



# DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

## Board of Directors

*Finance and Budget Committee*

*Tuesday, November 14, 2017*

11:00 a.m.

1. **Call to Order**..... Timothy L. Firestine, Chairperson
2. **October 2017 Financial Report (Attachment 1)** ..... Matthew T. Brown
3. **Capital Improvement Program Quarterly Update (Attachment 2)** ..... Paul Guttridge
4. **Environmental Impact Bond and Rock Creek Project A (RC-A)  
Construction Progress Update (Attachment 3)** ..... Bethany Bezak
5. **Agenda for December Committee Meeting (Attachment 4)** ..... Timothy L. Firestine
6. **Executive Session**
7. **Adjournment**

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



Fiscal Year 2018

# Monthly Financial Report

Period Ending October 31, 2017

**DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET**

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

**Robert Hunt**, Director, Finance

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

**John Madrid**, Controller

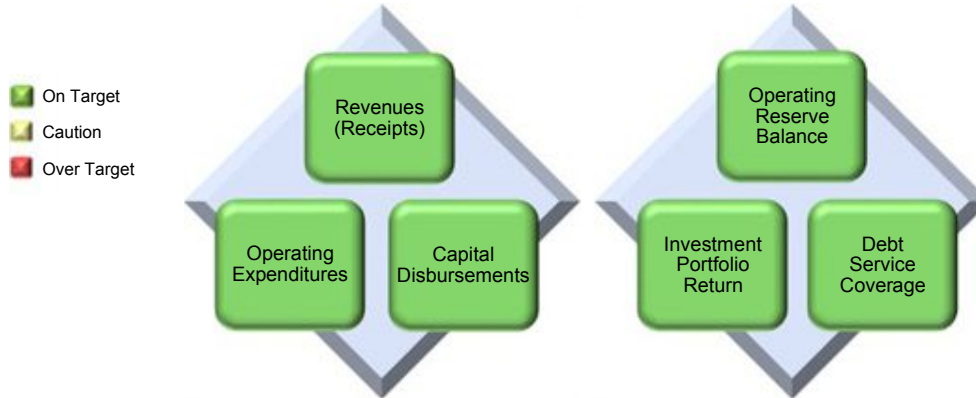
**Lola Oyeyemi**, Director, Budget

**Monthly Financial Report**

**OCTOBER 2017**

**EXECUTIVE SUMMARY**

The table below summarizes the first month of FY 2018 with approximately 8.3 percent of the fiscal year completed. At this early stage in the fiscal year, we are on track with budgetary expectations and targeted performance metrics.



(\$ in millions)

|                               | Budget  | YTD Budget | Actual | Variance                |         | Actual % Budget |
|-------------------------------|---------|------------|--------|-------------------------|---------|-----------------|
|                               |         |            |        | Favorable (Unfavorable) |         |                 |
| <b>Revenues (Receipts)*</b>   | \$617.2 | \$51.4     | \$65.3 | \$13.9                  | 27.0%   | 10.6%           |
| <b>Expenditures*</b>          | \$561.9 | \$46.8     | \$40.7 | \$6.2                   | 13.1%   | 7.2%            |
| <b>Capital Disbursements*</b> | \$387.3 | \$32.3     | \$42.5 | (\$10)                  | (31.6%) | 11.0%           |

\* *Straight-lined (1/12 of budget)*

**Highlights:**

- On-going management review of Proposed FY 2019 operating budget and ten-year capital budgets. Budget workshop anticipated immediately following the Board meeting in January 2018
- Presentation on DC Water's financial performance at the 2017 D.C. Institutional Investor Conference on December 7 and 8 at the Walter E. Washington Convention Center
- Public Hearing on FY 2018 water rate increase by the D.C. Council Committee on Transportation and the Environment is scheduled for Friday, November 17, 2017

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

## Monthly Financial Report

Fiscal Year-to-Date  
As of October 31, 2017

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

| Category                            | A                 | B               | C               | D = C/A            | E = C - B                  | F = E/B                   |
|-------------------------------------|-------------------|-----------------|-----------------|--------------------|----------------------------|---------------------------|
|                                     | FY 2018<br>BUDGET | YTD<br>BUDGET*  | ACTUAL          | ACTUAL %<br>BUDGET | VARIANCE \$<br>Fav/(Unfav) | VARIANCE %<br>Fav/(Unfav) |
| Res. / Comm. / Multi.               | \$353,039         | 29,420          | \$34,135        | 9.7%               | \$4,715                    | 16.0%                     |
| Federal                             | 58,494            | 4,875           | 14,940          | 25.5%              | 10,065                     | 206.5%                    |
| Municipal (DC Govt.)                | 19,066            | 1,589           | 3,685           | 19.3%              | 2,096                      | 131.9%                    |
| DC Housing Authority                | 8,825             | 735             | 854             | 9.7%               | 119                        | 16.2%                     |
| Metering Fee                        | 10,776            | 898             | 1,143           | 10.6%              | 245                        | 27.2%                     |
| Water System Replacement Fee (WSRF) | 39,717            | 3,310           | 4,356           | 11.0%              | 1,046                      | 31.6%                     |
| Wholesale                           | 76,028            | 6,336           | 2               | 0.0%               | (6,333)                    | (100.0%)                  |
| PILOT/ROW                           | 21,511            | 1,793           | 2,400           | 11.2%              | 607                        | 33.9%                     |
| All Other                           | 29,703            | 2,475           | 3,819           | 12.9%              | 1,344                      | 54.3%                     |
| <b>TOTAL</b>                        | <b>\$617,159</b>  | <b>\$51,430</b> | <b>\$65,334</b> | <b>10.6%</b>       | <b>\$13,904</b>            | <b>27.0%</b>              |

\*Straight-lined (1/12 of budget)

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At this early stage of FY 2018, cash receipts are within budget. At the end of October 2017, cash receipts totaled \$65.3 million, or 10.6 percent of the FY 2018 budget. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their first quarterly payment in October), and wholesale customers (scheduled to make their first quarter payment in November).

## Monthly Financial Report

Fiscal Year-to-Date  
As of October 31, 2017

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

| Category                           | A                 | B               | C               | D = C/A            | E = B - C                  | F = E/B                   |
|------------------------------------|-------------------|-----------------|-----------------|--------------------|----------------------------|---------------------------|
|                                    | FY 2018<br>BUDGET | YTD<br>BUDGET*  | ACTUAL          | ACTUAL %<br>BUDGET | VARIANCE \$<br>Fav/(Unfav) | VARIANCE %<br>Fav/(Unfav) |
| Personnel                          | \$149,193         | \$12,433        | \$12,843        | 8.6%               | (\$410)                    | (3.3%)                    |
| Contractual Services               | 79,353            | 6,613           | 4,841           | 6.1%               | 1,772                      | 26.8%                     |
| Water Purchases                    | 30,156            | 2,513           | 2,315           | 7.7%               | 198                        | 7.9%                      |
| Supplies & Chemicals               | 30,659            | 2,555           | 2,496           | 8.1%               | 59                         | 2.3%                      |
| Utilities                          | 29,399            | 2,450           | 2,112           | 7.2%               | 338                        | 13.8%                     |
| Small Equipment                    | 1,071             | 89              | 12              | 1.1%               | 77                         | 86.8%                     |
| <b>SUBTOTAL O&amp;M</b>            | <b>\$319,831</b>  | <b>\$26,653</b> | <b>\$24,618</b> | <b>7.7%</b>        | <b>\$2,034</b>             | <b>7.6%</b>               |
| Debt Service                       | 185,480           | 15,457          | 14,275          | 7.7%               | 1,182                      | 7.6%                      |
| PILOT/ROW                          | 21,376            | 1,781           | 1,781           | 8.3%               | 0                          | 0.0%                      |
| Cash Financed Capital Improvements | 35,260            | 2,938           | 0               | 0.0%               | 2,938                      | 100.0%                    |
| <b>TOTAL OPERATING</b>             | <b>\$561,947</b>  | <b>\$46,829</b> | <b>\$40,674</b> | <b>7.2%</b>        | <b>\$6,155</b>             | <b>13.1%</b>              |
| Capital Labor                      | (21,061)          | (1,755)         | (1,463)         | 6.9%               | (292)                      | 16.6%                     |
| <b>TOTAL NET OPERATING</b>         | <b>\$540,886</b>  | <b>\$45,074</b> | <b>\$39,211</b> | <b>7.2%</b>        | <b>\$5,863</b>             | <b>13.0%</b>              |

\*Straight-lined (1/12 of budget)

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

Total Operating expenditures for this period are in line with expectations. For this period, operating expenditures (including debt services and the right of way and PILOT fees) totaled \$40.7 million or 7.2 percent of the FY 2018 Board-approved budget of \$561.9 million.

These numbers include estimated incurred but unpaid invoices and are subject to revision in subsequent months. The FY 2017 close-out process continues, which entails finalizing a number of GAAP-related accruals.

## Monthly Financial Report

Fiscal Year-to-Date  
As of October 31, 2017

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

| Service Area                            | A                 | B               | C               | D = C/A            | E = B - C                  | F = E/B                   |
|---|-------------------|-----------------|-----------------|--------------------|----------------------------|---------------------------|
|   | FY 2018<br>BUDGET | YTD<br>BUDGET*  | ACTUAL          | ACTUAL %<br>BUDGET | VARIANCE \$<br>Fav/(Unfav) | VARIANCE %<br>Fav/(Unfav) |
| Non Process Area                        | \$20,030          | \$1,669         | \$143           | 0.7%               | 1,526                      | 91.4%                     |
| Wastewater Treatment                    | 98,423            | 8,202           | 11,761          | 11.9%              | (3,559)                    | (43.4%)                   |
| Combined Sewer Overflow                 | 130,475           | 10,873          | 12,682          | 9.7%               | (1,809)                    | (16.6%)                   |
| Stormwater                              | 2,682             | 224             | 37              | 1.4%               | 187                        | 83.6%                     |
| Sanitary Sewer                          | 39,294            | 3,275           | 3,439           | 8.8%               | (164)                      | (5.0%)                    |
| Water                                   | 51,738            | 4,312           | 5,152           | 10.0%              | (840)                      | (19.5%)                   |
| <b>SUBTOTAL: CAPITAL PROJECTS</b>       | <b>\$342,642</b>  | <b>\$28,554</b> | <b>\$33,213</b> | <b>9.7%</b>        | <b>(\$4,660)</b>           | <b>(16.3%)</b>            |
| Capital Equipment                       | 32,897            | 2,741           | 9,263           | 28.2%              | (6,522)                    | (237.9%)                  |
| Washington Aqueduct                     | 11,768            | 981             | 0               | 0.0%               | 981                        | 100.0%                    |
| <b>SUBTOTAL: ADD'L CAPITAL PROGRAMS</b> | <b>\$44,665</b>   | <b>\$3,722</b>  | <b>9,263</b>    | <b>20.7%</b>       | <b>(\$5,541)</b>           | <b>(148.9%)</b>           |
| <b>TOTAL</b>                            | <b>\$387,307</b>  | <b>\$32,276</b> | <b>\$42,476</b> | <b>11.0%</b>       | <b>(\$10,201)</b>          | <b>(31.6%)</b>            |

\*Straight-lined (1/12 of budget)

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

As of the end of October 2017, capital disbursements are \$42.5 million or 11 percent of the FY 2018 Board-approved budget. The higher disbursements for capital projects and additional capital programs is consistent with fiscal year-end/startup process for invoice payments.

Additional project performance will be reviewed in detail as part of the quarterly CIP update by the Department of Engineering & Technical Services to the Environmental Quality & Operations and Finance & Budget Committees this month.

## Monthly Financial Report

Fiscal Year-to-Date  
As of October 31, 2017

### Cash Investments (\$ in millions)

#### Cash Balances

|                                       |        |
|---------------------------------------|--------|
| Rate Stabilization Fund Account (RSF) | \$61.5 |
| DC Insurance Reserve                  | 1.0    |
| Operating Reserve Accounts            | 159.5  |

**Operating Cash Balance Including RSF** **\$222.0**

|                                    |      |
|------------------------------------|------|
| Debt Service Reserve - Series 1998 | 23.4 |
| Bond Fund- Construction Fund 2015A | 1.0  |
| Bond Fund- Construction Fund 2016B | 24.7 |
| Bond Fund- Construction Fund 2017A | 18.1 |
| Bond Fund- Construction Fund 2017B | 99.6 |

**Total All Funds** **\$388.8**

#### OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$159.5 million as compared to the operating reserve level objective of \$125.5 million for FY 2018
- Average cash balance for the month of October was \$152.0 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for October (on a cash basis) was \$131,061
- A detailed investment performance report is attached

## Monthly Financial Report

### Fiscal Year-to-Date As of October 31, 2017

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

|  | Annual<br>Budget<br>Cash Basis | YTD<br>8%<br>Cash Budget | YTD<br>Actual Cash<br>Oct. 1, 2017 -<br>Oct. 31, 2017 | Variance<br>Favorable<br>(Unfavorable) |             |
|--|--------------------------------|--------------------------|---|--|-------------|
| <b>OPERATING BUDGET</b>  |                                |                          |   |  |             |
| <b>Cash Provided</b>   |                                |                          |   |  |             |
| Retail   | \$489,917                      | \$40,826                 | \$59,113  | \$18,286                               | 45%         |
| Wholesale  | 76,028                         | 6,336                    | 2   | (6,333)                                | -100%       |
| Other  | 50,762                         | 4,230                    | 6,114   | 1,884                                  | 45%         |
| <b>Total Cash Provided</b>   | <b>616,707</b>                 | <b>51,392</b>            | <b>65,229</b>   | <b>13,837</b>                          | <b>27%</b>  |
| <b>Operating Cash Used</b>   |                                |                          |   |  |             |
| Personnel Services   | 128,132                        | 10,678                   | 9,416   | 1,261                                  | 12%         |
| Contractual Services   | 79,353                         | 6,613                    | 6,697   | (84)                                   | -1%         |
| Chemicals & Supplies   | 30,659                         | 2,555                    | 3,238   | (683)                                  | -27%        |
| Utilities  | 29,399                         | 2,450                    | 1,715   | 735                                    | 30%         |
| Water Purchases  | 30,156                         | 2,513                    | 2,481   | 32                                     | 1%          |
| Small Equipment  | 1,071                          | 89                       | 64  | 25                                     | 28%         |
| <b>Total Operating Cash Used</b>                                       | <b>298,770</b>                 | <b>24,898</b>            | <b>23,611</b>   | <b>1,287</b>                           | <b>5%</b>   |
| Defeasance D.S./Cash Financed Capital Construction                     | 35,260                         | 2,938                    | 0   | 2,938                                  | 100%        |
| <b>Other Cash Used</b>   |                                |                          |   |  |             |
| Debt Service   | 185,480                        | 15,457                   | 14,275  | 1,182                                  | 8%          |
| Payment In Lieu of Taxes/Right of Way                                  | 21,376                         | 1,781                    | 0   | 1,781                                  | 100%        |
| <b>Total Other Cash Used</b>   | <b>206,856</b>                 | <b>17,238</b>            | <b>14,275</b>   | <b>2,963</b>                           | <b>17%</b>  |
| <b>Total Cash Used</b>   | <b>540,886</b>                 | <b>45,074</b>            | <b>37,886</b>   | <b>7,188</b>                           | <b>16%</b>  |
| <b>Net Cash Provided (Used) by Operating Act.</b>                      | <b>75,821</b>                  | <b>6,318</b>             | <b>27,343</b>   | <b>21,025</b>                          |             |
| <b>CAPITAL BUDGET</b>  |                                |                          |   |  |             |
| <b>Cash Provided</b>   |                                |                          |   |  |             |
| Debt Proceeds  | 119,827                        | 9,986                    | 27,993  | 18,007                                 | 180%        |
| EPA Grants   | 23,092                         | 1,924                    | 1,614   | (311)                                  | -16%        |
| System Availability Fee  | 1,925                          | 160                      |   | (160)                                  | -100%       |
| Transfer from Operations   | 93,589                         | 7,799                    |   | (7,799)                                | -100%       |
| Interest Income  | 1,365                          | 114                      |   | (114)                                  | -100%       |
| Wholesale Capital Contributions  | 80,043                         | 6,670                    |   | (6,670)                                | -100%       |
| <b>Total Cash Provided</b>   | <b>319,841</b>                 | <b>26,653</b>            | <b>29,607</b>   | <b>2,953</b>                           | <b>11%</b>  |
| <b>Cash Used</b>   |                                |                          |   |  |             |
| DC Water Capital Program   | 375,539                        | 31,295                   | 42,476  | (11,181)                               | -36%        |
| Washington Aqueduct Projects   | 11,768                         | 981                      | 0   | 981                                    | 100%        |
| <b>Total Cash Used</b>   | <b>387,307</b>                 | <b>32,276</b>            | <b>42,476</b>   | <b>(10,201)</b>                        | <b>-32%</b> |
| <b>Net Cash/PAYGO Provided (Used) by Cap. Act.</b>                     | <b>(\$67,466)</b>              | <b>(\$5,622)</b>         | <b>(\$12,870)</b>                                     | <b>(\$7,248)</b>                       |             |
| <b>Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected</b> |                                |                          |   |  |             |
| Plus (Less) Operating Surplus  | \$147,212                      |                          | \$147,212   |  |             |
| Wholesale Customer Refunds from Prior Years                            | 75,821                         | 6,318                    | 27,343  |  |             |
| Interest Earned From Bond Reserve                                      | (7,000)                        | (583)                    | 0   |  |             |
| Transfer to Rate Stabilization Fund                                    | 451                            | 38                       | 105   |  |             |
| Prior Year Federal Billing Reconciliation                              | 0                              | 0                        | 0   |  |             |
| Cash Used for Capital  | (9,019)                        | (752)                    | (2,255)   |  |             |
| <b>Balance Attributable to O&amp;M Reserve</b>                         | <b>(\$67,466)</b>              | <b>(5,622)</b>           | <b>(12,870)</b>                                       | <b></b>                                |             |
|  | <b>\$140,000</b>               |                          | <b>\$159,536</b>                                      |  |             |
| <b>OTHER CASH RESERVES</b>   |                                |                          |   |  |             |
| <b>Rate Stabilization Fund</b>   | <b>\$61,450</b>                |                          |   |  |             |
| <b>DC Insurance Reserve</b>  | <b>1,050</b>                   |                          |   |  |             |



**Monthly Financial Report**

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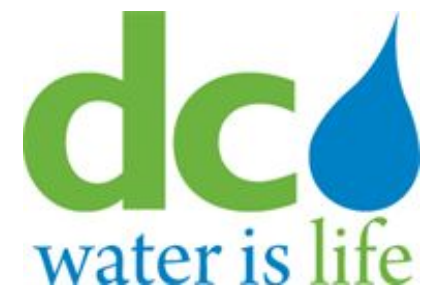
APPENDIX

Investment Report ..... 9



# DC Water

*Investment Performance Report – October 2017*



**DC Water  
Finance Division  
Economic Update**

### ECONOMIC COMMENTARY

- At the FOMC's October meeting, the federal funds target rate was left unchanged. An abundance of speeches made by FOMC members in October demonstrated policy makers' intention to increase the target range at the December meeting. As of October 31, 2017, there is an 83% probability that the Federal Reserve will raise rates a third time in 2017.
- U.S. Treasury yields increased during the month with the yield of the 3-month Treasury bill rising by 0.08% and the 2-year Treasury note rising by 0.11%. As of October 31<sup>st</sup>, the yield of the 2-year Treasury Note was 1.60%.
- The United States labor market added 261,000 jobs in October, below the 331,000 expectation but well above the prior month's reading. The unemployment rate fell to 4.1% from 4.2%, its lowest level since 2000.

### PORTFOLIO RECAP

- The portfolio is diversified among Bank Deposits, U.S. Treasuries, Federal Agencies, Supranational Bonds, Commercial Paper, Negotiable CDs, Corporate Notes/Bonds, Municipal Bonds, FDIC Insured CDs, and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 1.11%.

#### Operating Reserve

- PFM purchased \$250,000 of 3-year US Treasury Notes at a yield of 1.71%, \$870,000 of 2-year corporate notes at an average yield of 1.76% and \$915,000 of 3-year supranational bonds with a yield of 1.81%.
- The Authority purchased \$5.04 million of 1-year CDs through CDARS.

#### 2017B Construction Fund

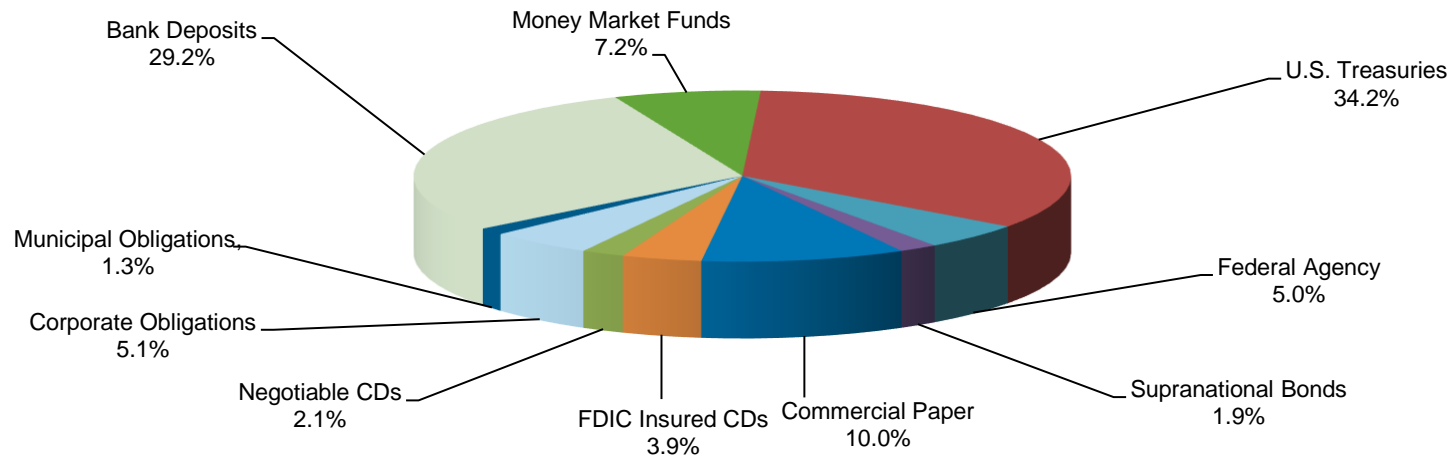
- PFM sold \$12.75 million of 9-month US Treasuries as well as \$10.70 million of 2-month commercial paper.

#### Debt Service Reserve Fund

- PFM purchased \$5.18 million of 1 ½-year US Treasuries with a yield of 1.45%.



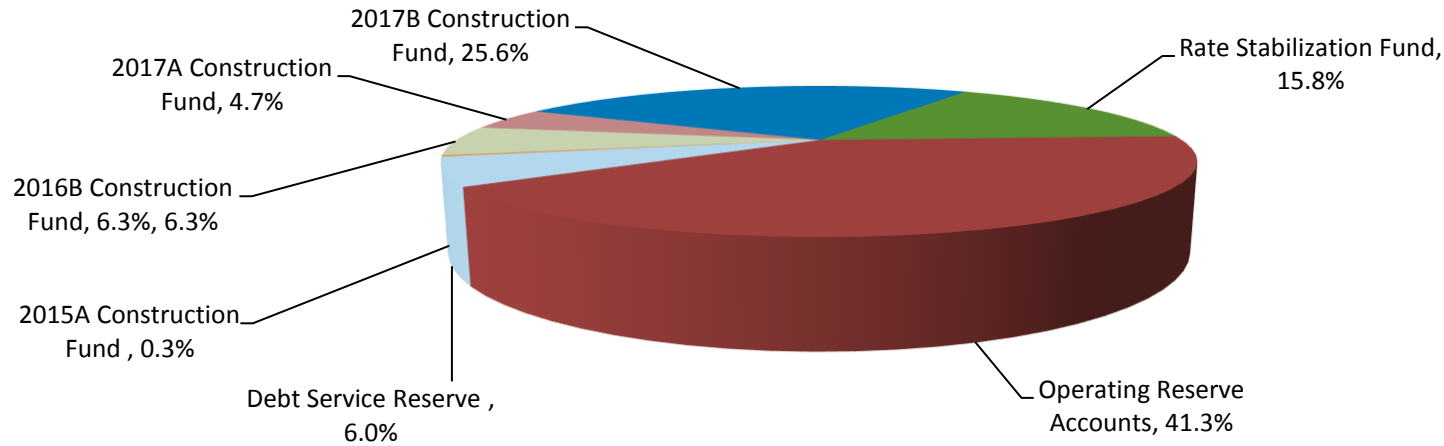
**DC Water  
Finance Division  
Investments - By Security Type  
As of October 31, 2017**



| Security Type         | Book Value +<br>Accrued Interest | Asset<br>Allocation | Permitted<br>By Policy |
|-----------------------|----------------------------------|---------------------|------------------------|
| Bank Deposits         | 113,853,690                      | 29.2%               | 100.0%                 |
| Money Market Funds    | 28,193,402                       | 7.2%                | 100.0%                 |
| U.S. Treasuries       | 133,128,920                      | 34.2%               | 100.0%                 |
| Federal Agency        | 19,516,849                       | 5.0%                | 80.0%                  |
| Supranational Bonds   | 7,393,087                        | 1.9%                | 30.0%                  |
| Commercial Paper      | 39,027,188                       | 10.0%               | 35.0%                  |
| FDIC Insured CDs      | 15,283,609                       | 3.9%                | 30.0%                  |
| Negotiable CDs        | 8,199,025                        | 2.1%                | 30.0%                  |
| Corporate Obligations | 19,923,390                       | 5.1%                | 30.0%                  |
| Municipal Obligations | 5,145,682                        | 1.3%                | 20.0%                  |
| <b>Total</b>          | <b>\$ 389,664,842</b>            | <b>100.0%</b>       |                        |



**DC Water  
Finance Division  
Investment Analysis – By Fund  
As of October 31, 2017**

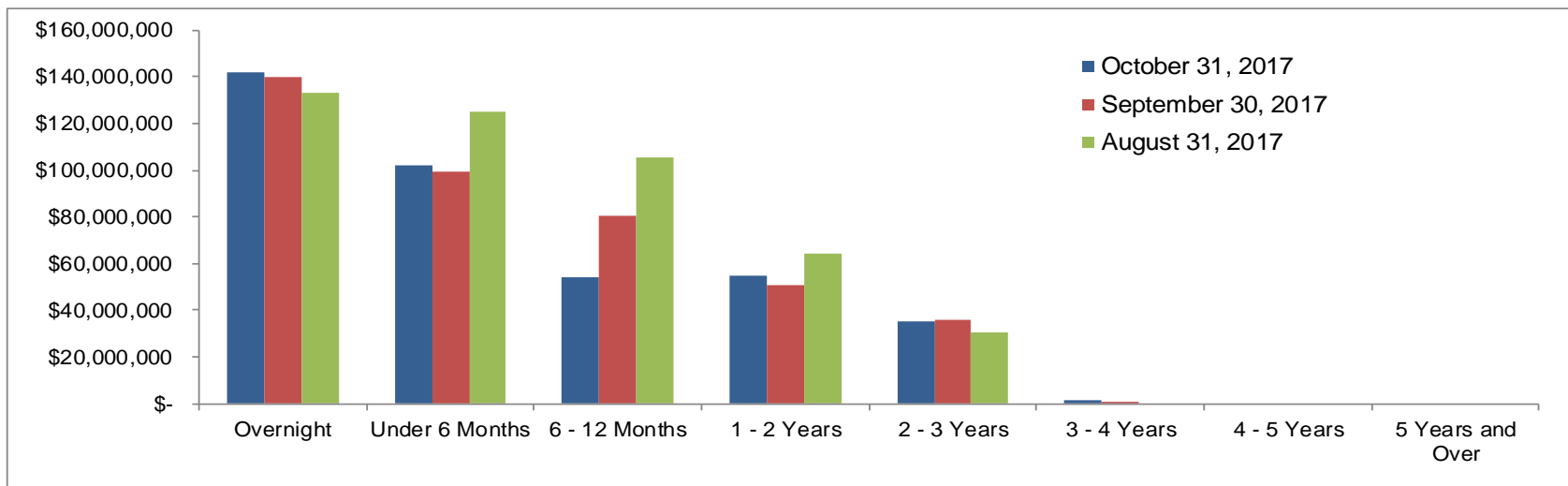


| <b>Fund Name</b>                | <b>Book Value +<br/>Accrued Interest</b> | <b>Yield-to-<br/>Maturity<br/>at Cost</b> | <b>Effective<br/>Duration<br/>(years)</b> | <b>Weighted<br/>Average<br/>Maturity (days)</b> |
|---------------------------------|--|---|---|---|
| Rate Stabilization Fund         | \$ 61,450,000                            | 1.00%                                     | 0.00                                      | 1.0   |
| Operating Reserve Accounts      | \$ 160,876,293                           | 1.17%                                     | 1.06                                      | 394.6   |
| CSO LTCP Appropriations Account | \$ 2,733                                 | 1.07%                                     | 0.00                                      | 1.0   |
| Debt Service Reserve            | \$ 23,437,815                            | 1.08%                                     | 0.87                                      | 320.7   |
| 2015A Construction Fund         | \$ 1,043,532                             | 0.90%                                     | 0.00                                      | 1.0   |
| 2015B Construction Fund         | \$ 31,445                                | 0.90%                                     | 0.00                                      | 1.0   |
| 2016B Construction Fund         | \$ 24,692,628                            | 0.90%                                     | 0.00                                      | 1.0   |
| 2017A Construction Fund         | \$ 18,301,397                            | 1.31%                                     | 0.07                                      | 23.9  |
| 2017B Construction Fund         | \$ 99,828,999                            | 1.11%                                     | 0.41                                      | 152.1   |
| <b>Total</b>                    | <b>\$ 389,664,842</b>                    | <b>1.11%</b>                              | <b>0.60</b>                               | <b>222.5</b>                                    |



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

| Maturity Distribution | October 31, 2017         | September 30, 2017       | August 31, 2017       |
|-----------------------|--------------------------|--------------------------|-----------------------|
| Overnight \$          | 142,047,091.75 \$        | 139,825,195.49 \$        | 133,056,123.22        |
| Under 6 Months        | 101,841,618.03           | 99,122,232.29            | 124,866,368.71        |
| 6 - 12 Months         | 54,406,076.98            | 80,546,150.92            | 105,332,801.28        |
| 1 - 2 Years           | 54,956,709.72            | 50,802,168.29            | 63,915,124.34         |
| 2 - 3 Years           | 35,090,413.68            | 35,757,480.86            | 30,306,159.82         |
| 3 - 4 Years           | 1,322,931.41             | 389,736.84               | 465,285.86            |
| 4 - 5 Years           | -                        | -                        | -                     |
| 5 Years and Over      | -                        | -                        | -                     |
| <b>Totals \$</b>      | <b>389,664,841.57 \$</b> | <b>406,442,964.69 \$</b> | <b>457,941,863.23</b> |





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

|   | Credit Ratings<br>S&P / Moody's | Book Value            |              | Investment Policy<br>Limit | Compliance with<br>Investment Policy |
|---|---------------------------------|-----------------------|--------------|----------------------------|--------------------------------------|
| <b>Bank Deposits</b>                                  |                                 |                       |              |                            |                                      |
| TD Bank   |                                 | 113,853,689.92        | 29.2%        | 100.0%                     | Yes                                  |
| <b>Sub-Total Bank Deposits</b>                        |                                 | <b>113,853,689.92</b> | <b>29.2%</b> | 100.0%                     | Yes                                  |
| <b>Money Market Mutual Funds</b>                      |                                 |                       |              |                            |                                      |
| Wells Fargo Treasury Plus MMF                         | AAA                             | 28,103,210.33         | 7.2%         | 50.0%                      | Yes                                  |
| Wells Fargo Government MMF                            | AAA                             | 90,191.50             | 0.0%         | 50.0%                      | Yes                                  |
| <b>Sub-Total Money Market Mutual Funds</b>            |                                 | <b>28,193,401.83</b>  | <b>7.2%</b>  | 100.0%                     | Yes                                  |
| <b>U.S. Treasuries</b>                                |                                 |                       |              |                            |                                      |
| Treasury Note   | AA+ / Aaa                       | 133,128,920.27        | 34.2%        | 100.0%                     | Yes                                  |
| <b>Sub-Total Treasuries</b>                           |                                 | <b>133,128,920.27</b> | <b>34.2%</b> | 100.0%                     | Yes                                  |
| <b>Federal Agencies</b>                               |                                 |                       |              |                            |                                      |
| Fannie Mae  | AA+ / Aaa                       | 10,946,051.66         | 2.8%         | 40.0%                      | Yes                                  |
| Federal Home Loan Bank                                | AA+ / Aaa                       | 4,616,835.34          | 1.2%         | 40.0%                      | Yes                                  |
| Freddie Mac   | AA+ / Aaa                       | 3,953,961.88          | 1.0%         | 40.0%                      | Yes                                  |
| <b>Sub-Total Federal Agencies</b>                     |                                 | <b>19,516,848.88</b>  | <b>5.0%</b>  | 80.0%                      | Yes                                  |
| <b>Supranational Bonds</b>                            |                                 |                       |              |                            |                                      |
| African Development Bank                              | AAA / Aaa                       | 2,440,786.38          | 0.6%         | 5.0%                       | Yes                                  |
| Asian Development Bank                                | AAA / Aaa                       | 929,595.52            | 0.2%         | 5.0%                       | Yes                                  |
| Inter-American Development Bank                       | AAA / Aaa                       | 2,196,603.73          | 0.6%         | 5.0%                       | Yes                                  |
| International Bank for Reconstruction and Development | AAA / Aaa                       | 1,826,101.19          | 0.5%         | 5.0%                       | Yes                                  |
| <b>Sub-Total Supranational Bonds</b>                  |                                 | <b>7,393,086.82</b>   | <b>1.9%</b>  | 30.0%                      | Yes                                  |
| <b>Commercial Paper</b>                               |                                 |                       |              |                            |                                      |
| BNP Paribas   | A-1 / P-1                       | 16,486,295.76         | 4.2%         | 5.0%                       | Yes                                  |
| Bank of Tokyo Mitsubishi                              | A-1 / P-1                       | 6,950,201.74          | 1.8%         | 5.0%                       | Yes                                  |
| Canadian Imperial Holding                             | A-1 / P-1                       | 6,954,740.31          | 1.8%         | 5.0%                       | Yes                                  |
| JP Morgan Securities LLC                              | A-1 / P-1                       | 6,937,416.08          | 1.8%         | 5.0%                       | Yes                                  |
| Toyota Motor Credit                                   | A-1+ / P-1                      | 1,698,533.75          | 0.4%         | 5.0%                       | Yes                                  |
| <b>Sub-Total Commercial Paper</b>                     |                                 | <b>39,027,187.64</b>  | <b>10.0%</b> | 35.0%                      | Yes                                  |
| <b>FDIC Insured Certificates of Deposit</b>           |                                 |                       |              |                            |                                      |
| CDARS - Placed by Industrial Bank                     | NR / NR                         | 15,283,608.67         | 3.9%         | 5.0%                       | Yes                                  |
| <b>Sub-Total FDIC-Insured Certificates of Deposit</b> |                                 | <b>15,283,608.67</b>  | <b>3.9%</b>  | 30.0%                      | Yes                                  |

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



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

|   | Credit Ratings<br>S&P / Moody's | Book Value               |               | Investment Policy<br>Limit | Compliance with<br>Investment Policy |
|---|---------------------------------|--------------------------|---------------|----------------------------|--------------------------------------|
| <b>Negotiable Certificates of Deposit</b>           |                                 |                          |               |                            |                                      |
| Canadian Imperial Bank NY                           | A+ / A1                         | 1,812,525.00             | 0.5%          | 5.0%                       | Yes                                  |
| Nordea Bank Finland NY                              | AA- / Aa3                       | 1,813,640.00             | 0.5%          | 5.0%                       | Yes                                  |
| Skandinav Enskilda Banken NY                        | A+ / Aa3                        | 1,857,782.15             | 0.5%          | 5.0%                       | Yes                                  |
| Svenska Handelsbanken NY                            | AA- / Aa2                       | 1,810,773.00             | 0.5%          | 5.0%                       | Yes                                  |
| Westpac Banking Corp NY                             | AA- / Aa3                       | 904,305.00               | 0.2%          | 5.0%                       | Yes                                  |
| <b>Sub-Total Negotiable Certificates of Deposit</b> |                                 | <b>8,199,025.15</b>      | <b>2.1%</b>   | 30.0%                      | Yes                                  |
| <b>Corporate Obligations</b>                        |                                 |                          |               |                            |                                      |
| Apple Inc.  | AA+ / Aa1                       | 1,448,571.28             | 0.4%          | 5.0%                       | Yes                                  |
| Bank of Montreal                                    | A+ / A1                         | 903,364.20               | 0.2%          | 5.0%                       | Yes                                  |
| Bank of New York Mellon                             | A / A1                          | 1,812,688.66             | 0.5%          | 5.0%                       | Yes                                  |
| Bank of Nova Scotia                                 | A+ / A1                         | 1,811,493.28             | 0.5%          | 5.0%                       | Yes                                  |
| Berkshire Hathaway Inc                              | AA / Aa2                        | 130,236.58               | 0.0%          | 5.0%                       | Yes                                  |
| Cisco Systems Inc.                                  | AA- / A1                        | 362,231.01               | 0.1%          | 5.0%                       | Yes                                  |
| Chevron   | AA- / Aa2                       | 906,439.13               | 0.2%          | 5.0%                       | Yes                                  |
| Coca-Cola   | AA- / Aa3                       | 390,312.48               | 0.1%          | 5.0%                       | Yes                                  |
| Colgate-Palmolive Company                           | AA- / Aa3                       | 929,597.03               | 0.2%          | 5.0%                       | Yes                                  |
| Exxon Mobil   | AA+ / Aaa                       | 930,690.81               | 0.2%          | 5.0%                       | Yes                                  |
| General Electric Capital                            | AA- / A1                        | 457,416.37               | 0.1%          | 5.0%                       | Yes                                  |
| Merck & Co.   | AA / A1                         | 735,243.76               | 0.2%          | 5.0%                       | Yes                                  |
| Microsoft   | AAA / Aaa                       | 1,042,862.39             | 0.3%          | 5.0%                       | Yes                                  |
| Pfizer Inc.   | AA / A1                         | 900,289.52               | 0.2%          | 5.0%                       | Yes                                  |
| Procter & Gamble                                    | AA- / Aa3                       | 439,975.60               | 0.1%          | 5.0%                       | Yes                                  |
| Royal Bank of Canada                                | AA- / A1                        | 902,847.83               | 0.2%          | 5.0%                       | Yes                                  |
| Toronto Dominion Bank NY                            | AA- / Aa2                       | 902,778.32               | 0.2%          | 5.0%                       | Yes                                  |
| Total Capital                                       | A+ / Aa3                        | 915,254.66               | 0.2%          | 5.0%                       | Yes                                  |
| Toyota Motor Credit Corp                            | AA- / Aa3                       | 1,528,204.38             | 0.4%          | 5.0%                       | Yes                                  |
| Wal-Mart Stores Inc.                                | AA / Aa2                        | 430,221.42               | 0.1%          | 5.0%                       | Yes                                  |
| Wells Fargo & Company Notes                         | A / A2                          | 1,114,946.63             | 0.3%          | 5.0%                       | Yes                                  |
| Westpac Banking                                     | AA- / Aa3                       | 927,725.07               | 0.2%          | 5.0%                       | Yes                                  |
| <b>Sub-Total Corporate Obligations</b>              |                                 | <b>19,923,390.41</b>     | <b>5.1%</b>   | 30.0%                      | Yes                                  |
| <b>Municipal Obligations</b>                        |                                 |                          |               |                            |                                      |
| Connecticut State                                   | A+ / A1                         | 988,983.28               | 0.3%          | 5.0%                       | Yes                                  |
| Florida State                                       | AA / Aa3                        | 1,812,978.00             | 0.5%          | 5.0%                       | Yes                                  |
| New York City                                       | AAA / Aa1                       | 543,586.80               | 0.1%          | 5.0%                       | Yes                                  |
| Regional Transportation Authority, IL               | AA / NR                         | 1,800,133.90             | 0.5%          | 5.0%                       | Yes                                  |
| <b>Sub-Total Municipal Obligations</b>              |                                 | <b>5,145,681.98</b>      | <b>1.3%</b>   | 20.0%                      | Yes                                  |
| <b>Grand Total</b>                                  |                                 | <b>\$ 389,664,841.57</b> | <b>100.0%</b> |                            |                                      |





**DC Water  
Finance Division  
Book Value Performance  
As of October 31, 2017**

*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                                   | 0.04%             | 0.50%        | 0.17%             | 0.66%        | 0.29%             | 0.58%        | 0.53%              | 0.58%              |
| Operating Reserve Accounts                                      | 0.09%             | 1.06%        | 0.30%             | 1.21%        | 0.59%             | 1.18%        | 1.15%              | 1.19%              |
| Total Debt Service Reserve                                      | 0.08%             | 0.99%        | 0.24%             | 0.94%        | 0.44%             | 0.87%        | 0.85%              | 0.75%              |
| 2016B Construction Fund   | 0.05%             | 0.59%        | 0.45%             | 1.79%        | 0.53%             | 1.04%        | 0.79%              | n/a                |
| 2017A Construction Fund   | 0.11%             | 1.33%        | 0.38%             | 1.50%        | 0.63%             | 1.26%        | n/a                | n/a                |
| 2017B Construction Fund   | 0.09%             | 1.01%        | 0.24%             | 0.97%        | 0.52%             | 1.03%        | n/a                | n/a                |
| <b>Short-Term</b>   | <b>0.09%</b>      | <b>1.02%</b> | <b>0.25%</b>      | <b>1.00%</b> | <b>0.49%</b>      | <b>0.97%</b> | <b>0.84%</b>       | <b>0.74%</b>       |
| Merrill Lynch 3-Month Treasury Index (Book Value) <sup>1</sup>  | 0.09%             | 1.05%        | 0.26%             | 1.03%        | 0.49%             | 0.98%        | 0.76%              | 0.50%              |
| <b>Core (1+ Years)</b>  | <b>0.12%</b>      | <b>1.44%</b> | <b>0.36%</b>      | <b>1.42%</b> | <b>0.68%</b>      | <b>1.36%</b> | <b>1.28%</b>       | <b>1.21%</b>       |
| Merrill Lynch 1-3 Year Treasury Index (Book Value) <sup>2</sup> | 0.13%             | 1.60%        | 0.37%             | 1.47%        | 0.71%             | 1.40%        | 1.30%              | 1.09%              |

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



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

| DESCRIPTION                              | CUSIP     | PAR AMOUNT    | COUPON RATE | MATURITY DATE | SETTLEMENT DATE | YTM AT COST | ORIGINAL COST | MARKET VALUE + ACCRUED INTEREST | AMORTIZED COST + ACCRUED INTEREST | TOTAL VALUE      |
|--|-----------|---------------|-------------|---------------|-----------------|-------------|---------------|---------------------------------|-----------------------------------|------------------|
| <b>Rate Stabilization Fund</b>           |           |               |             |               |                 |             |               |                                 |                                   |                  |
| TD BANK BANK DEPOSIT                     |           | \$ 61,450,000 |             | 11/1/2017     |                 | 1.00%       | \$ 61,450,000 | \$ 61,450,000                   | \$ 61,450,000                     | \$ 61,450,000.00 |
| <b>Operating Reserve Accounts</b>        |           |               |             |               |                 |             |               |                                 |                                   |                  |
| TD BANK BANK DEPOSIT                     |           | \$ 52,400,957 |             | 11/1/2017     |                 | 0.90%       | \$ 52,400,957 | \$ 52,400,957                   | \$ 52,400,957                     |                  |
| WELLS FARGO GOVERNMENT MMF               |           | 90,192        |             | 11/1/2017     |                 | 0.90%       | 90,192        | 90,192                          | 90,192                            |                  |
| INDUSTRIAL BANK CDARS                    |           | 5,065,244     | 0.400       | 11/9/2017     | 11/10/2016      | 0.40%       | 5,065,244     | 5,085,010                       | 5,085,010                         |                  |
| INDUSTRIAL BANK CDARS                    |           | 2,563,284     | 0.600       | 1/18/2018     | 1/21/2016       | 0.60%       | 2,563,284     | 2,590,742                       | 2,590,742                         |                  |
| INDUSTRIAL BANK CDARS                    |           | 2,562,346     | 0.450       | 1/18/2018     | 1/19/2017       | 0.45%       | 2,562,346     | 2,571,432                       | 2,571,432                         |                  |
| REGIONAL TRANS AUTH, IL TXBL REV BONDS   | 7599112M1 | 1,800,000     | 1.250       | 5/4/2018      | 5/20/2016       | 1.44%       | 1,793,358     | 1,799,859                       | 1,800,134                         |                  |
| MERCK & CO GLOBAL NOTES                  | 58933YAG0 | 731,000       | 1.300       | 5/18/2018     | 3/27/2015       | 1.31%       | 730,664       | 734,632                         | 735,244                           |                  |
| BANK OF NEW YORK MELLON CORP (CALLABLE)  | 06406HDB2 | 1,800,000     | 1.600       | 5/22/2018     | 5/29/2015       | 1.60%       | 1,799,838     | 1,813,226                       | 1,812,689                         |                  |
| BANK OF NOVA SCOTIA CORP NOTE (CALLABLE) | 064159GM2 | 875,000       | 1.700       | 6/11/2018     | 6/11/2015       | 1.72%       | 874,589       | 881,154                         | 880,699                           |                  |
| CISCO SYSTEMS INC CORP NOTE              | 17275RAU6 | 360,000       | 1.650       | 6/15/2018     | 6/17/2015       | 1.66%       | 359,939       | 362,728                         | 362,231                           |                  |
| TOYOTA MOTOR CREDIT CORP                 | 89236TCP8 | 600,000       | 1.550       | 7/13/2018     | 7/13/2015       | 1.58%       | 599,490       | 602,794                         | 602,669                           |                  |
| AFRICAN DEVELOPMENT BANK NOTE            | 00828EBB4 | 700,000       | 1.625       | 10/2/2018     | 11/3/2016       | 1.12%       | 706,699       | 700,993                         | 704,153                           |                  |
| INDUSTRIAL BANK CDARS                    | XXXX      | 5,035,026     | 0.500       | 10/11/2018    | 10/11/2017      | 0.50%       | 5,035,026     | 5,036,424                       | 5,036,424                         |                  |
| US TREASURY NOTES                        | 912828A34 | 955,000       | 1.250       | 11/30/2018    | 11/9/2015       | 1.18%       | 956,940       | 957,299                         | 960,716                           |                  |
| US TREASURY NOTES                        | 912828A34 | 3,000,000     | 1.250       | 11/30/2018    | 5/6/2016        | 0.83%       | 3,031,641     | 3,007,223                       | 3,029,157                         |                  |
| CANADIAN IMPERIAL BANK NY CD             | 13606A5Z7 | 1,800,000     | 1.760       | 11/30/2018    | 12/5/2016       | 1.78%       | 1,798,596     | 1,817,738                       | 1,812,525                         |                  |
| NORDEA BANK FINLAND NY CD                | 65558LWA6 | 1,800,000     | 1.760       | 11/30/2018    | 12/5/2016       | 1.74%       | 1,800,000     | 1,818,090                       | 1,813,640                         |                  |
| US TREASURY NOTES                        | 912828A75 | 4,225,000     | 1.500       | 12/31/2018    | 12/4/2015       | 1.22%       | 4,260,813     | 4,245,696                       | 4,260,066                         |                  |
| SVENSKA HANDELSBANKEN NY LT CD           | 86958JHB8 | 1,800,000     | 1.890       | 1/10/2019     | 1/12/2017       | 1.91%       | 1,800,000     | 1,805,643                       | 1,810,773                         |                  |
| WELLS FARGO & COMPANY NOTES              | 94974BFQ8 | 1,103,000     | 2.150       | 1/15/2019     | 10/7/2015       | 1.77%       | 1,116,225     | 1,113,613                       | 1,114,947                         |                  |
| FHLB NOTES                               | 3130AAE46 | 1,800,000     | 1.250       | 1/16/2019     | 12/8/2016       | 1.25%       | 1,799,928     | 1,800,032                       | 1,806,518                         |                  |
| APPLE INC CORP NOTES                     | 037833BQ2 | 545,000       | 1.700       | 2/22/2019     | 2/23/2016       | 1.71%       | 544,907       | 547,049                         | 546,709                           |                  |
| FNMA BENCHMARK NOTE                      | 3135G0J53 | 2,250,000     | 1.000       | 2/26/2019     | 2/23/2016       | 1.08%       | 2,244,690     | 2,237,858                       | 2,251,713                         |                  |
| FNMA BENCHMARK NOTE                      | 3135G0J53 | 825,000       | 1.000       | 2/26/2019     | 8/8/2016        | 0.90%       | 827,087       | 820,548                         | 827,576                           |                  |
| FNMA BENCHMARK NOTE                      | 3135G0J53 | 1,425,000     | 1.000       | 2/26/2019     | 9/2/2016        | 0.97%       | 1,425,926     | 1,417,310                       | 1,428,068                         |                  |
| BERKSHIRE HATHAWAY INC NOTES             | 084664CG4 | 130,000       | 1.700       | 3/15/2019     | 3/15/2016       | 1.73%       | 129,901       | 130,337                         | 130,237                           |                  |
| COLGATE-PALMOLIVE COMPANY CORP NOTES     | 19416QEF3 | 925,000       | 1.750       | 3/15/2019     | 5/1/2017        | 1.55%       | 928,432       | 928,360                         | 929,597                           |                  |
| FREDDIE MAC NOTES                        | 3137EADZ9 | 1,700,000     | 1.125       | 4/15/2019     | 5/31/2016       | 1.10%       | 1,701,309     | 1,689,815                       | 1,701,521                         |                  |
| US TREASURY NOTES                        | 912828D23 | 1,465,000     | 1.625       | 4/30/2019     | 6/29/2016       | 0.70%       | 1,502,998     | 1,466,954                       | 1,485,216                         |                  |
| US TREASURY NOTES                        | 912828D23 | 2,820,000     | 1.625       | 4/30/2019     | 11/14/2016      | 1.06%       | 2,858,555     | 2,823,762                       | 2,843,702                         |                  |
| INTER-AMERICAN DEVELOPMENT BANK          | 458182DX7 | 1,260,000     | 1.000       | 5/13/2019     | 4/12/2016       | 1.10%       | 1,256,220     | 1,253,009                       | 1,263,985                         |                  |
| CHEVRON CORP NOTES                       | 166764BH2 | 900,000       | 1.561       | 5/16/2019     | 5/16/2016       | 1.56%       | 900,000       | 904,083                         | 906,439                           |                  |
| FHLB GLOBAL NOTE                         | 3130A8DB6 | 1,840,000     | 1.125       | 6/21/2019     | 6/3/2016        | 1.14%       | 1,839,227     | 1,833,701                       | 1,847,055                         |                  |
| FL ST BOARD ADMIN FIN CORP TXBL REV BD   | 341271AA2 | 1,800,000     | 2.163       | 7/1/2019      | 3/8/2016        | 2.16%       | 1,800,000     | 1,817,550                       | 1,812,978                         |                  |
| BANK OF MONTREAL                         | 06367THQ6 | 900,000       | 1.500       | 7/18/2019     | 7/18/2016       | 1.53%       | 899,136       | 898,055                         | 903,364                           |                  |
| FHLMC REFERENCE NOTE                     | 3137EAE1  | 2,250,000     | 0.875       | 7/19/2019     | 7/20/2016       | 0.96%       | 2,244,555     | 2,227,665                       | 2,252,441                         |                  |
| ROYAL BANK OF CANADA CORP NOTES          | 78012KRR5 | 900,000       | 1.500       | 7/29/2019     | 7/29/2016       | 1.54%       | 898,974       | 897,438                         | 902,848                           |                  |
| SKANDINAV ENSKILDA BANKEN NY CD          | 83050FXT3 | 1,850,000     | 1.840       | 8/2/2019      | 8/4/2017        | 1.85%       | 1,849,279     | 1,856,982                       | 1,857,782                         |                  |
| APPLE INC CORP NOTES                     | 037833CB4 | 900,000       | 1.100       | 8/2/2019      | 8/4/2016        | 1.13%       | 899,100       | 893,469                         | 901,862                           |                  |
| MICROSOFT CORP NOTES                     | 594918BN3 | 595,000       | 1.100       | 8/8/2019      | 8/8/2016        | 1.14%       | 594,387       | 590,341                         | 596,145                           |                  |
| TORONTO DOMINION BANK NY CORP NOTES      | 89114QBJ6 | 900,000       | 1.450       | 8/13/2019     | 7/13/2016       | 1.45%       | 899,919       | 895,887                         | 902,778                           |                  |
| CT ST TXBL GO BONDS                      | 20772J3D2 | 985,000       | 1.300       | 8/15/2019     | 8/17/2016       | 1.23%       | 987,128       | 977,115                         | 988,983                           |                  |
| INTL BANK OF RECON AND DEV SN NOTE       | 459058FK4 | 900,000       | 0.875       | 8/15/2019     | 7/13/2016       | 0.88%       | 899,811       | 888,532                         | 901,552                           |                  |
| FNMA NOTES                               | 3135G0P49 | 1,450,000     | 1.000       | 8/28/2019     | 9/2/2016        | 1.05%       | 1,447,738     | 1,436,369                       | 1,451,148                         |                  |

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

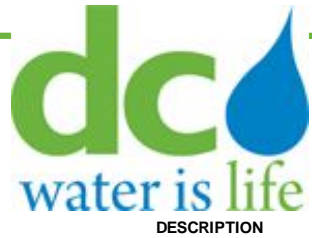


**DC Water  
Finance Division  
Portfolio Holdings by Fund**

| 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>        |           |            |             |               |                 |             |               |                                 |                                   |                   |
| FNMA NOTES                               | 3135G0P49 | 1,975,000  | 1.000       | 8/28/2019     | 10/5/2016       | 1.02%       | 1,973,815     | 1,956,433                       | 1,977,708                         |                   |
| AFRICAN DEVELOPMENT BANK NOTE            | 00828EBQ1 | 700,000    | 1.125       | 9/20/2019     | 9/20/2016       | 1.16%       | 699,258       | 692,749                         | 700,427                           |                   |
| WAL-MART STORES INC CORP NOTE            | 931142DY6 | 430,000    | 1.750       | 10/9/2019     | 10/20/2017      | 1.75%       | 429,991       | 430,116                         | 430,221                           |                   |
| THE PROCTER & GAMBLE CO CORP NOTES       | 742718EZ8 | 440,000    | 1.750       | 10/25/2019    | 10/25/2017      | 1.77%       | 439,846       | 440,350                         | 439,976                           |                   |
| US TREASURY NOTES                        | 912828G61 | 2,325,000  | 1.500       | 11/30/2019    | 12/5/2016       | 1.45%       | 2,328,633     | 2,334,043                       | 2,342,221                         |                   |
| PFIZER INC CORP NOTE                     | 717081EB5 | 595,000    | 1.700       | 12/15/2019    | 11/21/2016      | 1.72%       | 594,572       | 598,254                         | 598,521                           |                   |
| PFIZER INC CORP NOTE                     | 717081EB5 | 300,000    | 1.700       | 12/15/2019    | 11/21/2016      | 1.73%       | 299,775       | 301,641                         | 301,769                           |                   |
| ASIAN DEVELOPMENT BANK NOTE              | 045167DT7 | 925,000    | 1.750       | 1/10/2020     | 1/12/2017       | 1.77%       | 924,464       | 929,688                         | 929,596                           |                   |
| US TREASURY NOTES                        | 912828H52 | 3,475,000  | 1.250       | 1/31/2020     | 1/5/2017        | 1.52%       | 3,447,309     | 3,456,249                       | 3,465,597                         |                   |
| MICROSOFT CORP                           | 594918BV5 | 445,000    | 1.850       | 2/6/2020      | 2/6/2017        | 1.87%       | 444,702       | 447,209                         | 446,717                           |                   |
| FNMA NOTES                               | 3135G0T29 | 1,150,000  | 1.500       | 2/28/2020     | 2/28/2017       | 1.52%       | 1,149,264     | 1,147,533                       | 1,152,446                         |                   |
| US TREASURY NOTES                        | 912828J50 | 725,000    | 1.375       | 2/29/2020     | 2/3/2017        | 1.58%       | 720,610       | 721,978                         | 723,360                           |                   |
| US TREASURY NOTES                        | 912828J50 | 2,900,000  | 1.375       | 2/29/2020     | 9/1/2017        | 1.38%       | 2,899,887     | 2,887,913                       | 2,906,724                         |                   |
| EXXON MOBIL (CALLABLE) CORP NOTE         | 30231GAG7 | 925,000    | 1.912       | 3/6/2020      | 4/28/2017       | 1.77%       | 928,635       | 929,070                         | 930,691                           |                   |
| WESTPAC BANKING CORP NOTES               | 961214DJ9 | 925,000    | 2.150       | 3/6/2020      | 3/6/2017        | 2.16%       | 924,602       | 930,066                         | 927,725                           |                   |
| AFRICAN DEVELOPMENT BANK NOTE            | 00828ECA5 | 1,035,000  | 1.875       | 3/16/2020     | 3/16/2017       | 1.93%       | 1,033,468     | 1,038,728                       | 1,036,206                         |                   |
| TOYOTA MOTOR CREDIT CORP (CALLABLE)      | 89236TDU6 | 630,000    | 1.950       | 4/17/2020     | 4/17/2017       | 1.97%       | 629,710       | 630,728                         | 630,239                           |                   |
| TOYOTA MOTOR CREDIT CORP (CALLABLE)      | 89236TDU6 | 295,000    | 1.950       | 4/17/2020     | 4/17/2017       | 1.94%       | 295,089       | 295,341                         | 295,297                           |                   |
| US TREASURY NOTES                        | 912828K58 | 2,750,000  | 1.375       | 4/30/2020     | 4/5/2017        | 1.53%       | 2,737,646     | 2,729,587                       | 2,740,016                         |                   |
| US TREASURY NOTES                        | 912828K58 | 1,575,000  | 1.375       | 4/30/2020     | 4/10/2017       | 1.55%       | 1,566,879     | 1,563,309                       | 1,568,397                         |                   |
| NYC TRANS FIN AUTH, NY TXBL REV BONDS    | 64971W5W6 | 540,000    | 1.960       | 5/1/2020      | 6/29/2017       | 1.96%       | 540,000       | 544,121                         | 543,587                           |                   |
| TOTAL CAPITAL SA CORP NOTES              | 89152UAD4 | 850,000    | 4.450       | 6/24/2020     | 4/10/2017       | 2.07%       | 912,492       | 918,709                         | 915,255                           |                   |
| US TREASURY NOTES                        | 912828XH8 | 1,825,000  | 1.625       | 6/30/2020     | 6/16/2017       | 1.51%       | 1,830,988     | 1,831,357                       | 1,840,258                         |                   |
| US TREASURY NOTES                        | 912828XH8 | 3,650,000  | 1.625       | 6/30/2020     | 6/28/2017       | 1.50%       | 3,663,117     | 3,662,715                       | 3,681,637                         |                   |
| BANK OF NOVA SCOTIA HOUSTON BKNT         | 064159JX5 | 925,000    | 2.150       | 7/14/2020     | 7/14/2017       | 2.15%       | 924,871       | 931,922                         | 930,794                           |                   |
| FNMA NOTES                               | 3135G0T60 | 1,850,000  | 1.500       | 7/30/2020     | 9/1/2017        | 1.49%       | 1,850,481     | 1,844,624                       | 1,857,394                         |                   |
| US TREASURY NOTES                        | 912828XM7 | 825,000    | 1.625       | 7/31/2020     | 7/7/2017        | 1.60%       | 825,516       | 828,551                         | 828,854                           |                   |
| WESTPAC BANKING CORP NY CD               | 96121T4A3 | 900,000    | 2.050       | 8/3/2020      | 8/7/2017        | 2.05%       | 900,000       | 907,878                         | 904,305                           |                   |
| INTL BANK OF RECONSTRUCTION AND DEV NOTE | 45905UP32 | 925,000    | 1.561       | 9/12/2020     | 9/19/2017       | 1.64%       | 922,780       | 916,523                         | 924,549                           |                   |
| GENERAL ELECTRIC CAPITAL CORP CORP NOTE  | 36962G4R2 | 425,000    | 4.375       | 9/16/2020     | 8/31/2017       | 1.84%       | 456,790       | 455,031                         | 457,416                           |                   |
| FHLB NOTES                               | 3130ACE26 | 965,000    | 1.375       | 9/28/2020     | 9/8/2017        | 1.48%       | 961,902       | 954,475                         | 963,263                           |                   |
| US TREASURY NOTES                        | 912828L99 | 250,000    | 1.375       | 10/31/2020    | 10/17/2017      | 1.71%       | 247,539       | 247,324                         | 247,581                           |                   |
| INTER-AMERICAN DEVELOPMENT BANK          | 4581X0CD8 | 915,000    | 2.125       | 11/9/2020     | 10/10/2017      | 1.81%       | 923,481       | 931,104                         | 932,619                           |                   |
| COCA-COLA CO/THE GLOBAL NOTES            | 191216AR1 | 370,000    | 3.150       | 11/15/2020    | 9/12/2017       | 1.78%       | 385,584       | 388,998                         | 390,312                           |                   |
|  |           |            |             |               |                 |             |               |                                 |                                   | \$ 160,876,292.68 |
| <b>Debt Service Reserve</b>              |           |            |             |               |                 |             |               |                                 |                                   |                   |
| WELLS FARGO TREASURY PLUS MMF            |           | \$ 6,315   |             | 11/1/2017     |                 | 0.90%       | \$ 6,315      | \$ 6,315                        | \$ 6,315                          |                   |
| US TREASURY NOTES                        | 912828Q45 | 6,820,000  | 0.875       | 3/31/2018     | 11/2/2016       | 0.76%       | 6,831,189     | 6,814,593                       | 6,828,532                         |                   |
| US TREASURY NOTES                        | 912828RH5 | 4,975,000  | 1.375       | 9/30/2018     | 11/15/2016      | 1.00%       | 5,009,786     | 4,975,571                       | 4,998,033                         |                   |
| US TREASURY NOTES                        | 912828T42 | 6,460,000  | 0.750       | 9/30/2018     | 5/19/2017       | 1.19%       | 6,421,644     | 6,422,121                       | 6,438,597                         |                   |
| US TREASURY N/B                          | 912828W97 | 5,175,000  | 1.250       | 3/31/2019     | 10/10/2017      | 1.45%       | 5,160,041     | 5,160,271                       | 5,166,338                         |                   |
|  |           |            |             |               |                 |             |               |                                 |                                   | \$ 23,437,815.03  |
| <b>CSO LTCP Appropriations Account</b>   |           |            |             |               |                 |             |               |                                 |                                   |                   |
| TD BANK BANK DEPOSIT                     |           | 2,733      |             | 11/1/2017     |                 | 1.07%       | 2,733         | 2,733                           | 2,733                             |                   |
|  |           |            |             |               |                 |             |               |                                 |                                   | \$ 2,732.66       |

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

Investment Performance Report – October 2017



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>2015A Construction Fund</b>           |           |               |             |               |                 |             |                          |                                 |                                   |                          |
| WELLS FARGO TREASURY PLUS MMF            |           | \$ 1,043,532  |             | 11/1/2017     |                 | 0.90%       | \$ 1,043,532             | \$ 1,043,532                    | \$ 1,043,532                      | \$ 1,043,531.52          |
| <b>2015B Construction Fund</b>           |           |               |             |               |                 |             |                          |                                 |                                   |                          |
| WELLS FARGO TREASURY PLUS MMF            |           | \$ 31,445     |             | 11/1/2017     |                 | 0.90%       | \$ 31,445                | \$ 31,445                       | \$ 31,445                         | \$ 31,444.87             |
| <b>2016B Construction Fund</b>           |           |               |             |               |                 |             |                          |                                 |                                   |                          |
| WELLS FARGO TREASURY PLUS MMF            |           | \$ 24,692,628 |             | 11/1/2017     |                 | 0.90%       | \$ 24,692,628            | \$ 24,692,628                   | \$ 24,692,628                     | \$ 24,692,628.48         |
| <b>2017A Construction Fund</b>           |           |               |             |               |                 |             |                          |                                 |                                   |                          |
| WELLS FARGO TREASURY PLUS MMF            |           | \$ 116,568    |             | 11/1/2017     |                 | 0.90%       | \$ 116,568               | \$ 116,568                      | \$ 116,568                        |                          |
| BNP PARIBAS NY BRANCH COMM PAPER         | 09659BYQ7 | 16,500,000    | -           | 11/24/2017    | 3/1/2017        | 1.31%       | 16,340,317               | 16,487,048                      | 16,486,296                        |                          |
| TOYOTA MOTOR CREDIT CORP COMM PAPER      | 89233GYQ3 | 1,700,000     | -           | 11/24/2017    | 3/1/2017        | 1.36%       | 1,682,915                | 1,698,740                       | 1,698,534                         | \$ 18,301,397.43         |
| <b>2017B Construction Fund</b>           |           |               |             |               |                 |             |                          |                                 |                                   |                          |
| WELLS FARGO TREASURY PLUS MMF            |           | \$ 2,212,723  |             | 11/1/2017     |                 | 0.90%       | \$ 2,212,723             | \$ 2,212,723                    | \$ 2,212,723                      |                          |
| BANK OF TOKYO MITSUBISHI COMM PAPER      | 06538BZ48 | 1,650,000     | -           | 12/4/2017     | 9/1/2017        | 1.30%       | 1,644,399                | 1,648,071                       | 1,648,034                         |                          |
| US TREASURY N/B                          | 912828H37 | 17,485,000    | 0.875       | 1/15/2018     | 3/2/2017        | 0.92%       | 17,477,487               | 17,519,003                      | 17,528,567                        |                          |
| US TREASURY N/B                          | 912828J68 | 28,870,000    | 1.000       | 3/15/2018     | 3/2/2017        | 1.02%       | 28,865,489               | 28,878,065                      | 28,905,876                        |                          |
| CANADIAN IMPERIAL HOLDING COMM PAPER     | 13607FDD5 | 7,000,000     | -           | 4/13/2018     | 9/14/2017       | 1.44%       | 6,941,412                | 6,953,891                       | 6,954,740                         |                          |
| US TREASURY NOTES                        | 912828K25 | 11,555,000    | 0.750       | 4/15/2018     | 3/2/2017        | 1.04%       | 11,517,537               | 11,531,963                      | 11,543,856                        |                          |
| BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA | 06538CEV9 | 5,350,000     | -           | 5/29/2018     | 9/1/2017        | 1.56%       | 5,288,208                | 5,301,315                       | 5,302,168                         |                          |
| JP MORGAN SECURITIES LLC COMM PAPER      | 46640QEV9 | 7,000,000     | -           | 5/29/2018     | 9/1/2017        | 1.56%       | 6,919,150                | 6,935,894                       | 6,937,416                         |                          |
| US TREASURY NOTES                        | 912828XF2 | 18,710,000    | 1.125       | 6/15/2018     | 3/2/2017        | 1.08%       | 18,721,694               | 18,763,614                      | 18,795,619                        | \$ 99,828,998.90         |
|  |           |               |             |               |                 |             | <b>\$ 388,915,953.68</b> | <b>\$ 389,136,084.00</b>        | <b>\$ 389,664,841.57</b>          | <b>\$ 389,664,841.57</b> |

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Investment Performance Report – October 2017



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> |  |              |        |               |             |       |                    |
| 19416QEF3                         | COLGATE-PALMOLIVE COMPANY CORP NOTES     | 925,000.00   | 1.75   | 3/15/2019     | 5/1/2017    | 1.55  | 930,500.15         |
| 912828XH8                         | US TREASURY NOTES                        | 1,825,000.00 | 1.63   | 6/30/2020     | 6/16/2017   | 1.51  | 1,844,669.48       |
| 912828XH8                         | US TREASURY NOTES                        | 3,650,000.00 | 1.63   | 6/30/2020     | 6/28/2017   | 1.50  | 3,692,445.75       |
| 64971W5W6                         | NYC TRANS FIN AUTH, NY TXBL REV BONDS    | 540,000.00   | 1.96   | 5/1/2020      | 6/29/2017   | 1.96  | 540,000.00         |
| 912828XM7                         | US TREASURY NOTES                        | 2,700,000.00 | 1.63   | 7/31/2020     | 7/7/2017    | 1.60  | 2,720,716.16       |
| 064159JX5                         | BANK OF NOVA SCOTIA HOUSTON BKNT         | 925,000.00   | 2.15   | 7/14/2020     | 7/14/2017   | 2.15  | 924,870.50         |
| 83050FXT3                         | SKANDINAV ENSKILDA BANKEN NY CD          | 1,850,000.00 | 1.84   | 8/2/2019      | 8/4/2017    | 1.88  | 1,849,278.50       |
| 96121T4A3                         | WESTPAC BANKING CORP NY CD               | 900,000.00   | 2.05   | 8/3/2020      | 8/7/2017    | 2.05  | 900,000.00         |
| 36962G4R2                         | GENERAL ELECTRIC CAPITAL CORP CORP NOTE  | 425,000.00   | 4.38   | 9/16/2020     | 8/31/2017   | 1.84  | 465,312.14         |
| 3135G0T60                         | FNMA NOTES                               | 1,850,000.00 | 1.50   | 7/30/2020     | 9/1/2017    | 1.49  | 1,852,793.50       |
| 912828J50                         | US TREASURY NOTES                        | 2,900,000.00 | 1.38   | 2/29/2020     | 9/1/2017    | 1.38  | 2,899,996.87       |
| 3130ACE26                         | FHLB NOTES                               | 965,000.00   | 1.38   | 9/28/2020     | 9/8/2017    | 1.48  | 961,902.35         |
| 191216AR1                         | COCA-COLA CO/THE GLOBAL NOTES            | 370,000.00   | 3.15   | 11/15/2020    | 9/12/2017   | 1.78  | 389,372.28         |
| 45905UP32                         | INTL BANK OF RECONSTRUCTION AND DEV NOTE | 925,000.00   | 1.56   | 9/12/2020     | 9/19/2017   | 1.64  | 922,780.00         |
| 4581X0CD8                         | INTER-AMERICAN DEVELOPMENT BANK          | 915,000.00   | 2.13   | 11/9/2020     | 10/10/2017  | 1.81  | 931,636.80         |
| xxxxxx                            | INDUSTRIAL BANK CDARS                    | 5,035,025.80 | 0.50   | 10/11/2018    | 10/11/2017  | 0.50  | 5,035,025.80       |
| 912828L99                         | US TREASURY NOTES                        | 250,000.00   | 1.38   | 10/31/2020    | 10/17/2017  | 1.71  | 249,127.04         |
| 931142DY6                         | WAL-MART STORES INC CORP NOTE            | 430,000.00   | 1.75   | 10/9/2019     | 10/20/2017  | 1.75  | 429,991.40         |
| 742718EZ8                         | THE PROCTER & GAMBLE CO CORP NOTES       | 440,000.00   | 1.75   | 10/25/2019    | 10/25/2017  | 1.77  | 439,846.00         |
| <b>Total Debt Service Reserve</b> |  |              |        |               |             |       |                    |
| 912828T42                         | US TREASURY NOTES                        | 6,460,000.00 | 0.750  | 9/30/2018     | 5/19/2017   | 1.189 | 6,428,130.23       |
| 912828W97                         | US TREASURY N/B                          | 5,175,000.00 | 1.250  | 3/31/2019     | 10/10/2017  | 1.449 | 5,161,818.15       |
| <b>2017B Construction Fund</b>    |  |              |        |               |             |       |                    |
| 06538BZ48                         | BANK OF TOKYO MITSUBISHI COMM PAPER      | 1,650,000.00 | 0.000  | 12/4/2017     | 9/1/2017    | 1.323 | 1,644,399.17       |
| 22533TZ58                         | CREDIT AGRICOLE CIB NY COMM PAPER        | 7,000,000.00 | 0.000  | 12/5/2017     | 9/1/2017    | 1.302 | 6,976,355.56       |
| 46640QEV9                         | JP MORGAN SECURITIES LLC COMM PAPER      | 7,000,000.00 | 0.000  | 5/29/2018     | 9/1/2017    | 1.576 | 6,919,150.00       |
| 89233GZ41                         | TOYOTA MOTOR CREDIT CORP COMM PAPER      | 5,700,000.00 | 0.000  | 12/4/2017     | 9/1/2017    | 1.231 | 5,681,991.17       |
| 06538CEV9                         | BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA | 5,350,000.00 | 0.000  | 5/29/2018     | 9/1/2017    | 1.576 | 5,288,207.50       |
| 13607FDD5                         | CANADIAN IMPERIAL HOLDING COMM PAPER     | 7,000,000.00 | 0.000  | 4/13/2018     | 9/14/2017   | 1.459 | 6,941,412.33       |

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

Investment Performance Report – October 2017



DC Water  
Finance Division  
Security Sales  
Last 6 Months

| CUSIP                             | DESCRIPTION                                | PAR               | COUPON      | MATURITY DATE     | SETTLE DATE       | YTM         | TRANSACTION AMOUNT |
|-----------------------------------|--|-------------------|-------------|-------------------|-------------------|-------------|--------------------|
| <b>Operating Reserve Accounts</b> |  |                   |             |                   |                   |             |                    |
| 912828A75                         | US TREASURY NOTES                          | 925,000.00        | 1.50        | 12/31/2018        | 5/1/2017          | 1.25        | 933,467.86         |
| 459200HZ7                         | IBM CORP NOTES                             | 1,825,000.00      | 1.13        | 2/6/2018          | 6/16/2017         | 1.31        | 1,830,315.31       |
| 3130A8PK3                         | FHLB NOTES                                 | 3,675,000.00      | 0.63        | 8/7/2018          | 6/28/2017         | 1.29        | 3,656,984.84       |
| 30231GAL6                         | EXXON MOBIL CORP NOTES                     | 300,000.00        | 1.31        | 3/6/2018          | 6/29/2017         | 1.39        | 301,063.88         |
| 90333VPF1                         | US BANK NA CINCIN CD(CALLED OMD 9/11/17)   | 1,200,000.00      | 1.38        | 8/11/2017         | 7/7/2017          | 1.20        | 1,205,580.67       |
| 30231GAL6                         | EXXON MOBIL CORP NOTES                     | 575,000.00        | 1.31        | 3/6/2018          | 7/7/2017          | 1.39        | 577,200.09         |
| 459058FE8                         | INTL BANK OF RECON AND DEV SN NOTES        | 900,000.00        | 0.88        | 7/19/2018         | 7/7/2017          | 1.40        | 898,819.20         |
| 064159GM2                         | BANK OF NOVA SCOTIA CORP NOTE (CALLABLE)   | 925,000.00        | 1.70        | 6/11/2018         | 7/14/2017         | 1.56        | 927,625.46         |
| 83050FBG5                         | SKANDINAVISKA ENSKILDA BANKEN NY CD        | 1,800,000.00      | 1.48        | 11/16/2017        | 8/4/2017          | 1.27        | 1,820,226.62       |
| 961214BZ5                         | WESTPAC BANKING CORP NOTES                 | 475,000.00        | 1.60        | 1/12/2018         | 8/7/2017          | 1.41        | 475,903.03         |
| 40428AR41                         | HSBC BANK USA NA FLOATING CERT DEPOS       | 275,000.00        | 1.90        | 11/17/2017        | 8/7/2017          | 1.29        | 276,514.99         |
| 17275RAU6                         | CISCO SYSTEMS INC CORP NOTE                | 375,000.00        | 1.65        | 6/15/2018         | 8/31/2017         | 1.48        | 376,808.75         |
| 3137EAED7                         | FHLMC REFERENCE NOTE                       | 2,375,000.00      | 0.88        | 10/12/2018        | 9/1/2017          | 1.30        | 2,371,932.62       |
| 78010U4A2                         | ROYAL BANK OF CANADA CORP NOTES            | 850,000.00        | 1.40        | 10/13/2017        | 9/1/2017          | 1.36        | 854,595.67         |
| 40428AR41                         | HSBC BANK USA NA FLOATING CERT DEPOS       | 1,525,000.00      | 1.90        | 11/17/2017        | 9/1/2017          | 1.33        | 1,527,976.26       |
| 912828XM7                         | US TREASURY NOTES                          | 950,000.00        | 1.63        | 7/31/2020         | 9/8/2017          | 1.37        | 958,389.95         |
| 17275RAU6                         | CISCO SYSTEMS INC CORP NOTE                | 390,000.00        | 1.65        | 6/15/2018         | 9/12/2017         | 1.45        | 392,147.93         |
| 912828XM7                         | US TREASURY NOTES                          | 925,000.00        | 1.63        | 7/31/2020         | 9/19/2017         | 1.45        | 931,522.76         |
| <b>912828A34</b>                  | <b>US TREASURY NOTES</b>                   | <b>925,000.00</b> | <b>1.25</b> | <b>11/30/2018</b> | <b>10/10/2017</b> | <b>1.39</b> | <b>927,724.77</b>  |
| <b>084670BX5</b>                  | <b>BERKSHIRE HATHAWAY INC GLOBAL NOTES</b> | <b>220,000.00</b> | <b>1.15</b> | <b>8/15/2018</b>  | <b>10/17/2017</b> | <b>1.44</b> | <b>219,905.52</b>  |
| <b>912828A34</b>                  | <b>US TREASURY NOTES</b>                   | <b>250,000.00</b> | <b>1.25</b> | <b>11/30/2018</b> | <b>10/20/2017</b> | <b>1.44</b> | <b>250,685.09</b>  |
| <b>17275RAU6</b>                  | <b>CISCO SYSTEMS INC CORP NOTE</b>         | <b>425,000.00</b> | <b>1.65</b> | <b>6/15/2018</b>  | <b>10/25/2017</b> | <b>1.46</b> | <b>428,050.79</b>  |
| <b>Total Debt Service Reserve</b> |  |                   |             |                   |                   |             |                    |
| 912828PA2                         | US TREASURY NOTES                          | 6,257,000.00      | 1.88        | 9/30/2017         | 5/19/2017         | 1.02        | 6,292,259.74       |
| <b>2017A Construction Fund</b>    |  |                   |             |                   |                   |             |                    |
| 313589GH0                         | FNMA DISC NOTE                             | 8,500,000.00      | -           | 6/1/2017          | 5/2/2017          | 0.76        | 8,494,687.50       |
| 89233GX27                         | TOYOTA MOTOR CREDIT CORP COMM PAPER        | 2,015,000.00      | -           | 10/2/2017         | 8/8/2017          | 1.19        | 2,011,398.19       |
| 89233GYQ3                         | TOYOTA MOTOR CREDIT CORP COMM PAPER        | 2,350,000.00      | -           | 11/24/2017        | 8/8/2017          | 1.26        | 2,341,258.00       |
| 89233GYQ3                         | TOYOTA MOTOR CREDIT CORP COMM PAPER        | 4,200,000.00      | -           | 11/24/2017        | 8/9/2017          | 1.24        | 4,184,770.33       |

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

Investment Performance Report – October 2017



DC Water  
Finance Division  
Security Sales  
Last 6 Months

| CUSIP                          | DESCRIPTION                                | PAR                  | COUPON      | MATURITY DATE    | SETTLE DATE       | YTM         | TRANSACTION AMOUNT   |
|--------------------------------|--|----------------------|-------------|------------------|-------------------|-------------|----------------------|
| <b>2017B Construction Fund</b> |  |                      |             |                  |                   |             |                      |
| 313385HN9                      | FED HOME LN DISCOUNT NT                    | 885,000.00           | -           | 6/30/2017        | 6/6/2017          | 0.90        | 884,474.90           |
| 36164JW18                      | GE CAPITAL TREASURY LLC COMM PAPER         | 16,500,000.00        | -           | 9/1/2017         | 6/6/2017          | 1.07        | 16,458,131.25        |
| 89233GW51                      | TOYOTA MOTOR CREDIT CORP                   | 6,250,000.00         | -           | 9/5/2017         | 6/6/2017          | 1.10        | 6,232,937.50         |
| 912796LR8                      | US TREASURY BILL                           | 1,400,000.00         | -           | 8/31/2017        | 6/6/2017          | 0.96        | 1,396,832.81         |
| 912828XF2                      | US TREASURY NOTES                          | 12,195,000.00        | 1.13        | 6/15/2018        | 9/1/2017          | 1.24        | 12,213,281.56        |
| 912828K25                      | US TREASURY NOTES                          | 6,950,000.00         | 0.75        | 4/15/2018        | 9/14/2017         | 1.19        | 6,954,001.06         |
| 89233GZ41                      | TOYOTA MOTOR CREDIT CORP COMM PAPER        | 2,000,000.00         | -           | 12/4/2017        | 9/27/2017         | 1.22        | 1,995,466.67         |
| <b>912828XK1</b>               | <b>US TREASURY NOTES</b>                   | <b>12,750,000.00</b> | <b>0.88</b> | <b>7/15/2018</b> | <b>10/23/2017</b> | <b>1.35</b> | <b>12,736,985.82</b> |
| <b>22533TZ58</b>               | <b>CREDIT AGRICOLE CIB NY COMM PAPER</b>   | <b>7,000,000.00</b>  | <b>-</b>    | <b>12/5/2017</b> | <b>10/23/2017</b> | <b>1.27</b> | <b>6,989,548.61</b>  |
| <b>89233GZ41</b>               | <b>TOYOTA MOTOR CREDIT CORP COMM PAPER</b> | <b>3,700,000.00</b>  | <b>-</b>    | <b>12/4/2017</b> | <b>10/23/2017</b> | <b>1.21</b> | <b>3,694,863.17</b>  |

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

Investment Performance Report – October 2017



DC Water  
Finance Division  
Security Maturities  
Last 6 Months

| CUSIP                             | DESCRIPTION                              | PAR           | COUPON | MATURITY DATE | SETTLE DATE | YTM  | TRANSACTION AMOUNT |
|-----------------------------------|--|---------------|--------|---------------|-------------|------|--------------------|
| <u>Operating Reserve Accounts</u> |  |               |        |               |             |      |                    |
| 605581FX0                         | MS ST TXBL GO BONDS                      | 120,000.00    | 1.09   | 10/1/2017     | 10/1/2017   | 0.00 | 120,000.00         |
| RE0959594                         | INDUSTRIAL BANK CDARS                    | 5,035,025.80  | 0.35   | 10/12/2017    | 10/12/2017  | 0.00 | 5,052,600.24       |
| <u>Total Debt Service Reserve</u> |  |               |        |               |             |      |                    |
| 912828TS9                         | US TREASURY NOTES                        | 5,415,000.00  | 0.63   | 9/30/2017     | 9/30/2017   | 0.00 | 5,415,000.00       |
| <u>2016B Construction Fund</u>    |  |               |        |               |             |      |                    |
| 912796KU2                         | US TREASURY BILL                         | 24,564,000.00 | -      | 5/4/2017      | 5/4/2017    | 0.00 | 24,564,000.00      |
| <u>2017A Construction Fund</u>    |  |               |        |               |             |      |                    |
| 313589GH0                         | FNMA DISC NOTE                           | 41,500,000.00 | -      | 6/1/2017      | 6/1/2017    | 0.00 | 41,500,000.00      |
| 313589GH0                         | FNMA DISC NOTE                           | 40,000.00     | -      | 6/1/2017      | 6/1/2017    | 0.00 | 40,000.00          |
| <u>2017B Construction Fund</u>    |  |               |        |               |             |      |                    |
| 912796LR8                         | US TREASURY BILL                         | 11,135,000.00 | -      | 8/31/2017     | 8/31/2017   | 0.00 | 11,135,000.00      |
| 06538BW17                         | BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER | 16,500,000.00 | -      | 9/1/2017      | 9/1/2017    | 0.00 | 16,500,000.00      |
| 21687AW17                         | COOPERATIEVE RABOBANK U.A. COMM PAPER    | 16,500,000.00 | -      | 9/1/2017      | 9/1/2017    | 0.00 | 16,500,000.00      |
| 22533TW10                         | CREDIT AGRICOLE CIB NY COMM PAPER        | 16,500,000.00 | -      | 9/1/2017      | 9/1/2017    | 0.00 | 16,500,000.00      |
| 46640PW17                         | JP MORGAN SECURITIES LLC COMM PAPER      | 16,500,000.00 | -      | 9/1/2017      | 9/1/2017    | 0.00 | 16,500,000.00      |

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





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

| DATE     | TRANSACTION | CUSIP     | DESCRIPTION                             | COUPON | MATURITY DATE | PAR VALUE/SHARES | PRINCIPAL     | INTEREST     | TOTAL          |
|----------|-------------|-----------|---|--------|---------------|------------------|---------------|--------------|----------------|
| 11/01/17 | INTEREST    | 64971W5W6 | NYC TRANS FIN AUTH, NY TXBL REV BONDS   | 1.960  | 05/01/20      | 540,000.00       | 0.00          | 3,586.80     | 3,586.80       |
| 11/03/17 | SELL        | 00828EBB4 | AFRICAN DEVELOPMENT BANK NOTE           | 1.625  | 10/02/18      | 700,000.00       | 0.00          | 1,099.12     | 701,099.12     |
| 11/03/17 | SELL        | 912828A34 | US TREASURY NOTES                       | 1.250  | 11/30/18      | 955,000.00       | 0.00          | 2,476.78     | 957,476.78     |
| 11/03/17 | SELL        | 912828A34 | US TREASURY NOTES                       | 1.250  | 11/30/18      | 1,705,000.00     | 0.00          | (406,641.42) | 1,298,358.58   |
| 11/03/17 | BUY         | 912828M98 | US TREASURY NOTES                       | 1.625  | 11/30/20      | 3,000,000.00     | 3,000,000.00  | 7,770.88     | (3,007,770.88) |
| 11/09/17 | MATURITY    | RE0959610 | INDUSTRIAL BANK CDARS                   | 0.400  | 11/09/17      | 5,065,244.00     | 5,065,244.30  | 20,205.92    | 5,085,450.22   |
| 11/09/17 | INTEREST    | 4581X0CD8 | INTER-AMERICAN DEVELOPMENT BANK         | 2.125  | 11/09/20      | 915,000.00       | 0.00          | 9,721.88     | 9,721.88       |
| 11/13/17 | INTEREST    | 458182DX7 | INTER-AMERICAN DEVELOPMENT BANK         | 1.000  | 05/13/19      | 1,260,000.00     | 0.00          | 6,300.00     | 6,300.00       |
| 11/15/17 | INTEREST    | 191216AR1 | COCA-COLA CO/THE GLOBAL NOTES           | 3.150  | 11/15/20      | 370,000.00       | 0.00          | 5,827.50     | 5,827.50       |
| 11/16/17 | INTEREST    | 166764BH2 | CHEVRON CORP NOTES                      | 1.561  | 05/16/19      | 900,000.00       | 0.00          | 7,024.50     | 7,024.50       |
| 11/18/17 | INTEREST    | 58933YAG0 | MERCK & CO GLOBAL NOTES                 | 1.300  | 05/18/18      | 731,000.00       | 0.00          | 4,751.50     | 4,751.50       |
| 11/22/17 | INTEREST    | 06406HDB2 | BANK OF NEW YORK MELLON CORP (CALLABLE) | 1.600  | 05/22/18      | 1,800,000.00     | 0.00          | 14,400.00    | 14,400.00      |
| 11/24/17 | MATURITY    | 09659BYQ7 | BNP PARIBAS NY BRANCH COMM PAPER        | 1.760  | 11/24/17      | 16,500,000.00    | 16,340,316.63 | 159,683.37   | 16,500,000.00  |
| 11/24/17 | MATURITY    | 89233GYQ3 | TOYOTA MOTOR CREDIT CORP COMM PAPER     | 1.760  | 11/24/17      | 1,700,000.00     | 1,682,915.00  | 17,085.00    | 1,700,000.00   |
| 11/30/17 | INTEREST    | 13606A5Z7 | CANADIAN IMPERIAL BANK NY CD            | 1.250  | 11/30/18      | 1,800,000.00     | 0.00          | 31,240.00    | 31,240.00      |
| 11/30/17 | INTEREST    | 65558LWA6 | NORDEA BANK FINLAND NY CD               | 1.500  | 11/30/18      | 1,800,000.00     | 0.00          | 16,192.00    | 16,192.00      |
| 11/30/17 | INTEREST    | 912828A34 | US TREASURY NOTES                       | 1.625  | 11/30/18      | 1,705,000.00     | 0.00          | 10,656.25    | 10,656.25      |
| 11/30/17 | INTEREST    | 912828G61 | US TREASURY NOTES                       | 1.300  | 11/30/19      | 2,325,000.00     | 0.00          | 17,437.50    | 17,437.50      |
| 11/30/17 | INTEREST    | 912828M98 | US TREASURY NOTES                       |        | 11/30/20      | 3,000,000.00     | 0.00          | 24,375.00    | 24,375.00      |



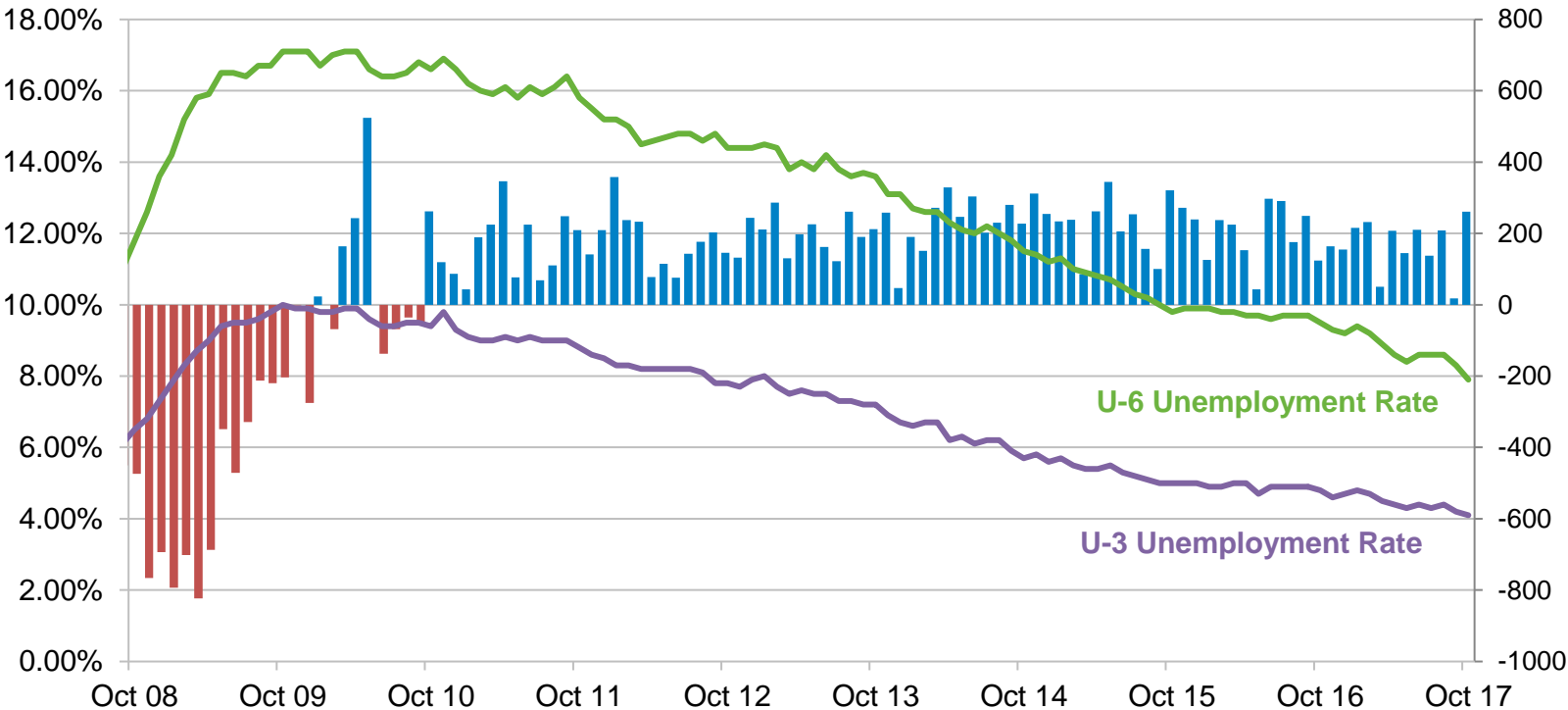
# Appendix: Economic Update



# U.S. Labor Market

- The U.S. labor market added 261,000 jobs in October, below the 331,000 expectation, but well above September’s reading.
- The unemployment rate fell from 4.2% to 4.1%, the lowest level since 2000.

**Unemployment vs. Non-Farm Payrolls**  
October 2008 – October 2017



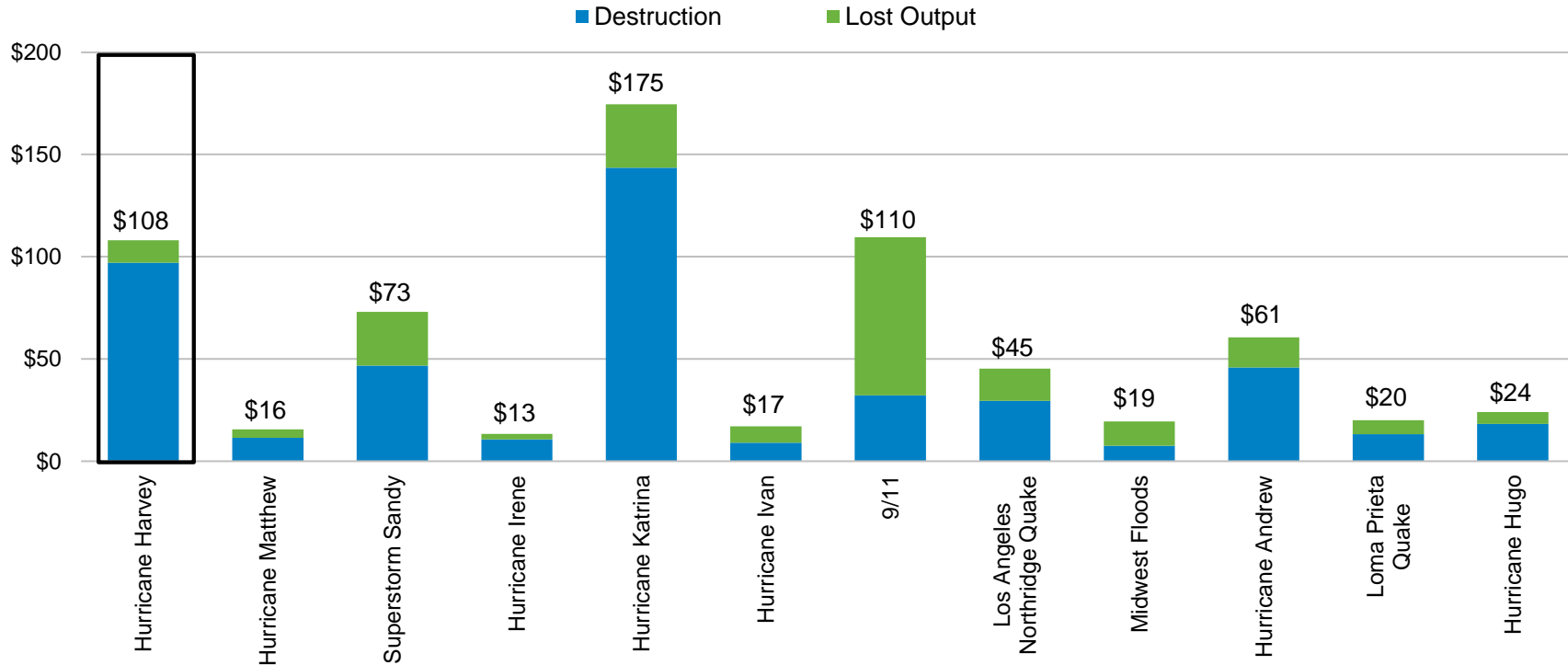
Source: Bloomberg



# Economic Impact of Disasters

- Hurricane Harvey is expected to be the second most destructive natural disaster over the last three decades.
- Destruction to property caused by Hurricane Harvey is estimated to range from \$77 - \$97 billion. The lost economic output is forecasted to be between \$9 - \$11 billion.

**Total Economic Loss Due to Disasters  
(Billions of today's Dollars)**



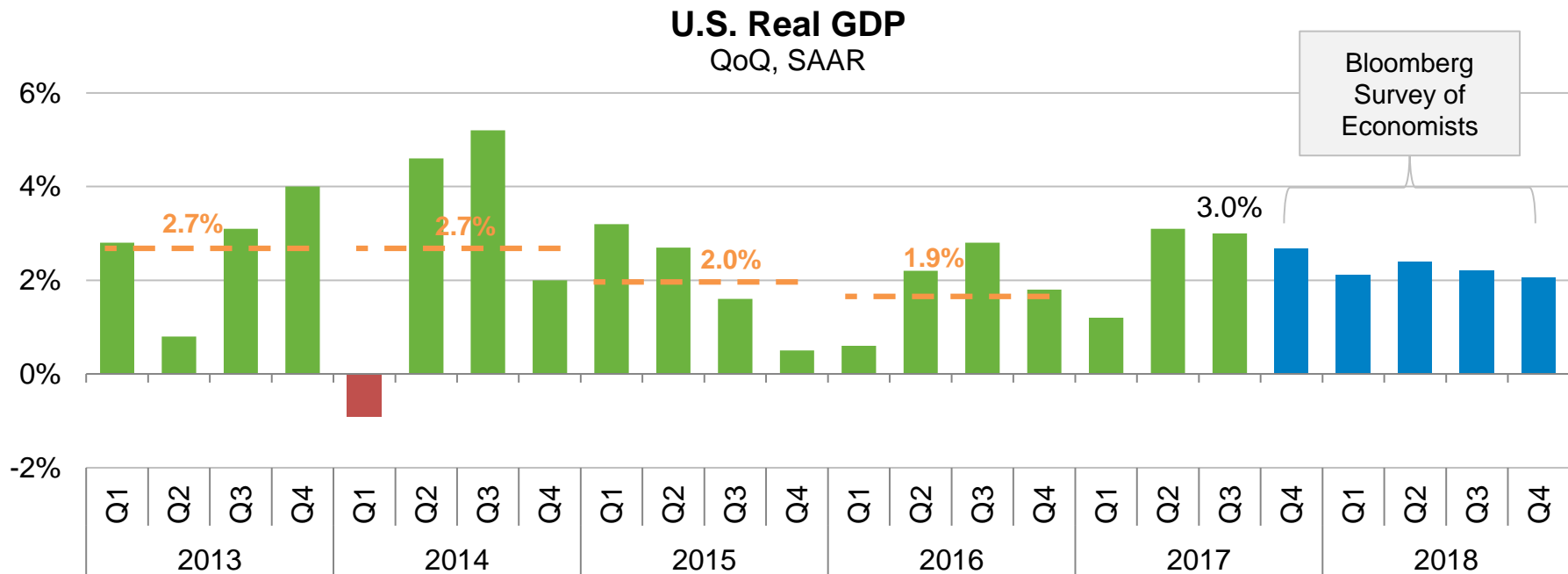
*Hurricane Harvey estimates are preliminary and shown in the chart at the high end of the estimated range.*

*Source: The Economic Impact of Hurricane Harvey. Moody's Analytics, September 5, 2017.*



## Economic Growth Picked up in 3<sup>rd</sup> Quarter

- According to the “advance” estimate, gross domestic product increased at an annualized rate of 3.0% in the third quarter of 2017. Growth has averaged 2.3% over the last four quarters.
- Third quarter GDP reflected positive contributions from personal consumption, nonresidential private investments, and exports, offset by negative contributions from residential fixed investment and state and local government spending.



Source: Bloomberg, as of October 2017. SAAR is seasonally adjusted annualized rate. Orange denotes rolling four-quarter averages.



## Future Leadership at the Federal Reserve

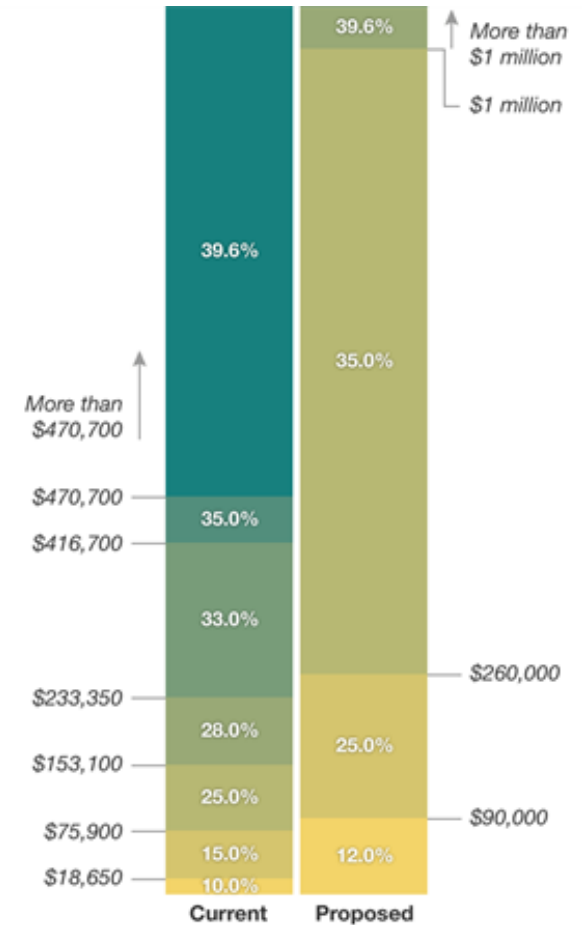
- Janet Yellen’s term as Fed Chair ends in February 2018. On November 2nd, Jerome Powell was officially tapped to be the next Fed Chairman, subject to Senate approval. He is expected to continue policies in line with those of Janet Yellen.

|   | Short Resume   | Track Record on Monetary Policy  |
|---|--|--|
| <p>Jerome Powell</p>  | <ul style="list-style-type: none"> <li>• Current member of Federal Reserve Board of Governors (member since 2012)</li> <li>• Appointed by former President Barack Obama</li> <li>• Former Assistant Secretary of Treasury</li> <li>• Bachelor’s degree in politics from Princeton University</li> <li>• Law degree from Georgetown University</li> </ul> | <ul style="list-style-type: none"> <li>• Ally to Chair Yellen</li> <li>• Also favors gradual approach to rate hikes</li> <li>• Powell is expected to be more in favor of financial deregulation than Yellen</li> </ul> |



## House GOP Tax Plan

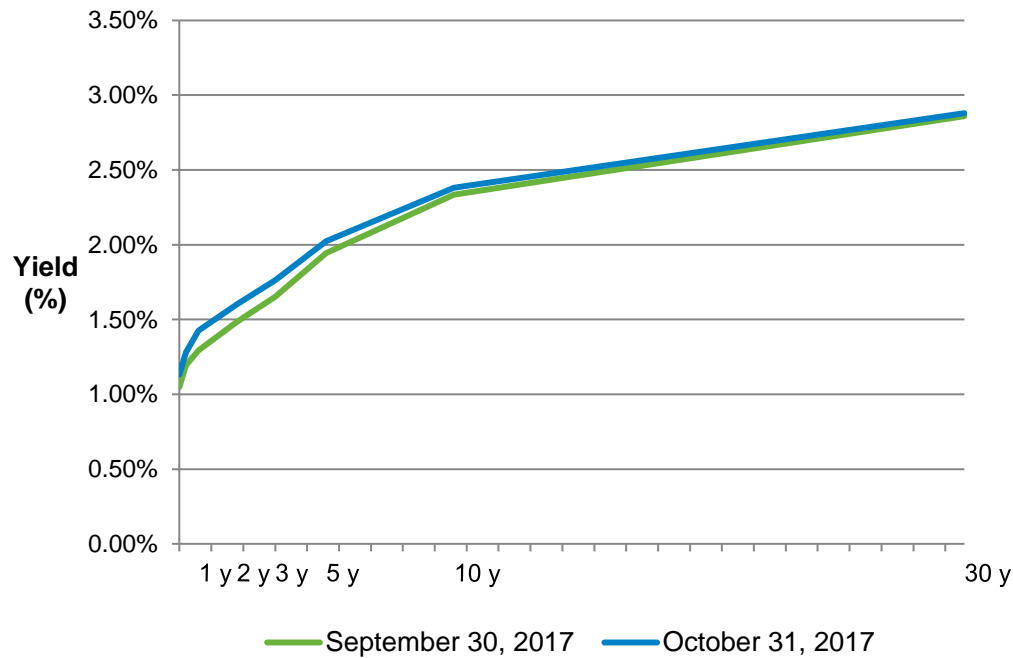
- The House GOP Tax Plan, “The Tax Cuts and Jobs Act” was released on November 2nd. Highlights from the tax bill are as follows:
  - Lower corporate tax rate to 20%, down from 35%. This would be the largest reduction in the U.S. corporate tax rate in American history.
  - Mortgage interest deduction for newly purchased homes capped at \$500,000, a reduction from the current cap of \$1 million for couples filing jointly. The home mortgage interest deduction for existing mortgages will be unchanged.
  - No changes to retirement savings options including 401(k)s and IRAs.
  - Among the provisions that would affect state and local bonds, the bill would eliminate exemption for private activity bonds (sec. 3601), advance refundings (sec. 3602), and tax credit bonds (sec. 3603) beginning with bonds issued after December 31, 2017. The draft bill would also eliminate tax-exemption for bonds issued for professional stadiums for bonds issued after today, November 2, 2017 (sec. 3604). The bill would also terminate the New Markets Tax Credit (sec. 3406).





# U.S Treasury Yields

**U.S. Treasury Yield Curve**  
September 30, 2017 vs. October 31, 2017



|         | <u>9/30/2017</u> | <u>10/31/2017</u> | <u>Change</u> |
|---------|------------------|-------------------|---------------|
| 3 month | 1.05%            | 1.13%             | 0.08%         |
| 6 month | 1.19%            | 1.28%             | 0.09%         |
| 1 year  | 1.29%            | 1.43%             | 0.14%         |
| 2 year  | 1.49%            | 1.60%             | 0.11%         |
| 3 year  | 1.65%            | 1.76%             | 0.11%         |
| 5 year  | 1.94%            | 2.02%             | 0.08%         |
| 10 year | 2.33%            | 2.38%             | 0.05%         |
| 30 year | 2.86%            | 2.88%             | 0.02%         |

Source: Bloomberg





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**District of Columbia  
Water and Sewer Authority  
Capital Improvement Program  
Report**



**FY-2017 4<sup>th</sup> Quarter  
July 1<sup>st</sup> through September 30<sup>th</sup>, 2017**

**Board of Directors**

**Capital Improvement Program and Drinking Water Committee**

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

**November 2017**

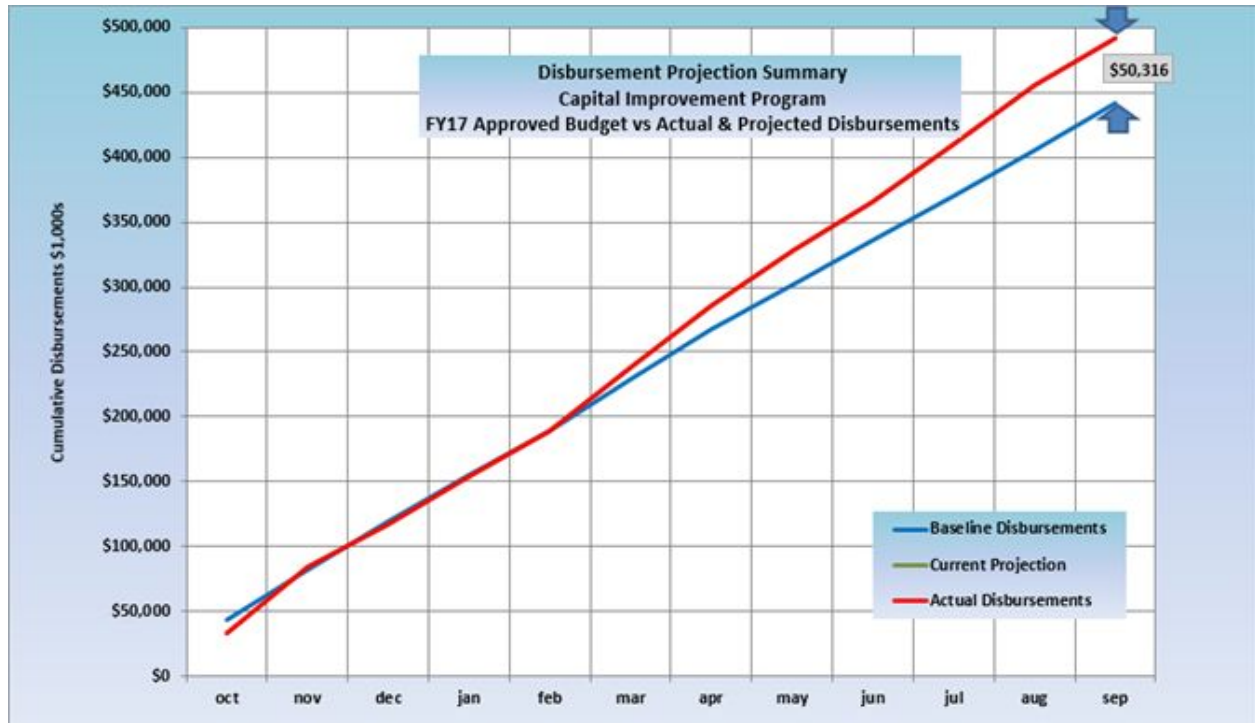


## Capital Improvement Program Report 4<sup>th</sup> Quarter FY2017

### CIP Disbursement Performance

The final program disbursements through the end of the fiscal year compared with the approved FY17 baseline are shown in the chart below:

### Disbursement Summary



The fiscal year 2017 CIP disbursements were \$491,470,000 through the end of the fiscal year, which was \$50.3M (11%) above the baseline disbursement projection of \$441,154,000.

Final fiscal year disbursements within the service areas were as follows:

#### Non Process Facilities

Baseline Disbursements      \$34,150,000  
 Actual Disbursements        \$25,189,000 (\$9.0M below baseline projection)

Significant project variances are listed below:

- *Facility Land Use (\$8.3M below baseline projection)*
  - The fiscal year disbursements for project DS – New HQ Building were lower than anticipated due to initial permitting issues for the piers in January causing delay in



## Capital Improvement Program Report 4<sup>th</sup> Quarter FY2017

completing the auger piles, pile caps and thus delaying the start of steel framing. Project Completion is still expected to be on time and within budget.

### Wastewater Treatment Service Area

Baseline Disbursements      \$123,789,000  
 Actual Disbursements        \$148,104,000 (\$24.3M above baseline projection)  
 Significant project variances are listed below:

- *Solids Processing Projects – (\$8.5M above baseline)*
  - The fiscal year disbursements for project XA – New Digestion Facilities were \$7.2M above the baseline largely due to retention release not being included in the baseline projection for FY17.
- *Nitrogen Removal Facilities - (\$15.5M above baseline)*
  - The disbursements for project E8 - Enhanced Clarification Facilities were \$16.2M above the baseline mainly due to greater than anticipated spending caused by contractor’s recovery efforts from slower progress and underspending in FY16.

### CSO Service Area

Baseline Disbursements      \$184,387,000  
 Actual Disbursements        \$229,425,000 (\$45.0M above baseline projection)  
 Significant project variances are listed below:

- *DC Clean Rivers – (\$45.0M above baseline)*
  - The final fiscal year disbursements for project CY - Anacostia Long Term Control Plan were \$46.5M above the baseline disbursement due to a ramp up in the construction activity in order to meet the Consent Decree date of March 23<sup>rd</sup> 2018 when all Anacostia controls south of RFK stadium will be placed in operation. In addition, baseline disbursement projections did not include expenditures for risks that have materialized on the Anacostia River Tunnel job (ground inflow incident) and the First Street Tunnel job (cumulative delay impacts); resulting in an increase of spending over the baseline projections. However, risks such as these were contemplated when the contracts were procured and funds are included in the Board-approved contract amounts. As a result, it is projected that both jobs will be completed within the Board-approved contract cost.

### Stormwater Service Area

Baseline Disbursements      \$1,706,000  
 Actual Disbursements        \$1,384,000 (\$0.3M below baseline projection)  
 There are no significant project variances for this service area.

### Sanitary Sewer Service Area

Baseline Disbursements      \$38,302,000  
 Actual Disbursements        \$40,059,000 (\$1.8M above baseline projection)  
 There are no significant project variances for this service area.



## Capital Improvement Program Report 4<sup>th</sup> Quarter FY2017

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### **Water Service Area**

Baseline Disbursements      \$58,819,000

Actual Disbursements      \$47,309,000 (\$11.5M below baseline projection)

Significant project variances are listed below:

- *Water Distribution Systems (\$13.0M below baseline projection)*
  - The disbursements for project O3 - Small Diameter Water Main Rehab 11 were \$7.0M below the baseline. This was partly due to postponing bids in order to improve the quantity takeoff process, and due to contractor submitting invoices late. Additionally there were some delays in construction progress.
  - The fiscal year disbursements for project DE - Small Diameter Water Main Rehab 12 were \$3.4M below the baseline. This was due to delays in awarding the SDWMR 12A contract as a result of a bid protest.



## Capital Improvement Program Report 4<sup>th</sup> Quarter FY2017

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

All priority 1 projects are on schedule and within budget.

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

| Project | Name  | Contract Type | Joint Use? | Cost Range    | Committee  | BOD |
|---------|---|---------------|------------|---------------|------------|-----|
| F1      | Small Diameter Watermain Rehab 13a                      | Construction  | No         | \$5M - \$10M  | EQ&Ops Jan | Feb |
| J0      | B Street/New Jersey Ave. Trunk Sewer Rehab and Cleaning | Construction  | Yes        | \$10M - \$15M | EQ&Ops Feb | Mar |
| DR      | Low Area Trunk Sewer Rehab                              | Construction  | Yes        | \$15M - \$20M | EQ&Ops Mar | Apr |
| F1      | Small Diameter Watermain Rehab 13d                      | Construction  | No         | \$5M - \$10M  | EQ&Ops Feb | Mar |
| CZ      | Potomac Project 1(GI) PR-A                              | Design-Build  | No         | \$5M - \$10M  | EQ&Ops Mar | Apr |



## Capital Improvement Program Report 4<sup>th</sup> Quarter FY2017

### Schedule - Key Performance Indicators, Capital Improvement Program

KPI Performance Through End Quarter 4



For the 4<sup>th</sup> Quarter, two of the seven Key Performance Indicators (KPIs) were achieved on time or earlier; the other five remaining planned KPIs were not achieved, as follows:

1. EE01 – *Biosolids Filtrate Treatment Fac. North* Construction Substantial completion was impacted by late receipt of critical equipment and due to owner-requested changes during the commissioning phase.
2. G100 – *Lining & Repair of Local Sewers* Construction Substantial completion was not met due to contractor performing additional emergency work and other work transferred from the Small Local Sewer Rehab 2 contract.
3. I801 – *Large Valve Replacements 11R* Construction Substantial completion was not met due to additional utility coordination and additional valve replacements added to contract.
4. DE02 – *Small Diameter Water Main Repl 12B* Construction start was not met because the design was delayed while new specification standards were being implemented to reduce cost and improve consistency.
5. LZ03 – *PI Phase 1 Pipe Rehab at Clara Barton Pkwy* The design start was moved due to National Park Service requesting that DC Water address several concerns, which required a rethinking of the original approach.

KPI Performance Through End Quarter 4  
**Design Start**



KPI Performance Through End Quarter 4  
**Construction Start**




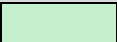



KPI Performance Through End Quarter 4  
**Construction Substantial Completion**



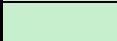
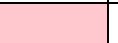
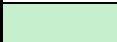






## Capital Improvement Program Report 4<sup>th</sup> Quarter FY2017

### FY2017 - KPI Report

|       |                                     |         |   |                  |   |
|-------|-------------------------------------|---------|---|------------------|---|
| DS    | Design Start                        | Planned |  | On time          |  |
| CS    | Construction Start                  | Early   |  | 1 Quarter Late   |  |
| CSC   | Construction Substantial Completion |         |   | > 1 Quarter Late |  |
| CO/PC | Consent Oder/Permit Compliance      |         |   |                  |   |

| Qtr. | Project | Job Name   | KPI Name | QUARTER  |   |   |   | To Date    |
|------|---------|--|----------|--|---|---|---|------------|
|      |         |  |          | 1  | 2   | 3 | 4 |            |
| 1    | G800    | Small Local Sewer Rehab 2                              | CSC      |   |   |   |   | On time    |
| 1    | CY25    | Div P - First Street NW Branch Tunnel (Bloomingdale)   | CSC      |   |   |   |   | On time    |
| 1    | G101    | Rehab of Sewers in Georgetown                          | CS       |   |   |   |   | On time    |
| 1    | O302    | Small Dia Watermain Repl 11b                           | CS       |  |  |   |   | 1 Qtr Late |
| 1    | IL10    | Creekbed Sewer Rehabilitation Rock Creek Oregon Avenue | CS       |   |   |   |   | On time    |
| 1    | J001    | B Street/New Jersey Ave. Trunk Sewer Rehab             | DS       |   |   |   |   | On time    |
| 1    | F102    | Small Diameter Water Main Repl 13B                     | DS       |  |   |   |   | On time    |





## Capital Improvement Program Report 4<sup>th</sup> Quarter FY2017

### FY2017 - KPI Report

|       |                                     |         |   |                  |   |
|-------|-------------------------------------|---------|---|------------------|---|
| DS    | Design Start                        | Planned | <span style="background-color: #cccccc; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> | On time          | <span style="background-color: #c1e1c1; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> |
| CS    | Construction Start                  | Early   | <span style="background-color: #92d050; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> | 1 Quarter Late   | <span style="background-color: #f4cccc; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> |
| CSC   | Construction Substantial Completion |         |   | > 1 Quarter Late | <span style="background-color: #f4cccc; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> |
| CO/PC | Consent Oder/Permit Compliance      |         |   |                  |   |

| Qtr. | Project | Job Name  | KPI Name | QUARTER |   |   |   | To Date                 |
|------|---------|---|----------|---------|---|---|---|-------------------------|
|      |         |   |          | 1       | 2 | 3 | 4 |                         |
| 2    | GA01    | Small Local Sewer Rehab 4   | CSC      |         |   |   |   | Greater than 1 Qtr Late |
| 2    | XA10    | Biosolids Combined Heat and Power (CHP)                           | CSC      |         |   |   |   | 1 Qtr Late              |
| 2    | DE01    | Small Diameter Water Main Repl 12A                                | CS       |         |   |   |   | 1 Qtr Late              |
| 2    | DZ02    | Div RC-A - Rock Creek Project 1 (GI)                              | CS       |         |   |   |   | On time                 |
| 2    | F201    | Small Diameter Water Main Repl 14A                                | DS       |         |   |   |   | On time                 |
| 2    | FA03    | Soldiers Home Reservoir Upgrade                                   | DS       |         |   |   |   | On time                 |
| 2    | NG04    | Stormwater Pumping Stations Rehabilitation - Non-Grant Activities | DS       |         |   |   |   | 1 Qtr Late              |



## Capital Improvement Program Report 4<sup>th</sup> Quarter FY2017

### FY2017 - KPI Report

|       |                                     |         |   |                  |   |
|-------|-------------------------------------|---------|---|------------------|---|
| DS    | Design Start                        | Planned | <span style="background-color: #cccccc; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> | On time          | <span style="background-color: #c1e1c1; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> |
| CS    | Construction Start                  | Early   | <span style="background-color: #92d050; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> | 1 Quarter Late   | <span style="background-color: #f4cccc; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> |
| CSC   | Construction Substantial Completion |         |   | > 1 Quarter Late | <span style="background-color: #f4cccc; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> |
| CO/PC | Consent Oder/Permit Compliance      |         |   |                  |   |

| Qtr. | Project | Job Name   | KPI Name | QUARTER |   |   |   | To Date                 |
|------|---------|--|----------|---------|---|---|---|-------------------------|
|      |         |  |          | 1       | 2 | 3 | 4 |                         |
| 3    | BI01    | Enhanced Nitrogen Removal (ENR) North                | CSC      |         |   |   |   | Greater than 1 Qtr Late |
| 3    | G601    | Sanitary Sewer Rehab and Repair Phase 2 (SUB)        | CSC      |         |   |   |   | Early                   |
| 3    | O301    | Small Dia Watermain Repl 11a                         | CSC      |         |   |   |   | On time                 |
| 3    | Q302    | Pope Branch Stream Restoration and Sewer Replacement | CSC      |         |   |   |   | Early                   |
| 3    | I802    | Large Valve Replacements 12                          | CSC      |         |   |   |   | Early                   |
| 3    | FQ01    | FQ01 Main & O St. PS Intermediate Upgrades           | CS       |         |   |   |   | On time                 |
| 3    | CZ07    | Potomac Project 1 (GI)                               | CS       |         |   |   |   | Early                   |
| 3    | IM09    | Joyce Road/Morrow Dr Sewer Rehabilitation            | DS       |         |   |   |   | 1 Qtr Late              |



### Capital Improvement Program Report 4<sup>th</sup> Quarter FY2017

#### FY2017 - KPI Report

|       |                                     |         |  |                  |  |
|-------|-------------------------------------|---------|--|------------------|--|
| DS    | Design Start                        | Planned |  | On time          |  |
| CS    | Construction Start                  | Early   |  | 1 Quarter Late   |  |
| CSC   | Construction Substantial Completion |         |  | > 1 Quarter Late |  |
| CO/PC | Consent Oder/Permit Compliance      |         |  |                  |  |

| Qtr. | Project | Job Name                                   | KPI Name | QUARTER |   |   |   | To Date    |
|------|---------|--|----------|---------|---|---|---|------------|
|      |         |  |          | 1       | 2 | 3 | 4 |            |
| 4    | EE01    | Biosolids Filtrate Treatment Facilities    | CSC      |         |   |   |   | 1 Qtr Late |
| 4    | G100    | Lining & Repair of Local Sewers            | CSC      |         |   |   |   | 1 Qtr Late |
| 4    | I801    | Large Valve Replacements 11R               | CSC      |         |   |   |   | 1 Qtr Late |
| 4    | CY14    | Div J - Northeast Boundary Tunnel          | CS       |         |   |   |   | On time    |
| 4    | DE02    | Small Diameter Water Main Repl 12B         | CS       |         |   |   |   | 1 Qtr Late |
| 4    | LZ03    | PI Phase 1 Pipe Rehab at Clara Barton Pkwy | DS       |         |   |   |   | 1 Qtr Late |
| 4    | F202    | Small Diameter Water Main Repl 14B         | DS       |         |   |   |   | On time    |



District of Columbia Water and Sewer Authority  
George S. Hawkins, CEO and General Manager

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*Briefing on:*

***Environmental Impact Bond and  
Rock Creek Project A (RC-A)  
Construction Progress Update***

*Briefing for:*

***Finance and Budget Committee***

**November 14, 2017**



# Agenda

- Environmental Impact Bond
  - Performance Tiers and Payment Structure
  - GI Performance Evaluation
- Rock Creek Project A Progress
- Questions



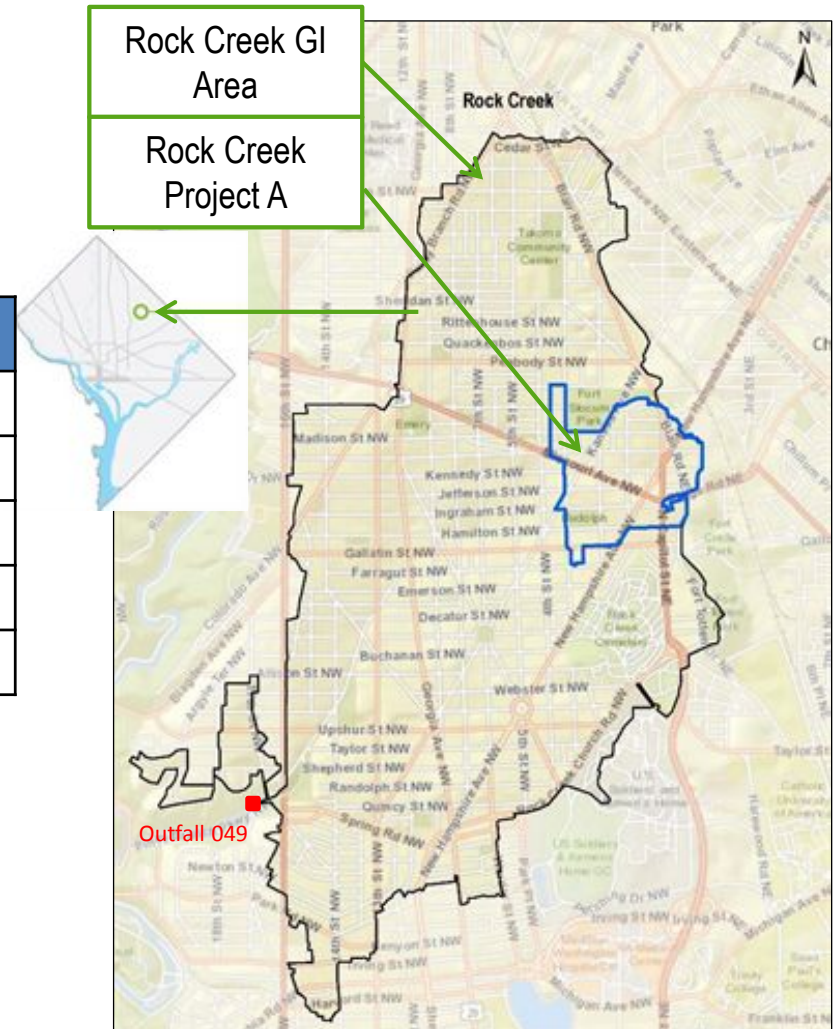
# Rock Creek Project A (RC-A) Overview: Requirements, Schedule and Boundary

## Rock Creek Project A Requirement:

- Manage 1.2” of stormwater runoff from at least 20 impervious acres

## Key Dates and Milestones:

| Event                                      | Date              | Complete |
|--|-------------------|----------|
| Contract Award                             | January 5, 2017   | Yes      |
| Notice to Proceed (NTP)                    | February 16, 2017 | Yes      |
| Scheduled Substantial Completion (SSC)     | October 9, 2018   |          |
| Final Completion                           | December 8, 2019  |          |
| Consent Decree Place-in-Operation Deadline | March 30, 2019    |          |

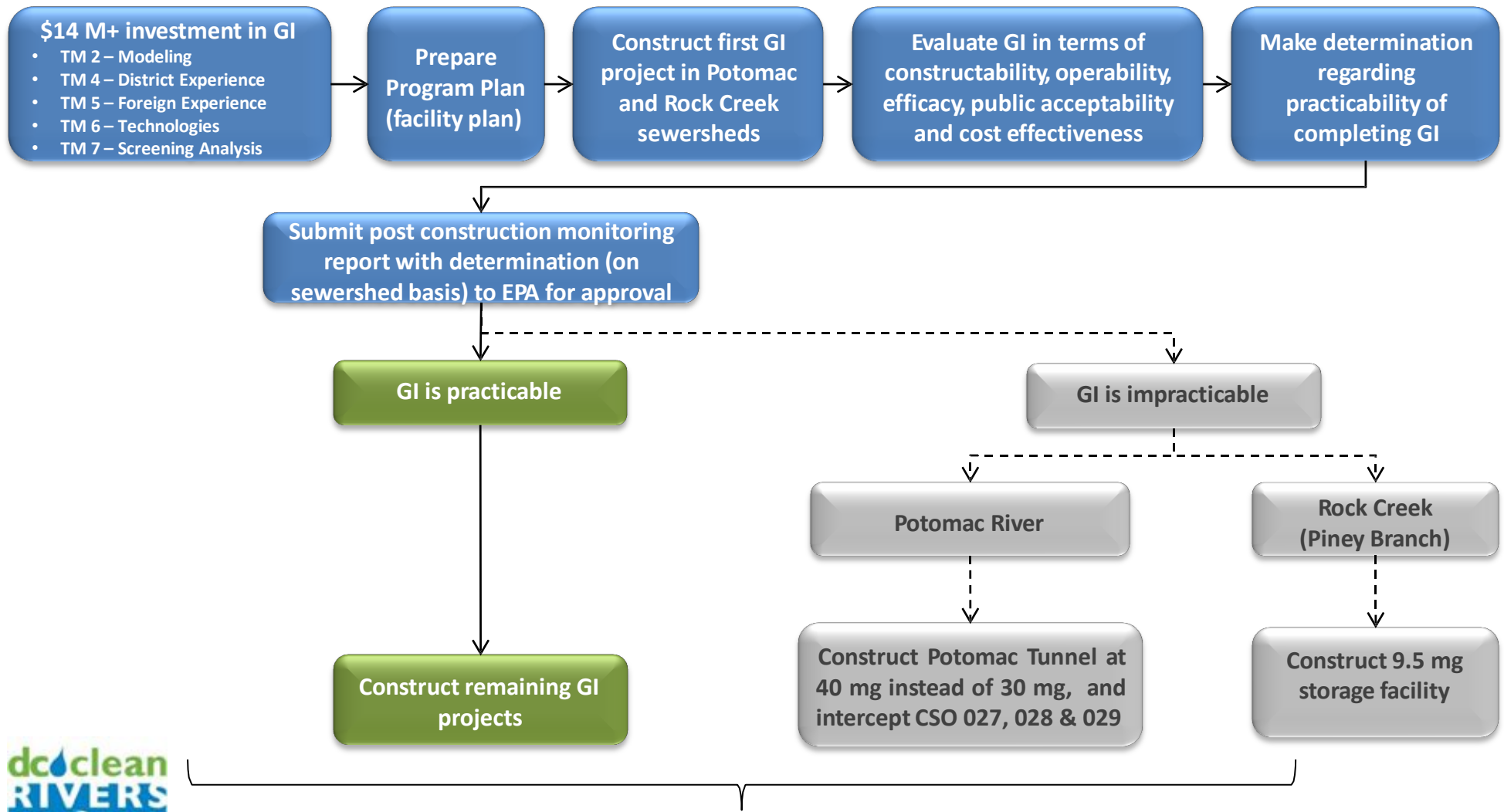


RC-A Kickoff Event – October 23, 2017



Rock Creek Project A

# Rock Creek Project A (RC-A) Overview: GI Feasibility and Effectiveness



**Complete all projects by same end date (3/23/2030)  
with performance equivalent to LTCP**



# Rock Creek Project A (RC-A) Overview:

## Why is the Performance Evaluation after the First Project

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- Provides certainty that CSO objectives will be achieved by defined end date
- Manages risks to ratepayers in a responsible manner
- Consistent with approach in other consent decrees addressing GI
- GI built under first project in each sewershed will be retained and maintained by DC Water even if decision is made to revert to gray
- Schedule extension is independently needed for Potomac Tunnel
- Responsive to public comments regarding certainty of achieving CSO objectives



# Environmental Impact Bond: Pay for Success and Social Impact Bonds

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- **“Pay for Success” (PFS) projects refer to any financing model in which some payments are contingent on the successful delivery of outcomes, based on the premise that government should be willing to pay for outcomes that achieve greater savings or societal benefits**
- **Social Impact Bonds (SIBs) are a type of PFS project that combine a performance contract with a contingent loan in which third-party investors provide the up-front funding for an intervention and are repaid (by the government) from budgetary savings and societal benefits generated by the successful outcomes**
  - Before DC Water’s Environmental Impact Bond (EIB), 11 SIB projects had been launched in the US, with many more in development
  - SIBs previously had focused on social service issues such as recidivism, homelessness, infant and maternal health, and early childhood education
- **DC Water’s EIB is the first SIB to finance environmental outcomes, with a portion of the payments to the investor contingent on the effectiveness of GI in managing stormwater runoff**
  - This innovative, first of its kind, financing advances the field of impact investing and expand the range of PFS projects to include environmental interventions like GI
  - There are hundreds of communities across the US with combined sewer systems that are evaluating GI as a method for controlling CSOs and that may benefit from this novel financing structure



# Environmental Impact Bond:

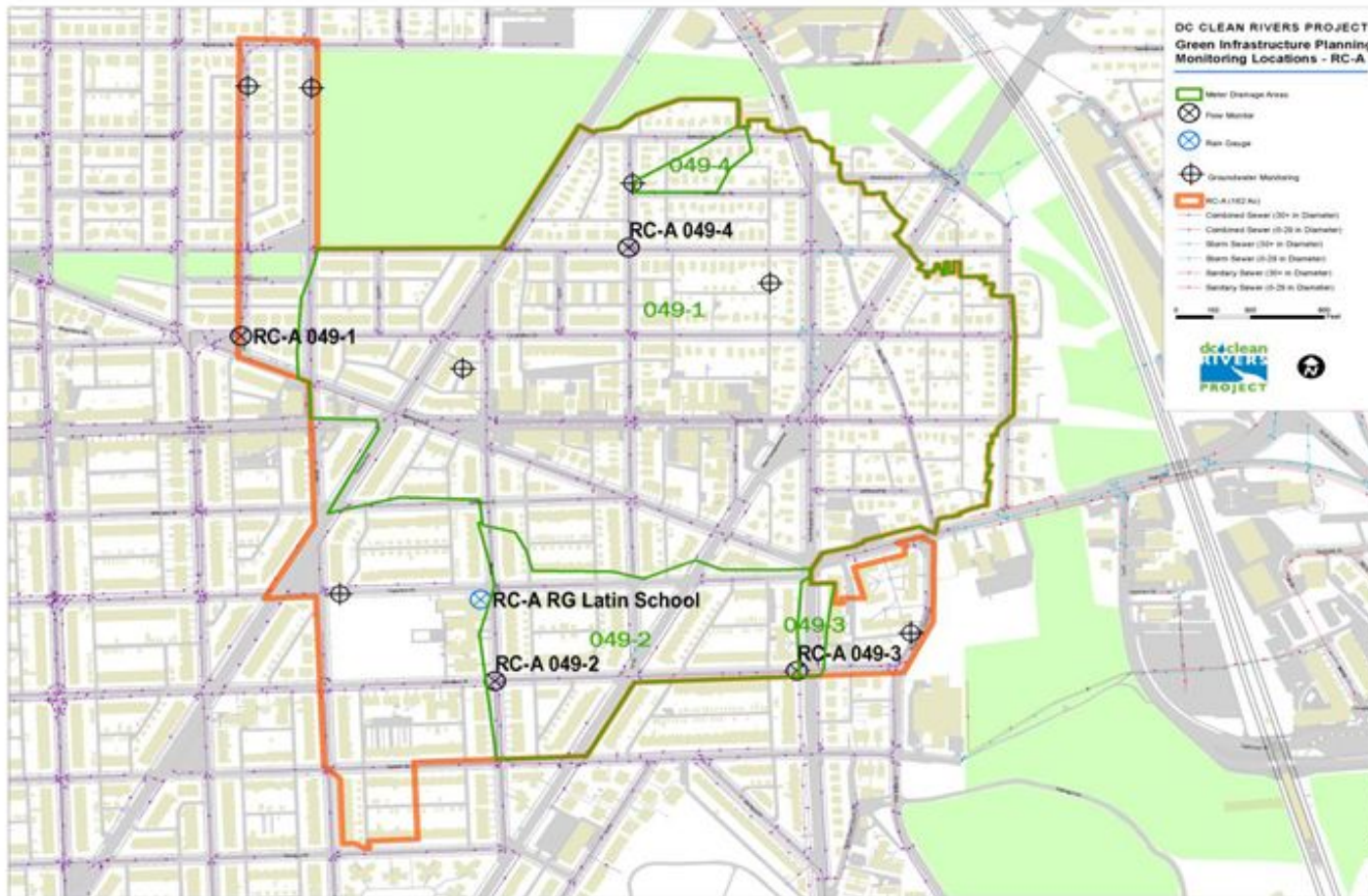
## Environmental Impact Bond Financing Overview

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- **DC Water structured the EIB to finance the first project in DCCR’s GI Program (Rock Creek Project A or “RC-A”)**
  - Investors will be repaid based upon the effectiveness of GI in managing the volume of stormwater runoff in RC-A
    - Greater volume managed will result in a larger repayment to investors
    - Lower volume managed will result in a smaller repayment to investors
  - Effectiveness of GI in managing stormwater runoff in RC-A will be determined based on a rigorous program evaluation
- **Importantly, the GI Program was structured so that if RC-A is deemed “practicable” (i.e., effective in managing stormwater runoff), then the four remaining GI projects in Rock Creek will be implemented across the entire sewershed**
  - If RC-A is not deemed “practicable” then the remaining GI projects in the Rock Creek sewershed will not be implemented and DCCR will revert to “grey infrastructure” solutions (i.e., tunnels) to achieve the Amended Consent Decree requirements

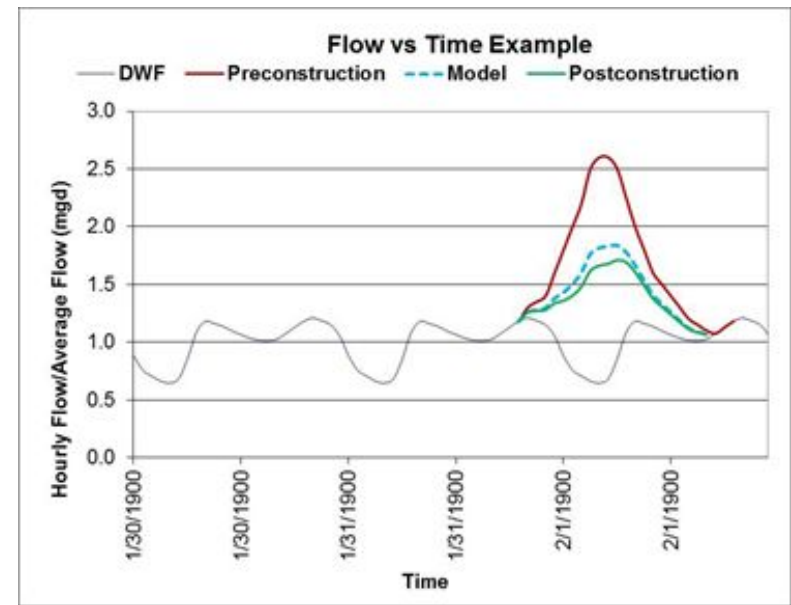
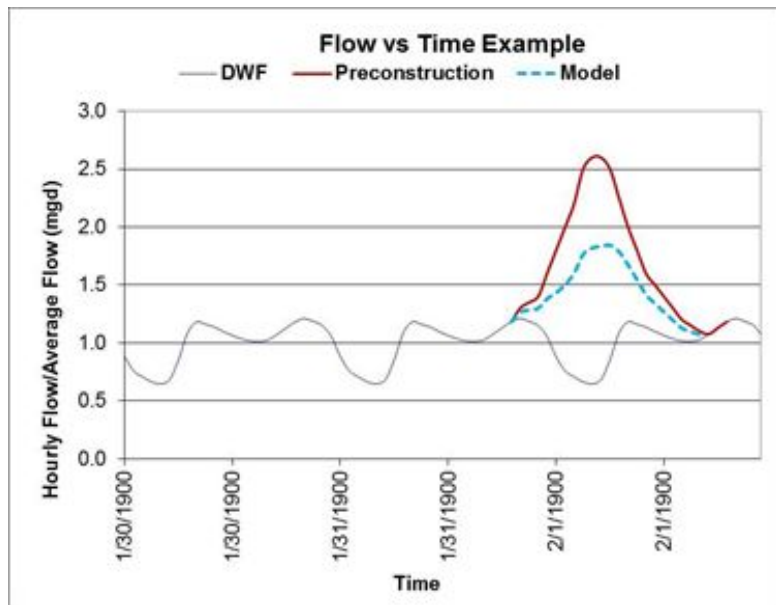
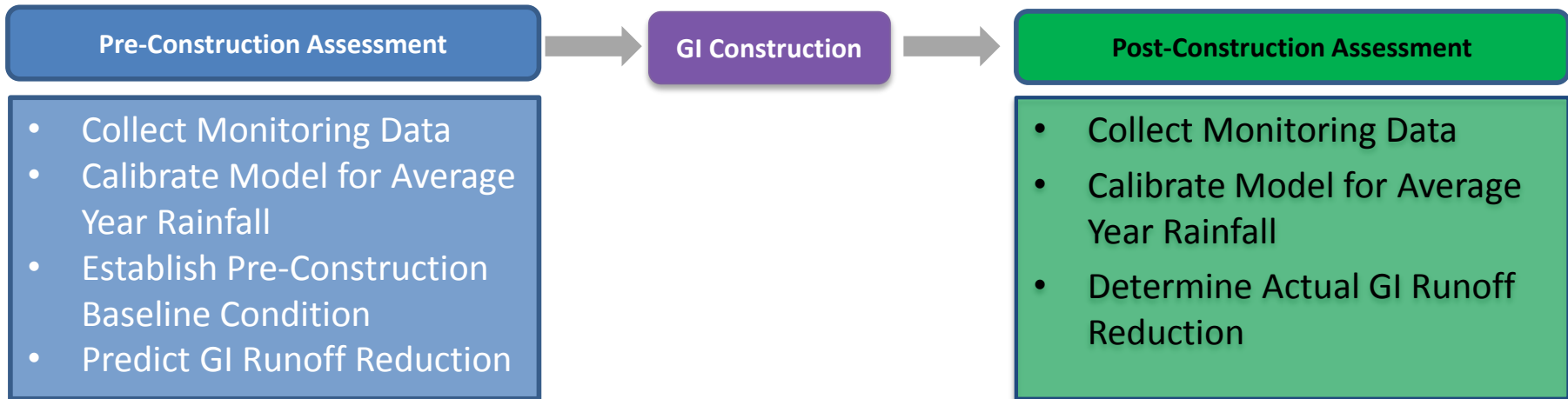


# Environmental Impact Bond: Flow and Rainfall Monitoring Locations



- Meters placed to capture majority of RC-A area
- 1 Year of Monitoring Data Required Pre and Post Construction of GI

# Environmental Impact Bond: GI Performance Evaluation



# Environmental Impact Bond: Performance Tiers and Contingent Payment

## Key Terms of Environmental Impact Bond

- Principle Amount: \$25M
- Interest Rate: 3.43%
- Mandatory Tender Date: April 21, 2021
- Depending of the effectiveness of GI, a contingent payment may be due at the mandatory tender date:

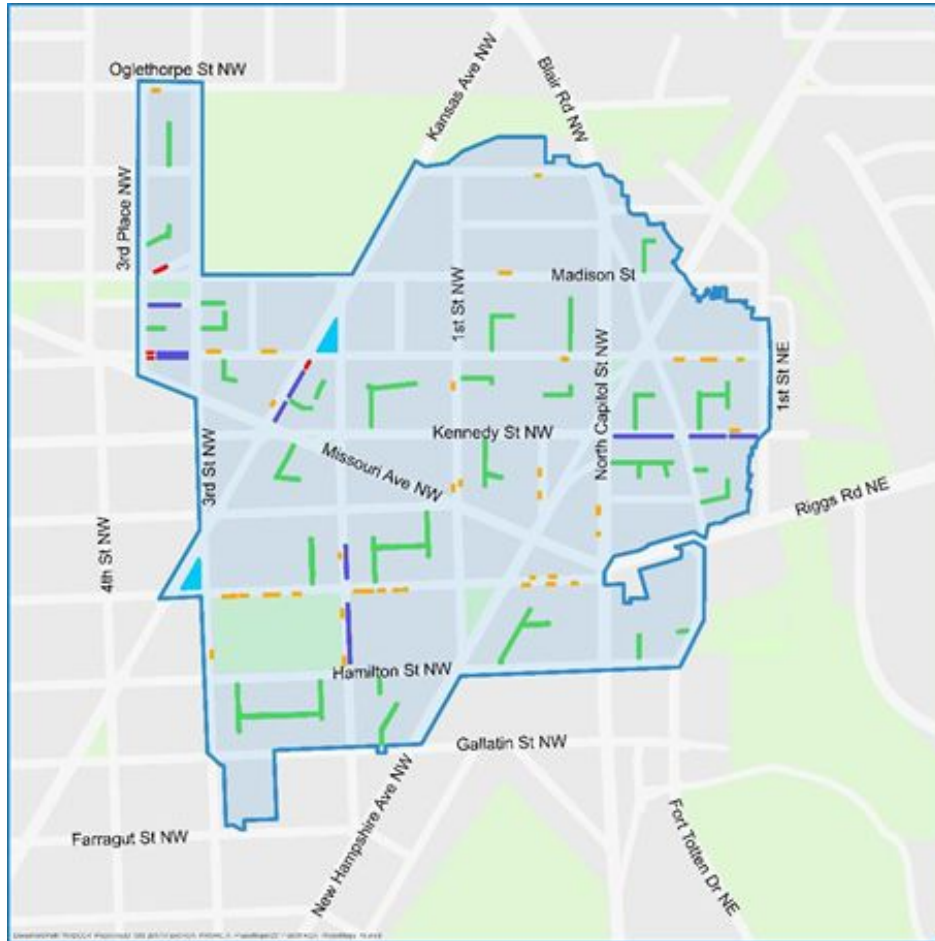
| Tier | Outcome Ranges                   | Contingent Payment   | Outcome Probability |
|------|----------------------------------|--|---------------------|
| 1    | Runoff Reduction > 41.3%         | DC Water will make an Outcome Payment to Investors of \$3.3M | 5%                  |
| 2    | 18.6% ≤ Runoff Reduction ≤ 41.3% | No contingent payment is due                                 | 90%                 |
| 3    | Runoff Reduction < 18.6%         | Investors will make Risk Share Payment to DC Water of \$3.3M | 5%                  |



Note: The Outcome Ranges reflect the expectation that a successful project will result in Performance Tier 2 with no contingent payment due to either party



# RC-A Project Overview: Phased Design Approach



- The RC-A Design Builder divided the project into 3 phases to improve efficiencies and familiarize stake holders with the design, permitting, and construction process.
- The number of facilities increases with each subsequent phase of the design

| Phase        | Facilities |
|--------------|------------|
| 1            | 9          |
| 2            | 28         |
| 3            | 42         |
| <b>Total</b> | <b>79*</b> |

\* GI Challenge Parks not included



- Alley Permeable Pavement
- Parking Lane Permeable Pavement
- Curb Extension Bioretention
- Planter Bioretention
- GI Challenge Parks

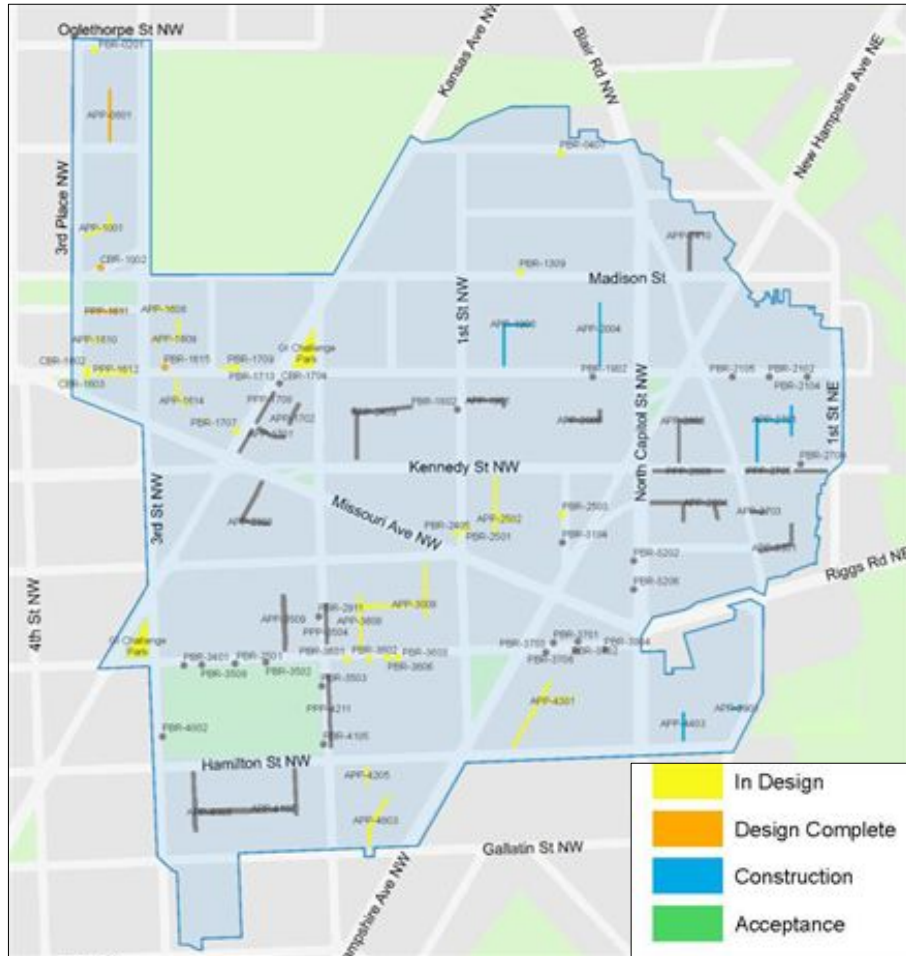
# RC-A Project Overview: GI Challenge Parks

- Kansas and 2<sup>nd</sup> St & Kansas and 3<sup>rd</sup> St :
  - Acres Managed: 1.90 ac
  - Park Area: 0.2 acres/park
  - Neighborhood: Brightwood Park
  - Existing Site Conditions:
    - Mix of shade and ornamental trees
    - Sidewalks on all sides
    - Surrounded by row houses

Note: The Kansas Avenue GI Parks Project will serve as a pilot for potential future GI parks application throughout the Rock Creek Sewershed.



# RC-A Project Overview: Construction Progress



Facility ID: APP-4403



| Status          | No. of Facilities |
|-----------------|-------------------|
| In Design       | 39                |
| Design Complete | 9                 |
| Construction    | 5                 |
| Acceptance      | 0                 |



Note: Construction progress reflects the status of GI facilities as of September 30<sup>th</sup>



# RC-A Project Overview: Green Jobs Update

DC Water has established a goal to have 51% of new jobs created by the GI project to be filled by GI Certified District residents

- The RC-A Contractor is meeting this goal by...
  - Hiring 5 National Green Infrastructure Certification Program (NGICP) graduates
  - Participating in Q&A sessions with NGICP candidates
  - Hosting targeted interview sessions with NGICP graduates
- DC Water continues to champion NGICP by facilitating the bi-annual training sessions with, local training partner, University of the District of Columbia
- The 3<sup>rd</sup> training session will be completed this October followed by the exam on November 14, 2017

NGICP Training Session – Fall 2017

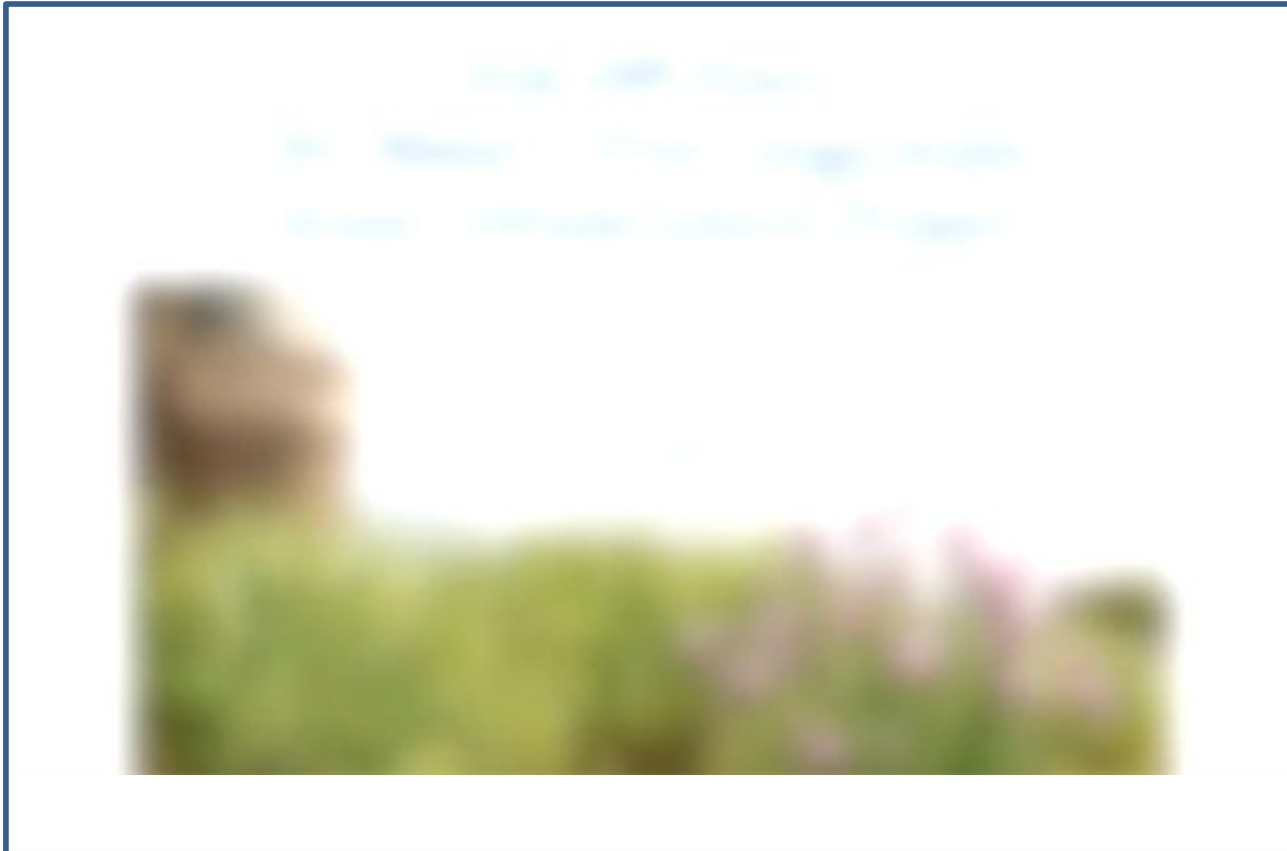


NGICP Train-the-Trainer Session – Fall 2017

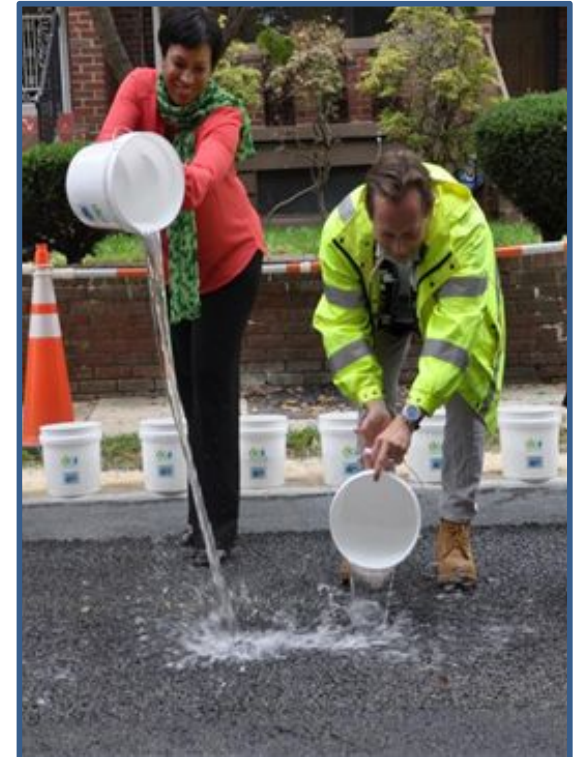


# Questions

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**RC-A Kickoff Event – October 23, 2017**  
Raymond Coates (NGICP Certified, Hired by Anchor Construction)



**RC-A Kickoff Event - October 23, 2017**  
Permeable Parking Lane – It Works!



**ATTACHMENT 4**

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

**Tuesday, December 19, 2017; 11:00 a.m.  
Blue Plains Wastewater Treatment Plant  
5000 Overlook Avenue, SW, DC  
AGENDA**

|   |                         |
|---|-------------------------|
| <b>Call to Order</b>                        | Chairman                |
| <b>November 2017 Financial Report</b>       | Chief Financial Officer |
| <b>Agenda for January 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)