCP APPROPRIATIONS	3133XTAW6	FHLB GLOBAL BONDS	10,000,000	2.250	04/13/12	03/07/11	0.320	\$ 10,301,743.34
DC WASA TOTAL CSO LTCP APPROPRIATIONS	3024A1U50	FORD MOTOR CREDIT CO COMM PAPER	5,000,000	-	07/05/11	03/21/11	0.355	\$ 4,994,847.22
DC WASA TOTAL CSO LTCP APPROPRIATIONS	83365SVK6	SOCIETE GENERALE NA COMM PAPER	5,000,000	-	08/19/11	03/21/11	0.442	\$ 4,990,877.08
DC WASA TOTAL DEBT SERVICE RESERVE	3134G1WT7	FHLMC NOTES	10,000,000	0.515	11/26/12	11/22/10	0.640	\$ 9,981,294.44
DC WASA RATE STABILIZATION FD	74977LT31	RABOBANK USA FIN CORP COMM PAPER	5,000,000	-	06/03/11	02/07/11	0.305	\$ 4,995,166.67
DC WASA RATE STABILIZATION FD	25153KTU1	DEUTSCHE BANK FINL LLC COMM PAPER	5,000,000	-	06/28/11	03/15/11	0.409	\$ 4,994,125.00
DC WASA CAPITALIZED INTEREST FD	313396MB6	FHLMC DISC NOTE	1,400,000	-	09/23/11	03/16/11	0.162	\$ 1,398,811.56
DC WASA CAPITALIZED INTEREST FD	3137EABY4	FHLMC GLOBAL NOTES	1,400,000	2.125	03/23/12	03/16/11	0.274	\$ 1,440,655.93
DC WASA CAPITALIZED INTEREST FD	3133XUUJ0	FHLB GLOBAL BONDS	1,400,000	1.625	09/26/12	03/16/11	0.430	\$ 1,436,191.11
DC WASA CAPITALIZED INTEREST FD	3133XQ2D3	FHLB TAP BONDS	1,400,000	3.875	03/08/13	03/16/11	0.700	\$ 1,488,358.64
DC WASA CAPITALIZED INTEREST FD	31398A2M3	FNMA NOTES	1,400,000	1.125	09/30/13	03/16/11	0.970	\$ 1,412,680.50
DC WASA CAPITALIZED INTEREST FD	31398A3K6	FNMA NOTES (EX-CALLABLE)	1,400,000	1.250	03/14/14	03/16/11	1.189	\$ 1,402,617.22



# **FY 2011 Financial Projections**

**Finance and Budget and  
DC Retail Water & Sewer Rate Committees  
May 26, 2011**

Presented by Olu Adebo, Chief Financial Officer



# AGENDA

- 💧 Purpose
- 💧 FY 2011 Projections
- 💧 FY 2012 Budget Assumptions
- 💧 FY 2012 Options
- 💧 Next Steps



## PURPOSE

- 💧 Review FY 2011 performance (projections)
  - Identify year-end available cash balances
  - Present recommendations on PAYGO and Rate Stabilization Fund in accordance with Board-approved resolutions
- 💧 Discuss scenarios for FY 2012 retail rates
- 💧 Consider recommendations for revised FY 2012 retail rate proposal based on FY 2011 year-end projections
- 💧 Discuss certain assumptions in revised FY 2012 budget



# **FY 2011 YEAR-END PROJECTIONS**

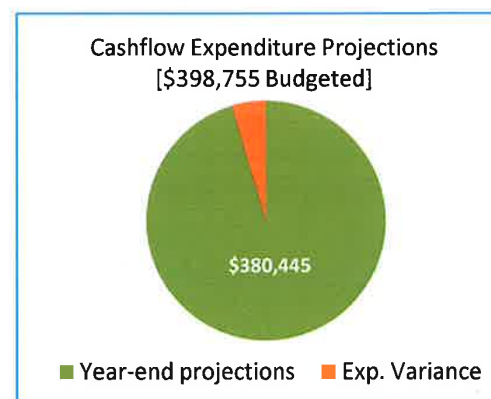
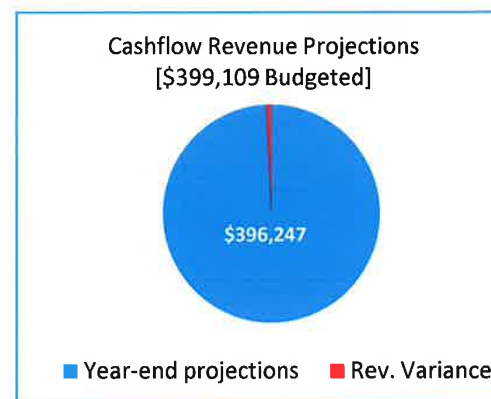




## FY 2011 FINANCIAL PERFORMANCE (PROJECTIONS – CASH BASIS)

\$16.6M excess cash above the operating reserve requirement is anticipated at year-end

- FY 2011 revenues near budget (-0.7% projected)
  - IAC projected to be slightly above budget
  - Other Revenues are projected to be in line with the budget
  - Assumes full draw down of \$9.5m RSF
  - Assumes full collection of Fire Hydrant Fee
  - Metering Fee is slightly lower than budget due to time lag in billings and collections.
  - Wholesale Revenue is in line with budget.
- Operating cash used projected to be below budget:
  - Water purchases (\$3.8M)
  - Energy (\$2.4M)
  - Contractual Services (\$4.3M)
- Debt Service (\$4.1M)





## FY 2011 PROJECTED REVENUES VARIANCE

	FY 2011 Revised	FY 2011 Projection	Increase (Decrease)	Percentage Change
Retail Revenue	\$273,374	\$270,797	(2,577)	-0.9%
Wholesale Revenue			-	
LCSA + PI	7,263	7,698	435	6.0%
WSSC	49,192	49,192	-	0.0%
Fairfax County	12,370	12,370	-	0.0%
Total Wholesale Revenue	68,825	69,260	435	0.6%
Other Revenue	47,409	46,690	(719)	-1.5%
Rate Stabilization Fund	9,500	9,500	-	0.0%
<b>TOTAL REVENUE</b>	<b>\$399,108</b>	<b>\$396,247</b>	<b>\$ (2,861)</b>	<b>-0.7%</b>





## FY 2011 OPERATING EXPENDITURE BUDGET PERFORMANCE (PROJECTIONS)

FY 2011 revised operating budget is projected to have approximately \$18.9M (or 5 %) under-spending by the end of the fiscal year.

(\$'000s)

	<b>Board Revised Budget</b>	<b>Preliminary Year-End Projection</b>	<b>Percent of Budget</b>	<b>Year-End Variance</b>
Personnel Services	105,292	102,569	97%	2,723
Contractual Services	79,114	74,470	94%	4,644
Water Purchases	33,000	29,175	88%	3,825
Chemicals and Supplies	29,234	28,213	97%	1,021
Utilities	34,938	32,188	92%	2,750
Small Equipment	1,095	852	78%	243
<b>Subtotal O &amp; M Expenditures</b>	<b>282,674</b>	<b>267,467</b>	<b>95%</b>	<b>15,206</b>
Debt Service	98,726	95,044	96%	3,682
Payment in Lieu of Taxes	16,882	16,882	100%	-
Right of Way	5,100	5,100	100%	-
<b>Total O &amp; M Expenditures</b>	<b>403,382</b>	<b>384,493</b>	<b>95%</b>	<b>18,888</b>
Personnel Services Charged to Capital Projects	(11,000)	(10,716)	97%	(284)
<b>Total Net Operating Expenditures</b>	<b>392,382</b>	<b>373,777</b>	<b>95%</b>	<b>18,604</b>



## FY 2011 OPERATING EXPENDITURE VARIANCE EXPLANATION

### Personnel Services - \$2.7M

- Anticipated savings from lower than budgeted vacancy funding offset by increased benefits cost and overtime

### Contractual Services - \$4.6M

- Projected savings from various professional services, claims, consulting services and delayed spending on the LID program; offset by budget overrun for general counsel litigation matters

### Chemicals & Supplies - \$1M

- Anticipated savings mainly from parts and custodial supplies
- Chemicals currently running close to budget

### Utilities - \$2.8M

- Projected savings in electricity due to lower unit prices and decreased consumption; offset by increased fuel and natural gas expenditure

### Water Purchases - \$3.8M

- Savings primarily due to the federal freeze in employee salaries, coupled with delay in the operations of the sodium hypochlorite project which is now projected to start in early FY 2012

### Debt Service - \$3.7M

- Savings primarily due to favorable interest on bond issuance and lower interest on outstanding commercial paper



## FY 2011 CAPITAL BUDGET PERFORMANCE (CASH DISBURSEMENT BASIS)

FY 2011 capital, cash disbursement basis, is projected at approximately 93 percent by the end of the fiscal year.

(\$'000s)

Description	Annual - Baseline	Annual - Projected	Projection Percent of Budget	Year-End Variance
Total Wastewater Treatment	133,128	126,052	95%	7,076
Total Sanitary Sewer	33,996	22,676	67%	11,320
Total Combined Sewer Overflow	76,084	81,442	107%	(5,358)
Total Stormwater	3,490	1,952	56%	1,538
Total Water	50,611	47,049	93%	3,562
Washington Aqueduct	10,449	10,407	100%	42
Capital Equipment	17,462	12,698	73%	4,764
<b>Total Capital Projects</b>	<b>325,222</b>	<b>302,275</b>	<b>93%</b>	<b>22,943</b>



## FY 2011 CIP (CASH DISBURSEMENT) VARIANCE EXPLANATION

### 💧 Wastewater Treatment - \$7.1M

- Decreased spending on the Enhanced Nitrogen Removal Facilities (\$10.6M) related to lower bid prices and delayed construction start date
- Lower spending on Plantwide projects (\$3M) by the Facilities Department due to a lag in the start of some projects
- Increased spending in the Solids Processing area related to Area Substation No. 6 (\$2.8M) and New Digestion Facilities (\$2.7M)

### 💧 Sanitary Sewer - \$11.3M

- Reduced spending primarily in Sanitary On-Going Projects (\$3M), Sanitary Interceptor/Trunk Force Sewers (\$5M) and Program Management (\$3.9M)

### 💧 Combined Sewer Overflow – (\$5.4M)

- Increased spending on the Outfall Sewer Rehabilitation project (\$9.9M) and the Rock Creek CSO projects (\$1.8M)
- Reduced spending related to the delay in the execution of MOU's for the Clean Rivers Project (\$4.5M)



## FY 2011 CIP (CASH DISBURSEMENT) VARIANCE EXPLANATION

### Water - \$3.6M

- Reduced spending primarily related to the closeout of some replacement projects and the temporary suspension of work on a rehabilitation project offset by increased spending in the Water On-Going area due to higher restoration costs associated with main breaks this winter

### Capital Equipment - \$4.8M

- Primarily related to delay in IT projects (\$5.0M)



## FY 2011 CASH FLOW SUMMARY

Projected year-end available cash balance of \$16.6M

	Annual Budget Cash Basis	FY11 Year End Projection	Variance Favorable (Unfavorable)
(\$'000s)			
<b>OPERATING BUDGET</b>			
Total Cash Provided	398,832	396,116	(2,716)
Total Operating Cash Used	271,673	257,508	14,165
Total Other Cash Used	127,082	122,937	4,145
<b>Total Cash Used</b>	<b>398,755</b>	<b>380,445</b>	<b>18,310</b>
<b>Net Cash Provided (Used) by Operating Act.</b>	<b>77</b>	<b>15,671</b>	
<b>CAPITAL BUDGET</b>			
Total Cash Provided	322,757	299,835	
Total Cash Used	325,222	302,275	22,947
<b>Net Cash/PAYGO Provided (Used) by Cap. Act.</b>	<b>(2,465)</b>	<b>(2,440)</b>	
<b>Beginning Balance, October 1 (Net of Rate Stab. Fund)</b>	<b>131,996</b>	<b>131,996</b>	-
Plus (Less) Operating Surplus	77	15,671	(15,594)
Wholesale Customer Refunds from Prior Years	(5,053)	(3,880)	(1,173)
Interest Earned From Bond Reserve	277	131	146
Transfer to Rate Stabilization Fund	(1,000)	(1,000)	
Prior Year Federal Billing Reconciliation	1,669	1,669	
Cash Used for Capital	(2,465)	(2,440)	(25)
<b>Balance Attributable to O&amp;M Reserve</b>	<b>125,500</b>	<b>142,147</b>	<b>(16,647)</b>
<b>OTHER CASH RESERVES</b>	<b>Current Budget</b>	<b>Year End Projection</b>	<b>Variance</b>
Rate Stabilization Fund	8,200	8,200	0

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**DISCUSS CERTAIN ASSUMPTIONS IN  
REVISED FY 2012 BUDGET**



## REVENUE ASSUMPTIONS

- 💧 Miscellaneous revenue and fee changes - \$1.5M
  - Effective FY 2012, the Board has currently proposed increases in various miscellaneous fees and charges. If fully adopted, we anticipate an additional \$1.5M in this category.
- 💧 PI settlement (Town of Vienna)
  - Ongoing negotiations to resolve outstanding disputes. Revenue/rate impact is negligible.
- 💧 Howard University/Soldiers' Home
  - Ongoing negotiations
  - No assumptions included in FY 2012





## CIP BUDGET ASSUMPTIONS

- 💧 Updated Sewer capital allocations for IMA - \$58.6M
  - Scheduled for Blue Plains Regional Committee approval in June 2011
  - To be incorporated in the next ten-year CIP
  - Negligible impact anticipated on FY 2012 disbursements

- 💧 Favorable bid results
  - \$140M in contract estimate savings; \$82M in savings already reflected in the current CIP
  - Favorable over the ten-year period - Remaining \$58M will be incorporated in the next ten-year CIP
  - Assumes FY 2012 – FY 2014 to remain at approved level or less

- 💧 Grants
  - Additional \$3M approved in the Federal budget for Clean Rivers for FY 2011
  - Federal Budget impact on SRFs for Clean & Safe Drinking Water currently unknown.



## **DISCUSSIONS OF OPTIONS (FOR USE OF FY 2011 EXCESS CASH)**



## OPTIONS FOR BOARD'S CONSIDERATIONS

- 💧 Approximately \$2.9M of excess cash will be refunded to wholesale customers. The balance is available for various Board considerations to retail customers
- 💧 Utilize additional PAYGO
  - For FY 2011, only \$2.4M is currently anticipated for PAYGO (approx. \$65K in avoided annual debt service cost)
- 💧 Additional transfer to RSF
  - Additional RSF contribution for future flexibility



## OPTIONS FOR BOARD'S CONSIDERATIONS

### 💧 Lower FY 2012 retail rates adjustments

- Propose water/sewer rate increase of approximately 6%
  - Each 1% increase in water/sewer volumetric rates equals approximately \$2.6M
- Propose impervious area charge increase of \$3.42/ERU
  - Each dollar per ERU is equivalent to \$5.65 in revenue

### 💧 Rebates to retail customers

#### Customer Impact

- 0.5 Percent Rebate Option (\$2.77)
- 1.0 Percent Rebate Option (\$5.53)
- 1.5 Percent Rebate Option (\$8.30)
- 2.0 Percent Rebate Option (\$11.06)

### 💧 Other uses



## NEXT STEPS

- Use feedback from today's meeting to analyze PAYGO and RSF impacts
- Present revised FY 2012 operating budget to the Finance & Budget Committee in June 2011
- Present final FY 2012 retail rates and fees recommendations to the Retail Water & Sewer Rate Committee in June 2011
- Present recommended PAYGO and RSF action items



# APPENDIX



## FY 2012 APPROVED BUDGET SUMMARY

(\$'000s)

Operating		Capital	
<b>Expenditures:</b>		<b>Service Areas:</b>	
Personnel Services	\$ 113,354	Wastewater Treatment	\$ 335,993
Non-Personnel Services	180,215	Sanitary Sewer	44,400
Subtotal O&M Expenditures	293,569	Clean Water	93,014
Debt Service	105,387	Stormwater	4,027
PILOT/ROW	23,401	Water	53,755
<b>Total Operating Expenditures</b>	<b>\$ 422,357</b>	Washington Aqueduct	10,470
Personnel Service Charges to Projects	(16,000)	Capital Equipment	14,160
<b>Total Net Operating Expenditures</b>	<b>\$ 406,357</b>	<b>Total FY 2012 CIP (cash disbursement basis)</b>	<b>\$ 555,820</b>
<b>Revenue:</b>		<b>Revenue:</b>	
Retail Revenue	\$ 298,080	EPA/FED	\$ 71,760
Wholesale Revenue	71,439	Retail	267,409
Other Revenue	42,702	Wholesale	216,651
<b>Total Operating Revenues</b>	<b>\$ 412,222</b>	<b>Total Capital Revenues</b>	<b>\$ 555,820</b>



## OPERATING BUDGET ASSUMPTIONS FOR REVISED FY 2012

### Personnel Services

- No merit increases
- Benefits adjustments
  - ▢ Retirement matches trending higher than approved budget
- Adjustments for vacancy savings

### Non-Personnel Services

- Increased fuel costs
- 100% of electricity load to be locked – contract to be extended
- Water Purchases
  - ▢ Assumes sodium hypochlorite project to start in early FY 2012

### Debt Service

- Planned issuance in late FY 2012



### DC Water Support for COG Programs FY 2007 - 2010 Summary Table

ATTACHMENT 3

FUNDS	PROGRAM / PROJECT ELEMENTS	TOTAL BUDGET (COG FY 2010) <sup>1</sup>	DC-WASA SHARE					AUTHORIZATION COMMITTEE / DC WATER MEMBER	COG STAFF SUPPORT
			COG FY 2010	Basis for DC Water Share (On Behalf of District of Columbia) <sup>2</sup>	COG FY 2009	COG FY 2008	COG FY 2007		
Regional Water Fund (RWF)	Water Resources Program:  • Policy & Program Development • Asses & Report on Potomac Water Quality Mgmt. Actions, Benefits & Challenges • Assess & Provide Input on Bay TMDL & WIP Efforts • Monitor & Assess Emerging Issues • Support for Complementary Water Resource Activities	\$ 1,258,911	\$ 251,782	Per IMA 80% of RWF paid by BP Users; District's 20% share paid by DC Water	\$ 251,782	\$ 239,793	\$ 230,570	COG's CBPC Len Benson & Mohsin Siddique	Technical & Policy support to address Chesapeake Bay Program (TMDLs & WIPs), Potomac Water Quality & Data Monitoring (including Nutrient & Sediment Loading Assessments), as well as addressing broader Water Quality issues related to the Potomac River (e.g., Emerging Contaminants, Climate Change, Infrastructure, & related Drought Management/Water Supply Protection)
Regional Environmental Fund (REF)	• Urban Watershed Mgmt. (e.g., Stormwater-permit related)  • Staff Mgmt. & Program/Budget Development	\$ 576,368	\$ 11,632	REF is population-based; DC Water pays select water quality-related portion of District's share; Remainder of District share paid by other District agencies	\$ 13,845	\$ 13,521	\$ 13,775	COG's CBPC Len Benson & Mohsin Siddique	Technical & Policy support to address Stormwater-related issues
Blue Plains User Funded Projects	BPRC WORK PROGRAM:  • BP IMA Staff Support • BP Discharge Permit, Water Quality & CBP Model Upgrade/Analysis Support • BP Biosolids Research Projects • BP Agricultural Outreach & Land Application Support • BPSA Long-term Planning • IMA Renegotiations • BP Contingency Reserve <sup>3</sup>	(Note: Includes FY09 carryover funds) \$ 795,000	\$ 323,554	Shares based on IMA Capital Funding Allocation Formula; DC Water pays District's share only	\$ 297,502	\$ 347,957	\$ 347,224	BPRC Len Benson & Walt Bailey	Technical (e.g. BPSA Wastewater Flow Projections), Policy, & Secretariat support for Blue Plains Committees and Specialized Technical support to DC Water (e.g., Bay TMDL/WIP coordination & advocacy)
GRAND TOTAL - AUTHORIZED BUDGET		\$ 2,630,279	\$ 586,968		\$ 563,129	\$ 601,271	\$ 591,570		
GRAND TOTAL - ACTUAL BILLED AMOUNT/PAYMENT <sup>3</sup>			\$ 564,076		\$ 543,394	\$ 578,379	\$ 591,570		

<sup>1</sup> COG's Fiscal Year runs from July 1st through June 30th.

<sup>2</sup> DC Water is billed for and pays only for District-related shares of these regional funds/projects.

<sup>3</sup> BPRC Contingency Reserve (\$50,000 Total) - Amount is Budgeted /Authorized each year but not utilized/billed unless specifically authorized - as was done in 2007. So DC Water paid their share (\$22,892) only in 2007. That's why Actual Billed Amount/Payment amount is less than Authorized Budgeted amount for 2008, 2009 & 2010.

NOTE: FY 2011 Authorized Budget (in process)

Total	DC Water
\$ 2,610,279	\$ 585,984



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

**Thursday, June 23, 2011; 11:00 a.m.  
Blue Plains Wastewater Treatment Plant  
5000 Overlook Avenue, SW, DC  
AGENDA**

<b>Call to Order</b>	<b>Chairman</b>
<b>May 2011 Financial Report</b>	<b>Director of Finance &amp; Budget</b>
<b>Agenda for July 28<sup>th</sup> Committee Meeting</b>	<b>Chairman</b>
<b>Adjournment</b>	<b>Chairman</b>

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

## ATTACHMENT 4

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

**ACTION REQUESTED**

**GOODS AND SERVICES OPTION YEAR:**

**Rolling Owner Controlled Insurance Program (ROCIP)**

**Broker/Administration Services**

**(Joint Use-Indirect Cost)**

Approval to execute the Second (2<sup>nd</sup>) Option Year of Four (4) Option Years in the amount of \$899,218.00. The cumulative contract value including the option amount will be \$1,707,654.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b>	<b>SUBS:</b>	<b>PARTICIPATION:</b>
Aon Risk Services, Inc. 1120 20 <sup>th</sup> Street, N.W. Suite 600 Washington, DC 20036-3419	MFL Consulting 1619 13 <sup>th</sup> Street, N.W. Washington, DC 20009	30%

**DESCRIPTION AND PURPOSE**

Original Contract Value:	\$ 404,218.00
Original Contract Dates:	July 1, 2009 – June 30, 2010
No. of Option Years in Contract:	4
First Option Year Value:	\$ 404,218.00
First Option Year Dates:	July 1, 2010 – June 30, 2011
Second Option Year Value:	\$ 899,218.00
Second Option Year Dates:	July 1, 2011 – June 30, 2012

**Purpose of the Contract:**

To provide extensive and continuous oversight and data verification ensuring the effective administration of DC Water's ROCIP.

**Contract Scope:**

- Provide full ROCIP administration services to include claims management coordination, safety/loss control and contractor workers' compensation and general liability insurance enrollment.

**Spending Previous Year:**

- Cumulative Contract Value: (07/01/2009 to 06/30/2011) - \$ 808,436.00
- Cumulative Contract Spending: (07/01/2009 to 04/30/2011) - \$ 808,436.00

**Contractor's Past Performance:**

- The Contractor's performance has been satisfactory.

Note: The ROCIP program was procured competitively and the resultant contract for the base year period was awarded on July 1, 2009 in the amount of \$404,218.00 to Aon Risk Services, Inc. (ARS). Option year one (1) of the contract is also in the amount of \$404,218.00 and expires on June 30, 2011, however, the new contract pricing for option year two (2) is for \$899,218.00. The large increase in contract pricing from option year one (1) to option year two (2) is due to the funding required to provide additional safety services to accommodate DC Water's Long Term Control Plan (LTCP) and Tunneling projects. Contract pricing for option year two (2) is considered fair and reasonable. Thus, Procurement recommends exercising option year two (2).

#### PROCUREMENT INFORMATION

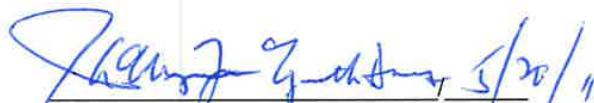
<b>Contract Type:</b>	Fixed Price	<b>Award Based On:</b>	Highest rated proposal
<b>Commodity:</b>	Goods & Services	<b>Contract Number:</b>	WAS-09-014-AA-GA
<b>Contractor Market:</b>	Open Market		

#### BUDGET INFORMATION

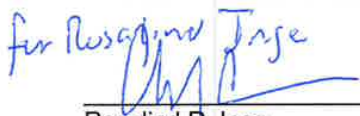
<b>Funding:</b>	Capital	<b>Department:</b>	Risk Management
<b>Service Area:</b>	DC Water-Wide	<b>Department Head:</b>	Olu Adebo

#### ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	81.45%	\$ 732,413.06
Washington Suburban Sanitary Commission	13.49%	\$ 121,304.51
Fairfax County	3.26%	\$ 29,314.51
Loudoun County & Potomac Interceptor	1.61%	\$ 14,477.41
Others	0.19%	\$ 1,708.51
<b>Total Estimated Dollar Amount</b>	<b>100.00%</b>	<b>\$ 899,218.00</b>

  
Yvette Downs  
Director of Finance & Budget

Date

  
Rosalind R. Inge  
Director of Procurement

Date

  
Olu Adebo  
Chief Financial Officer

Date

  
George S. Hawkins  
General Manager

Date

Certification of Funds

Contract Number: WAS-09-014-AA-GA  
 Title: ROCIP Administration Services  
 Contractor: AON Risk Services  
 Expiration Date: 5/31/11

Department/Office: CFO/Risk Mgmt  
 Option Year#: 2  
 Amount Certified: \$899,218  
 Total Contract Amount  
 (after exercise of option): \$1,707,654

Activities Utilized	Lawon Amount	Percent of Total	Spread Amounts	Amount of Spread/Option Amount	899,218
A449010	92,736	0.83%	7,449		
A449280	27,835	0.25%	2,236		
AY49010	60,821	0.54%	4,886		
BE49000	40,510	0.36%	3,254		
BG49100	77,363	0.69%	6,214		
BH49010	55,040	0.49%	4,421		
BR49100	242,076	2.16%	19,445		
BR49040	32,000	0.29%	2,570		
BT49100	188,062	1.68%	15,106		
CY49270	30,270	0.27%	2,431		
E949100	1,858,415	16.60%	149,280		
FH49010	60,484	0.54%	4,858		
HD49010	66,673	0.60%	5,356		
I249700	27,569	0.25%	2,215		
J049010	59,607	0.53%	4,788		
MX49300	8,510	0.08%	684		
Q349020	15,309	0.14%	1,230		
XZ49700	33,125	0.30%	2,661		
XZ49730	18,286	0.16%	1,469		
EG49010	2,188,026	19.55%	175,757		
XA49800	3,051,054	27.25%	245,081		
CY49190	2,960,742	26.45%	237,827		
	<b>11,194,513</b>	<b>100.00%</b>	<b>899,218</b>		