

# WATER AND SEWER AUTHORITY

## Board of Directors

*Finance and Budget Committee*

*Thursday, March 24, 2016*

11:00 a.m.

### DISTRICT OF COLUMBIA

1. **Call to Order**.....Timothy L. Firestine, Chairperson
2. **February 2016 Financial Report (Attachment 1)**..... Gail Alexander-Reeves and Robert Hunt
3. **Merchant Credit/Debit Card Process & Contract Extension Review (Attachment 2)**... Robert Hunt
4. **Action Items** ..... Robert Hunt and Meena Gowda
  - A. **Approval for Merchant Credit/Debit Card Process/Contract Extension – Bank of America**
  - B. **Approval for Environmental Legal Services**
5. **Agenda for April Committee Meeting (Attachment 3)** ..... Timothy L. Firestine
6. **Executive Session\***
7. **Adjournment**

***FOLLOW-UP ITEMS – There were no follow-up items from the meeting held January 28, 2016.***

\* The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10);proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.



Fiscal Year 2016

# Monthly Financial Report

Period Ending February 29, 2016

**DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET**

**Mark Kim**, Chief Financial Officer

**Gail Alexander-Reeves**, Director, Budget

**Robert Hunt**, Director, Finance

**Syed Khalil**, Manager, Financial Planning & Revenues

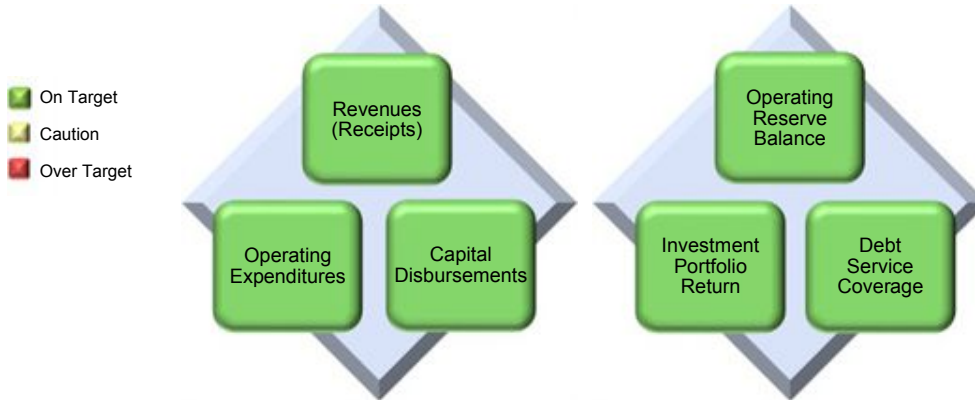
**John Madrid**, Controller

Monthly Financial Report

FEBRUARY 2016

EXECUTIVE SUMMARY

At the end of this reporting period, with approximately 42 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance metrics. The table below summarizes detailed information presented in the report.



(\$ in millions)

	Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)		Actual % Budget
Revenues (Receipts)*	\$580.5	\$241.9	\$253.7	\$11.8	4.9%	44%
Expenditures*	\$541.6	\$225.7	\$188.7	\$37.0	16.4%	35%
Capital Disbursements	\$549.0	\$248.0	\$239.9	\$8.1	3.2%	44%

\* Straight-lined (5/12 of budget)

Highlights:

- DC Water’s credit rating has been upgraded by Standard & Poor’s Ratings Services from AA+ to AAA
- External auditors completed the Financial Statement Audit and A-133 Single Audit, with “clean opinion” rendered on both items. Presentation made to the Audit Committee on February 25, 2016
- DayForce System Implementation (Phase II) for the centralization of all employee payroll, benefits and recruitment data started on February 2, 2016
- Ongoing review of the FY 2015 Inter Municipal Agreement (IMA) Operating Settlement, with completion expected by March 18, 2016
- Washington Suburban Sanitary Commission (WSSC) Audit of the FY 2014 IMA Operating Settlement scheduled to begin in April 2016
- FY 2016 preliminary year-end projections anticipated for Committee review in May 2016

Mark T. Kim, Chief Financial Officer

## Monthly Financial Report

Fiscal Year-to-Date  
As of February 29, 2016

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

Category	A	B*	C	D=C/A	E=C-B	F=E/B
	FY 2016 BUDGET	YTD BUDGET	YTD ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Res. / Comm. / Multi.	\$311,897	129,957	\$134,671	43.2%	\$4,713	3.6%
Federal	62,989	26,245	31,052	49.3%	4,807	18.3%
Municipal (DC Govt.)	15,175	6,323	7,273	47.9%	950	15.0%
DC Housing	8,083	3,368	4,071	50.4%	703	20.9%
Metering Fee	10,776	4,490	4,860	45.1%	370	8.3%
Water System Replacement Fee (WSRF)	40,000	16,667	10,338	25.8%	(6,329)	(38.0%)
Wholesale	79,458	33,107	41,032	51.6%	7,924	23.9%
PILOT/ROW	20,584	8,576	9,562	46.5%	986	11.5%
All Other	31,553	13,147	10,817	34.3%	(2,330)	(17.7%)
<b>TOTAL</b>	<b>\$580,514</b>	<b>\$241,881</b>	<b>\$253,676</b>	<b>43.7%</b>	<b>\$11,795</b>	<b>4.9%</b>

\* Straight-lined (5/12 of budget)

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of February 2016, cash receipts totaled \$253.7 million, or 43.7 percent of the revised FY 2016 budget. Several categories of customers make payments on a quarterly basis, including the Federal Government and wholesale customers.

Residential, Commercial and Multi-Family – Receipts for this category are higher at \$134.7 million or 43.2 percent of the revised budget. The higher receipts are on account of collection of \$2.6 million on October 5, 2015 (FY 2016) from DC Events/Sports Authority, which falls under Commercial category, following resolution of the dispute with D.C. Government regarding the Clean Rivers Impervious Surface Area Charges (CRIAC) associated with RFK stadium.

District Government – Receipts are slightly higher at \$7.3 million or 47.9 percent of the revised budget. The increase in municipal payment is on account of (a) collection from (DCPA) Federal National Capital Region of prior year's short payment of approximately \$0.5 million, and (b) stormwater adjustment of approximately \$0.7 million with respect to the resolution of the dispute of the Clean Rivers Impervious Service Area Charges (CRIAC) associated with RFK stadium.

DC Housing – Receipts are higher at \$4.1 million or 50.4 percent of the revised budget. The DC Housing Authority did not pay the August billed amount of \$807,477.89 in September. The overdue amount was collected in October (FY2016), which resulted in higher receipts compared to the revised budget.

Water System Replacement Fee – Receipts are lower at \$10.3 million or 25.8 percent of the revised budget. The lower receipts for this new fee are due to (a) partial billing of WSRF for the month of October 2015, (b) time lag for collections, which follow billings by a month and (c) non-receipt of WSRF for Federal category since the 2016 Federal Bill, prepared in April 2014, did not include account-wise estimates for WSRF. The FY 2016 WSRF will be trued-up in FY 2019 Federal Bill.

Wholesale – Receipts are higher at \$41.0 million or 51.6 percent of the revised budget. Wholesale customers made their second quarterly payment in the month of February 2016.

Other Revenue – Receipts are lower than the straight-lined budget at \$10.8 million or 34.3 percent of the budgeted category primarily due to IMA Indirect Cost Reimbursement, which is not anticipated to be received until the fourth quarter of the fiscal year.

Monthly Financial Report

Fiscal Year-to-Date  
As of February 29, 2016

Operating Expenditures (\$000's)

Category	A	B*	C	D = C/A	E = B - C	F = E/B
	FY 2016 BUDGET	YTD BUDGET	YTD ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Personnel	\$140,034	\$58,348	\$58,329	41.7%	\$19	0.0%
Contractual Services	79,244	33,018	27,279	34.4%	5,739	17.4%
Water Purchases	30,740	12,808	10,354	33.7%	2,454	19.2%
Supplies & Chemicals	35,951	14,980	11,109	30.9%	3,871	25.8%
Utilities	35,018	14,591	10,684	30.5%	3,907	26.8%
Small Equipment	1,465	610	95	6.5%	516	84.5%
<b>SUBTOTAL O&amp;M</b>	<b>\$322,452</b>	<b>\$134,355</b>	<b>\$117,850</b>	<b>36.5%</b>	<b>\$16,505</b>	<b>12.3%</b>
Debt Service	174,766	72,819	62,160	35.6%	10,659	14.6%
PILOT/ROW	20,744	8,643	8,643	41.7%	(0)	(0.0%)
Cash Financed Capital Improvements	23,644	9,852	0	0.0%	9,852	100.0%
<b>TOTAL OPERATING</b>	<b>\$541,606</b>	<b>\$225,669</b>	<b>\$188,653</b>	<b>34.8%</b>	<b>\$37,016</b>	<b>16.4%</b>
Capital Labor	(18,993)	(7,914)	(7,351)	38.7%	(563)	7.1%
<b>TOTAL NET OPERATING</b>	<b>\$522,613</b>	<b>\$217,755</b>	<b>\$181,302</b>	<b>34.7%</b>	<b>\$36,453</b>	<b>16.7%</b>

\*Straight-lined (5/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

Operating expenditures totaled \$188.7 million, or 34.8 percent of the FY 2016 budget of \$541.6 million, and are in line with expectations through this reporting period. These numbers include estimated, incurred but unpaid, invoices and are subject to revision in subsequent months.

Personnel Services – YTD expenditures of \$58.3 million, or 41.7 percent of budget, is consistent with expectations and increased hiring efforts to reduce Authority-wide vacancies. Of the 1260 positions authorized, 1131 positions were filled with YTD vacancy rate of 10%. Overtime spending totals \$3.0 million of the annual budget of \$6.6 million, which is slightly higher than historical trends due to the impact of “Snowzilla” experienced in January.

Contractual Services – As previously reported, underspending is attributable to various contracts throughout the Authority, which is typical at this time of year due to fiscal year startup. This includes materialized savings from biosolids hauling costs and impact of the delayed fee to operate the CHP project, which is undergoing acceptance testing to meet established performance requirements. The YTD average biosolids production is 602 wet tons/day.

Supplies & Chemicals – YTD underspending is primarily from chemicals due to reduced Plant flow and changes in the treatment process. The treatment process now utilizes less chemicals like lime and polymer to control alkalinity and pH balance, and uses thermal hydrolysis and the Digester system’s intense heat and pressure to treat wastewater.

Utilities – YTD underspending is consistent with expectation for onsite electricity generation from the CHP project, which became operational in the summer of 2015. Due to the CHP downtime in February, there were increases in the natural gas and electricity usage during this period with ongoing review of the fiscal impact. Other area of underspending include lower than originally anticipated automobile fuel costs due to the global decline in the oil market prices. Given recent uptick in fuel prices, staff will continue to monitor the potential impact, if any.

Debt Service – YTD actual debt service is trending lower than budget primarily due to current interest rates being lower than forecast. The recent refunding will also lower debt service for FY 2016.

Monthly Financial Report

Fiscal Year-to-Date  
As of February 29, 2016

Capital Disbursements (\$000's)

Service Area	A	B	C	D=C/A	E=B-C	F=E/B
	FY 2016 BUDGET	YTD BUDGET	YTD ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Non Process Area	\$9,309	\$2,109	\$2,150	23.1%	(42)	(2.0%)
Wastewater Treatment	168,637	78,610	76,765	45.5%	1,845	2.3%
Combined Sewer Overflow	223,105	106,543	96,798	43.4%	9,744	9.1%
Stormwater	1,263	518	1,675	132.7%	(1,158)	(223.6%)
Sanitary Sewer	34,786	14,342	19,625	56.4%	(5,283)	(36.8%)
Water	61,878	26,411	37,711	60.9%	(11,300)	(42.8%)
<b>SUBTOTAL: CAPITAL PROJECTS</b>	<b>\$498,977</b>	<b>\$228,532</b>	<b>\$234,726</b>	<b>47.0%</b>	<b>(\$6,193)</b>	<b>(2.7%)</b>
Capital Equipment	39,226	14,033	5,204	13.3%	8,829	62.9%
Washington Aqueduct	10,838	5,419	-	0.0%	5,419	100.0%
<b>SUBTOTAL: ADD'L CAPITAL PROGRAMS</b>	<b>\$50,063</b>	<b>\$19,452</b>	<b>\$5,204</b>	<b>10.4%</b>	<b>\$14,248</b>	<b>73.2%</b>
<b>TOTAL</b>	<b>\$549,040</b>	<b>\$247,984</b>	<b>\$239,930</b>	<b>43.7%</b>	<b>\$8,054</b>	<b>3.2%</b>

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of February 2016, capital disbursements are \$239.9 million or 43.7 percent of the FY 2016 budget.

Capital Projects - Project performance will be reviewed in detail as part of the quarterly CIP update by the Department of Engineering & Technical Services (DETS) to the Environmental Quality & Sewerage Services, Water Quality & Water Services, and Finance & Budget Committees in May 2016.

Capital Equipment - Lower than planned disbursements are driven by the unspent reserve funds in Finance, Accounting and Budget to accommodate requests for Authority-wide projects and IT reserve funds for enterprise technology initiatives. An update of the Authority's Strategic Plan for IT initiatives is anticipated for review at the Environmental Quality and Sewerage Services Committee meeting in March.

Washington Aqueduct (WAD) - No disbursement to date represents WAD's plan to postpone customer billing until March to draw down the pre-paid balances currently in escrow and US Treasury accounts.

**Monthly Financial Report**

Fiscal Year-to-Date  
As of February 29, 2016

**Cash Investments and Insurance (\$ in millions)**

**Cash Balances**

Rate Stabilization Fund Account (RSF)	\$32.5
DC Insurance Reserve	1.0
Operating Reserve Accounts	<u>177.7</u>
<b>Operating Cash Balance Including RSF</b>	<b>\$211.2</b>
Debt Service Reserve - Series 1998	23.6
Bond Fund- Construction Fund 2014A	45.1
Bond Fund- Construction Fund 2015A	116.0
Bond Fund- Construction Fund 2015B	145.0
CSO Grants	14.0
<b>Total All Funds</b>	<b>\$554.9</b>

**OVERALL PORTFOLIO PERFORMANCE**

- The operating reserve balance was \$177.7 million as compared to the operating reserve level objective of \$125.5 million for FY 2016
- Average cash balance for the month of February was \$152.2 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for February (on a cash basis) was \$32,859; YTD \$366,922
- A detailed investment performance report is attached

Monthly Financial Report

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As of February 29, 2016

Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD 42% Cash Budget	YTD Actual Cash Oct. 1, 2015 - Feb. 29, 2016	Variance Favorable (Unfavorable)	
<b>OPERATING BUDGET</b>					
<b>Cash Provided</b>					
Retail	\$448,920	\$187,050	\$192,265	\$5,215	3%
Wholesale	79,458	33,107	41,032	7,924	24%
Other	51,890	21,621	20,379	(1,241)	-6%
<b>Total Cash Provided</b>	<b>580,268</b>	<b>241,778</b>	<b>253,676</b>	<b>11,898</b>	<b>5%</b>
<b>Operating Cash Used</b>					
Personnel Services	121,041	50,434	51,304	(870)	-2%
Contractual Services	79,243	33,018	31,790	1,228	4%
Chemicals & Supplies	35,951	14,980	15,985	(1,005)	-7%
Utilities	35,018	14,591	19,766	(5,175)	-35%
Water Purchases	30,740	12,808	11,553	1,255	10%
Small Equipment	1,465	610	114	497	81%
<b>Total Operating Cash Used</b>	<b>303,458</b>	<b>126,441</b>	<b>130,511</b>	<b>(4,070)</b>	<b>-3%</b>
Defeasance D.S./Cash Financed Capital Improvements	23,475	9,781		9,781	100%
<b>Other Cash Used</b>					
Debt Service	157,640	65,683	62,160	3,523	5%
Payment In Lieu of Taxes/Right of Way	20,744	8,643	10,372	(1,729)	-20%
<b>Total Other Cash Used</b>	<b>178,384</b>	<b>74,327</b>	<b>72,532</b>	<b>1,795</b>	<b>2%</b>
<b>Total Cash Used</b>	<b>505,317</b>	<b>210,549</b>	<b>203,043</b>	<b>7,506</b>	<b>4%</b>
<b>Net Cash Provided (Used) by Operating Act.</b>	<b>74,950</b>	<b>31,229</b>	<b>50,633</b>	<b>19,404</b>	
<b>CAPITAL BUDGET</b>					
<b>Cash Provided</b>					
Debt Proceeds	238,487	99,370	103,646	4,276	4%
EPA Grants	27,244	11,352	15,769	4,418	39%
CSO Grants	14,000	5,833		(5,833)	-100%
Transfer from Operations	82,548	34,395			
Interest Income	998	416	416		0%
Wholesale Capital Contributions	126,693	52,789	91,002	38,213	72%
<b>Total Cash Provided</b>	<b>489,969</b>	<b>204,154</b>	<b>210,833</b>	<b>6,679</b>	<b>3%</b>
<b>Cash Used</b>					
DC Water Capital Program	538,204	224,252	239,930	(15,678)	-7%
Washington Aqueduct Projects	10,838	4,516		4,516	100%
<b>Total Cash Used</b>	<b>549,042</b>	<b>228,768</b>	<b>239,930</b>	<b>(11,162)</b>	<b>-5%</b>
<b>Net Cash/PAYGO Provided (Used) by Cap. Act.</b>	<b>(\$59,073)</b>	<b>(\$24,614)</b>	<b>(\$29,097)</b>	<b>(\$4,483)</b>	
<b>Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected</b>					
Plus (Less) Operating Surplus	\$160,055		\$160,055		
Wholesale Customer Refunds from Prior Years	74,950	31,229	50,633		
Interest Earned From Bond Reserve	(5,500)	(2,292)	1,112		
Transfer to Rate Stabilization Fund	247	103			
Prior Year Federal Billing Reconciliation	(19,000)	(7,917)			
DC Fleet Payment	(11,679)	(4,866)	(5,840)		
Cash Used for Capital			819		
<b>Balance Attributable to O&amp;M Reserve</b>	<b>(\$9,073)</b>	<b>(24,614)</b>	<b>(29,097)</b>		
	<b>\$140,000</b>		<b>\$177,682</b>		
<b>OTHER CASH RESERVES</b>					
<b>Rate Stabilization Fund</b>		<b>Current</b>			
<b>DC Insurance Reserve</b>		<b>Balance</b>			
		\$32,450			
		\$1,039			
<b>CSO Grant</b>	\$14,001				



**Monthly Financial Report**

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APPENDIX

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As of February 29, 2016

Operating Revenues Detail

(\$ in millions)

Revenue Category	Budget	YTD Budget	YTD Actual	Variance Favorable / (Unfavorable)		YTD % of Budget
Residential, Commercial, and Multi-family	\$311.9	\$130.0	\$134.7	\$4.7	3.6%	43.2%
Federal	63.0	26.2	31.1	4.8	18.3%	49.3%
District Government	15.2	6.3	7.3	1.0	15.0%	48.0%
DC Housing Authority	8.1	3.4	4.1	0.7	20.9%	50.4%
Customer Metering Fee	10.8	4.5	4.9	0.4	8.3%	45.1%
Water System Replacement Fee (WSRF)	40	16.7	10.3	(6.4)	-38.0%	25.8%
Wholesale	79.5	33.1	41.0	7.9	23.9%	51.6%
Right-of-Way Fee/PILOT	20.6	8.6	9.6	1.0	11.5%	46.5%
<b>Subtotal (before Other Revenues)</b>	<b>\$548.9</b>	<b>\$228.7</b>	<b>\$242.9</b>	<b>\$14.1</b>	<b>6.2%</b>	<b>44.3%</b>
Other Revenue without RSF						
IMA Indirect Cost Reimb. For Capital Projects	8.0	3.3	0.0	(3.3)	-100.0%	0.0%
DC Fire Protection Fee	10.8	4.5	5.4	0.9	20.0%	50.0%
Stormwater (MS4)	1.0	0.4	0.4	0.0	0.0%	40.0%
Interest	1.3	0.6	0.4	(0.2)	-33.3%	30.8%
Developer Fees (Water & Sewer)	7.5	3.1	2.7	(0.4)	-12.9%	36.0%
Others	2.9	1.2	1.9	0.7	58.3%	65.5%
<b>Subtotal</b>	<b>\$31.6</b>	<b>\$13.1</b>	<b>\$10.8</b>	<b>(\$2.3)</b>	<b>-17.7%</b>	<b>34.3%</b>
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
<b>Other Revenue Subtotal</b>	<b>\$31.6</b>	<b>\$13.1</b>	<b>\$10.8</b>	<b>(\$2.3)</b>	<b>-17.7%</b>	<b>34.3%</b>
<b>Grand Total</b>	<b>\$580.5</b>	<b>\$241.9</b>	<b>\$253.6</b>	<b>\$11.8</b>	<b>4.9%</b>	<b>43.7%</b>

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

Customer Category	Water	Sewer	Clean Rivers			WSRF	Total
			IAC	Metering Fee			
Residential	\$13,500	\$16,434	\$11,257	\$2,160	\$2,742	\$46,092	
Commercial	23,211	23,929	14,130	1,473	4,860	67,603	
Multi-family	12,515	14,930	4,765	594	1,931	34,735	
Federal	11,123	10,560	9,369	396	0	31,449	
District Govt	2,854	3,488	931	180	622	8,075	
DC Housing Authority	1,615	1,951	505	58	182	4,311	
<b>Total:</b>	<b>\$64,819</b>	<b>\$71,291</b>	<b>\$40,956</b>	<b>\$4,860</b>	<b>\$10,338</b>	<b>\$192,265</b>	

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

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

Customer Category	FY2016 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$26,086	\$10,869	\$11,257	\$388	4%	43%
Commercial	30,532	12,722	14,130	1,408	11%	46%
Multi-family	10,202	4,251	4,765	514	12%	47%
Federal	18,739	7,808	9,369	1,561	20%	50%
District Govt	8,357	3,482	931	(2,551)	-73%	11%
DC Housing Authority	1,221	509	505	(4)	-1%	41%
<b>Total:</b>	<b>\$95,137</b>	<b>\$39,640</b>	<b>\$40,956</b>	<b>\$1,316</b>	<b>3%</b>	<b>43%</b>

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**Retail Accounts Receivable (Delinquent Accounts)**

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

**Greater Than 90 Days by Month**

	\$ in millions	# of accounts
September 30, 2012	\$5.5	13,063
September 30, 2013	\$4.9	11,920
September 30, 2014	\$5.3	12,442
September 30, 2015	\$6.5	11,981
October 31, 2015	\$7.1	11,737
November 30, 2015	\$6.7	11,799
December 31, 2015	\$6.9	12,487
January 31, 2016	\$7.2	13,387
February 29, 2016	\$7.3	13,096

**Greater Than 90 Days by Customer**

	Number of Accounts			Month of February (All Categories)				Total Delinquent				
				Active		Inactive						
	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 Jan.	Amount (\$)	No. of a/c Feb.	Amount (\$)	%
Commercial	10,499	3,261	13,760	1,230	1,566,555	160	\$ 107,644	1,402	\$ 1,707,747	1,390	\$ 1,674,199	23%
Multi-family	8,248	447	8,695	739	1,804,989	168	93,637	901	1,808,899	907	1,898,626	27%
Single-Family Residential	106,123	3,227	109,350	8,429	3,051,891	2,370	643,894	11,084	3,681,111	10,799	3,695,785	51%
<b>Total</b>	<b>124,870</b>	<b>6,935</b>	<b>131,805</b>	<b>10,398</b>	<b>\$ 6,423,435</b>	<b>2,698</b>	<b>\$ 845,175</b>	<b>13,387</b>	<b>\$ 7,197,757</b>	<b>13,096</b>	<b>\$ 7,268,609</b>	<b>100%</b>

Notes: Included in the above \$6.42M (or 10,398 accounts) of the DC Water Over 90 days delinquent accounts, \$2,195,614.39 (or 2,205 accounts) represents Impervious only accounts over 90 days delinquent.  
-Reportable delinquencies do not include balances associated with a long standing dispute between DC Water and a large commercial customer.

## Monthly Financial Report

Fiscal Year-to-Date  
As of February 29, 2016

### Overtime by Department

Department	FY 2016			
	Budget	Actual	Actual % of Budget	% of Regular Pay
Office of the Board Secretary	\$5,000	\$4,051	81.0%	4.1%
General Manager	7,500	4,010	53.5%	0.4%
General Counsel	2,000	0	0.0%	0.0%
External Affairs	27,000	9	0.0%	0.0%
Internal Audit	0	0	0.0%	0.0%
Information Technology	26,670	895	3.4%	0.1%
Procurement	30,000	11,682	38.9%	1.0%
Customer Service	260,000	126,844	48.8%	3.5%
Finance, Accounting & Budget	30,000	14,128	47.1%	0.7%
Assistant General Manager - Support Services	1,000	0	0.0%	0.0%
Human Capital Management	5,000	2,260	45.2%	0.2%
Occupational Safety and Health	2,000	274	13.7%	0.1%
Facilities Management	250,000	134,567	53.8%	8.1%
Department of Security	0	0	0.0%	0.0%
Distribution and Conveyance System	750,000	338,597	45.1%	12.5%
Engineering and Technical Services	1,063,000	325,451	30.6%	4.9%
Water Services	980,000	705,989	72.0%	13.5%
Clean Rivers	5,000	145	2.9%	0.0%
Sewer Services	900,000	419,105	46.6%	12.5%
Wastewater Treatment - Operations	1,450,780	636,279	43.9%	14.4%
Wastewater Treatment - Process Engineering	120,000	18,561	15.5%	1.9%
Maintenance Services	700,000	223,555	31.9%	6.4%
Permit Operations	15,000	2,477	16.5%	0.5%
Fleet Management	3,500	1,424	40.7%	0.5%
<b>Total DC WATER</b>	<b>\$6,633,450</b>	<b>\$2,970,304</b>	<b>44.8%</b>	<b>7.0%</b>

**Notes:**

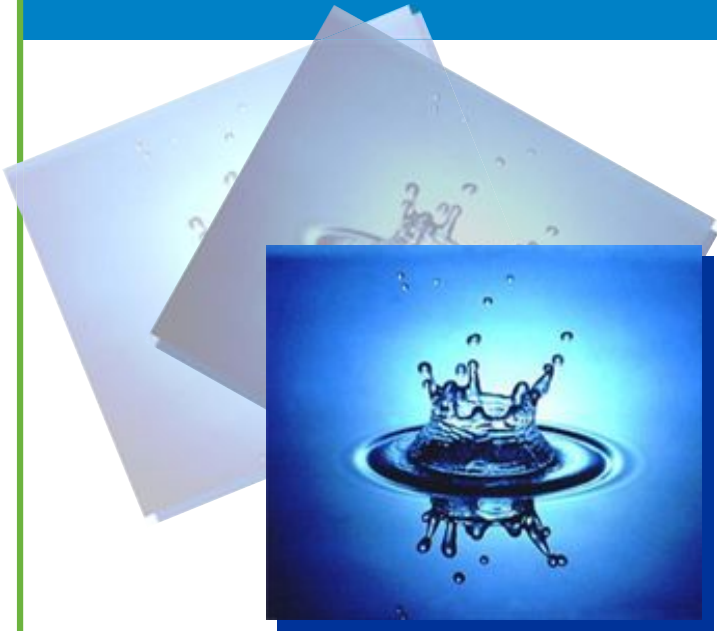
- FY 2016 actual includes accruals for nine days (02/21/16 - 02/29/16)
- Engineering and Technical Services department and Clean Rivers department include overtime that will be charged/transferred to capital projects at the end of the fiscal year
- YTD overtime overage is consistent with seasonal trends

Monthly Financial Report

Fiscal Year-to-Date  
As of February 29, 2016

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

Service Areas	Budget		Actual			Variance		
	Annual	YTD	Oct. 2015 - Jan. 2016	Feb. 2016	YTD	YTD % Budget	YTD \$ Fav/(Unfav)	YTD % Fav/(Unfav)
<b>NON PROCESS FACILITIES</b>								
Facility Land Use	\$9,309	\$2,109	\$1,802	\$349	\$2,150	23.1%	(\$42)	-2.0%
<b>Subtotal</b>	<b>9,309</b>	<b>2,109</b>	<b>1,802</b>	<b>349</b>	<b>2,150</b>	<b>23.1%</b>	<b>(42)</b>	<b>-2.0%</b>
<b>WASTEWATER TREATMENT</b>								
Liquid Processing	16,193	5,374	4,548	482	5,029	31.1%	345	6.4%
Plantwide	15,798	7,531	5,169	675	5,844	37.0%	1,687	22.4%
Solids Processing	28,652	20,252	12,588	2,309	14,897	52.0%	5,355	26.4%
Enhanced Nitrogen Removal Facilities	107,994	45,453	39,084	11,911	50,995	47.2%	(5,542)	-12.2%
<b>Subtotal</b>	<b>168,637</b>	<b>78,610</b>	<b>61,389</b>	<b>15,376</b>	<b>76,765</b>	<b>45.5%</b>	<b>1,845</b>	<b>2.3%</b>
<b>COMBINED SEWER OVERFLOW</b>								
D.C. Clean Rivers	212,012	101,099	70,824	18,221	89,045	42.0%	12,054	11.9%
Program Management	1,832	843	1,422	0	1,422	77.6%	(578)	-68.6%
Combined Sewer	9,261	4,601	5,773	559	6,332	68.4%	(1,731)	-37.6%
<b>Subtotal</b>	<b>223,105</b>	<b>106,543</b>	<b>78,019</b>	<b>18,780</b>	<b>96,798</b>	<b>43.4%</b>	<b>9,744</b>	<b>9.1%</b>
<b>STORMWATER</b>								
Local Drainage	223	89	60	109	169	76.0%	(80)	-90.1%
On-Going	459	125	1,188	36	1,224	266.5%	(1,098)	-875.0%
Pumping Facilities	0	0	0	0	0	0.0%	0	0.0%
DDOT	18	8	0	0	0	0.0%	8	100.0%
Research and Program Management	256	193	103	0	103	40.2%	90	46.7%
Trunk/Force Sewers	307	102	50	129	180	58.4%	(78)	-76.0%
<b>Subtotal</b>	<b>1,263</b>	<b>518</b>	<b>1,401</b>	<b>274</b>	<b>1,675</b>	<b>132.7%</b>	<b>(1,158)</b>	<b>-223.6%</b>
<b>SANITARY SEWER</b>								
Collection Sewers	4,190	2,010	635	246	881	21.0%	1,129	56.2%
On-Going	7,463	2,650	7,124	701	7,824	104.8%	(5,174)	-195.3%
Pumping Facilities	2,267	1,123	1,499	415	1,914	84.4%	(791)	-70.5%
Program Management	6,742	2,789	3,838	95	3,933	58.3%	(1,145)	-41.1%
Interceptor/Trunk Force Sewers	14,124	5,770	4,163	909	5,072	35.9%	698	12.1%
<b>Subtotal</b>	<b>34,786</b>	<b>14,342</b>	<b>17,259</b>	<b>2,366</b>	<b>19,625</b>	<b>56.4%</b>	<b>(5,283)</b>	<b>-36.8%</b>
<b>WATER</b>								
Distribution Systems	35,667	16,198	16,209	2,063	18,272	51.2%	(2,073)	-12.8%
Lead Program	1,575	830	1,030	384	1,414	89.8%	(584)	-70.4%
On-Going	5,105	1,652	2,897	895	3,792	74.3%	(2,140)	-129.6%
Pumping Facilities	3,833	1,647	2,041	467	2,507	65.4%	(860)	-52.2%
DDOT	893	392	1,903	0	1,903	213.0%	(1,511)	-385.7%
Storage Facilities	9,515	3,807	5,608	760	6,367	66.9%	(2,560)	-67.3%
Program Management	5,288	1,886	3,004	453	3,457	65.4%	(1,571)	-83.3%
<b>Subtotal</b>	<b>61,878</b>	<b>26,411</b>	<b>32,690</b>	<b>5,021</b>	<b>37,711</b>	<b>60.9%</b>	<b>(11,300)</b>	<b>-42.8%</b>
<b>Capital Projects</b>	<b>\$498,977</b>	<b>\$228,532</b>	<b>\$192,559</b>	<b>\$42,166</b>	<b>\$234,726</b>	<b>47.0%</b>	<b>(\$6,193)</b>	<b>-2.7%</b>
<b>CAPITAL EQUIPMENT</b>	<b>39,226</b>	<b>14,033</b>	<b>4,346</b>	<b>859</b>	<b>5,204</b>	<b>13.3%</b>	<b>8,829</b>	<b>62.9%</b>
<b>WASHINGTON AQUEDUCT</b>	<b>10,838</b>	<b>5,419</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>5,419</b>	<b>100.0%</b>
<b>Additional Capital Programs</b>	<b>\$50,063</b>	<b>\$19,452</b>	<b>\$4,346</b>	<b>\$859</b>	<b>\$5,204</b>	<b>10.4%</b>	<b>\$14,248</b>	<b>73.2%</b>
<b>Total</b>	<b>\$549,040</b>	<b>\$247,984</b>	<b>\$196,905</b>	<b>\$43,025</b>	<b>\$239,930</b>	<b>43.7%</b>	<b>\$8,054</b>	<b>3.2%</b>



# DC Water

*Investment Performance Report – February 2016*



DC Water  
Finance Division  
Economic Update

**ECONOMIC COMMENTARY**

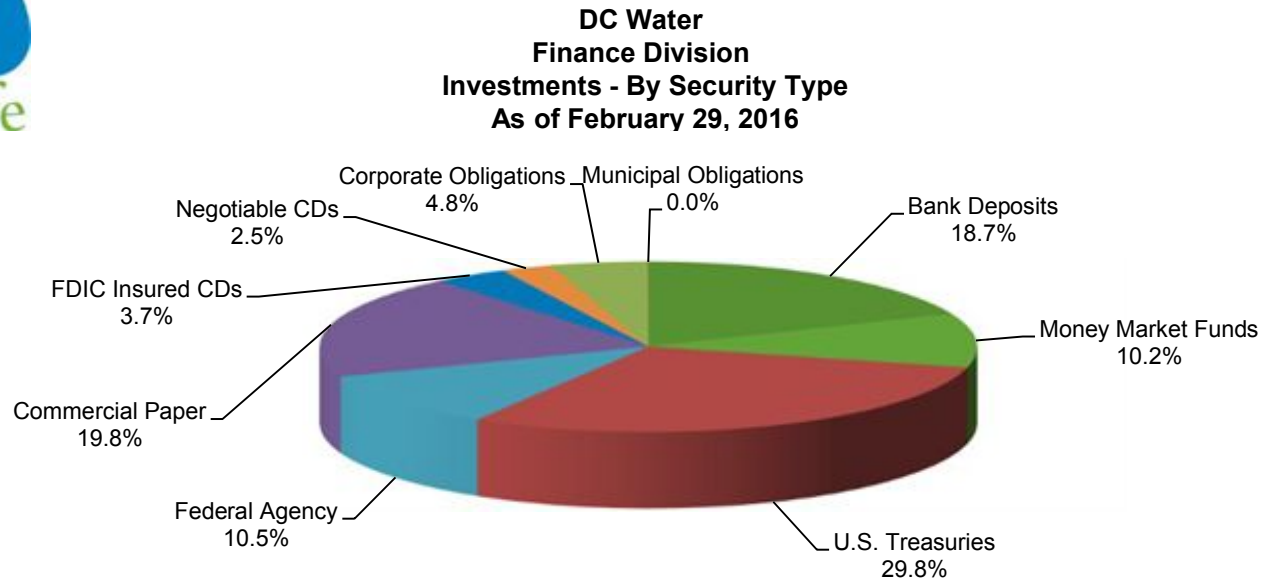
- U.S. Gross Domestic Product grew 1.0% in the fourth quarter of 2015.
- The employment report for February showed that the U.S. economy added a higher-than-expected 242,000 jobs during the month. January's 151,000 figure was revised higher to 172,000 jobs. The unemployment rate held at 4.9% as the participation rate edged higher to 62.9%.
- February economic data strengthened views that the U.S. economy remains on a moderate growth path despite international economic slowdown. The ISM manufacturing index reading rose to 49.5 in February, up from 48.2 and the highest level since September 2015.
- Market participants currently expect no more than one or two rate hikes by the Federal Open Market Committee ("FOMC") in 2016.

**PORTFOLIO RECAP**

- The portfolio is diversified among Cash, Bank Deposits, U.S. Treasuries, Federal Agencies, Commercial Paper, Negotiable CDs, Corporate Notes/Bonds, Municipal Bonds, FDIC Insured CDs, and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 0.61%.

**Operating Reserve**

- At the beginning of the month, PFM sold \$3.0 million of 10-month U.S. Treasuries and purchased 3-year U.S. Treasuries at an average yield of 1.02% generating 0.38% of incremental yield.
- Towards the end of the month, PFM sold \$2.6 million of 2 ¾ to 3-year U.S. Treasuries and purchased \$2.2 million of 3-year Federal Agencies at an average yield of 1.08% and \$545,000 of Apple Inc. corporate notes at an average yield of 1.71%

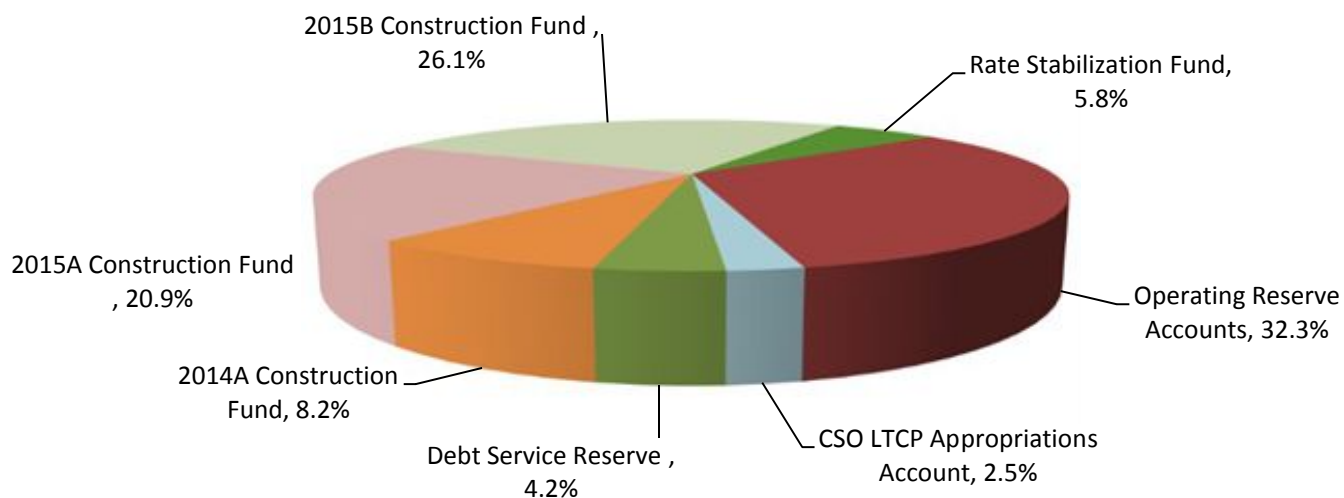


Security Type	Accrued Interest	Allocation	By Policy
Bank Deposits	104,299,509	18.7%	100.0%
Money Market Funds	56,863,343	10.2%	100.0%
U.S. Treasuries	165,154,536	29.7%	100.0%
Federal Agency	58,549,624	10.5%	80.0%
Commercial Paper	109,735,313	19.7%	35.0%
FDIC Insured CDs	20,268,439	3.7%	30.0%
Negotiable CDs	13,842,282	2.5%	30.0%
Corporate Obligations	26,802,203	4.8%	30.0%
Municipal Obligations	120,545	0.0%	20.0%
<b>Total</b>	<b>\$ 555,635,793</b>	<b>100.0%</b>	





**DC Water  
Finance Division  
Investment Analysis – By Fund  
As of February 29, 2016**

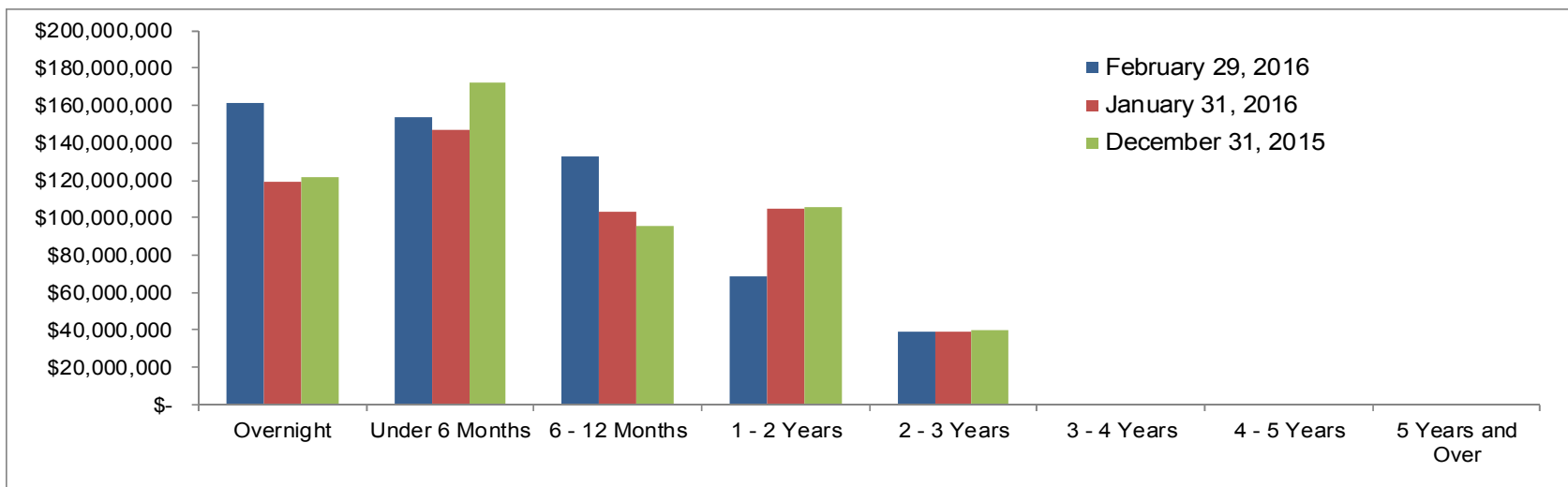


<b>Fund Name</b>	<b>Book Value + Accrued Interest</b>	<b>Yield-to- Maturity at Cost</b>	<b>Effective Duration (years)</b>	<b>Weighted Average Maturity (days)</b>
Rate Stabilization Fund	\$ 32,450,000	0.67%	0.00	1.0
Operating Reserve Accounts	\$ 179,276,802	0.92%	0.94	359.7
CSO LTCP Appropriations Account	\$ 14,004,176	0.90%	0.00	1.0
Debt Service Reserve	\$ 23,498,444	0.56%	0.74	277.7
2014A Construction Fund	\$ 45,138,785	0.27%	0.05	18.2
2015A Construction Fund	\$ 116,035,985	0.45%	0.72	265.5
2015B Construction Fund	\$ 145,231,602	0.41%	0.29	107.5
<b>Total</b>	<b>\$ 555,635,793</b>	<b>0.61%</b>	<b>0.57</b>	<b>212.9</b>



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

Maturity Distribution	February 29, 2016	January 31, 2016	December 31, 2015
Overnight	\$ 161,162,851.94	\$ 119,281,220.03	\$ 122,042,962.98
Under 6 Months	153,968,153.69	147,449,126.78	172,628,998.36
6 - 12 Months	132,502,365.46	103,048,493.98	95,192,988.26
1 - 2 Years	68,787,019.47	104,765,632.66	105,473,683.06
2 - 3 Years	39,215,402.85	39,080,169.17	39,958,861.48
3 - 4 Years	-	-	1,126,251.90
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
<b>Totals</b>	<b>\$ 555,635,793.41</b>	<b>\$ 513,624,642.62</b>	<b>\$ 536,423,746.04</b>





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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
<b>Bank Deposits</b>					
TD Bank		99,206,231.76	17.9%	100.0%	Yes
Capital One Bank		5,093,277.45	0.9%	100.0%	Yes
<b>Sub-Total Bank Deposits</b>		<b>104,299,509.21</b>	<b>18.8%</b>	100.0%	Yes
<b>Money Market Mutual Funds</b>					
Wells Fargo Treasury Plus MMF	AAAm	46,755,291.80	8.4%	50.0%	Yes
Wells Fargo Government MMF	AAAm	10,108,050.93	1.8%	50.0%	Yes
<b>Sub-Total Money Market Mutual Funds</b>		<b>56,863,342.73</b>	<b>10.2%</b>	100.0%	Yes
<b>U.S. Treasuries</b>					
Treasury Note	AA+ / Aaa	165,154,536.26	29.7%	100.0%	Yes
<b>Sub-Total Treasuries</b>		<b>165,154,536.26</b>	<b>29.7%</b>	100.0%	Yes
<b>Federal Agencies</b>					
Fannie Mae	AA+ / Aaa	6,779,360.05	1.2%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	11,825,698.63	2.1%	40.0%	Yes
Freddie Mac	AA+ / Aaa	39,944,564.88	7.2%	40.0%	Yes
<b>Sub-Total Federal Agencies</b>		<b>58,549,623.56</b>	<b>10.5%</b>	80.0%	Yes
<b>Commercial Paper</b>					
Bank Of Tokyo Mitsubishi UFJ	A-1 / P-1	12,997,675.00	2.3%	5.0%	Yes
BNP Paribas NY Branch	A-1 / P-1	19,000,000.00	3.4%	5.0%	Yes
JP Morgan Securities LLC	A-1 / P-1	20,771,465.55	3.7%	5.0%	Yes
Rabobank Nederland NV NY	A-1 / P-1	18,994,191.89	3.4%	5.0%	Yes
Toyota Motor Credit Corp	A-1+ / P-1	18,999,836.41	3.4%	5.0%	Yes
UBS Finance Delaware LLC	A-1 / P-1	18,972,143.91	3.4%	5.0%	Yes
<b>Sub-Total Commercial Paper</b>		<b>109,735,312.76</b>	<b>19.7%</b>	35.0%	Yes
<b>FDIC Insured Certificates of Deposit</b>					
CDARS - Placed by Industrial Bank	NR / NR	15,181,193.21	2.7%	5.0%	Yes
CDARS - Placed by City First Bank	NR / NR	5,087,245.77	0.9%	5.0%	Yes
<b>Sub-Total FDIC-Insured Certificates of Deposit</b>		<b>20,268,438.98</b>	<b>3.6%</b>	30.0%	Yes



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
<b>Negotiable Certificates of Deposit</b>					
Canadian Imperial Bank NY	A-1 / P-1	1,807,322.50	0.3%	5.0%	Yes
Credit Suisse NY	A-1 / P-1	1,806,800.50	0.3%	5.0%	Yes
HSBC Bank USA NA	A-1+ / P-1	1,800,785.33	0.3%	5.0%	Yes
Nordea Bank Finland NY	AA- / Aa3	1,805,520.00	0.3%	5.0%	Yes
Rabobank Nederland NV	A-1 / P-1	1,806,955.00	0.3%	5.0%	Yes
Skandinaviska Enskilda Banken NY	A-1 / P-1	1,807,770.00	0.3%	5.0%	Yes
Svenska Handelsbanken NY	A-1+ / P-1	1,800,322.38	0.3%	5.0%	Yes
US Bank NA Cincinnati	AA- / A1	1,206,806.28	0.2%	5.0%	Yes
<b>Sub-Total Negotiable Certificates of Deposit</b>		<b>13,842,281.99</b>	<b>2.5%</b>	30.0%	Yes
<b>Corporate Obligations</b>					
ANZ Banking Group Ltd.	AA- / Aa2	1,756,291.99	0.3%	5.0%	Yes
Apple Inc.	AA+ / Aa1	545,113.92	0.1%	5.0%	Yes
Bank of Montreal	A+ / Aa3	1,753,840.45	0.3%	5.0%	Yes
Bank of New York Mellon	A / A1	1,807,796.77	0.3%	5.0%	Yes
Bank of Nova Scotia	A+ / Aa3	1,806,153.87	0.3%	5.0%	Yes
Cisco Systems Inc.	AA- / A1	1,555,196.20	0.3%	5.0%	Yes
Chevron	AA- / Aa1	1,788,381.36	0.3%	5.0%	Yes
Exxon Mobil	AAA / Aaa	1,811,418.75	0.3%	5.0%	Yes
General Electric Capital Corporation	AA+ / A1	1,817,195.33	0.3%	5.0%	Yes
IBM	AA- / Aa3	2,247,313.21	0.4%	5.0%	Yes
Merck & Co.	AA / A1	733,482.80	0.1%	5.0%	Yes
Royal Bank of Canada	AA- / Aa3	1,759,406.72	0.3%	5.0%	Yes
Toronto Dominion Bank NY	AA- / Aa1	1,996,431.44	0.4%	5.0%	Yes
Toyota Motor Credit Corp	AA- / Aa3	1,526,960.45	0.3%	5.0%	Yes
US Bank	AA- / A1	551,092.54	0.1%	5.0%	Yes
Walmart Stores Inc.	AA / Aa2	816,853.45	0.1%	5.0%	Yes
Wells Fargo & Company Notes	A / A2	1,117,688.92	0.2%	5.0%	Yes
Westpac Banking	AA- / Aa2	1,411,584.75	0.3%	5.0%	Yes
<b>Sub-Total Corporate Obligations</b>		<b>26,802,202.92</b>	<b>4.8%</b>	30.0%	Yes
<b>Municipal Obligations</b>					
Mississippi State	AA / Aa2	120,545.00	0.0%	5.0%	Yes
<b>Sub-Total Municipal Obligations</b>		<b>120,545.00</b>	<b>0.0%</b>	20.0%	Yes
<b>Grand Total</b>		<b>\$ 555,635,793.41</b>	<b>100.0%</b>		



**DC Water  
Finance Division  
Book Value Performance  
As of February 29, 2016**

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

	Trailing 1 Months		Trailing 3 Months		Trailing 6 Months		Trailing 12 Months	Trailing 24 Months
	Periodic	Annualized	Periodic	Annualized	Periodic	Annualized		
Total Rate Stabilization Fund	0.05%	0.66%	0.16%	0.64%	0.32%	0.63%	0.57%	1.12%
Operating Reserve Accounts	0.09%	1.08%	0.23%	0.94%	0.45%	0.90%	0.83%	1.36%
Total Debt Service Reserve	0.04%	0.56%	0.14%	0.56%	0.28%	0.56%	0.66%	1.09%
2014A Construction Fund	0.02%	0.28%	0.06%	0.24%	0.08%	0.17%	0.16%	n/a
2015A Construction Fund	0.03%	0.44%	0.11%	0.43%	n/a	n/a	n/a	n/a
2015B Construction Fund	0.03%	0.41%	n/a	n/a	n/a	n/a	n/a	n/a
<b>Short-Term</b>	<b>0.04%</b>	<b>0.51%</b>	<b>0.11%</b>	<b>0.45%</b>	<b>0.21%</b>	<b>0.41%</b>	<b>0.37%</b>	<b>0.76%</b>
Merrill Lynch 3-Month Treasury Index (Book Value) <sup>1</sup>	0.02%	0.28%	0.05%	0.20%	0.06%	0.12%	0.07%	0.09%
<b>Core (1+ Years)</b>	<b>0.08%</b>	<b>1.01%</b>	<b>0.22%</b>	<b>0.87%</b>	<b>0.42%</b>	<b>0.84%</b>	<b>0.86%</b>	<b>1.44%</b>
Merrill Lynch 1-3 Year Treasury Index (Book Value) <sup>2</sup>	0.06%	0.78%	0.22%	0.88%	0.40%	0.81%	0.71%	1.20%

- (1) The Merrill Lynch 3-Month Treasury Bill is an unmanaged index tracking the on-the-run Treasury Bill. The Index is produced and maintained by Merrill Lynch & Co. Performance for this index is shown on a book value basis.
- (2) The Merrill Lynch 3-Month Treasury Bill is an unmanaged index tracking a basket of U.S. Treasuries with 1 to 3 year maturities. The Index is produced and maintained by Merrill Lynch & Co. Performance for this index is shown on a book value basis.



DC Water  
Finance Division  
Portfolio Holdings by Fund

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
<b>Rate Stabilization Fund</b>										
TD BANK BANK DEPOSIT		\$ 22,450,000		3/1/2016		0.90%	\$ 22,450,000	\$ 22,450,000	\$ 22,450,000	
WELLS FARGO GOVERNMENT MMF		10,000,000		3/1/2016		0.16%	10,000,000	10,000,000	10,000,000	
										\$ 32,450,000.00
<b>Operating Reserve Accounts</b>										
TD BANK BANK DEPOSIT		\$ 62,752,056		3/1/2016		0.90%	\$ 62,752,056	\$ 62,752,056	\$ 62,752,056	
CAPITAL ONE BANK		5,093,277		3/1/2016		0.25%	5,093,277	5,093,277	5,093,277	
WELLS FARGO GOVERNMENT MMF		108,051		3/1/2016		0.16%	108,051	108,051	108,051	
CITY FIRST BK OF WASHINGTON, DC (CDARS)		2,530,097	0.400	3/17/2016	3/20/2014	0.40%	2,530,097	2,549,892	2,549,892	
CITY FIRST BK OF WASHINGTON, DC (CDARS)		2,530,097	0.300	3/17/2016	3/19/2015	0.30%	2,530,097	2,537,353	2,537,353	
JP MORGAN SECURITIES LLC COMM PAPER	46640PDV2	1,800,000	-	4/29/2016	8/3/2015	0.62%	1,791,630	1,798,709	1,798,709	
CREDIT SUISSE NEW YORK CERT DEPOS	22549VX73	1,800,000	0.670	5/6/2016	8/11/2015	0.67%	1,800,000	1,807,238	1,806,801	
INDUSTRIAL BANK CDARS		5,017,482	0.350	10/13/2016	10/15/2015	0.35%	5,017,482	5,024,177	5,024,177	
INDUSTRIAL BANK CDARS		5,045,079	0.400	11/10/2016	11/12/2015	0.40%	5,045,079	5,051,245	5,051,245	
US TREASURY NOTES	912828RX0	2,000,000	0.875	12/31/2016	11/21/2014	0.60%	2,011,641	2,006,371	2,007,545	
US TREASURY NOTES	912828RX0	3,075,000	0.875	12/31/2016	12/9/2014	0.69%	3,086,531	3,084,795	3,084,189	
GENERAL ELEC CAP CORP GLOBAL NOTES	36962G5N0	1,200,000	2.900	1/9/2017	7/15/2014	1.03%	1,254,912	1,254,912	1,224,098	
INDUSTRIAL BANK CDARS		2,539,450	0.450	1/19/2017	1/20/2016	0.45%	2,539,450	2,540,745	2,540,745	
US BANK CORP NOTE (CALLABLE)	90331HMC4	550,000	1.100	1/30/2017	11/26/2014	0.98%	551,430	551,006	551,093	
US TREASURY NOTES	912828SC5	3,500,000	0.875	1/31/2017	7/14/2014	0.72%	3,513,945	3,508,268	3,507,578	
US TREASURY NOTES	912828SM3	100,000	1.000	3/31/2017	10/6/2014	0.80%	100,488	100,715	100,632	
CANADIAN IMPERIAL BANK NY YCD	13606JY9	1,800,000	1.010	4/6/2017	4/10/2015	1.01%	1,800,000	1,801,671	1,807,323	
RABOBANK NEDERLAND NV CERT DEPOS	21684BXH2	1,800,000	1.070	4/21/2017	4/27/2015	1.07%	1,800,000	1,800,376	1,806,955	
FNMA NOTES	3135G0JA2	4,500,000	1.125	4/27/2017	11/21/2014	0.80%	4,535,370	4,539,200	4,534,319	
TORONTO DOMINION BANK NY CORP NT	89114QAQ1	1,200,000	1.125	5/2/2017	7/15/2014	1.14%	1,199,628	1,203,870	1,204,308	
TORONTO DOMINION BANK NY CORP NT	89114QAQ1	790,000	1.125	5/2/2017	11/26/2014	1.21%	788,317	792,548	792,124	
NORDEA BANK FINLAND NY CD	65558LFA5	1,800,000	1.150	5/26/2017	5/29/2015	1.15%	1,800,000	1,800,642	1,805,520	
FHLB GLOBAL NOTES	3130A5EP0	1,775,000	0.625	5/30/2017	5/15/2015	0.67%	1,773,527	1,774,970	1,776,902	
ANZ BANKING GROUP LTD CORP NOTES	05253JAF8	1,200,000	1.250	6/13/2017	10/30/2014	1.15%	1,203,084	1,200,632	1,204,774	
ANZ BANKING GROUP LTD CORP NOTES	05253JAF8	550,000	1.250	6/13/2017	11/26/2014	1.25%	550,055	550,289	551,518	
US TREASURY NOTES	912828TB6	1,850,000	0.750	6/30/2017	11/3/2014	0.79%	1,848,121	1,852,470	1,851,380	
BANK OF MONTREAL CORP NOTES (CALLABLE)	06366RVD4	1,200,000	1.300	7/14/2017	7/15/2014	1.27%	1,201,116	1,201,791	1,202,536	
BANK OF MONTREAL CORP NOTES (CALLABLE)	06366RVD4	550,000	1.300	7/14/2017	11/26/2014	1.25%	550,726	550,821	551,304	
FREDDIE MAC GLOBAL NOTES	3137EADJ5	1,015,000	1.000	7/28/2017	8/14/2014	1.00%	1,014,932	1,018,688	1,015,898	
US TREASURY NOTES	912828NR7	150,000	2.375	7/31/2017	7/18/2014	0.97%	156,311	153,715	153,263	
US TREASURY NOTES	912828TG5	1,560,000	0.500	7/31/2017	2/4/2015	0.63%	1,555,064	1,554,854	1,557,822	
SVENSKA HANDELSBANKEN NY FLT CERT DEPOS	86958DH54	1,800,000	1.075	8/24/2017	11/24/2015	0.84%	1,800,000	1,797,622	1,800,322	
US BANK NA CINCINNATI (CALLABLE) CD	90333VPF1	1,200,000	1.375	9/11/2017	9/11/2014	1.41%	1,198,068	1,208,422	1,206,806	
MS ST TXBL GO BONDS	605581FX0	120,000	1.090	10/1/2017	2/18/2015	1.09%	120,000	120,779	120,545	
ROYAL BANK OF CANADA CORP NOTES	78010U4A2	1,200,000	1.400	10/13/2017	10/15/2014	1.41%	1,199,820	1,205,257	1,206,342	
ROYAL BANK OF CANADA CORP NOTES	78010U4A2	550,000	1.400	10/13/2017	11/26/2014	1.39%	550,198	552,409	553,065	
CHEVRON CORP NOTE	166764AL4	885,000	1.345	11/15/2017	11/18/2014	1.35%	885,000	886,537	888,505	
SKANDINAVISKA ENSKILDA BANKEN NY CD	83050FBG5	1,800,000	1.480	11/16/2017	11/17/2015	1.48%	1,800,000	1,792,092	1,807,770	
HSBC BANK USA NA FLOATING CERT DEPOS	40428AR41	1,800,000	1.208	11/17/2017	11/18/2015	0.97%	1,800,000	1,796,573	1,800,785	
CHEVRON CORP (CALLABLE) GLOBAL NOTES	166764AA8	900,000	1.104	12/5/2017	11/26/2014	1.26%	895,743	895,182	899,877	
GENERAL ELECTRIC CO NOTES	369604BC6	550,000	5.250	12/6/2017	11/26/2014	1.45%	611,727	595,859	593,098	
TOYOTA MOTOR CREDIT CORP NOTE	89236TCA1	590,000	1.450	1/12/2018	1/12/2015	1.50%	589,192	592,401	590,658	
WESTPAC BANKING CORP NOTES	961214BZ5	1,400,000	1.600	1/12/2018	4/29/2015	1.27%	1,412,306	1,404,204	1,411,585	
INDUSTRIAL BANK CDARS		2,563,284	0.600	1/19/2018	1/20/2016	0.60%	2,563,284	2,565,026	2,565,026	



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

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
<b>Operating Reserve Accounts</b>										
IBM CORP NOTES	459200HZ7	2,250,000	1.125	2/6/2018	2/6/2015	1.23%	2,243,138	2,247,229	2,247,313	
WAL MART STORES INC. CORP NOTES	931142CJ0	750,000	5.800	2/15/2018	6/12/2015	1.30%	838,382	820,168	816,853	
EXXON MOBIL CORP NOTES	30231GAL6	1,800,000	1.305	3/6/2018	3/6/2015	1.31%	1,800,000	1,808,433	1,811,419	
US TREASURY NOTES	912828UU2	2,200,000	0.750	3/31/2018	2/27/2015	1.04%	2,180,578	2,204,491	2,193,738	
US TREASURY NOTES	912828UU2	4,400,000	0.750	3/31/2018	3/27/2015	1.00%	4,368,031	4,408,981	4,391,591	
MERCK & CO GLOBAL NOTES	58933YAG0	731,000	1.300	5/18/2018	3/27/2015	1.31%	730,664	736,622	733,483	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406HDB2	1,800,000	1.600	5/22/2018	5/29/2015	1.60%	1,799,838	1,813,190	1,807,797	
US TREASURY NOTES	912828VE7	2,350,000	1.000	5/31/2018	12/30/2015	1.21%	2,338,342	2,364,720	2,345,057	
BANK OF NOVA SCOTIA CORP NOTE (CALLABLE)	064159GM2	1,800,000	1.700	6/11/2018	6/11/2015	1.72%	1,799,154	1,803,780	1,806,154	
CISCO SYSTEMS INC CORP NOTE	17275RAU6	1,550,000	1.650	6/15/2018	6/17/2015	1.66%	1,549,737	1,566,403	1,555,196	
TOYOTA MOTOR CREDIT CORP	89236TCP8	935,000	1.550	7/13/2018	7/13/2015	1.58%	934,205	937,106	936,302	
US TREASURY NOTES	912828VQ0	1,975,000	1.375	7/31/2018	7/6/2015	1.11%	1,990,893	2,003,314	1,989,805	
US TREASURY NOTES	912828RH5	2,700,000	1.375	9/30/2018	10/9/2015	0.94%	2,734,594	2,752,223	2,745,594	
US TREASURY NOTES	912828WD8	2,350,000	1.250	10/31/2018	12/30/2015	1.30%	2,346,879	2,383,162	2,356,914	
US TREASURY NOTES	912828A34	4,600,000	1.250	11/30/2018	11/9/2015	1.18%	4,609,344	4,660,992	4,622,876	
US TREASURY NOTES	912828A75	5,150,000	1.500	12/31/2018	12/4/2015	1.22%	5,193,654	5,249,450	5,203,245	
WELLS FARGO & COMPANY NOTES	94974BFQ8	1,103,000	2.150	1/15/2019	10/7/2015	1.77%	1,116,225	1,115,091	1,117,689	
APPLE INC CORP NOTES	037833BQ2	545,000	1.700	2/22/2019	2/23/2016	1.71%	544,907	549,966	545,114	
FNMA BENCHMARK NOTE	3135GJ53	2,250,000	1.000	2/26/2019	2/23/2016	1.08%	2,244,690	2,247,365	2,245,041	
US TREASURY NOTES	912828SH4	800,000	1.375	2/28/2019	2/3/2016	1.02%	808,563	810,467	808,390	
										\$ 179,276,801.97
<b>Debt Service Reserve</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 217,980		3/1/2016		0.13%	\$ 217,980	\$ 217,980	\$ 217,980	
FHLB NOTES	313375RN9	10,000,000	1.000	3/11/2016	5/22/2013	0.43%	10,158,100	10,049,022	10,048,797	
US TREASURY NOTES	912828MV9	6,538,000	3.250	3/31/2017	6/29/2015	0.56%	6,844,213	6,804,064	6,816,068	
US TREASURY NOTES	912828PA2	6,257,000	1.875	9/30/2017	6/29/2015	0.76%	6,412,692	6,412,850	6,415,599	
										\$ 23,498,443.78
<b>CSO LTCP Appropriations Account</b>										
TD BANK BANK DEPOSIT		14,004,176		3/1/2016		0.90%	14,004,176	14,004,176	14,004,176	
										\$ 14,004,175.55
<b>2014A Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 20,146,919		3/1/2016		0.13%	\$ 20,146,919	\$ 20,146,919	\$ 20,146,919	
BANK OF TOKYO MITS UFJ LTD COMM PAPER	06538BD18	6,000,000	-	4/1/2016	10/30/2015	0.45%	5,988,450	5,997,744	5,997,675	
RABOBANK NEDERLAND NV NY COMM PAPER	21687AD18	19,000,000	-	4/1/2016	10/30/2015	0.36%	18,971,146	18,993,293	18,994,192	
										\$ 45,138,785.48
<b>2015A Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 15,732,494		3/1/2016		0.13%	\$ 15,732,494	\$ 15,732,494	\$ 15,732,494	
US TREASURY NOTES	912828QR4	13,725,000	1.500	6/30/2016	11/2/2015	0.34%	13,830,082	13,807,209	13,812,425	
US TREASURY NOTES	912828RF9	6,450,000	1.000	8/31/2016	10/30/2015	0.39%	6,482,754	6,464,875	6,469,695	
US TREASURY NOTES	912828H29	25,900,000	0.625	12/31/2016	10/30/2015	0.46%	25,949,574	25,918,011	25,962,480	
FHLMC NOTES	3137EADT3	38,800,000	0.875	2/22/2017	10/30/2015	0.56%	38,961,408	38,876,892	38,928,667	
US TREASURY NOTES	912828SM3	15,000,000	1.000	3/31/2017	11/2/2015	0.58%	15,087,891	15,107,240	15,130,224	
										\$ 116,035,984.86
<b>2015B Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 10,657,899		3/1/2016		0.13%	\$ 10,657,899	\$ 10,657,899	\$ 10,657,899	
BANK OF TOKYO MITSUBISHI COMM PAPER	06538BC19	7,000,000	-	3/1/2016	10/30/2015	0.39%	6,990,673	6,999,923	7,000,000	
BNP PARIBAS NY BRANCH COMM PAPER	09659BC16	19,000,000	-	3/1/2016	10/30/2015	0.34%	18,977,928	18,999,829	19,000,000	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GC20	19,000,000	-	3/2/2016	11/2/2015	0.31%	18,980,203	18,999,772	18,999,836	

Investment Performance Report – February 2016



DC Water  
Finance Division  
Portfolio Holdings by Fund

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
<b>2015B Construction Fund</b>										
UBS FINANCE DELAWARE LLC COMM PAPER	90262CEX1	19,000,000	-	5/31/2016	11/2/2015	0.58%	18,935,411	18,972,089	18,972,144	
US TREASURY NOTES	912828WM8	7,000,000	0.375	5/31/2016	10/30/2015	0.30%	7,003,008	7,006,255	7,007,878	
JP MORGAN SECURITIES LLC COMM PAPER	46640PF16	19,000,000	-	6/1/2016	10/30/2015	0.55%	18,937,590	18,976,041	18,973,295	
US TREASURY NOTES	912828RJ1	14,350,000	1.000	9/30/2016	10/30/2015	0.41%	14,427,355	14,446,982	14,459,059	
US TREASURY NOTES	912828RU6	30,000,000	0.875	11/30/2016	10/30/2015	0.45%	30,138,281	30,118,724	30,161,490	\$ 145,231,601.77
							<b>\$ 555,385,798.89</b>	<b>\$ 555,590,051.20</b>	<b>\$ 555,635,793.41</b>	<b>\$ 555,635,793.41</b>



Investment Performance Report – February 2016



DC Water  
Finance Division  
Security Purchases  
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<b>Operating Reserve Accounts</b>							
94974BFQ8	WELLS FARGO & COMPANY NOTES	1,103,000.00	2.15	1/15/2019	10/7/2015	1.77	1,121,626.61
912828RH5	US TREASURY NOTES	2,700,000.00	1.38	9/30/2018	10/9/2015	0.94	2,735,506.66
RE0908369	INDUSTRIAL BANK CDARS	5,017,482.34	0.35	10/13/2016	10/15/2015	0.35	5,017,482.34
912828A34	US TREASURY NOTES	4,600,000.00	1.25	11/30/2018	11/9/2015	1.18	4,634,794.57
RE0960964	INDUSTRIAL BANK CDARS	5,045,079.12	0.40	11/10/2016	11/12/2015	0.41	5,045,079.12
83050FBG5	SKANDINAVISKA ENSKILDA BANKEN NY CD	1,800,000.00	1.48	11/16/2017	11/17/2015	1.48	1,800,000.00
40428AR41	HSBC BANK USA NA FLOATING CERT DEPOS	1,800,000.00	1.21	11/17/2017	11/18/2015	0.98	1,800,000.00
86958DH54	SVENSKA HANDELSBANKEN NY FLT CERT DEPOS	1,800,000.00	1.07	8/24/2017	11/24/2015	0.85	1,800,000.00
912828A75	US TREASURY NOTES	5,550,000.00	1.50	12/31/2018	12/4/2015	1.22	5,632,561.90
912828VE7	US TREASURY NOTES	2,350,000.00	1.00	5/31/2018	12/30/2015	1.21	2,340,268.03
912828WD8	US TREASURY NOTES	2,350,000.00	1.25	10/31/2018	12/30/2015	1.30	2,351,720.94
RE0959511	INDUSTRIAL BANK CDARS	2,539,450.42	0.45	1/19/2017	1/20/2016	0.46	2,539,450.42
RE0959529	INDUSTRIAL BANK CDARS	2,563,284.34	0.60	1/19/2018	1/20/2016	0.61	2,563,284.34
<b>912828SH4</b>	<b>US TREASURY NOTES</b>	<b>3,000,000.00</b>	<b>1.38</b>	<b>2/28/2019</b>	<b>2/3/2016</b>	<b>1.02</b>	<b>3,049,787.95</b>
<b>3135G0J53</b>	<b>FNMA BENCHMARK NOTE</b>	<b>2,250,000.00</b>	<b>1.00</b>	<b>2/26/2019</b>	<b>2/23/2016</b>	<b>1.08</b>	<b>2,244,690.00</b>
<b>037833BQ2</b>	<b>APPLE INC CORP NOTES</b>	<b>545,000.00</b>	<b>1.70</b>	<b>2/22/2019</b>	<b>2/23/2016</b>	<b>1.71</b>	<b>544,907.35</b>
<b>2014A Construction Fund</b>							
06538BA45	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	7,500,000.00	-	1/4/2016	10/30/2015	0.25	7,496,562.50
06538BD18	BANK OF TOKYO MITS UFJ LTD COMM PAPER	6,000,000.00	-	4/1/2016	10/30/2015	0.46	5,988,450.00
21687AD18	RABOBANK NEDERLAND NV NY COMM PAPER	19,000,000.00	-	4/1/2016	10/30/2015	0.36	18,971,146.39
22533TA48	CREDIT AGRICOLE CIB NY COMM PAPER	19,000,000.00	-	1/4/2016	10/30/2015	0.19	18,993,381.67
<b>2015A Construction Fund</b>							
3137EADT3	FHLMC NOTES	38,800,000.00	0.88	2/22/2017	10/30/2015	0.56	39,025,535.78
912828H29	US TREASURY NOTES	25,900,000.00	0.63	12/31/2016	10/30/2015	0.46	26,003,239.30
912828RF9	US TREASURY NOTES	6,450,000.00	1.00	8/31/2016	10/30/2015	0.39	6,493,385.78
912828QR4	US TREASURY NOTES	13,725,000.00	1.50	6/30/2016	11/2/2015	0.34	13,900,012.40
912828SM3	US TREASURY NOTES	15,000,000.00	1.00	3/31/2017	11/2/2015	0.58	15,101,415.22
<b>2015A Construction Fund</b>							
912828RJ1	US TREASURY NOTES	14,350,000.00	1.00	9/30/2016	10/30/2015	0.41	14,439,117.76
912828RU6	US TREASURY NOTES	30,000,000.00	0.88	11/30/2016	10/30/2015	0.45	30,247,297.64
912828WM8	US TREASURY NOTES	7,000,000.00	0.38	5/31/2016	10/30/2015	0.30	7,013,909.45
06538BC19	BANK OF TOKYO MITSUBISHI COMM PAPER	7,000,000.00	-	3/1/2016	10/30/2015	0.40	6,990,672.50
09659BC16	BNP PARIBAS NY BRANCH COMM PAPER	19,000,000.00	-	3/1/2016	10/30/2015	0.35	18,977,928.33
46640PF16	JP MORGAN SECURITIES LLC COMM PAPER	19,000,000.00	-	6/1/2016	10/30/2015	0.56	18,937,590.32
89233GC20	TOYOTA MOTOR CREDIT CORP COMM PAPER	19,000,000.00	-	3/2/2016	11/2/2015	0.31	18,980,203.06
90262CEX1	UBS FINANCE DELAWARE LLC COMM PAPER	19,000,000.00	-	5/31/2016	11/2/2015	0.59	18,935,410.56
313384PZ6	FEDERAL HOME LOAN BANKS DISC NOTE	30,000,000.00	-	12/2/2015	11/4/2015	0.03	29,999,300.00

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

Investment Performance Report – February 2016



DC Water  
Finance Division  
Security Sales  
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<u>Operating Reserve Accounts</u>							
94974BFL9	WELLS FARGO & COMPANY	1,200,000.00	1.25	7/20/2016	10/7/2015	0.66	1,208,752.33
912828WQ9	US TREASURY NOTES	2,650,000.00	0.50	6/30/2016	10/9/2015	0.24	2,658,708.82
3130A2T97	FHLB NOTES	595,000.00	0.50	9/28/2016	11/9/2015	0.55	595,077.02
912828QX1	US TREASURY NOTES	3,035,000.00	1.50	7/31/2016	11/9/2015	0.45	3,070,494.24
912828WQ9	US TREASURY NOTES	1,000,000.00	0.50	6/30/2016	11/9/2015	0.40	1,002,418.48
912828TG5	US TREASURY NOTES	1,700,000.00	0.50	7/31/2017	11/17/2015	0.77	1,694,814.53
912828TG5	US TREASURY NOTES	100,000.00	0.50	7/31/2017	11/17/2015	0.77	99,694.98
40428AC54	HSBC BANK USA NA CD	1,800,000.00	0.88	8/15/2016	11/18/2015	0.74	1,805,955.83
05574RSY2	BNP PARIBAS NY BRANCH CERT DEPOS	1,800,000.00	0.56	12/4/2015	11/24/2015	0.13	1,807,466.73
3130A2T97	FHLB NOTES	1,000,000.00	0.50	9/28/2016	12/4/2015	0.70	999,326.67
912828WF3	US TREASURY NOTES	4,600,000.00	0.63	11/15/2016	12/4/2015	0.70	4,598,446.00
912828MD9	US TREASURY NOTES	4,225,000.00	3.25	12/31/2016	12/30/2015	0.79	4,396,927.65
<b>912828RX0</b>	<b>US TREASURY NOTES</b>	<b>3,000,000.00</b>	<b>0.88</b>	<b>12/31/2016</b>	<b>2/3/2016</b>	<b>0.64</b>	<b>3,008,780.05</b>
<b>912828A75</b>	<b>US TREASURY NOTES</b>	<b>400,000.00</b>	<b>1.50</b>	<b>12/31/2018</b>	<b>2/23/2016</b>	<b>0.91</b>	<b>407,561.99</b>
<b>912828SH4</b>	<b>US TREASURY NOTES</b>	<b>2,200,000.00</b>	<b>1.38</b>	<b>2/28/2019</b>	<b>2/23/2016</b>	<b>0.94</b>	<b>2,242,985.75</b>
<u>2014A Construction Fund</u>							
06538BA45	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	6,400,000.00	-	1/4/2016	12/24/2015	0.42	6,399,198.22

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



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<b>Operating Reserve Accounts</b>							
RE0908153	INDUSTRIAL BANK CDARS	5,000,000.00	0.35	10/15/2015	10/15/2015	0.00	5,017,500.00
RE0908161	INDUSTRIAL BANK CDARS	5,024,994.20	0.40	11/12/2015	11/12/2015	0.00	5,045,094.18
RE0908179	CITY FIRST BK OF WASHINGTON, DC (CDARS)	5,019,985.06	0.30	11/12/2015	11/12/2015	0.00	5,035,045.02
RE0907999	INDUSTRIAL BANK CDARS	2,545,282.08	0.75	1/21/2016	1/21/2016	0.00	2,583,461.31
RE0908229	INDUSTRIAL BANK CDARS	2,539,450.42	0.45	1/21/2016	1/21/2016	0.00	2,550,877.95
<b>2014A Construction Fund</b>							
3130A45M0	FHLB NOTES	17,000,000.00	0.13	9/11/2015	9/11/2015	0.00	17,012,891.67
09659CWB0	BNP PARIBAS NY BRANCH COMM PAPER	6,000,000.00	-	9/11/2015	9/11/2015	0.00	6,000,000.00
36959JWB5	GENERAL ELEC CAP CORP COMM PAPER	6,000,000.00	-	9/11/2015	9/11/2015	0.00	6,000,000.00
89233HWG5	TOYOTA MOTOR CREDIT CORP COMM PAPER	6,000,000.00	-	9/16/2015	9/16/2015	0.00	6,000,000.00
06538BA45	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	1,100,000.00	-	1/4/2016	1/4/2016	0.00	1,100,000.00
22533TA48	CREDIT AGRICOLE CIB NY COMM PAPER	19,000,000.00	-	1/4/2016	1/4/2016	0.00	19,000,000.00
<b>2014B Construction Fund</b>							
313384PZ6	FEDERAL HOME LOAN BANKS DISC NOTE	30,000,000.00	-	12/2/2015	12/2/2015	0.00	30,000,000.00

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



**DC Water  
Finance Division  
Upcoming Transaction Cash Flows  
Next 30 Days**

DATE	TRANSACTION	CUSIP	DESCRIPTION	COUPON	MATURITY DATE	PAR VALUE/SHARES	PRINCIPAL	INTEREST	TOTAL
03/06/16	INTEREST	30231GAL6	EXXON MOBIL CORP NOTES	1.305	03/06/18	1,800,000.00	0.00	11,745.00	11,745.00
03/11/16	MATURITY	313375RN9	FHLB NOTES	1.000	03/11/16	10,000,000.00	10,000,000.00	50,000.00	10,050,000.00
03/11/16	INTEREST	90333VPF1	US BANK NA CINCINNATI (CALLABLE) CD	1.375	09/11/17	1,200,000.00	0.00	8,250.00	8,250.00
03/17/16	MATURITY	RE0908013	CITY FIRST BK OF WASHINGTON, DC (CDARS)	0.400	03/17/16	2,530,097.00	2,530,096.57	20,240.77	2,550,337.34
03/17/16	MATURITY	RE0908278	CITY FIRST BK OF WASHINGTON, DC (CDARS)	0.300	03/17/16	2,530,097.00	2,530,096.63	7,590.29	2,537,686.92
03/31/16	INTEREST	912828MV9	US TREASURY NOTES	3.250	03/31/17	6,538,000.00	0.00	106,242.50	106,242.50
03/31/16	INTEREST	912828PA2	US TREASURY NOTES	1.875	09/30/17	6,257,000.00	0.00	58,659.38	58,659.38
03/31/16	INTEREST	912828RH5	US TREASURY NOTES	1.375	09/30/18	2,700,000.00	0.00	18,562.50	18,562.50
03/31/16	INTEREST	912828SM3	US TREASURY NOTES	1.000	03/31/17	100,000.00	0.00	500.00	500.00
03/31/16	INTEREST	912828UU2	US TREASURY NOTES	0.750	03/31/18	2,200,000.00	0.00	8,250.00	8,250.00
03/31/16	INTEREST	912828UU2	US TREASURY NOTES	0.750	03/31/18	4,400,000.00	0.00	16,500.00	16,500.00



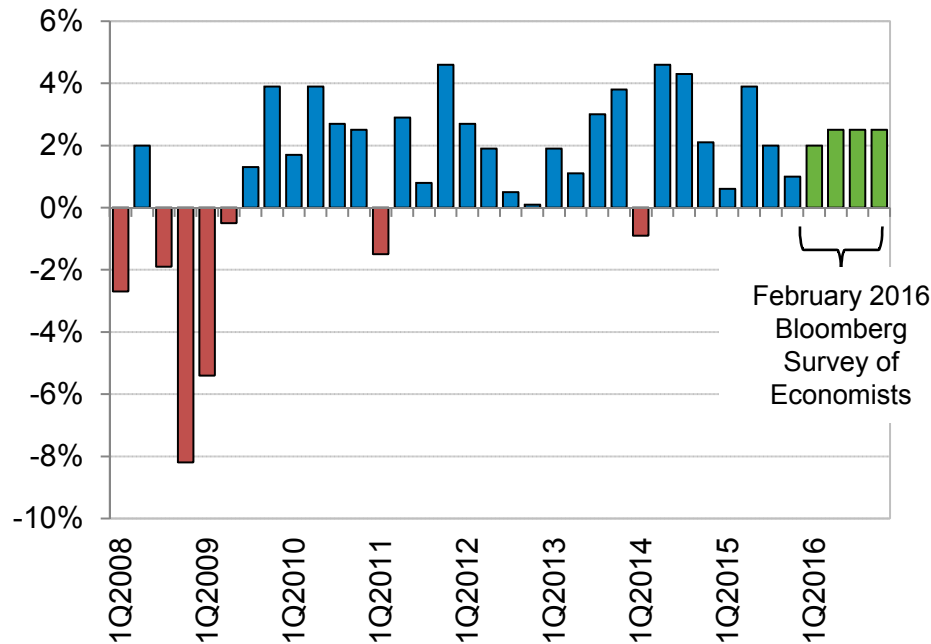
# Appendix: Economic Update



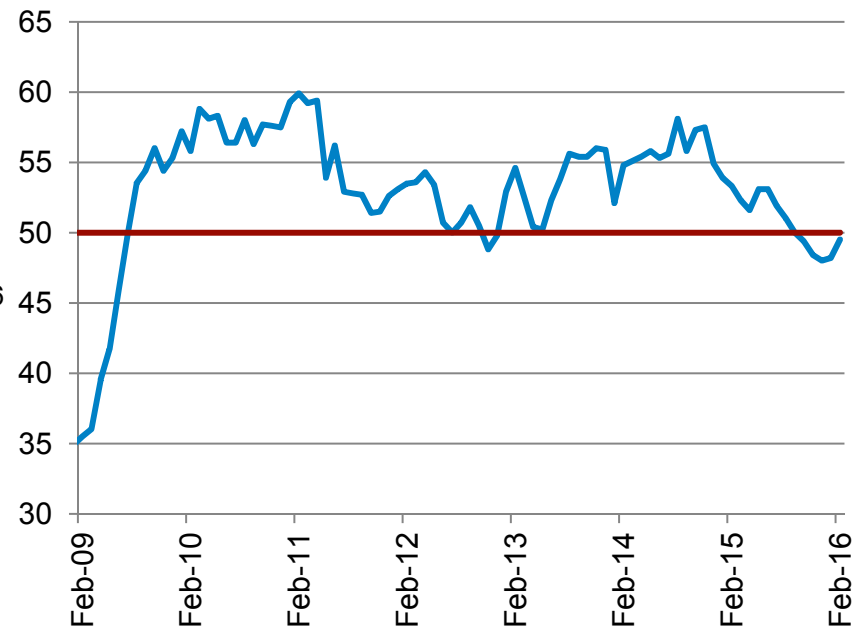
# Gross Domestic Product

- U.S. Gross Domestic Product (GDP) grew 1.0% in the fourth quarter of 2015.
- The February manufacturing reading rose to its highest level since September 2015. However, the index continues to show contraction (readings less than 50.0).

**Gross Domestic Product**  
January 2008 – September 2016 (Projected)



**ISM Manufacturing Index**  
January 2009 – January 2016

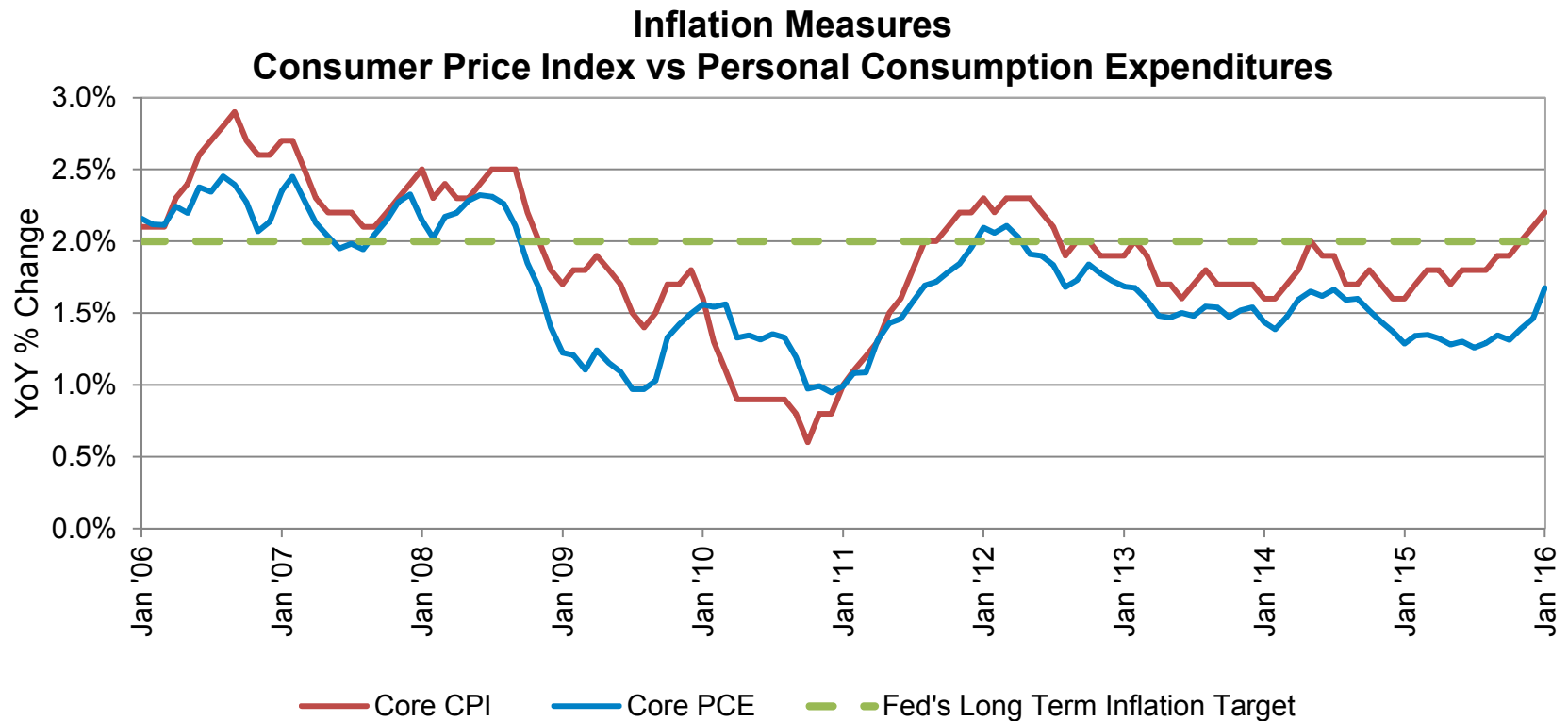


Source: Bloomberg



## Indicators Move Towards Fed Inflation Target

- Core Consumer prices, excluding food and energy, in January rose at their fastest monthly pace since mid-2011 indicating that inflation may be picking up in the United States. Core CPI rose 0.3% MoM and 2.2% YoY.
- Core PCE rose from 1.4% to 1.7%, pointing towards the Fed's 2% target for inflation



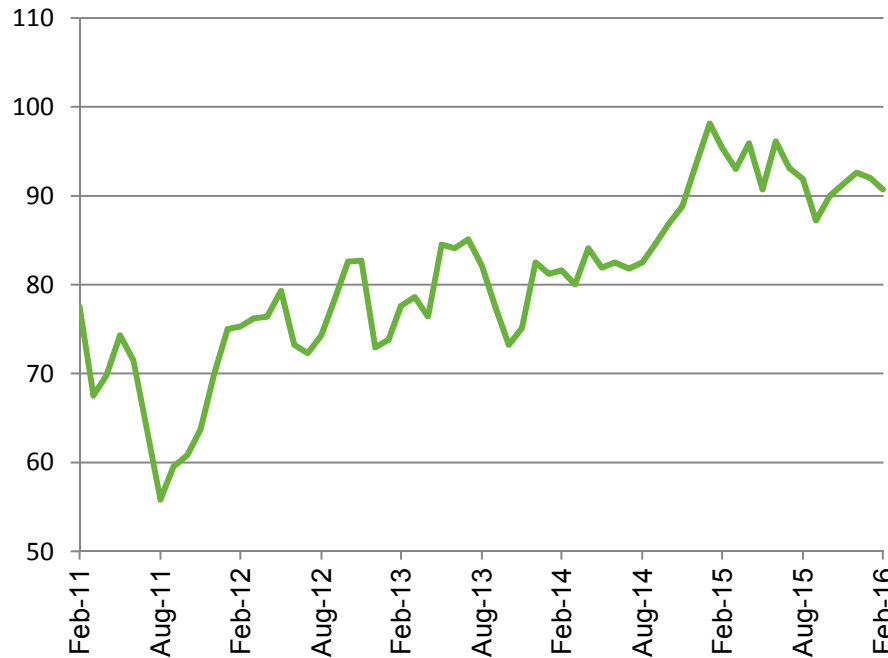
Source: Bloomberg



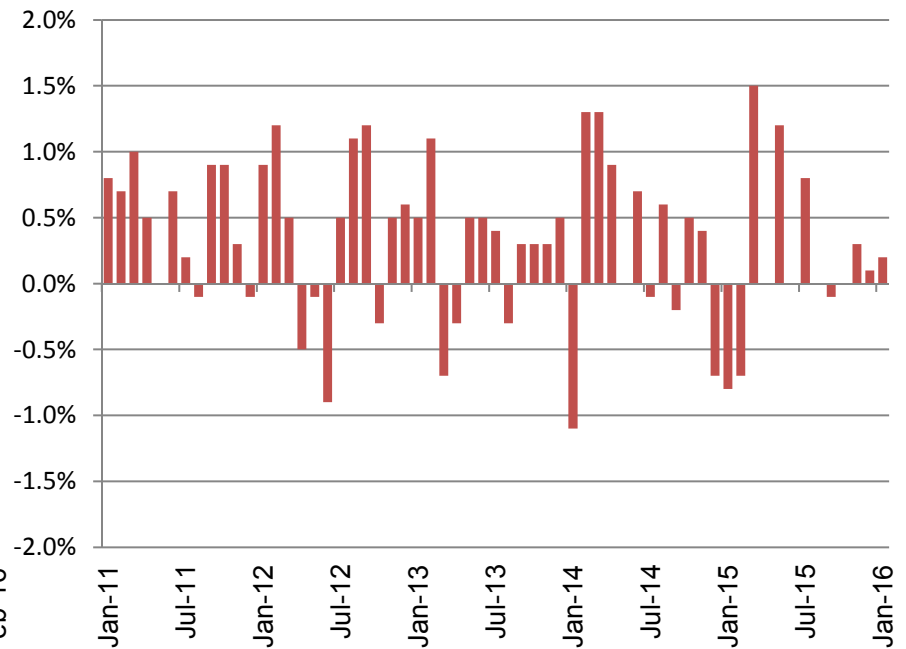
# Consumer Sentiment

- The University of Michigan’s preliminary reading of consumer sentiment in February declined to a 4-month low driven by a sharp decline in the stock markets.
- Retail sales rose for a 3<sup>rd</sup> straight month in January, increasing 0.2% month-over-month, exceeding the expectation of a 0.1% rise. December’s initial decline of 0.1% was revised higher to an increase of 0.1%.

**Consumer Sentiment  
February 2011– February 2016**



**Retail Sales  
February 2011– January 2016**



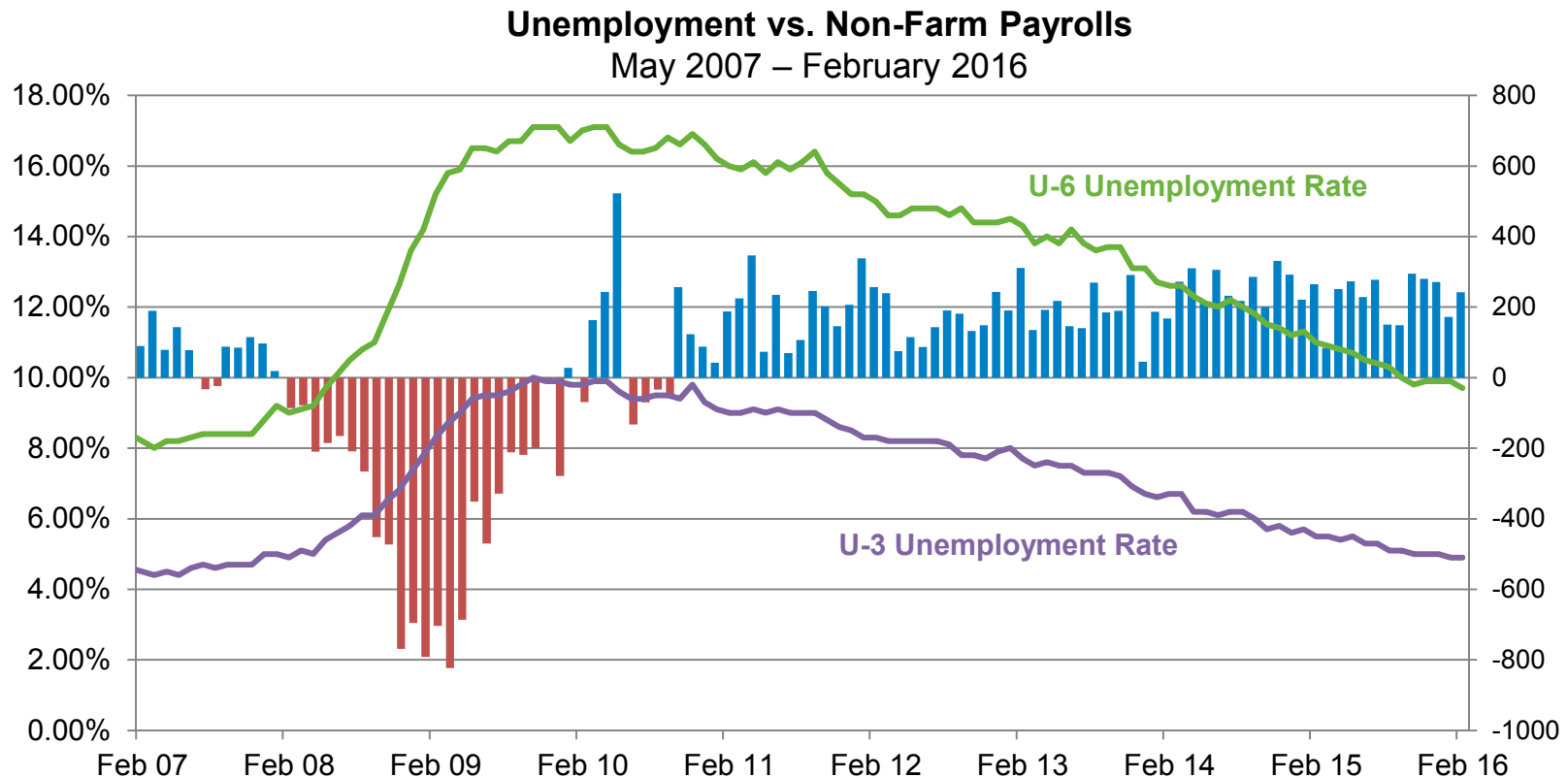
Source: Bloomberg





## Employment Growth

- In February, the U.S. economy added 242,000 jobs, above the median forecast of 195,000. Revisions to prior reports added a total of 30,000 jobs to payrolls in the previous two months.
- The unemployment rate held at an eight-year low of 4.9%

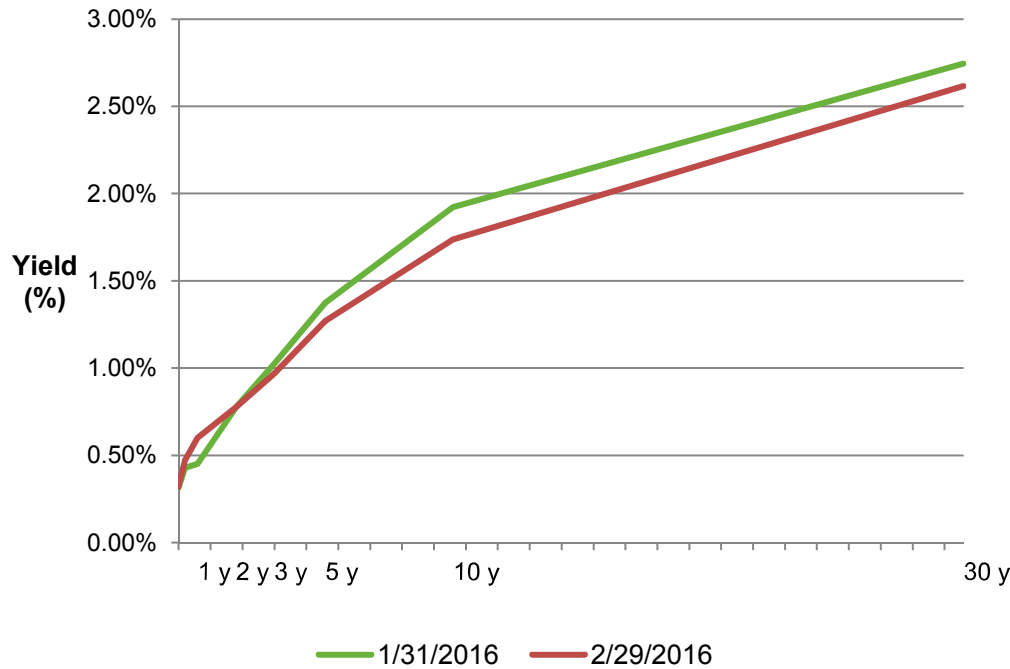


Source: Bloomberg



# Interest Rates Fell in February

**U.S. Treasury Yield Curve**  
February 29, 2016 vs. January 31, 2016



	<u>1/31/2016</u>	<u>2/29/2016</u>	<u>Change</u>
3 month	0.31%	0.32%	+0.01%
6 month	0.43%	0.47%	+0.04%
1 year	0.45%	0.60%	+0.15%
2 year	0.78%	0.78%	0.00%
3 year	1.03%	0.97%	-0.06%
5 year	1.37%	1.27%	-0.10%
10 year	1.92%	1.74%	-0.18%
30 year	2.74%	2.62%	-0.12%

Source: Bloomberg



## Disclosure

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



# Overview of DC Water's Merchant Services Contract

Presentation to Finance & Budget Committee  
March 24, 2016



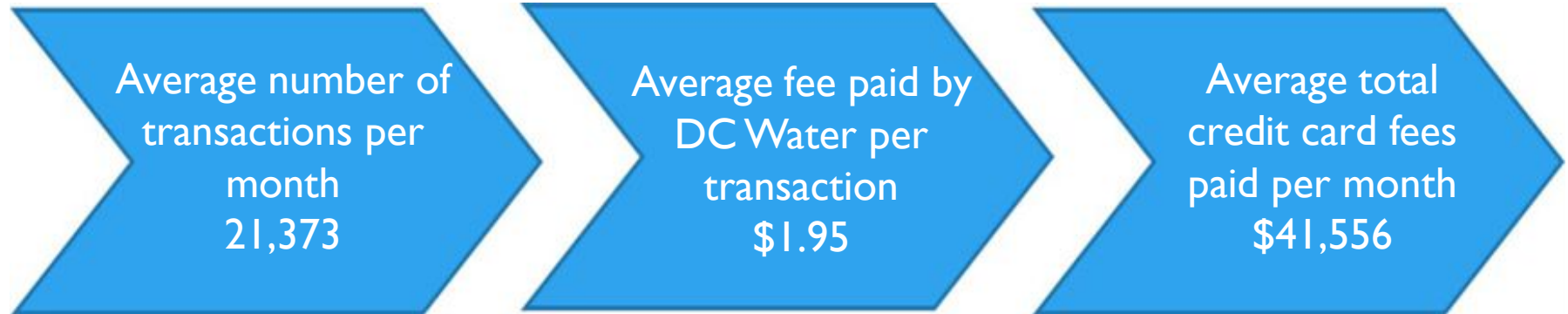
# Current Vendor Information

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- 💧 Current contract expires – June 2016
- 💧 Current vendor – Bank of America
- 💧 Service provided – Merchant credit/debit card processing services
- 💧 Credit/debit cards accepted – VISA/Master Card/Discover



# Credit Card Processing Statistics



*JUNE 2002 – DC WATER INITIATED CREDIT/DEBIT CARD PAYMENTS*



# Contract Extension Considerations

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- 💧 The credit card acceptance and process is linked to the current customer information system (CIS)
- 💧 Any change in vendor will result in a change to the current processing requirements within CIS
- 💧 Extending the current credit/debit contract till May 31, 2018, will allow time for the issuance of a new request for proposal, evaluation, and conversion
- 💧 A new CIS is projected to be completed by October 2017
- 💧 Recommendation - Extend Bank of America contract two years through May 2018 (\$1,080,000)

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

**ACTION REQUESTED**

**GOODS AND SERVICES CONTRACT MODIFICATION**

**Merchant Credit/Debit Card Processing Services  
(Joint Use)**

Approval to execute a contract modification to extend Merchant Credit/Debit Card Processing Services for a two (2) year term with a value not to exceed \$1,080,000.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b> Bank of America, N.A. 5565 Glenridge Connector Suite 2000 Atlanta, GA 30342	<b>SUBS:</b> N/A	<b>PARTICIPATION:</b> N/A
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**DESCRIPTION AND PURPOSE**

Original Contract Value:	\$1,250,000.00
Contract Time:	06-01-2011– 05-31-2016
Contract Modification No. 1 Value	\$233,284.03
Contract Modification No. 1 Dates	03-01-2016 – 05-31-2016
<b>This Contract Modification Value</b>	<b>\$1,080,000.00</b>
<b>This Contract Modification Dates</b>	<b>06-01-2016 – 05-31-2018</b>

**Purpose of the Contract:**

This contract is to provide Merchant Credit/Debit Card Processing Services to DC Water to enable customers to pay their water and sewer bills with credit or debit cards if they so choose. Contract cost include transaction and authorization fees paid to Bank of America, N.A. and pass through charges paid to VISA, Master Card and Discover Cards, respectively. The contract modification amount takes into consideration the increase in rates and corresponding average billing in future years.

**Contract Scope:**

To provide Merchant Credit/Debit Card Processing Services.

**Current Modification Scope:**

To continue Merchant Credit/Debit Card Processing Services until the new Customer Information System (CIS) is selected and implemented. The new CIS will include the provision of Merchant Credit/Debit Card Processing Services.

**Reason for the Change:**

DC Water has issued a Request for Proposals (RFP) for a new Customer Information System (CIS). These services must continue until the new CIS vendor is selected and it is determined which system will be utilized. Upon this decision, DC Water will issue a RFP for new Merchant Credit/Debit Card Processing Services.

**Spending Previous Year:**

Cumulative Contract Value:	<b>06-01-2011 to 05-31-2016 – \$1,483,284.03</b>
Cumulative Contract Spending:	<b>06-01-2011 to 02-29-2016 – \$1,378,905.00</b>

**Contractor Past Performance:**

The contractor's past performance has been satisfactory.

No LSBE participation with this procurement.



**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Fixed Unit Price Requirement Contract	<b>Award Based On:</b>	Competitive Proposals
<b>Commodity:</b>	Goods and Services	<b>Contract Number:</b>	WAS-10-042-AA-SC
<b>Contractor Market:</b>	Open Market with Preference Points for LBE and LSBE Preference		

**BUDGET INFORMATION**

<b>Funding:</b>	Operating	<b>Department:</b>	Finance
<b>Service Area:</b>	DC Water wide	<b>Department Head:</b>	Robert Hunt

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	100.00%	\$1,080,000.00
Washington Suburban Sanitary Commission	0.00%	
Fairfax County	0.00%	
Loudoun County	0.00%	
Other (PI)	0.00%	
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$1,080,000.00</b>

*for Teresa Scott* 3/16/16  
 Dan Bae Date  
 Director of Procurement

*Gail Alexander-Reeves* 3/16/16  
 Gail Alexander-Reeves Date  
 Director of Budget

*for Gail Alexander-Reeves* 3/16/16  
 Mark Kim Date  
 Chief Financial Officer

\_\_\_\_\_  
 George S. Hawkins Date  
 General Manager

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

**ACTION REQUESTED**

**GOODS AND SERVICES CONTRACT MODIFICATION**

**(JOINT USE - INDIRECT COST)  
Environmental Legal Services**

Approval to execute a modification for Environmental Legal Services in the additional amount of \$1,544,000.00 for the base year of the Contract.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<p><b>PRIME:</b> Beveridge &amp; Diamond, P.C. 1350 I Street NW, Suite 700 Washington, DC 20005 (LBE)</p> <p>McGuire Woods LLP 901 East Cary Street Richmond, VA 23103</p>	<p><b>SUBS:</b> N/A</p>	<p><b>PARTICIPATION:</b> N/A</p>
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**DESCRIPTION AND PURPOSE**

Base Years Contract Value:	\$4,500,000.00
Contract Base Period:	07-01-2015 – 06-30-2018
Number of Option Years:	One (1) option for two (2) years
<b>This Contract Modification Value:</b>	<b>\$1,544,000.00</b>
<b>This Contract Modification Dates:</b>	<b>01-01-2016 – 06-30-2016</b>

**Purpose of the Contract:**

To contract for external legal services for the District of Columbia Water and Sewer Authority's (DC Water) Office of General Counsel.

**Contract Scope**

Beveridge & Diamond, P.C. and McGuire Woods LLP were awarded through a procurement process (RFP) to provide the legal services in the Environmental Law in June 2015. Board approved the award in June 2015 for the total combined contract value of \$1,500,000 to these 2 firms during the contract base year (7/1/2015 – 6/30/16).

**Contract Spend Estimate for the Base Year (7/1/2015 - 6/30/2016)**

		Beveridge & Diamond, P.C.	McGuire Woods LLP	Total
Cumulative Contract Spending:	07/01/2015 – 12/31/2015	\$1,160,839.72	\$35,487.24	\$ 1,196,326.96
Cumulative Unpaid Bills:	07/01/2015 – 12/31/2015	\$529,018.36	\$118,356.49	\$ 647,374.85
Cumulative Contract Billing To Date:	07/01/2015 – 12/31/2015	\$1,689,858.08	\$153,843.73	\$ 1,843,701.81
Estimated Bills:	01/01/2016 – 06/30/2016	\$960,000.00	\$240,000.00	\$ 1,202,000.00
<b>Total Estimated Contract Value of Base Year</b>	<b>07/01/2015 – 06/30/2016</b>	<b>\$ 2,649,858.08</b>	<b>\$ 393,843.73</b>	<b>\$ 3,043,701.81</b>
Original Amount Approved by Board in June 2015				\$1,500,000.00
<b>Additional Amount Needed in this Modification</b>				<b>\$1,544,000.00*</b>

\* Rounded

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Fixed Hourly Rate	<b>Award Based On:</b>	Highest Rated in Category
<b>Commodity:</b>	Professional Services	<b>Contract Number:</b>	14-PR-OGC-01
<b>Contractor Market:</b>	Open Market with Preference Points for LBE and LSBE Participation		

**BUDGET INFORMATION**

<b>Funding:</b>	Operating	<b>Department:</b>	Office of General Counsel
<b>Service Area:</b>	DC Water wide	<b>Department Head:</b>	Meena Gowda

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	82.36%	\$ 1,271,638.40
Washington Suburban Sanitary Commission	12.98%	\$ 20,0411.20
Fairfax County	3.21%	\$ 49,562.40
Loudoun County	1.25%	\$ 19,300.00
Other Potomac Interceptor	0.20%	\$ 3,088.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$1,544,000.00</b>

 3/15/16  
\_\_\_\_\_  
Dan Bae Date  
Director of Procurement

 3/15/16  
\_\_\_\_\_  
Gail Alexander-Reeves Date  
Director of Budget

 3/15/16  
\_\_\_\_\_  
Meena Gowda Date  
Acting General Counsel

\_\_\_\_\_  
George S. Hawkins Date  
General Manager



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

**Thursday, April 28, 2016; 11:00 a.m.  
Blue Plains Wastewater Treatment Plant  
5000 Overlook Avenue, SW, DC  
AGENDA**

<b>Call to Order</b>	Chairman
<b>March 2016 Financial Report</b>	Chief Financial Officer
<b>Agenda for May Committee Meeting</b>	Chairman
<b>Adjournment</b>	Chairman

\*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)