



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Finance and Budget Committee

Thursday, January 23, 2020

11:00 a.m.

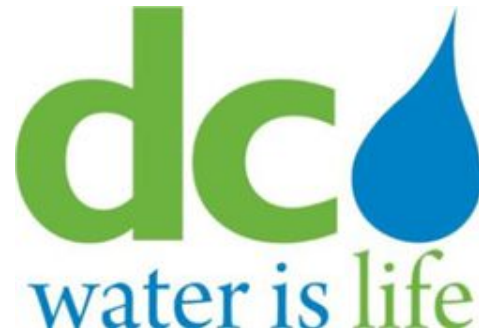
- 1. **Call to Order**..... David Franco, Vice Chairperson
- 2. **December 2019 Financial Report (Attachment 1)**..... Lola Oyeyemi
- 3. **Proposed FY 2021 Budget (Attachment 2)**..... Matthew T. Brown
- 4. **Action Items**..... Matthew T. Brown
- 5. **Agenda for February Committee Meeting (Attachment 3)** David Franco
- 6. **Executive Session***
- 7. **Adjournment**

FOLLOW-UP ITEMS

Follow-up items from the Finance and Budget Committee meeting held on November 19, 2019.

- 1. Provide credit card recommendations to reduce fees to the F&B committee in early 2020. **(Chairman Wells) Status: Will be provided at a later date.**
- 2. Provide the per transaction charge for debit card. **(Chairman Wells) Status: Will be provided at a later date.**

1 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)(2); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4)(A); 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); train and develop members of a public body and staff under D.C. Official Codes § 2-575(b)(12); 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 2020

Monthly Financial Report

Period Ending December 31, 2019

DEPARTMENT OF FINANCE

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

Ivan Boykin, Director, Finance

Syed Khalil, Director, Rates & Revenue

Genes Malasy, Controller (Acting)

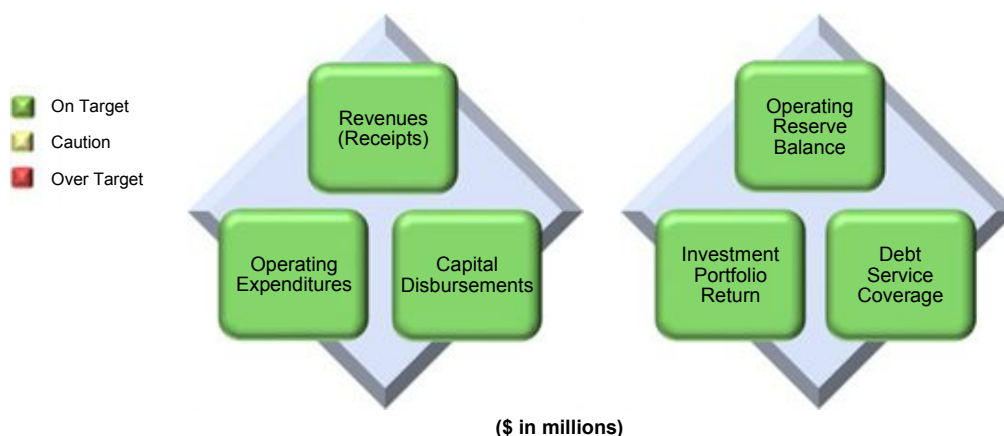
Lola Oyeyemi, Director, Budget

Monthly Financial Report

DECEMBER 2019

EXECUTIVE SUMMARY

As of the end of the first quarter of FY 2020, with 25 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance metrics.



(\$ in millions)

	Budget	YTD Budget	Actual	Variance Favorable	Variance (Unfavorable)	Actual % Budget
Revenues (Receipts)	\$694.0	\$173.5	\$175.1	\$1.6	0.9%	25.2%
Expenditures	\$614.5	\$143.3	\$130.6	\$12.6	8.8%	21.3%
Capital Disbursements	\$425.2	\$129.3	\$92.6	\$36.8	28.4%	21.8%

Highlights:

- FY 2021 Proposed Budget
 - Stakeholder Alliance discussion held on January 9, 2020
 - Wholesale Customer briefing held on January 10, 2020
 - Detailed review of budget proposals with various Board Committees continues in January with recommendations anticipated in February and adoption by the Board on March 5, 2020
- FY 2019 Year-End Closeout Status Update
 - Financial Statement audit was completed with unmodified “clean” opinion issued on December 19, 2019 and results will be presented to the Audit Committee on January 23, 2020
 - Details on the FY 2019 budget performance are on page 15 of this report
 - Development of Comprehensive Annual Financial Report (CAFR) is underway
 - The OMB Uniform Guidance Audit is on-going with expected completion by the end of January
 - Green Bond attestation engagement is underway
- DC Council Public Oversight Hearing for FY 2019 – FY 2020 Performance is scheduled for February 27, 2020
- ERP Implementation (Project Zeus) - The System Integrator’s (AST) team has been fully assembled, series of Discovery Workshops was conducted, with on-going activities for Change Management and Communication

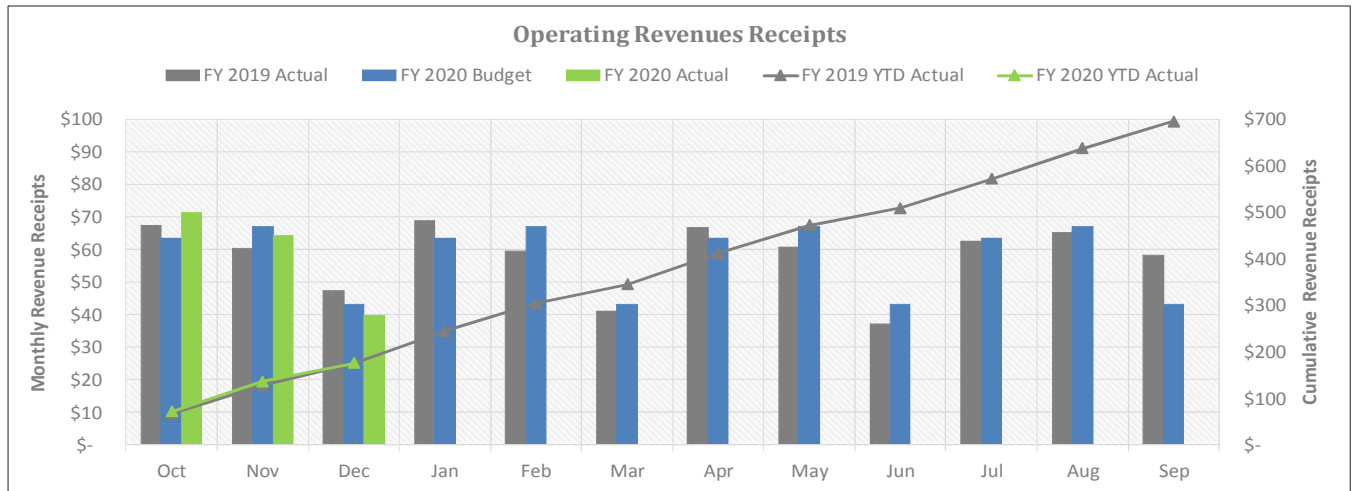
Matthew T. Brown, Executive Vice President & Chief Financial Officer

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2019

Operating Revenues (\$000's)

FY 2019 Actual		CATEGORY	FY 2020					
Total Annual	YTD December		Annual Budget	YTD Budget	YTD Actual	% of Budget	Variance \$	Variance % Fav(Unfav)
\$394,202	\$102,570	Residential / Commercial / Multi-Family	\$399,063	\$99,766	\$101,351	25.4%	\$1,585	1.6%
68,163	16,785	Federal	71,887	17,972	18,042	25.1%	70	0.4%
17,356	3,577	Municipal (DC Govt.)	17,585	4,396	2,936	16.7%	(1,460)	(33.2%)
11,136	3,459	DC Housing Authority	10,525	2,631	2,791	26.5%	160	6.1%
11,613	2,917	Metering Fee	10,776	2,694	2,763	25.6%	69	2.6%
40,660	10,234	Water System Replacement Fee (WSRF)	39,717	9,929	10,006	25.2%	77	0.8%
82,116	20,603	Wholesale	82,539	20,635	20,355	24.7%	(280)	(1.4%)
21,076	5,542	PILOT/ROW	22,113	5,528	5,662	25.6%	134	2.4%
48,116	9,092	All Other	39,774	9,944	11,166	28.1%	1,222	12.3%
\$694,438	\$174,779	TOTAL	\$693,979	\$173,495	\$175,073	25.2%	\$1,578	0.9%



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of December 2019, cash receipts totaled \$175.1 million, or 25.2 percent of FY 2020 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 (who made their first quarter payment in November).

Areas of Overcollection

Residential, Commercial and Multi-Family - Receipts for this category are higher at \$101.4 million or 25.4 percent of the budget. The higher receipts are due to increased year-end billing of the unbilled accounts.

Federal - Actual receipts through December 2019 total \$18.0 million or 25.1 percent of the budget. The Federal government made their first quarter payment in October 2019.

DC Housing - Receipts are slightly higher at \$2.8 million or 26.5 percent of the budget.

Other Revenue - Actual receipts through December 2019 total \$11.2 million or 28.1 percent of the budget category due to \$1.7 million payment received from the District Government for the fourth quarter 2019 short-payment of Fire Protection Service Fee that was due in August 2019.

Areas of Undercollection

District Government – Receipts are lower at \$2.9 million or 16.7 percent of the approved budget. The District Government did not pay the November billed amount of approximately \$1.9 million. The overdue amount was received on January 13, 2020 and will be reflected in the next month's report.

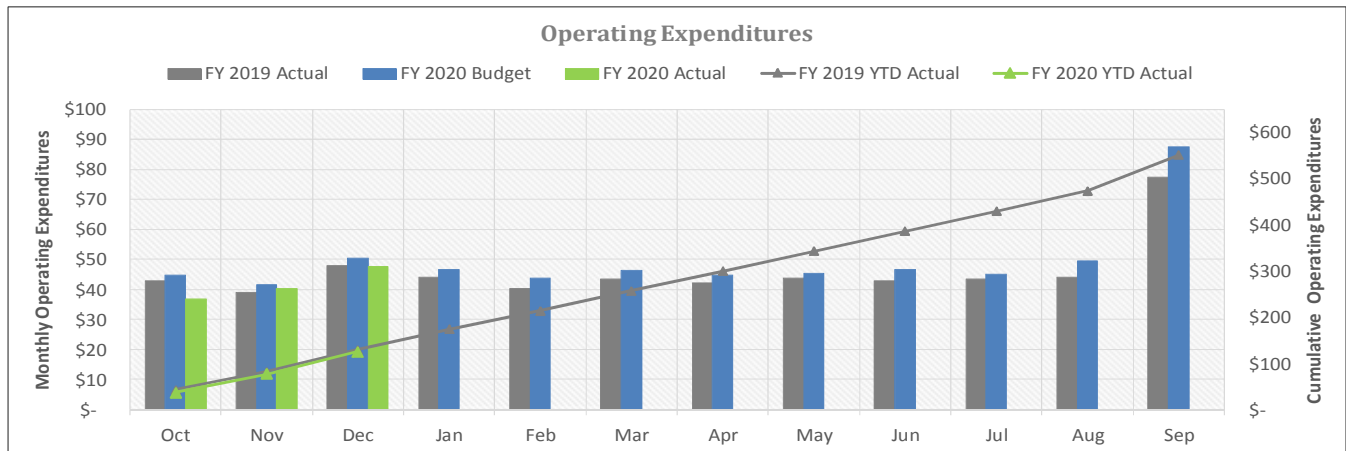
Wholesale – The wholesale customer actual receipts through December 2019 total \$20.4 million or 24.7 percent of FY 2020 budget.

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2019

Operating Expenditures (\$'000's)

FY 2019		CATEGORY	FY 2020					
Total Annual	YTD December		Annual Budget	YTD Budget	YTD Actual	% of Budget	Variance \$	Variance % Fav(Unfav)
\$157,979	\$37,405	Personnel	\$170,680	\$ 41,333	\$38,839	22.8%	\$2,494	6.0%
76,206	18,875	Contractual Services	81,886	20,575	18,919	23.1%	1,656	8.0%
32,430	7,572	Water Purchases	34,929	7,794	7,059	20.2%	735	9.4%
34,979	8,908	Supplies & Chemicals	33,158	8,154	7,994	24.1%	161	2.0%
25,778	6,806	Utilities	26,953	7,053	5,989	22.2%	1,063	15.1%
731	80	Small Equipment	989	200	218	22.1%	(18)	(9.2%)
\$328,104	\$79,646	SUBTOTAL O&M	\$348,595	\$85,108	\$79,017	22.7%	\$6,090	7.2%
193,035	47,998	Debt Service	215,340	52,669	46,122	21.4%	6,547	12.4%
21,702	5,426	PILOT/ROW	22,034	5,509	5,509	25.0%	(1)	(0.0%)
26,999	0	Cash Financed Capital Improvements	28,556	0	0	0.0%	0	0.0%
\$569,840	\$133,069	TOTAL OPERATING	\$614,523	\$143,285	\$130,648	21.3%	\$12,637	8.8%
(17,588)	(3,308)	Capital Labor	(22,748)	(5,342)	(5,803)	25.5%	461	(8.6%)
\$552,252	\$129,761	TOTAL NET OPERATING	\$591,775	\$137,943	\$124,845	21.1%	\$13,097	9.5%



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

Total operating expenditures for this period (including debt service and the Right-of-Way & PILOT fees) totaled \$130.6 million or 21.3 percent of the FY 2020 Board-approved budget of \$614.5 million. These numbers include estimated incurred but unpaid invoices and are subject to revision in subsequent months.

Areas of Overspending

Small Equipment – Spending is consistent with purchases at this time of the fiscal year.

Areas of Underspending

Personnel Services – YTD spending is consistent with expectations. Of the 1226 positions authorized, 1104 were filled at the end of December with a vacancy rate of 10 percent.

Contractual Services – Spending is in line with trends at this time of the fiscal year.

Utilities – Underspending is primarily due to lower than budgeted electricity prices. A total of 15MW of the Authority’s electric load is locked at an average Western Hub price of \$29.81/MWh for the remainder of the fiscal year.

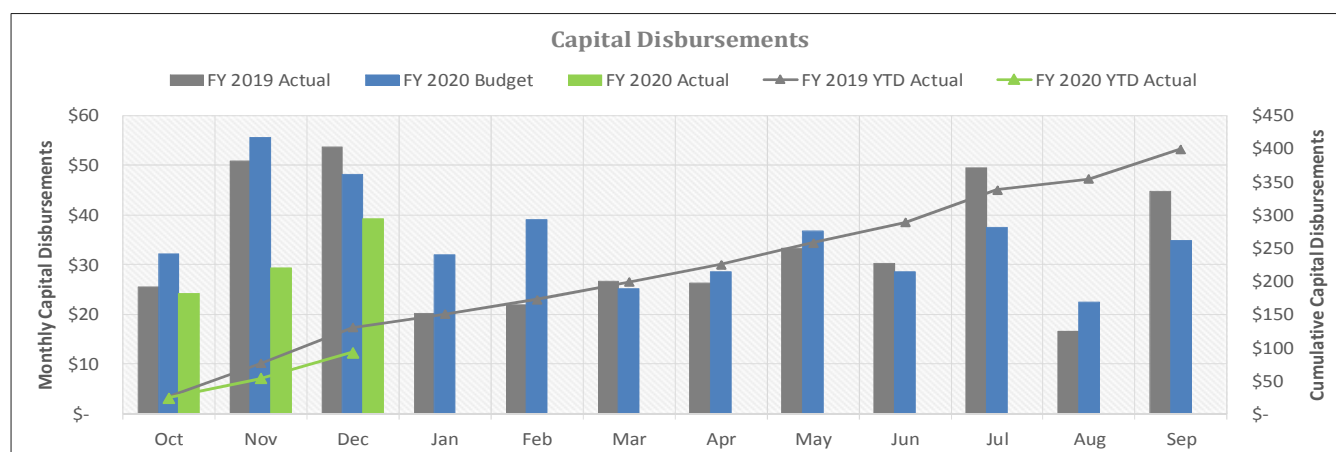
Debt Service – Refunded \$300 million of Series 2013A bonds in October 2019, providing DC Water with present value savings of \$50.8 million and cash flow savings of \$2.4 million to \$2.7 million annually from FY 2020 – FY 2048.

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2019

Capital Disbursements (\$000's)

FY 2019		CATEGORY	FY 2020					
Total Annual	YTD December		Amended Budget	YTD Budget	YTD Actual	% of Budget	Variance \$	Variance % Fav(Unfav)
\$8,529	\$2,482	Non Process Facilities	\$36,002	\$6,144	\$4,584	12.7%	\$1,560	25.4%
53,127	13,825	Wastewater Treatment	66,620	20,041	10,103	15.2%	9,938	49.6%
221,752	83,117	Combined Sewer Overflow	151,427	49,378	52,036	34.4%	(2,659)	(5.4%)
2,210	62	Stormwater	8,571	2,716	2,280	26.6%	436	16.1%
36,224	10,026	Sanitary Sewer	43,646	14,122	6,593	15.1%	7,529	53.3%
45,310	13,024	Water	71,720	23,287	10,690	14.9%	12,598	54.1%
\$367,152	\$122,536	SUBTOTAL CAPITAL PROJECTS	\$377,987	\$115,687	\$86,285	22.8%	\$29,402	25.4%
21,367	7,419	Capital Equipment	31,703	13,660	6,290	19.8%	7,370	54.0%
10,847	0	Washington Aqueduct	15,515	0	0	0.0%	0	0.0%
\$32,214	\$7,419	SUBTOTAL ADD'L CAPITAL PROGRAMS	\$47,218	\$13,660	\$6,290	13.3%	\$7,370	54.0%
\$399,366	\$129,955	TOTAL	\$425,205	\$129,347	\$92,575	21.8%	\$36,772	28.4%



VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of December 2019, capital disbursements are \$92.6 million or 21.8 percent of the FY 2020 amended budget, which is subject to revision as part of the FY 2021 budget process.

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 in February 2020.

Capital Projects	Additional Capital Programs
<p><u>Non Process Facilities Service Area</u> – Underspending due to project slippage for the Main & O Redevelopment efforts.</p> <p><u>Wastewater Service Area</u> – Underspending attributable to closeout delays on the Enhanced Clarification Facilities project.</p> <p><u>Sewer Service Area</u> - Creekbed Sewer Rehab 2 projects have not progressed as quickly as anticipated.</p> <p><u>DC Clean Rivers (DCCR)</u> – YTD spending is higher due to the Anacostia, Potomac and Rock Creek projects. Overall DCCR expected to be on track by year end.</p> <p><u>Water Service Area</u> - Underspending driven by invoice delays on the Small Diameter Water Main Rehab 12 project and closeout delays for the Small Diameter Water Rehab 11 project.</p>	<p><u>Capital Equipment</u> - Lower than planned disbursements for vehicles, major equipment, and unused funds in the Authority-wide reserve. Spending is expected to increase during the year for major projects including the Automated Meter Infrastructure (AMI) & Enterprise Resource Planning (ERP).</p>

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2019

Cash Investments (\$ in millions)

Cash Balances

Rate Stabilization Fund Balance **\$61.45**
DC Insurance Reserve Balance **1.00**

Operating Reserve Accounts	
Renewal & Replacement Balance	35.00
O & M Reserve per Indenture	54.14
Undesignated Reserve Balance	36.36
O & M Reserve per Board Policy	125.50
Excess Above O & M Reserve	39.50
Management O & M Reserve Target	165.00
Project Billing Refunds	15.00
Excess Revenue	39.47
Operating Reserve Accounts	219.47

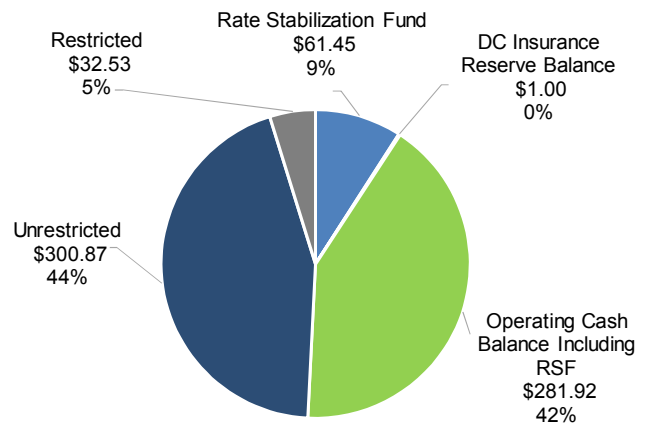
Operating Cash Balance Including RSF **281.92**

Additional Reserve Accounts	
Unrestricted	
Bond Fund - Construction 2016B	0.87
Bond Fund - Construction 2019A	125.00
Bond Fund - Construction 2019B	75.00
Bond Fund - Construction 2019C	100.00
Unrestricted Total	300.87

Restricted	
Debt Service Reserve - Series 1998	19.94
District Funds	2.83
DC Water - CAP2	5.76
DOEE - CAP3	0.15
DOEE - Non-Profit	3.35
Damages Against Deposits	0.50
Restricted Total	32.53

Total All Funds **\$615.32**

Breakdown of Cash Balances



Overall Portfolio Performance

- The operating reserve balance was \$219.5 million as compared to the operating reserve level of \$165.0 million for FY 2020
- Average cash balance for the month of December was \$202.6 million; year end target is \$180 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for December (on a cash basis) was \$255,732; YTD \$927,574
- A detailed investment performance report is attached

Monthly Financial Report

Fiscal Year-to-Date As of December 31, 2019

Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD Cash Budget	YTD Actual Cash Oct. 1, 2019 - Dec 31, 2019	Variance Favorable (Unfavorable)	
OPERATING BUDGET					
Cash Provided					
Retail	\$549,553	\$137,388	\$137,890	\$502	0%
Wholesale	82,539	20,635	20,355	(280)	0%
Other	61,317	15,471	16,821	1,350	9%
Total Cash Provided	693,409	173,494	175,065	1,571	1%
Operating Cash Used					
Personnel Services	147,932	35,990	37,708	(1,718)	-5%
Contractual Services	81,886	20,575	22,763	(2,188)	-11%
Chemicals & Supplies	33,158	8,154	9,319	(1,165)	-14%
Utilities	26,953	7,053	5,495	1,558	22%
Water Purchases	34,929	7,794	8,721	(927)	-12%
Small Equipment	989	200	365	(165)	-83%
Total Operating Cash Used	325,847	79,766	84,371	(4,605)	-6%
Defeasance D.S./Cash Financed Capital Construction	28,556	7,139	0	7,139	100%
Other Cash Used					
Debt Service	215,340	52,669	46,122	6,547	12%
Payment In Lieu of Taxes/Right of Way	22,034	5,509	5,508	1	0%
Total Other Cash Used	237,374	58,178	51,630	6,548	11%
Total Cash Used	591,776	145,083	136,001	9,082	6%
Net Cash Provided (Used) by Operating Act.	101,633	25,408	39,064	13,656	
CAPITAL BUDGET					
Cash Provided					
Debt Proceeds	183,845	45,961	69,828	23,866	52%
Cash Financed Capital Improvements	28,556	7,139		(7,139)	0%
System Availability Fee	5,775	1,444		(1,444)	-100%
EPA Grants	38,990	9,748	867	(8,880)	-91%
CSO Grants					0%
Interest Income	3,658	914	(82)	(996)	-109%
Wholesale Capital Contributions	67,321	16,830	16,105	(725)	-4%
Total Cash Provided	328,145	82,036	86,718	4,682	6%
Cash Used					
DC Water Capital Program	409,673	129,347	92,575	36,772	28%
Washington Aqueduct Projects	15,532				0%
Total Cash Used	425,205	129,347	92,575	36,772	28%
Net Cash/PAYGO Provided (Used) by Cap. Act.	(\$97,060)	(\$24,265)	(\$5,857)	\$18,408	
Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected					
Plus (Less) Operating Surplus	\$186,764		\$186,764		
Wholesale Customer Refunds from Prior Years	101,633	25,408	39,064		
DC Fleet Reimbursement	(3,448)	(862)	(800)		
Interest Earned From Bond Reserve	570	142	8		
Transfer to Rate Stabilization Fund					
Transfer to CAP Fund					
Transfer from CAP Fund			231		
Transfer from SAF	(5,775)				
Prior Year Federal Billing Reconciliation	1,317	329	57		
Project Billing Refunds	(4,000)	(1,000)			
Cash Used for Capital	(97,060)	(24,265)	(5,857)		
Balance Attributable to O&M Reserve	\$180,000		\$219,467		
OTHER CASH RESERVES					
Rate Stabilization Fund	Current				
DC Insurance Reserve	Balance				
Unrestricted Reserves	\$61,450				
Restricted Reserves	1,000				
	300,869				
	32,535				

APPENDIX

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Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2019

Operating Revenues Detail

(\$ in millions)

Revenue Category	FY 2020 Budget	YTD Budget	Actual	Variance Favorable / (Unfavorable)		Actual % of Budget
Residential, Commercial, and Multi-family	\$399.1	\$99.8	\$101.4	\$1.6	1.6%	25.4%
Federal	71.9	18.0	18.0	0.1	0.4%	25.1%
District Government	17.6	4.4	2.9	(1.5)	-33.2%	16.7%
DC Housing Authority	10.5	2.6	2.8	0.2	6.1%	26.5%
Customer Metering Fee	10.8	2.7	2.8	0.1	2.6%	25.6%
Water System Replacement Fee (WSRF)	39.7	9.9	10.0	0.1	0.8%	25.2%
Wholesale	82.5	20.6	20.4	(0.3)	-1.4%	24.7%
Right-of-Way Fee/PILOT	22.1	5.6	5.6	0.1	2.4%	25.6%
Subtotal (before Other Revenues)	\$654.2	\$163.6	\$163.9	\$0.3	0.2%	25.1%
Other Revenue without RSF						
IMA Indirect Cost Reimb. For Capital Projects	4.6	1.1	0.9	(0.2)	-18.2%	19.6%
DC Fire Protection Fee	12.5	3.1	4.9	1.8	58.1%	39.2%
Stormwater (MS4)	1.0	0.3	0.3	0.0	0.0%	30.0%
Interest	4.0	1.0	0.9	(0.1)	-10.1%	22.5%
Developer Fees (Water & Sewer)	6.0	1.5	1.9	0.4	26.7%	31.7%
Transfer From Rates Stabilization	0.0	0.0	0.0	0.0	0.0%	0.0%
System Availability Fee (SAF)	5.8	1.4	1.5	0.1	7.1%	25.9%
Others	5.9	1.5	0.8	(0.7)	-46.7%	13.6%
Subtotal	\$39.8	\$9.9	\$11.2	\$1.3	13.1%	28.1%
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
Other Revenue Subtotal	\$39.8	\$9.9	\$11.2	\$1.3	13.1%	28.1%
Grand Total	\$694.0	\$173.5	\$175.1	\$1.6	0.9%	25.2%

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

Customer Category	Water	Sewer	Clean Rivers			Total
			IAC	Metering Fee	WSRF	
Residential	\$9,499	\$14,983	\$7,669	\$1,296	\$2,339	\$35,786
Commercial	16,042	18,033	8,812	840	3,874	47,601
Multi-family	9,139	14,056	3,120	288	1,694	28,297
Federal	5,642	6,414	5,987	196	1,443	19,682
District Govt	304	411	2,221	108	494	3,538
DC Housing Authority	991	1,469	331	34	161	2,987
Total:	\$41,617	\$55,365	\$28,139	\$2,763	\$10,006	\$137,890

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

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

Customer Category	FY 2020 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$26,357	\$6,589	\$7,669	\$1,079	16%	29%
Commercial	28,804	7,201	8,812	1,611	22%	31%
Multi-family	11,193	2,798	3,120	322	12%	28%
Federal	23,947	5,987	5,987	(0)	0%	25%
District Govt	7,533	1,883	2,221	338	18%	29%
DC Housing Authority	1,289	322	331	9	3%	26%
Total:	\$99,123	\$24,781	\$28,139	\$3,358	14%	28%

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2019

Retail Accounts Receivable (Delinquent Accounts)

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

Greater Than 90 Days by Month

	\$ in millions	# of accounts
September 30, 2012	\$5.5	13,063
September 30, 2013	\$4.9	11,920
September 30, 2014	\$5.3	12,442
September 30, 2015	\$6.5	11,981
September 30, 2016	\$7.7	12,406
September 30, 2017	\$8.4	11,526
September 30, 2018	\$13.4	16,273
September 30, 2019	\$10.6	8,744
October 31, 2019	\$11.0	8,985
November 30, 2019	\$11.5	9,153
December 31, 2019	\$12.3	10,214

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

Greater Than 90 Days by Customer

	Number of Accounts			Month of Dec (All Categories)				Total Delinquent				
	W & S	Impervious Only	Total No. of	Active		Inactive		November		December		
				No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	%
a/c	a/c	a/c	a/c	(\$)	a/c	(\$)	a/c	(\$)	a/c	(\$)	%	
Commercial	9,045	2,389	11,434	1,011	\$4,122,357	25	\$123,871	876	\$3,722,628	1,036	\$4,246,228	35%
Multi-family	8,385	359	8,744	804	\$3,773,220	10	\$75,399	775	\$3,949,367	814	\$3,848,619	31%
Single-Family Residential	106,210	2,741	108,951	8,284	\$4,108,165	80	\$76,124	7,502	\$3,833,083	8,364	\$4,184,288	34%
Total	123,640	5,489	129,129	10,099	\$12,003,741	115	\$275,393	9,153	\$11,505,078	10,214	\$12,279,135	100%

Notes: Included in the above \$12.3M (or 10,214 accounts) of the DC Water over 90 days delinquent accounts, \$4,358,046.10 (or 1,695 accounts) represents Impervious only accounts over 90 days delinquent.

- Reportable delinquencies do not include balances associated with a long standing dispute between DC Water and a large commercial customer.

Monthly Financial Report

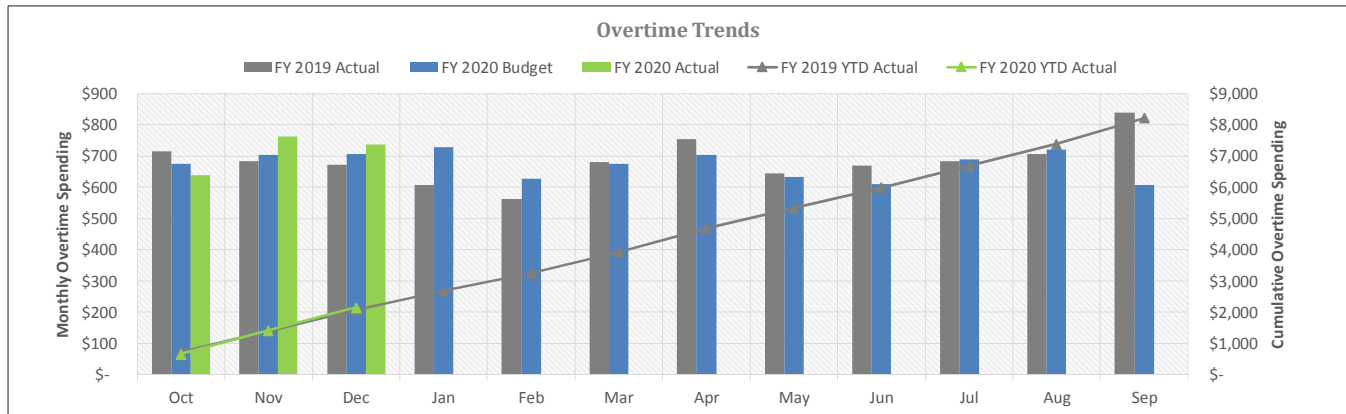
Fiscal Year-to-Date
As of December 31, 2019

Overtime by Department

Department	FY 2020			
	Budget	Actual	YTD Actual % of Budget	% of Regular Pay
Office of the Board Secretary	\$9,000	\$3,203	35.6%	4.6%
General Manager	3,000	1,358	45.3%	0.2%
Legal Affairs	3,000	225	7.5%	0.1%
Office of Marketing and Communications*	1,000	1,699	169.9%	0.4%
Internal Audit	-	0	0.0%	0.0%
Information Technology	10,000	1,460	14.6%	0.2%
Procurement	30,000	5,464	18.2%	0.6%
Customer Service	302,000	98,504	32.6%	4.3%
Finance	40,000	13,629	34.1%	0.8%
Assistant General Manager - Administrative Services	1,000	0	0.0%	0.0%
Office of Emergency Management	-	0	0.0%	0.0%
Human Capital Management	5,000	0	0.0%	0.0%
Occupational Safety and Health	1,000	0	0.0%	0.0%
Facilities Management	275,000	88,318	32.1%	10.1%
Department of Security	-	68	0.0%	0.0%
Wastewater Engineering	25,000	332	1.3%	0.1%
CIP Infrastructure Management	-	0	0.0%	0.0%
Distribution and Conveyance System	750,000	233,444	31.1%	12.5%
Engineering and Technical Services	938,000	316,077	33.7%	6.7%
Water Services	1,815,000	384,203	21.2%	11.5%
Clean Rivers	-	0	0.0%	0.0%
Sewer Services	1,318,000	334,043	25.3%	21.1%
Wastewater Treatment - Operations	1,845,000	492,195	26.7%	18.0%
Wastewater Treatment - Process Engineering	50,000	9,674	19.3%	1.1%
Maintenance Services	610,000	148,059	24.3%	7.1%
Permit Operations	50,000	6,286	12.6%	1.2%
Fleet Management**	3,000	2,725	90.8%	1.4%
Total DC WATER	\$8,084,000	\$2,140,966	26.5%	7.6%

* Marketing & Communication - Includes overtime costs for Blue Drop events

** Fleet Management - The change in contract requires more administration; limited resources



Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2019

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

Service Areas	Budget		Actual			Variance		
	AMENDED BUDGET	YTD BUDGET	Oct 2019 - Nov 2019	Dec 2019	YTD	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
NON PROCESS FACILITIES								
Facility Land Use	\$36,002	\$6,144	\$4,376	\$208	\$4,584	12.7%	\$1,560	25.4%
Subtotal	36,002	6,144	4,376	208	4,584	12.7%	1,560	25.4%
WASTEWATER TREATMENT								
Liquids Processing	30,915	7,418	1,789	1,937	3,726	12.1%	3,692	49.8%
Plantwide	20,223	5,309	2,517	433	2,950	14.6%	2,358	44.4%
Solids Processing	10,511	3,120	83	1,224	1,307	12.4%	1,813	58.1%
Enhanced Nitrogen Removal Facilities	4,972	4,194	1,448	671	2,119	42.6%	2,074	49.5%
Subtotal	66,620	20,041	5,837	4,266	10,103	15.2%	9,938	49.6%
COMBINED SEWER OVERFLOW								
D.C. Clean Rivers	147,208	47,308	23,184	27,629	50,813	34.5%	(3,505)	-7.4%
Program Management	1,241	452	87	8	95	7.7%	357	78.9%
Combined Sewer	2,978	1,618	845	283	1,129	37.9%	489	30.2%
Subtotal	151,427	49,378	24,116	27,920	52,036	34.4%	(2,659)	-5.4%
STORMWATER								
Local Drainage	17	3	-	-	-	0.0%	3	100.0%
On-Going	511	181	291	442	733	143.5%	(553)	-306.0%
Pumping Facilities	7,877	2,419	1,126	421	1,547	19.6%	873	36.1%
DDOT	-	-	-	-	-	0.0%	-	0.0%
Research and Program Management	-	-	-	-	-	0.0%	-	0.0%
Trunk/Force Sewers	166	113	-	-	-	0.0%	113	100.0%
Subtotal	8,571	2,716	1,417	863	2,280	26.6%	436	16.1%
SANITARY SEWER								
Collection Sewers	2,476	1,140	482	90	572	23.1%	568	49.8%
On-Going	12,842	3,448	838	1,004	1,842	14.3%	1,606	46.6%
Pumping Facilities	1,619	660	18	-	18	1.1%	642	97.3%
Program Management	2,452	923	199	473	672	27.4%	252	27.3%
Interceptor/Trunk Force Sewers	24,257	7,952	2,990	500	3,490	14.4%	4,461	56.1%
Subtotal	43,646	14,122	4,527	2,067	6,593	15.1%	7,529	53.3%
WATER								
Distribution Systems	40,948	13,725	1,549	1,707	3,257	8.0%	10,468	76.3%
Lead Program	5,928	2,055	574	157	732	12.3%	1,323	64.4%
On-Going	10,238	2,762	4,175	684	4,859	47.5%	(2,097)	-75.9%
Pumping Facilities	2,513	960	85	-	85	3.4%	875	91.1%
DDOT	76	562	-	-	-	0.0%	562	100.0%
Storage Facilities	5,223	1,480	866	4	870	16.6%	610	41.2%
Program Management	6,795	1,744	344	543	887	13.1%	856	49.1%
Subtotal	71,720	23,287	7,594	3,095	10,690	14.9%	12,598	54.1%
Capital Projects	377,987	115,687	47,866	38,419	86,285	22.8%	29,402	25.4%
CAPITAL EQUIPMENT	31,703	13,660	5,492	798	6,290	19.8%	7,370	54.0%
WASHINGTON AQUEDUCT	15,515	-	-	-	-	0.0%	-	0.0%
Additional Capital Programs	47,218	13,660	5,492	798	6,290	13.3%	7,370	54.0%
Total	\$425,205	\$129,347	\$53,358	\$39,217	\$92,575	21.8%	\$36,771	28.4%

Monthly Financial Report

Fiscal Year-to-Date
As of December 31, 2019

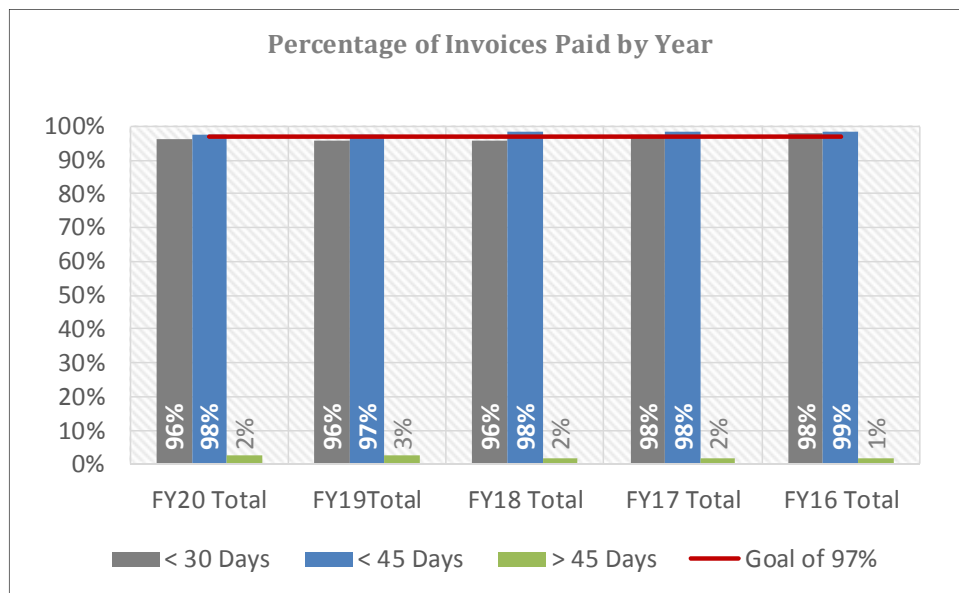
Accounts Payable Performance

Cumulative performance for the three-month period ending December FY 2020, a total of 5,265 vendor payments were processed and paid within 30 days compared to 5,085 in FY2019 (as shown in the table) and with a dollar value of \$154.1 million compared to \$183.5 million for FY 2019.

For FY 2020, approximately 96% of the invoices were paid within 30 days compared to 96% for FY 2019. The Authority’s goal is to pay 97% of all undisputed invoices within 30 days.

Days	FY 2020		FY 2019	
	Number	Percent	Number	Percent
Less than 30	5,265	96.0%	5,085	96.0%
Less than 45	5,348	97.5%	5,158	97.4%
Greater than 45	135	2.5%	140	2.6%
Sub-Total ≤ 45	5,483	100%	5,298	100%
Retainage/Dispute	53		3	
Total	5,536		5,301	

The chart below shows cumulative year to date historical performance for fiscal year 2016 through fiscal year 2020.



Fiscal Year-to-Date
As of December 31, 2019

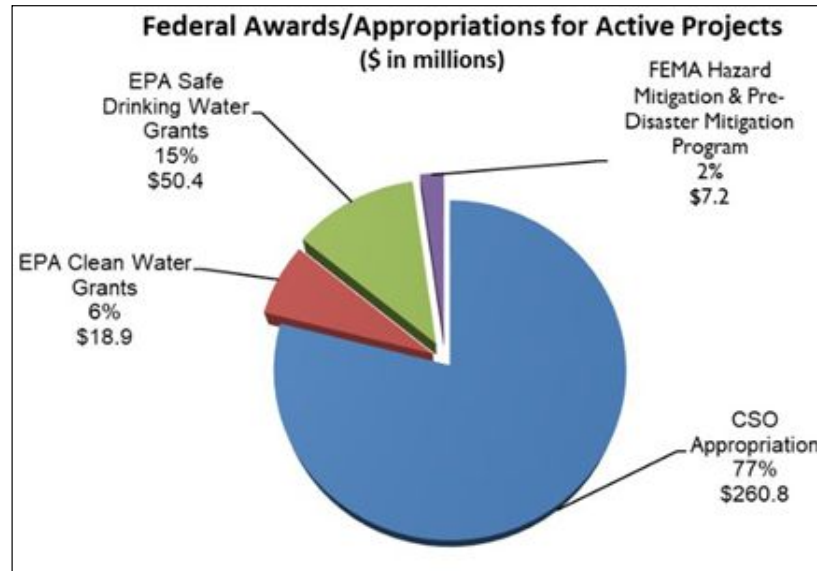
Grants Report

The Authority currently receives grants to fund portions of its capital project costs from the U.S. Environmental Protection Agency (EPA) and the Federal Emergency Management Agency (FEMA).

The EPA grants are issued under two acts, the Clean Water Act of 1972 and the Safe Drinking Water Act of 1974.

The FEMA mitigation grants are issued under the Robert T. Stafford Disaster Relief and Emergency Assistance Act through the Hazard Mitigation Grant Program (HMGP) Act of 1993 and the Pre-Disaster Mitigation Grant Program (PDM) Act of 2000.

As of December 31, 2019, DC Water has \$337.3 million in total federal funds for active projects, as indicated within the chart.



The remaining balance of the EPA funding as of December 31, 2019 is \$32.2 million. FEMA grants have a balance of \$5.4 million as of December 31, 2019.

DC Water has received twenty separate Congressional CSO appropriations totaling \$260.8 million plus accrued interest of \$12.4 million, resulting in total CSO funding of \$273.3 million. The cumulative CSO appropriation life-to-date cash disbursement is \$273.3 million. As of December 31, 2019, the remaining CSO balance is \$12,881 which represents interest earned on CSO funds through the month of December 2019.

Monthly Financial Report

Fiscal Year-to-Date As of December 31, 2019

FY 2019 Budget to Actual Performance (\$000's)

Operating Revenues

Category	A	B	C = B/A	D = B - A
	BUDGET	ACTUAL	% of BUDGET	\$ Fav/(Unfav)
Res. / Comm. / Multi.	\$376,210	\$394,202	104.8%	\$17,992
Federal	67,054	68,163	101.7%	\$1,109
Municipal (DC Govt.)	18,009	17,356	96.4%	(\$653)
DC Housing	9,860	11,136	112.9%	\$1,276
Metering Fee	10,776	11,613	107.8%	\$837
Water System Replacement Fee (WSRF)	39,717	40,660	102.4%	\$943
Wholesale	82,992	82,116	98.9%	(\$876)
PILOT/ROW	21,701	21,076	97.1%	(\$625)
All Other	39,331	48,116	122.3%	\$8,785
TOTAL	\$665,650	\$694,437	104.3%	\$28,788

Operating Expenditures

Category	A	B	C = B/A	D = A - B
	BUDGET	ACTUAL	% of BUDGET	\$ Fav/(Unfav)
Personnel	\$162,620	\$157,979	97.1%	\$4,641
Contractual Services	81,679	76,206	93.3%	5,473
Water Purchases	30,520	32,430	106.3%	(1,910)
Supplies & Chemicals	32,091	34,979	109.0%	(2,888)
Utilities	26,905	25,778	95.8%	1,127
Small Equipment	1,240	731	59.0%	509
SUBTOTAL O&M	\$335,055	\$328,104	97.9%	\$6,951
Debt Service	199,025	193,035	97.0%	5,990
Cash Financed Capital Improvements	26,999	26,999	100.0%	0
PILOT/ROW	21,702	21,702	100.0%	0
TOTAL OPERATING	\$582,781	\$569,840	97.8%	\$12,941
Capital Labor	(18,259)	(17,588)	96.3%	(671)
TOTAL NET OPERATING	\$564,522	\$552,252	97.8%	\$12,270

Capital Disbursements

Service Area	A	B	C = B/A	D = A - B
	BUDGET	ACTUAL	% of BUDGET	\$ Fav/(Unfav)
Non Process Facilities	\$15,309	\$8,529	55.7%	\$6,780
Wastewater Treatment	69,979	53,127	75.9%	16,852
Combined Sewer Overflow	195,350	221,752	113.5%	(26,402)
Stormwater	4,220	2,210	52.4%	2,010
Sanitary Sewer	44,927	36,224	80.6%	8,703
Water	61,884	45,310	73.2%	16,574
SUBTOTAL: CAPITAL PROJECTS	\$391,669	\$367,151	93.7%	\$24,518
Capital Equipment	34,518	21,367	61.9%	13,150
Washington Aqueduct	12,930	10,847	83.9%	2,083
SUBTOTAL: ADD'L CAPITAL PROGRAMS	\$47,448	\$32,215	67.9%	\$15,233
TOTAL	\$439,117	\$399,366	90.9%	\$39,751



**DC Water
Finance Division
Economic Update**

ECONOMIC COMMENTARY

- At the close of 2019, the U.S. economy still held the title of the longest economic expansion in recorded history. With mixed signals from economic data throughout the year, the record-breaking expansion has been one of the slowest, with job creation and the pace of GDP growth lagging past expansionary periods. Though U.S. growth has slowed compared to the beginning of 2019, it is expected to continue to grow at a steady pace.
- U.S. Gross Domestic Product (“GDP”) increased at an annual rate of 2.1% according to the Bureau of Economic Analysis’ final estimate for the third quarter of 2019. The final estimate of economic activity revealed resilient consumer spending and residential investment continued to bolster the economy.
- At the Federal Open Market Committee’s (“FOMC’s”) December meeting, Federal Reserve Chairman Jerome Powell affirmed a fundamentally healthy outlook on the U.S. economy, despite “persistent uncertainty regarding international trade and weakness in economic growth abroad.” FOMC “participants regarded the current stance of monetary policy as likely to remain appropriate.” Federal Reserve officials left interest rates unchanged for the final meeting of 2019 following three well coordinated cuts.
- U.S. Treasury yields on the shorter end fell while those on the longer end gained as the curve normalized. Market participants generally expect rates to remain steady until the latter half of 2020.

PORTFOLIO RECAP

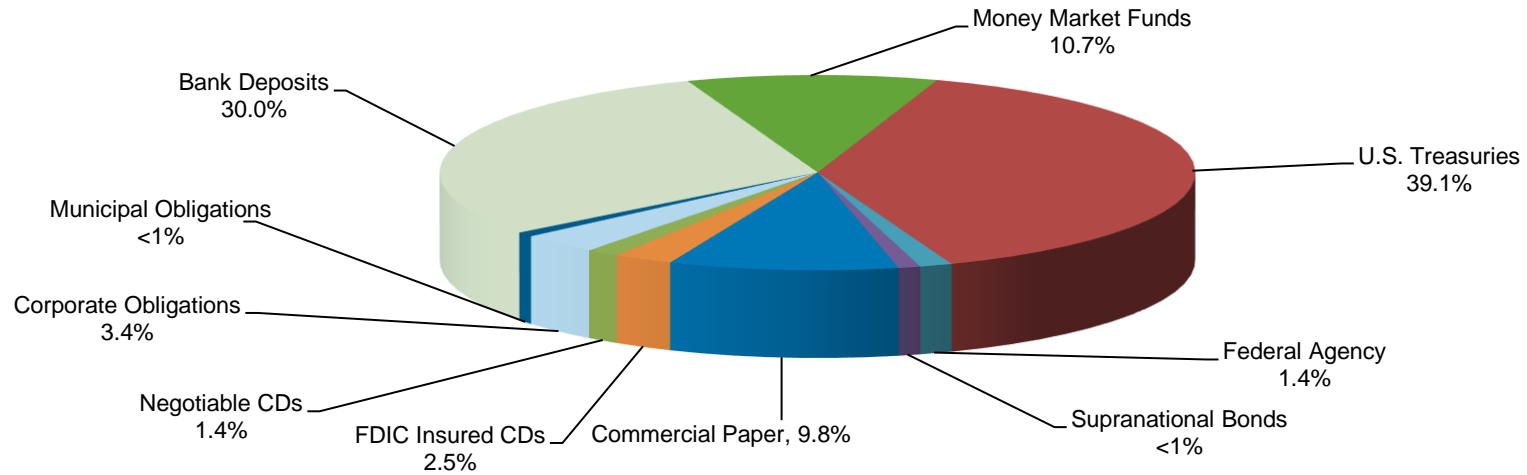
- The portfolio is diversified among Bank Deposits, U.S. Treasuries, Federal Agencies, Commercial Paper, Supranational Bonds, Negotiable CDs, Corporate Notes/Bonds, Municipal Bonds, FDIC Insured CDs, and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 1.58%.

Operating Reserve

- The investment advisor (PFMAM) purchased \$3.2 million of U.S. Treasury notes at a yield of 1.63%.



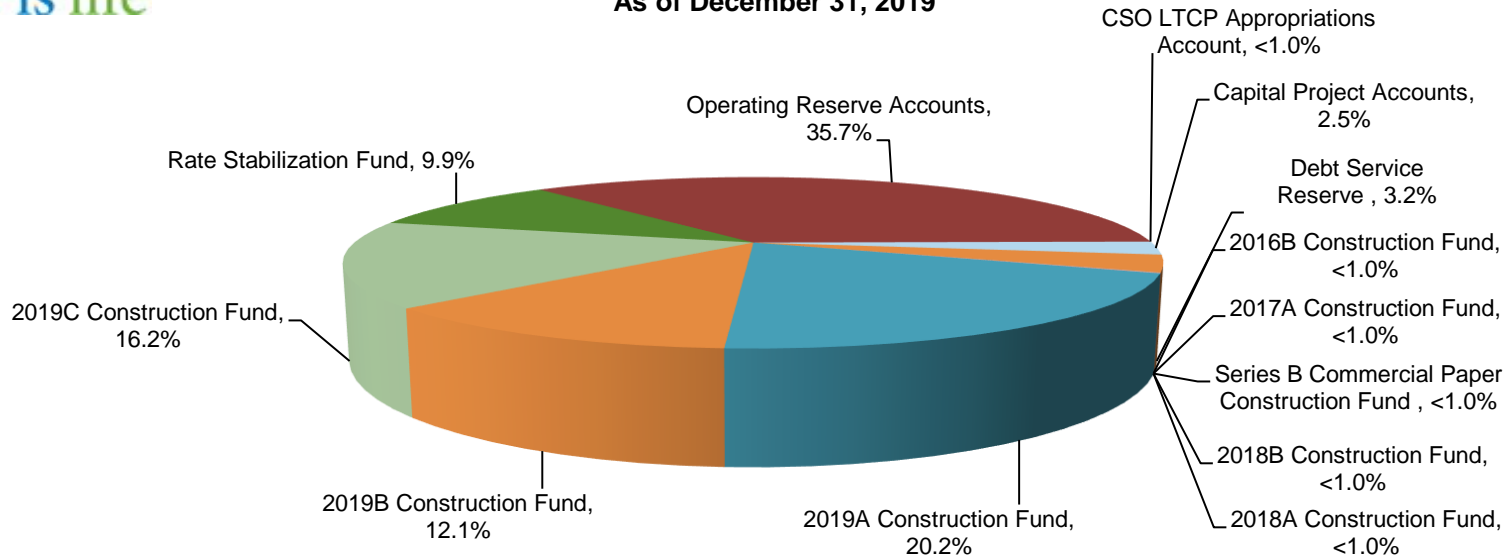
**DC Water
Finance Division
Investments - By Security Type
As of December 31, 2019**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	185,650,048	30.0%	100.0%
Money Market Funds	66,500,852	10.7%	100.0%
U.S. Treasuries	242,419,374	39.1%	100.0%
Federal Agency	8,568,783	1.4%	80.0%
Supranational Bonds	5,787,331	0.9%	30.0%
Commercial Paper	60,744,440	9.8%	35.0%
FDIC Insured CDs	15,663,751	2.5%	30.0%
Negotiable CDs	8,763,223	1.4%	30.0%
Corporate Obligations	20,827,776	3.4%	30.0%
Municipal Obligations	4,802,032	0.8%	20.0%
Total	\$ 619,727,609	100.0%	



**DC Water
Finance Division
Investment Analysis – By Fund
As of December 31, 2019**



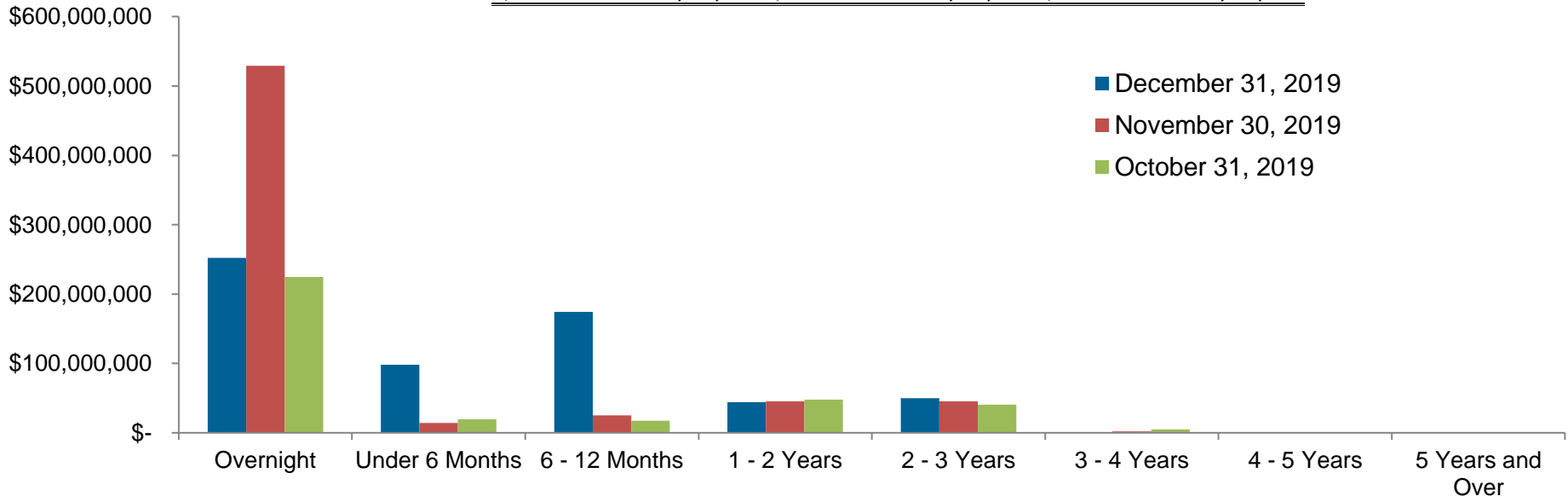
Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Rate Stabilization Fund	\$ 61,450,000	1.65%	0.00	1.0
Operating Reserve Accounts	\$ 221,444,326	1.53%	0.83	312.1
CSO LTCP Appropriations Account	\$ 12,881	1.70%	0.00	1.0
Capital Project Accounts	\$ 15,392,151	0.75%	0.00	1.0
Debt Service Reserve	\$ 20,124,375	2.43%	1.02	380.2
Series B Commercial Paper Construction Fund	\$ 1,726	1.08%	0.00	1.0
2016B Construction Fund	\$ 869,340	1.48%	0.00	1.0
2018A Construction Fund	\$ 27,295	1.48%	0.00	1.0
2018B Construction Fund	\$ 41,287	1.48%	0.00	1.0
2019A Construction Fund	\$ 125,150,664	1.14%	0.27	99.1
2019B Construction Fund	\$ 75,085,293	1.14%	0.50	187.0
2019C Construction Fund	\$ 100,128,272	1.14%	0.72	266.0
Total	\$ 619,727,609	1.58%	0.56	209.6

Investment Performance Report – December 2019



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

Maturity Distribution	December 31, 2019	November 30, 2019	October 31, 2019
Overnight	\$ 252,150,900.51	\$ 529,260,254.11	\$ 224,599,536.18
Under 6 Months	98,053,896.71	14,233,567.31	19,392,731.32
6 - 12 Months	174,567,909.67	25,267,178.44	17,572,572.20
1 - 2 Years	44,066,878.25	45,528,707.95	47,971,780.89
2 - 3 Years	49,994,975.62	45,371,387.73	40,510,709.20
3 - 4 Years	893,048.58	1,867,544.17	4,751,771.59
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
Totals	\$ 619,727,609	\$ 661,528,640	\$ 354,799,101



Investment Performance Report – December 2019



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
Bank Deposits					
TD Bank		185,650,048.42	30.0%	100.0%	Yes
Sub-Total Bank Deposits		185,650,048.42	30.0%	100.0%	Yes
Money Market Mutual Funds					
Wells Fargo Treasury Plus MMF	AAA	943,030.78	0.2%	50.0%	Yes
Wells Fargo Government MMF	AAA	159,309.70	0.0%	50.0%	Yes
Wells Fargo 100% Treasury MMF	AAA	65,396,785.48	10.6%	50.0%	Yes
First American Treasury	AAA	1,726.13	0.0%	50.0%	Yes
Sub-Total Money Market Mutual Funds		66,500,852.09	10.7%	100.0%	Yes
U.S. Treasuries					
Treasury Note	AA+ / Aaa	242,419,373.65	39.1%	100.0%	Yes
Sub-Total Treasuries		242,419,373.65	39.1%	100.0%	Yes
Federal Agencies					
Fannie Mae	AA+ / Aaa	3,203,522.16	0.5%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	5,365,260.66	0.9%	40.0%	Yes
Sub-Total Federal Agencies		8,568,782.82	1.4%	80.0%	Yes
Supranational Bonds					
African Development Bank	AAA / Aaa	805,430.85	0.1%	5.0%	Yes
Asian Development Bank	AAA / Aaa	706,775.29	0.1%	5.0%	Yes
Inter-American Development Bank	AAA / Aaa	1,064,532.01	0.2%	5.0%	Yes
International Bank for Reconstruction and Development	AAA / Aaa	2,278,293.89	0.4%	5.0%	Yes
International Finance Corporation Note	AAA / Aaa	932,298.61	0.2%	5.0%	Yes
Sub-Total Supranational Bonds		5,787,330.65	0.9%	30.0%	Yes
Commercial Paper					
American Honda	A-1 / P-1	3,754,006.79	0.6%	5.0%	Yes
Bank of Montreal Chicago	A-1 / P-1	15,006,485.01	2.4%	5.0%	Yes
Credit Agricole CIB	A-1 / P-1	9,000,061.47	1.5%	5.0%	Yes
MUFG Bank Ltd. NY	A-1 / P-1	8,995,634.16	1.5%	5.0%	Yes
Natixis NY	A-1 / P-1	8,994,430.35	1.5%	5.0%	Yes
Toyota Motor Credit Corporation	A-1+ / P-1	14,993,821.85	2.4%	5.0%	Yes
Sub-Total Commercial Paper		60,744,439.63	9.8%	35.0%	Yes

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



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
FDIC Insured Certificates of Deposit					
CDARS - Placed by Industrial Bank	NR / NR	15,663,751.25	2.5%	5.0%	Yes
Sub-Total FDIC-Insured Certificates of Deposit		15,663,751.25	2.5%	30.0%	Yes
Negotiable Certificates of Deposit					
Bank of Montreal Chicago	A-1 / P-1	937,212.83	0.2%	5.0%	Yes
Bank of Nova Scotia Houston	A-1 / P-1	926,980.22	0.1%	5.0%	Yes
Canadian Imperial Bank NY	A-1 / P-1	1,407,777.33	0.2%	5.0%	Yes
HSBC Bank USA	A-1+ / P-1	943,870.00	0.2%	5.0%	Yes
Nordea Bank AB NY	AA- / Aa3	1,459,314.24	0.2%	5.0%	Yes
Royal Bank of Canada NY	AA- / Aa2	701,512.00	0.1%	5.0%	Yes
Skandinaviska Enskilda Bank	A+ / Aa2	1,458,990.00	0.2%	5.0%	Yes
Swedbank NY	A-1+ / P-1	927,566.36	0.1%	5.0%	Yes
Westpac Banking Corp NY	AA- / Aa3	-	0.0%	5.0%	Yes
Sub-Total Negotiable Certificates of Deposit		8,763,222.98	1.4%	30.0%	Yes
Corporate Obligations					
3M Company	AA- / A1	342,628.46	0.1%	5.0%	Yes
Apple	AA+ / Aa1	1,119,875.47	0.2%	5.0%	Yes
Bank of Montreal	A- / A2	1,445,486.65	0.2%	5.0%	Yes
Bank of New York Mellon	A / A1	1,398,193.38	0.2%	5.0%	Yes
Bank of Nova Scotia Houston	A+ / Aa2	1,393,077.64	0.2%	5.0%	Yes
Berkshire Hathaway Inc.	AA / Aa2	489,427.85	0.1%	5.0%	Yes
Blackrock	AA- / Aa3	926,856.60	0.1%	5.0%	Yes
Chevron	AA / Aa2	478,271.41	0.1%	5.0%	Yes
Costco Wholesale	A+ / Aa3	202,207.56	0.0%	5.0%	Yes
Exxon Mobil Corporation	AA+ / Aaa	347,460.71	0.1%	5.0%	Yes
JP Morgan	A- / A2	1,405,344.46	0.2%	5.0%	Yes
Merck & Co.	AA / A1	897,905.61	0.1%	5.0%	Yes
Northern Trust Company	A+ / A2	484,710.31	0.1%	5.0%	Yes
Pfizer Inc.	AA- / A1	851,929.06	0.1%	5.0%	Yes
Procter & Gamble Co	AA- / Aa3	958,039.62	0.2%	5.0%	Yes

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Investment Performance Report – December 2019



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
Corporate Obligations					
Royal Bank of Canada	AA- / Aa2	874,436.22	0.1%	5.0%	Yes
Toronto Dominion Bank NY	AA- / Aa1	1,901,992.78	0.3%	5.0%	Yes
Total Capital	A+ / Aa3	965,642.37	0.2%	5.0%	Yes
Toyota	AA- / Aa3	924,562.45	0.1%	5.0%	Yes
US Bank Cincinnati	A+ / A1	987,219.32	0.2%	5.0%	Yes
Visa	AA- / Aa3	921,053.52	0.1%	5.0%	Yes
Wal-Mart Stores Inc.	AA / Aa2	575,384.01	0.1%	5.0%	Yes
Westpac Banking	AA- / Aa3	936,070.69	0.2%	5.0%	Yes
Sub-Total Corporate Obligations		20,827,776.15	3.4%	30.0%	Yes
Municipal Obligations					
California State	AA- / Aa2	1,082,538.52	0.2%	5.0%	Yes
Honolulu, Hawaii	NR / Aa1	392,449.09	0.1%	5.0%	Yes
NYC Transitional Finance Authority	AAA / Aa1	928,885.00	0.1%	5.0%	Yes
New York State	NR / Aa1	843,559.83	0.1%	5.0%	Yes
San Jose, California	AA+ / Aa1	440,796.55	0.1%	5.0%	Yes
New York City, New York	AA / Aa1	772,486.78	0.1%	5.0%	Yes
University of California	AA / Aa2	341,315.93	0.1%	5.0%	Yes
Sub-Total Municipal Obligations		4,802,031.70	0.8%	20.0%	Yes
Grand Total		\$ 619,727,609.34	100.0%		

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

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

	Trailing 1 Month		Trailing 3 Months		Trailing 6 Months		Trailing 12 Months	Trailing 24 Months
	Periodic	Annualized	Periodic	Annualized	Periodic	Annualized		
Rate Stabilization Fund	0.14%	1.69%	0.48%	1.93%	1.02%	2.04%	2.01%	1.77%
Operating Reserve Accounts	0.21%	2.55%	0.59%	2.35%	1.21%	2.41%	2.07%	1.85%
Debt Service Reserve	0.21%	2.48%	0.61%	2.44%	1.23%	2.46%	2.41%	2.11%
Short-Term	0.12%	1.43%	0.38%	1.50%	0.83%	1.65%	1.83%	1.81%
ICE BoAML 3-Month Treasury Index (Book Value) ¹	0.13%	1.51%	0.39%	1.55%	0.88%	1.76%	2.06%	2.11%
Core (1+ Years)	0.19%	2.19%	0.59%	2.36%	1.22%	2.44%	2.46%	2.32%
ICE BoAML 1-3 Year Treasury Index (Book Value) ²	0.14%	1.60%	0.40%	1.61%	0.84%	1.68%	1.96%	2.36%

- (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.

Investment Performance Report – December 2019



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
Rate Stabilization Fund										
TD BANK BANK DEPOSIT		\$ 61,450,000		1/1/2020		1.65%	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000.00
Operating Reserve Accounts										
TD BANK BANK DEPOSIT		\$ 107,795,017		1/1/2020		0.75%	\$ 107,795,017	\$ 107,795,017	\$ 107,795,017	
DC RESERVES TD BANK DEPOSIT		1,000,000		1/1/2020		1.70%	1,000,000	1,000,000	1,000,000	
WELLS FARGO GOVERNMENT MMF		159,310		1/1/2020		1.50%	159,310	159,310	159,310	
INDUSTRIAL BANK CDARS		2,640,952	2.00	1/16/2020	1/17/2019	1.99%	2,640,952	2,691,940	2,691,940	
INDUSTRIAL BANK CDARS		2,599,667	2.00	1/16/2020	1/17/2019	1.99%	2,599,667	2,649,858	2,649,858	
CANADIAN IMP BK COMM NY FLT CERT DEPOS	13606BVF0	1,400,000	2.41	4/10/2020	4/10/2018	2.78%	1,400,000	1,409,203	1,407,777	
BANK OF NOVA SCOTIA HOUSTON CD	06417GU22	925,000	3.08	6/5/2020	6/7/2018	3.10%	924,649	932,736	926,980	
BANK OF MONTREAL CHICAGO CERT DEPOS	06370REU9	925,000	3.19	8/3/2020	8/3/2018	3.23%	925,000	943,503	937,213	
INTL BANK OF RECONSTRUCTION AND DEV NOTE	45905UP32	925,000	1.561	9/12/2020	9/19/2017	1.64%	922,780	929,566	928,843	
HSBC BANK USA NA CERT DEPOS	40435RCN9	925,000	2.70	10/2/2020	4/4/2019	2.70%	925,000	948,993	943,870	
INDUSTRIAL BANK CDARS		5,103,271	1.50	10/8/2020	10/10/2019	1.49%	5,103,271	5,120,708	5,120,708	
INDUSTRIAL BANK CDARS		5,187,939	1.70	11/5/2020	11/7/2019	1.69%	5,187,939	5,201,245	5,201,245	
SWEDBANK (NEW YORK) CERT DEPOS	87019U6D6	925,000	2.27	11/16/2020	11/17/2017	2.30%	925,000	930,093	927,566	
US TREASURY NOTES	912828M98	2,650,000	1.625	11/30/2020	11/3/2017	1.77%	2,638,510	2,653,145	2,650,293	
US TREASURY NOTES	912828N48	1,975,000	1.75	12/31/2020	12/5/2017	1.91%	1,965,588	1,976,948	1,971,981	
US TREASURY NOTES	912828N48	975,000	1.75	12/31/2020	12/6/2017	1.96%	968,830	975,961	973,002	
ASIAN DEVELOPMENT BANK NOTE	045167EF6	700,000	2.25	1/20/2021	1/19/2018	2.29%	699,251	711,191	706,775	
US TREASURY NOTES	912828N89	1,750,000	1.375	1/31/2021	1/4/2018	2.05%	1,715,000	1,755,217	1,747,509	
US TREASURY NOTES	912828N89	800,000	1.375	1/31/2021	1/4/2018	2.08%	783,188	802,385	798,568	
US TREASURY NOTES	912828P87	1,100,000	1.125	2/28/2021	2/16/2018	2.42%	1,058,707	1,097,737	1,088,015	
INTERNATIONAL FINANCE CORPORATION NOTE	45950VLQ7	925,000	2.635	3/9/2021	3/16/2018	2.66%	924,306	940,173	932,299	
NY ST DORM AUTH PITS TXBL REV BONDS	64990FJN5	390,000	3.10	3/15/2021	12/21/2018	3.10%	390,000	399,531	393,560	
AFRICAN DEVELOPMENT BANK NOTE	00828ECZ0	800,000	2.625	3/22/2021	3/22/2018	2.66%	799,176	814,851	805,431	
CA ST TXBL GO BONDS	13063DGA0	1,075,000	2.80	4/1/2021	4/25/2018	2.80%	1,075,043	1,096,457	1,082,539	
TOYOTA MOTOR CREDIT CORP	89236TCZ6	475,000	1.90	4/8/2021	3/6/2018	2.82%	462,223	477,738	471,701	
TOYOTA MOTOR CREDIT CORP NOTES	89236TEU5	290,000	2.95	4/13/2021	4/13/2018	2.96%	289,884	296,227	291,803	
TOYOTA MOTOR CREDIT CORP NOTES	89236TEU5	160,000	2.95	4/13/2021	4/13/2018	2.93%	160,082	163,436	161,058	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406FAA1	515,000	2.50	4/15/2021	2/16/2018	2.93%	508,300	521,279	514,920	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406FAA1	410,000	2.50	4/15/2021	2/16/2018	2.99%	404,022	414,999	409,666	
INTER-AMERICAN DEVELOPMENT BANK NOTE	4581XDB1	1,060,000	2.625	4/19/2021	4/19/2018	2.70%	1,057,668	1,078,353	1,064,532	
ROYAL BANK OF CANADA CORP NOTES	78013XKG2	870,000	3.20	4/30/2021	4/30/2018	3.23%	869,382	890,257	874,436	
US TREASURY NOTES	9128284P2	1,900,000	2.625	5/15/2021	2/11/2019	2.45%	1,907,348	1,932,565	1,910,972	
UNIV OF CAL TXBL REV BONDS	91412HBH5	340,000	3.029	5/15/2021	6/5/2018	3.03%	340,000	347,076	341,316	
US TREASURY NOTES	912828WN6	975,000	2.00	5/31/2021	6/6/2018	2.62%	957,671	982,075	968,336	
ROYAL BANK OF CANADA NY CD	78012JEE1	700,000	3.24	6/7/2021	6/8/2018	3.24%	700,000	717,028	701,512	
TORONTO DOMINION BANK CORP NOTES	89114QBZ0	925,000	3.25	6/11/2021	6/12/2018	3.27%	924,584	946,391	926,464	
TOTAL CAPITAL INTL SA CORP NOTE	89153VAP4	475,000	2.75	6/19/2021	7/10/2019	2.24%	479,536	481,847	478,882	
FANNIE MAE NOTES	3135G0U35	1,320,000	2.75	6/22/2021	6/25/2018	2.76%	1,319,696	1,343,231	1,320,754	
WAL-MART STORES INC CORP NOTES	931142EJ8	575,000	3.125	6/23/2021	6/27/2018	3.13%	574,971	587,694	575,384	
INTL BANK OF RECONSTRUCTION AND DEV NOTE	459058GH0	1,335,000	2.75	7/23/2021	7/25/2018	2.83%	1,331,876	1,373,307	1,349,451	
US TREASURY NOTES	9128284W7	3,500,000	2.75	8/15/2021	9/7/2018	2.72%	3,502,871	3,600,202	3,537,988	
US TREASURY NOTES	9128284W7	1,100,000	2.75	8/15/2021	9/28/2018	2.91%	1,095,316	1,131,492	1,108,753	
US TREASURY NOTES	9128284W7	450,000	2.75	8/15/2021	10/4/2018	2.89%	448,295	462,883	453,697	
US TREASURY NOTES	9128284W7	425,000	2.75	8/15/2021	10/11/2018	2.97%	422,443	437,167	427,936	
US TREASURY NOTES	912828RC6	2,850,000	2.125	8/15/2021	10/4/2019	1.42%	2,886,850	2,896,699	2,905,006	

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Investment Performance Report – December 2019



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
Operating Reserve Accounts										
3M COMPANY	88579YBA8	340,000	3.000	9/14/2021	9/14/2018	3.07%	339,303	348,962	342,628	
PFIZER INC CORP NOTE	717081EM1	575,000	3.000	9/15/2021	9/7/2018	3.05%	574,224	592,265	579,631	
NYC, NY TXBL GO BONDS	64966QED8	385,000	1.680	10/1/2021	10/22/2019	1.68%	385,000	385,335	386,240	
FEDERAL HOME LOAN BANKS NOTES	3130AF5B9	1,850,000	3.000	10/12/2021	11/6/2018	3.02%	1,848,927	1,907,430	1,861,532	
FEDERAL HOME LOAN BANKS NOTES	3130AF5B9	1,575,000	3.000	10/12/2021	12/12/2018	2.85%	1,581,395	1,623,893	1,589,469	
UNITED STATES TREASURY NOTES	9128285F3	1,000,000	2.875	10/15/2021	12/12/2018	2.77%	1,002,852	1,028,549	1,007,960	
US TREASURY NOTES	912828T67	540,000	1.250	10/31/2021	11/5/2019	1.61%	536,224	537,901	537,668	
US TREASURY NOTES	912828T67	925,000	1.250	10/31/2021	11/12/2019	1.69%	917,195	921,405	919,703	
FANNIE MAE NOTES	3135G0U92	935,000	2.625	1/11/2022	1/11/2019	2.65%	934,327	965,509	946,129	
FANNIE MAE NOTES	3135G0U92	925,000	2.625	1/11/2022	1/31/2019	2.62%	925,241	955,183	936,639	
WESTPAC BANKING CORP NY CORP NOTES	961214DG5	925,000	2.800	1/11/2022	4/10/2019	2.86%	923,418	952,338	936,071	
US TREASURY NOTES	9128285V8	4,600,000	2.500	1/15/2022	1/31/2019	2.55%	4,593,352	4,736,321	4,648,509	
US TREASURY NOTES	9128285V8	1,000,000	2.500	1/15/2022	2/11/2019	2.43%	1,001,992	1,029,635	1,012,958	
US TREASURY NOTES	912828V72	3,800,000	1.875	1/31/2022	1/9/2019	2.50%	3,730,828	3,852,081	3,782,217	
MERCK & CO INC CORP NOTES	58933YQA8	450,000	2.350	2/10/2022	1/16/2019	2.99%	441,639	458,638	448,317	
NY ST DORM AUTH PITS TXBL REV BONDS	64990FQN7	450,000	1.935	2/15/2022	1/3/2020	1.94%	450,000	450,468	450,000	
US TREASURY NOTES	9128286C9	5,150,000	2.500	2/15/2022	3/5/2019	2.54%	5,144,367	5,296,399	5,194,565	
US TREASURY NOTES	9128286C9	1,250,000	2.500	2/15/2022	4/3/2019	2.29%	1,257,275	1,285,534	1,267,240	
TOTAL CAPITAL SA CORP NOTE	89153VAB5	475,000	2.875	2/17/2022	7/19/2019	2.20%	483,047	490,452	486,760	
CHEVRON CORP (CALLABLE) NOTES	166764BN9	475,000	2.498	3/3/2022	5/17/2019	2.56%	474,202	486,847	478,271	
PFIZER INC CORP BONDS	717081ER0	270,000	2.800	3/11/2022	3/11/2019	2.80%	269,984	278,006	272,298	
US BANCORP (CALLABLE) NOTE	91159HHC7	965,000	3.000	3/15/2022	6/18/2019	2.33%	982,032	995,886	987,219	
BANK OF MONTREAL	06367WJM6	465,000	2.900	3/26/2022	3/26/2019	2.99%	463,819	477,665	467,669	
UNITED STATES TREASURY NOTES	9128286M7	1,685,000	2.250	4/15/2022	5/3/2019	2.23%	1,686,185	1,717,829	1,694,012	
APPLE INC CORP NOTES	037833BF6	500,000	2.700	5/13/2022	1/10/2019	3.08%	494,015	513,283	497,508	
APPLE INC CORP NOTES	037833BF6	475,000	2.700	5/13/2022	6/14/2019	2.25%	481,056	487,618	481,662	
BERKSHIRE HATHAWAY INC CORP NOTE	084664BT7	475,000	3.000	5/15/2022	8/15/2019	1.85%	489,559	489,837	489,428	
COSTCO WHOLESALE CORP CORP NOTES	22160KAK1	200,000	2.300	5/18/2022	8/16/2019	1.94%	201,910	203,107	202,208	
BLACKROCK INC CORP NOTES	09247XAJ0	925,000	3.375	6/1/2022	11/9/2018	3.41%	923,909	961,346	926,857	
FEDERAL HOME LOAN BANK	313379Q69	1,900,000	2.125	6/10/2022	7/1/2019	1.86%	1,914,269	1,924,241	1,914,260	
JPMORGAN CHASE & CO CORP NOTES	46647PAS5	925,000	3.514	6/18/2022	6/26/2018	3.50%	925,564	946,208	926,536	
US TREASURY NOTES	9128282P4	3,050,000	1.875	7/31/2022	6/5/2019	1.85%	3,052,502	3,095,495	3,076,013	
HONOLULU, HI TXBL GO BONDS	438687KR5	390,000	1.739	8/1/2022	8/21/2019	1.74%	390,000	391,969	392,449	
NORTHERN TRUST COMPANY CORP NOTES	665859AN4	475,000	2.375	8/2/2022	8/13/2019	1.95%	480,767	485,779	484,710	
PROCTER & GAMBLE CO/THE CORP NOTES	742718EU9	950,000	2.150	8/11/2022	6/21/2019	2.15%	950,105	968,901	958,040	
EXXON MOBIL CORPORATION	30231GBB7	345,000	1.902	8/16/2022	8/16/2019	1.90%	345,000	349,365	347,461	
BANK OF NY MELLON CORP CORP NOTES	06406RAK3	295,000	1.950	8/23/2022	8/23/2019	1.96%	294,906	297,697	296,962	
BANK OF NY MELLON CORP CORP NOTES	06406RAK3	175,000	1.950	8/23/2022	9/5/2019	1.85%	175,483	176,600	176,645	
NORDEA BANK ABP NEW YORK CERT DEPOS	65558TLL7	1,450,000	1.850	8/26/2022	8/29/2019	1.87%	1,450,000	1,461,676	1,459,314	
SKANDINAV ENSKILDA BANK LT CD	83050PDR7	1,450,000	1.860	8/26/2022	9/3/2019	1.88%	1,450,000	1,461,732	1,458,990	
US TREASURY NOTES	9128282S8	600,000	1.625	8/31/2022	10/4/2019	1.34%	604,922	603,787	607,811	
SAN JOSE, CA TXBL GO BONDS	798135H44	435,000	2.300	9/1/2022	7/25/2019	2.08%	437,854	443,159	440,797	
APPLE INC	037833DL1	140,000	1.700	9/11/2022	9/11/2019	1.71%	139,976	140,629	140,706	
MERCK & CO INC CORP NOTES	589331AT4	450,000	2.400	9/15/2022	3/15/2019	2.71%	445,401	460,198	449,588	
VISA INC (CALLABLE) NOTE	92826CAG7	925,000	2.150	9/15/2022	5/24/2019	2.56%	913,086	941,385	921,054	
NYC, NY TXBL GO BONDS	64966QEE6	385,000	1.690	10/1/2022	10/22/2019	1.69%	385,000	383,240	386,247	
UNITED STATES TREASURY NOTES	912828YK0	625,000	1.375	10/15/2022	11/4/2019	1.55%	621,826	623,023	623,826	
UNITED STATES TREASURY NOTES	912828YK0	3,175,000	1.375	10/15/2022	12/4/2019	1.63%	3,152,676	3,164,955	3,162,567	

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Investment Performance Report – December 2019



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
Operating Reserve Accounts										
BANK OF MONTREAL	06367WRC9	975,000	2.050	11/1/2022	10/21/2019	2.09%	973,859	982,881	977,818	
NYC TRANS FIN AUTH, NY TXBL REV BONDS	64971XHY7	925,000	2.520	11/1/2022	4/12/2019	2.52%	925,000	942,122	928,885	
BANK OF NOVA SCOTIA HOUSTON CORP NOTES	064159SH0	975,000	2.000	11/15/2022	10/15/2019	2.01%	974,698	980,690	978,837	
TORONTO-DOMINION BANK	89114QCD8	975,000	1.900	12/1/2022	10/10/2019	1.94%	973,918	977,478	975,529	
BANK OF NOVA SCOTIA	064159QD1	410,000	2.375	1/18/2023	7/18/2019	2.39%	409,807	420,595	414,240	
JPMORGAN CHASE & CO BONDS	46647PBB1	475,000	3.207	4/1/2023	3/22/2019	3.21%	475,000	490,136	478,808	\$ 221,444,326.49
Debt Service Reserve										
WELLS FARGO TREASURY PLUS MMF		\$ 5,109		1/1/2020		1.48%	\$ 5,109	\$ 5,109	\$ 5,109	
US TREASURY N/B NOTES	9128284C1	7,475,000	2.250	3/31/2020	2/6/2019	2.56%	7,449,013	7,528,246	7,512,136	
US TREASURY NOTES	912828VZ0	4,275,000	2.000	9/30/2020	4/5/2019	2.40%	4,249,951	4,307,746	4,284,060	
US TREASURY NOTES	912828F21	7,025,000	2.125	9/30/2021	4/2/2018	2.49%	6,940,206	7,125,771	7,019,674	
US TREASURY NOTES	912828L57	1,290,000	1.750	9/30/2022	11/1/2019	1.53%	1,298,113	1,300,926	1,303,396	\$ 20,124,374.78
CSO LTCP Appropriations Account										
TD BANK BANK DEPOSIT		\$ 12,881		1/1/2020		1.70%	\$ 12,881	\$ 12,881	\$ 12,881	\$ 12,880.66
Capital Project Accounts										
TD BANK BANK DEPOSIT - DISTRICT FUNDS		\$ 2,828,556		1/1/2020		1.36%	\$ 2,828,556	\$ 2,828,556	\$ 2,828,556	
TD BANK BANK DEPOSIT - DC WATER CAP2		5,760,000		1/1/2020		1.36%	5,760,000	5,760,000	5,760,000	
TD BANK BANK DEPOSIT - DOEE CAP3/NON-PROFIT		3,500,000		1/1/2020		1.36%	3,500,000	3,500,000	3,500,000	
TD BANK BANK DEPOSIT - DOEE - LEAD SERVICE LINE		2,803,595		1/1/2020		1.36%	2,803,595	2,803,595	2,803,595	
TD BANK BANK DEPOSIT - DEVELOPER DEPOSITS > \$250K		500,000		1/1/2020		1.36%	500,000	500,000	500,000	\$ 15,392,151.09
Series B Commercial Paper Construction Fund										
FIRST AMERICAN FUNDS TREASURY MMF		\$ 1,726		1/1/2020		1.08%	\$ 1,726	\$ 1,726	\$ 1,726	\$ 1,726.13
2016B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 869,340		1/1/2020		1.48%	\$ 869,340	\$ 869,340	\$ 869,340	\$ 869,340.25
2018A Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 27,295		1/1/2020		1.48%	\$ 27,295	\$ 27,295	\$ 27,295	\$ 27,294.85
2018B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 41,287		1/1/2020		1.48%	\$ 41,287	\$ 41,287	\$ 41,287	\$ 41,286.58
2019A Construction Fund										
WELLS FARGO 100% TREASURY MMF		\$ 30,197,294		1/1/2020		1.14%	\$ 30,197,294	\$ 30,197,294	\$ 30,197,294	
US TREASURY NOTES	912828UL2	14,495,000	1.375	1/31/2020	12/20/2019	1.57%	14,491,603	14,575,158	14,575,979	
AMERICAN HONDA FINANCE COMM PAPER	02665JCQ1	3,770,000	-	3/24/2020	12/20/2019	1.85%	3,751,695	3,754,660	3,754,007	
BANK OF MONTREAL CHICAGO COMM PAPER	06366GCX5	6,285,000	-	3/31/2020	12/20/2019	1.96%	6,250,275	6,256,070	6,254,361	
US TREASURY NOTES	912828J84	16,060,000	1.375	3/31/2020	12/20/2019	1.58%	16,050,590	16,105,447	16,107,808	
US TREASURY N/B NOTES	9128284J6	18,480,000	2.375	4/30/2020	12/20/2019	1.56%	18,534,141	18,599,516	18,603,976	
UNITED STATES TREASURY NOTES	912828XY1	14,750,000	2.500	6/30/2020	12/23/2019	1.59%	14,819,141	14,813,243	14,816,949	

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Investment Performance Report – December 2019



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
2019A Construction Fund										
CREDIT AGRICOLE CIB NY COMM PAPER	22533TGW0	3,790,000	-	7/30/2020	12/20/2019	1.86%	3,746,802	3,748,844	3,749,127	
MUFG BANK LTD/NY COMM PAPER	62479LGW9	3,790,000	-	7/30/2020	12/20/2019	1.92%	3,745,394	3,747,616	3,747,794	
NATIXIS NY BRANCH COMM PAPER	63873JGW4	3,790,000	-	7/30/2020	12/20/2019	1.94%	3,744,924	3,746,411	3,747,350	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GGW0	6,315,000	-	7/30/2020	12/20/2019	1.89%	6,241,850	6,245,049	6,245,786	
US TREASURY N/B	9128285B2	3,300,000	2.750	9/30/2020	12/20/2019	1.63%	3,328,359	3,349,615	3,350,233	
										\$ 125,150,663.89
2019B Construction Fund										
WELLS FARGO 100% TREASURY MMF		\$ 20,733,863		1/1/2020		1.14%	\$ 20,733,863	\$ 20,733,863	\$ 20,733,863	
BANK OF MONTREAL CHICAGO COMM PAPER	06366GCX5	3,770,000	-	3/31/2020	12/20/2019	1.96%	3,749,171	3,752,647	3,751,621	
CREDIT AGRICOLE CIB NY COMM PAPER	22533TJB3	2,280,000	-	9/11/2020	12/20/2019	1.87%	2,249,002	2,249,897	2,250,401	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GJB3	3,800,000	-	9/11/2020	12/20/2019	1.90%	3,747,495	3,749,129	3,749,863	
MUFG BANK LTD/NY COMM PAPER	62479LJE6	2,280,000	-	9/14/2020	12/20/2019	1.93%	2,247,630	2,249,215	2,249,074	
NATIXIS NY BRANCH COMM PAPER	63873JE1	2,280,000	-	9/14/2020	12/20/2019	1.95%	2,247,290	2,247,991	2,248,749	
US TREASURY N/B	9128285B2	39,500,000	2.750	9/30/2020	12/23/2019	1.63%	39,836,367	40,093,871	40,101,722	
										\$ 75,085,293.07
2019C Construction Fund										
WELLS FARGO 100% TREASURY MMF		\$ 14,465,628		1/1/2020		1.14%	\$ 14,465,628	\$ 14,465,628	\$ 14,465,628	
BANK OF MONTREAL CHICAGO COMM PAPER	06366GCX5	5,025,000	-	3/31/2020	12/20/2019	1.96%	4,997,237	5,001,870	5,000,503	
CREDIT AGRICOLE CIB NY COMM PAPER	22533TJB3	3,040,000	-	9/11/2020	12/20/2019	1.87%	2,998,670	2,999,863	3,000,534	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GJB3	5,065,000	-	9/11/2020	12/20/2019	1.90%	4,995,016	4,997,195	4,998,173	
MUFG BANK LTD/NY COMM PAPER	62479LJE6	3,040,000	-	9/14/2020	12/20/2019	1.93%	2,996,840	2,998,954	2,998,766	
NATIXIS NY BRANCH COMM PAPER	63873JE1	3,040,000	-	9/14/2020	12/20/2019	1.95%	2,996,386	2,997,321	2,998,332	
US TREASURY NOTES	912828L99	30,565,000	1.375	10/31/2020	12/20/2019	1.64%	30,496,945	30,566,132	30,571,129	
UNITED STATES TREASURY NOTES	9128285S5	34,330,000	2.500	12/31/2020	12/20/2019	1.64%	34,629,046	34,619,322	34,622,097	
UNITED STATES TREASURY NOTES	9128285X4	1,445,000	2.500	1/31/2021	12/20/2019	1.66%	1,458,378	1,473,383	1,473,110	
										\$ 100,128,271.55
							\$ 618,052,195.33	\$ 620,959,060.38	\$ 619,727,609.34	\$ 619,727,609.34

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Investment Performance Report – December 2019



DC Water
Finance Division
Security Purchases
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts								
313379Q69	FEDERAL HOME LOAN BANK	1,900,000.00	2.13	6/10/2022	7/1/2019	7/1/2019	1.86	1,916,624.21
89153VAP4	TOTAL CAPITAL INTL SA CORP NOTE	475,000.00	2.75	6/19/2021	7/8/2019	7/10/2019	2.24	480,298.23
798135H44	SAN JOSE, CA TXBL GO BONDS	435,000.00	2.30	9/1/2022	7/9/2019	7/25/2019	2.08	437,853.60
064159QD1	BANK OF NOVA SCOTIA	410,000.00	2.38	1/18/2023	7/15/2019	7/18/2019	2.39	409,807.30
89153VAB5	TOTAL CAPITAL SA CORP NOTE	475,000.00	2.88	2/17/2022	7/17/2019	7/19/2019	2.20	488,812.47
912828S8	US TREASURY NOTES	600,000.00	1.63	8/31/2022	8/2/2019	8/5/2019	1.69	602,990.83
438687KR5	HONOLULU, HI TXBL GO BONDS	390,000.00	1.74	8/1/2022	8/8/2019	8/21/2019	1.74	390,000.00
665859AN4	NORTHERN TRUST COMPANY CORP NOTES	475,000.00	2.38	8/2/2022	8/9/2019	8/13/2019	1.95	481,111.20
084664BT7	BERKSHIRE HATHAWAY INC CORP NOTE	475,000.00	3.00	5/15/2022	8/12/2019	8/15/2019	1.85	493,121.25
30231GBB7	EXXON MOBIL CORPORATION	345,000.00	1.90	8/16/2022	8/16/2019	8/16/2019	1.90	345,000.00
22160KAK1	COSTCO WHOLESALE CORP CORP NOTES	200,000.00	2.30	5/18/2022	8/14/2019	8/16/2019	1.94	203,034.44
06406RAK3	BANK OF NY MELLON CORP CORP NOTES	295,000.00	1.95	8/23/2022	8/20/2019	8/23/2019	1.96	294,905.60
65558TLL7	NORDEA BANK ABP NEW YORK CERT DEPOS	1,450,000.00	1.85	8/26/2022	8/27/2019	8/29/2019	1.87	1,450,000.00
83050PDR7	SKANDINAV ENSKILDA BANK LT CD	1,450,000.00	1.86	8/26/2022	8/29/2019	9/3/2019	1.88	1,450,000.00
06406RAK3	BANK OF NY MELLON CORP CORP NOTES	175,000.00	1.95	8/23/2022	9/3/2019	9/5/2019	1.85	175,596.75
037833DL1	APPLE INC	140,000.00	1.70	9/11/2022	9/4/2019	9/11/2019	1.71	139,976.20
912828S8	US TREASURY NOTES	1,000,000.00	1.63	8/31/2022	9/19/2019	9/20/2019	1.72	998,275.67
912828S8	US TREASURY NOTES	1,000,000.00	1.63	8/31/2022	10/3/2019	10/4/2019	1.34	1,009,720.99
912828RC6	US TREASURY NOTES	2,850,000.00	2.13	8/15/2021	10/3/2019	10/4/2019	1.42	2,895,078.21
64966QED8	NYC, NY TXBL GO BONDS	385,000.00	1.68	10/1/2021	10/4/2019	10/22/2019	1.68	385,000.00
64966QEE6	NYC, NY TXBL GO BONDS	385,000.00	1.69	10/1/2022	10/4/2019	10/22/2019	1.69	385,000.00
89114QCD8	TORONTO-DOMINION BANK	975,000.00	1.90	12/1/2022	10/7/2019	10/10/2019	1.94	973,917.75
064159SH0	BANK OF NOVA SCOTIA HOUSTON CORP NOTES	975,000.00	2.00	11/15/2022	10/9/2019	10/15/2019	2.01	974,697.75
RE1061747	INDUSTRIAL BANK CDARS	5,103,271.41	1.50	10/8/2020	10/10/2019	10/10/2019	1.52	5,103,271.41
06367WRC9	BANK OF MONTREAL	975,000.00	2.05	11/1/2022	10/16/2019	10/21/2019	2.09	973,859.25
912828YK0	UNITED STATES TREASURY NOTES	625,000.00	1.38	10/15/2022	11/1/2019	11/4/2019	1.55	622,295.77
912828T67	US TREASURY NOTES	540,000.00	1.25	10/31/2021	11/1/2019	11/5/2019	1.61	536,316.94
RE1061754	INDUSTRIAL BANK CDARS	5,187,938.73	1.70	11/5/2020	11/7/2019	11/7/2019	1.72	5,187,938.73
912828T67	US TREASURY NOTES	925,000.00	1.25	10/31/2021	11/8/2019	11/12/2019	1.69	917,576.49
912828YK0	UNITED STATES TREASURY NOTES	3,175,000.00	1.38	10/15/2022	12/2/2019	12/4/2019	1.63	3,158,639.75
Total Debt Service Reserve								
912828L57	US TREASURY NOTES	1,290,000.00	1.75	9/30/2022	11/1/2019	11/1/2019	1.53	1,300,086.66
2019A Construction Fund								
06366GCX5	BANK OF MONTREAL CHICAGO COMM PAPER	6,285,000.00	-	3/31/2020	12/19/2019	12/20/2019	1.99	6,250,275.38
62479LW9	MUFG BANK LTD/NY COMM PAPER	3,790,000.00	-	7/30/2020	12/19/2019	12/20/2019	1.95	3,745,393.81
63873JGW4	NATIXIS NY BRANCH COMM PAPER	3,790,000.00	-	7/30/2020	12/19/2019	12/20/2019	1.97	3,744,924.27
89233GGW0	TOYOTA MOTOR CREDIT CORP COMM PAPER	6,315,000.00	-	7/30/2020	12/19/2019	12/20/2019	1.91	6,241,849.50
912828S8	US TREASURY N/B	3,300,000.00	2.75	9/30/2020	12/19/2019	12/20/2019	1.63	3,348,443.40
912828UL2	US TREASURY NOTES	14,495,000.00	1.38	1/31/2020	12/19/2019	12/20/2019	1.57	14,568,508.95
02665JCQ1	AMERICAN HONDA FINANCE COMM PAPER	3,770,000.00	-	3/24/2020	12/19/2019	12/20/2019	1.87	3,751,694.56
22533TGW0	CREDIT AGRICOLE CIB NY COMM PAPER	3,790,000.00	-	7/30/2020	12/19/2019	12/20/2019	1.88	3,746,802.42
9128284J6	US TREASURY N/B NOTES	18,480,000.00	2.38	4/30/2020	12/19/2019	12/20/2019	1.56	18,594,429.09
912828J84	US TREASURY NOTES	16,060,000.00	1.38	3/31/2020	12/19/2019	12/20/2019	1.58	16,099,460.95
912828XY1	UNITED STATES TREASURY NOTES	14,750,000.00	2.50	6/30/2020	12/20/2019	12/23/2019	1.59	14,995,499.33

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

Investment Performance Report – December 2019



DC Water
Finance Division
Security Purchases
Last 6 Months (Continued)

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
2019B Construction Fund								
06366GCX5	BANK OF MONTREAL CHICAGO COMM PAPER	3,770,000.00	-	3/31/2020	12/19/2019	12/20/2019	1.99	3,749,170.75
62479LJE6	MUFG BANK LTD/NY COMM PAPER	2,280,000.00	-	9/14/2020	12/19/2019	12/20/2019	1.95	2,247,630.33
63873JJE1	NATIXIS NY BRANCH COMM PAPER	2,280,000.00	-	9/14/2020	12/19/2019	12/20/2019	1.97	2,247,289.60
22533TJB3	CREDIT AGRICOLE CIB NY COMM PAPER	2,280,000.00	-	9/11/2020	12/19/2019	12/20/2019	1.89	2,249,002.13
89233GJB3	TOYOTA MOTOR CREDIT CORP COMM PAPER	3,800,000.00	-	9/11/2020	12/19/2019	12/20/2019	1.92	3,747,494.56
9128285B2	US TREASURY N/B	39,500,000.00	2.75	9/30/2020	12/20/2019	12/23/2019	1.63	40,085,670.47
2019C Construction Fund								
06366GCX5	BANK OF MONTREAL CHICAGO COMM PAPER	5,025,000.00	0.000	3/31/2020	12/19/2019	12/20/2019	1.988	4,997,236.88
62479LJE6	MUFG BANK LTD/NY COMM PAPER	3,040,000.00	0.000	9/14/2020	12/19/2019	12/20/2019	1.948	2,996,840.44
63873JJE1	NATIXIS NY BRANCH COMM PAPER	3,040,000.00	0.000	9/14/2020	12/19/2019	12/20/2019	1.969	2,996,386.13
9128285S5	UNITED STATES TREASURY NOTES	34,330,000.00	2.500	12/31/2020	12/19/2019	12/20/2019	1.643	35,032,517.27
9128285X4	UNITED STATES TREASURY NOTES	1,445,000.00	2.500	1/31/2021	12/19/2019	12/20/2019	1.657	1,472,317.08
912828L99	US TREASURY NOTES	30,565,000.00	1.375	10/31/2020	12/19/2019	12/20/2019	1.635	30,554,674.34
22533TJB3	CREDIT AGRICOLE CIB NY COMM PAPER	3,040,000.00	0.000	9/11/2020	12/19/2019	12/20/2019	1.886	2,998,669.51
89233GJB3	TOYOTA MOTOR CREDIT CORP COMM PAPER	5,065,000.00	0.000	9/11/2020	12/19/2019	12/20/2019	1.917	4,995,015.77

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

Investment Performance Report – December 2019



DC Water
Finance Division
Security Sales
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts								
89152UAD4	TOTAL CAPITAL SA CORP NOTES	475,000.00	4.45	6/24/2020		7/10/2019	2.28	485,635.11
912828XH8	US TREASURY NOTES	300,000.00	1.63	6/30/2020		7/25/2019	2.03	299,206.18
064159JX5	BANK OF NOVA SCOTIA HOUSTON CORP BOND	425,000.00	2.15	7/14/2020		7/18/2019	2.26	424,659.53
89152UAD4	TOTAL CAPITAL SA CORP NOTES	375,000.00	4.45	6/24/2020	7/17/2019	7/19/2019	2.26	383,685.10
912828XH8	US TREASURY NOTES	100,000.00	1.63	6/30/2020	7/17/2019	7/19/2019	1.99	99,740.15
912828XH8	US TREASURY NOTES	500,000.00	1.63	6/30/2020	8/1/2019	8/5/2019	2.03	498,978.43
3135G0T60	FNMA NOTES	425,000.00	1.50	7/30/2020	7/30/2019	8/13/2019	1.83	423,904.21
912828XM7	US TREASURY NOTES	100,000.00	1.63	7/31/2020	8/13/2019	8/16/2019	1.88	99,832.37
912828S8	US TREASURY NOTES	200,000.00	1.63	8/31/2022	8/14/2019	8/16/2019	1.53	202,047.22
912828S8	US TREASURY NOTES	250,000.00	1.63	8/31/2022	8/20/2019	8/23/2019	1.46	253,192.93
65590ASN7	NORDEA BANK AB NY CD	1,850,000.00	2.72	2/20/2020	8/27/2019	8/29/2019	2.00	1,857,557.32
3135G0T60	FNMA NOTES	1,050,000.00	1.50	7/30/2020	8/29/2019	9/3/2019	1.77	1,048,850.25
912828XM7	US TREASURY NOTES	175,000.00	1.63	7/31/2020	9/3/2019	9/5/2019	1.76	175,066.28
912828XM7	US TREASURY NOTES	150,000.00	1.63	7/31/2020	9/5/2019	9/9/2019	1.80	150,036.43
3135G0T60	FNMA NOTES	375,000.00	1.50	7/30/2020	10/2/2019	10/4/2019	1.81	375,043.75
4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	915,000.00	2.13	11/9/2020	10/2/2019	10/4/2019	1.76	926,473.21
478160CH5	JOHNSON & JOHNSON CORP NOTE	195,000.00	1.95	11/10/2020	10/2/2019	10/4/2019	1.84	196,747.20
931142EG4	WAL-MART STORES INC CORP NOTES	925,000.00	2.85	6/23/2020	10/2/2019	10/4/2019	1.87	938,815.65
90275DHG8	UBS AG STAMFORD CT LT CD	925,000.00	2.90	3/2/2020	10/2/2019	10/4/2019	2.03	930,538.66
912828XM7	US TREASURY NOTES	400,000.00	1.63	7/31/2020	10/2/2019	10/4/2019	1.75	400,726.23
912828L99	US TREASURY NOTES	50,000.00	1.38	10/31/2020	10/3/2019	10/4/2019	1.63	50,158.54
89114QC71	TORONTO-DOMINION BANK	925,000.00	3.15	9/17/2020	10/7/2019	10/10/2019	1.87	937,767.31
912828S8	US TREASURY NOTES	100,000.00	1.63	8/31/2022	10/7/2019	10/10/2019	1.42	100,760.60
064159JX5	BANK OF NOVA SCOTIA HOUSTON CORP BOND	500,000.00	2.15	7/14/2020	10/9/2019	10/15/2019	1.87	503,727.36
912828S8	US TREASURY NOTES	50,000.00	1.63	8/31/2022	10/9/2019	10/15/2019	1.43	50,379.75
912828S8	US TREASURY NOTES	425,000.00	1.63	8/31/2022	10/9/2019	10/15/2019	1.43	428,227.81
912828S8	US TREASURY NOTES	575,000.00	1.63	8/31/2022	10/16/2019	10/21/2019	1.57	577,252.51
912828S8	US TREASURY NOTES	400,000.00	1.63	8/31/2022	10/16/2019	10/21/2019	1.57	401,566.97
90275DHG8	UBS AG STAMFORD CT LT CD	675,000.00	2.90	3/2/2020	10/17/2019	10/21/2019	1.98	679,818.77
191216AR1	COCA-COLA CO/THE GLOBAL NOTES	370,000.00	3.15	11/15/2020	10/29/2019	10/31/2019	1.78	380,569.05
64971W5W6	NYC TRANS FIN AUTH, NY TXBL REV BONDS	540,000.00	1.96	5/1/2020	11/1/2019	11/5/2019	1.84	540,425.40
96121T4A3	WESTPAC BANKING CORP NY CD	900,000.00	2.05	8/3/2020	11/8/2019	11/12/2019	1.81	905,858.75
3130ACE26	FHLB NOTES	965,000.00	1.38	9/28/2020	12/2/2019	12/4/2019	1.67	965,106.95
3135G0U84	FANNIE MAE NOTES	1,850,000.00	2.88	10/30/2020	12/2/2019	12/4/2019	1.66	1,875,095.76
912828L99	US TREASURY NOTES	200,000.00	1.38	10/31/2020	12/2/2019	12/4/2019	1.69	199,694.37

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

Investment Performance Report – December 2019



DC Water
Finance Division
Security Maturities
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	TRADE DATE	SETTLE DATE	TRANSACTION AMOUNT
Operating Reserve Accounts							
341271AA2	FL ST BOARD ADMIN FIN CORP TXBL REV BD	1,800,000.00	2.16	7/1/2019		7/1/2019	1,800,000.00
20772J3D2	CT ST TXBL GO BONDS	985,000.00	1.30	8/15/2019		8/15/2019	985,000.00
3130AEXV7	FHLB NOTES (CALLED OMD 09/20/2021)	925,000.00	3.00	9/20/2019		9/20/2019	925,000.00
RE1061606	INDUSTRIAL BANK CDARS	5,077,887.90	0.50	10/10/2019	10/10/2019	10/10/2019	5,103,207.78
RE1061614	INDUSTRIAL BANK CDARS	5,110,911.79	1.50	11/7/2019	11/7/2019	11/7/2019	5,187,365.43
Total Debt Service Reserve							
912828TR1	US TREASURY NOTES	5,035,000.00	1.00	9/30/2019	9/30/2019	9/30/2019	5,035,000.00
2018A Construction Fund							
912828D80	US TREASURY NOTES	1,850,000.00	1.63	8/31/2019	8/31/2019	8/31/2019	1,850,000.00
2018B Construction Fund							
912828K5	US TREASURY NOTES	4,660,000.00	1.38	7/31/2019		7/31/2019	4,660,000.00
62479MVW0	MUFG BANK LTD/NY COMM PAPER	2,500,000.00	-	8/30/2019		8/30/2019	2,500,000.00
89233HVW1	TOYOTA MOTOR CREDIT CORP COMM PAPER	5,000,000.00	-	8/30/2019		8/30/2019	5,000,000.00
912828D80	US TREASURY NOTES	28,225,000.00	1.63	8/31/2019		8/31/2019	28,225,000.00
09659CWW4	BNP PARIBAS NY BRANCH COMM PAPER	4,000,000.00	-	9/30/2019		9/30/2019	4,000,000.00
46640QWW7	JP MORGAN SECURITIES LLC COMM PAPER	6,500,000.00	-	9/30/2019		9/30/2019	6,500,000.00
912828F39	US TREASURY NOTES	14,250,000.00	1.75	9/30/2019		9/30/2019	14,250,000.00

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
01/10/20	INTEREST	13606BVF0	CANADIAN IMP BK COMM NY FLT CERT DEPOS	2.410	04/10/20	1,400,000.00	0.00	9,794.02	9,794.02
01/11/20	INTEREST	3135G0U92	FANNIE MAE NOTES	2.625	01/11/22	925,000.00	0.00	12,140.63	12,140.63
01/11/20	INTEREST	3135G0U92	FANNIE MAE NOTES	2.625	01/11/22	935,000.00	0.00	12,271.88	12,271.88
01/11/20	INTEREST	961214DG5	WESTPAC BANKING CORP NY CORP NOTES	2.800	01/11/22	925,000.00	0.00	12,950.00	12,950.00
01/15/20	INTEREST	9128285V8	US TREASURY NOTES	2.500	01/15/22	1,000,000.00	0.00	12,500.00	12,500.00
01/15/20	INTEREST	9128285V8	US TREASURY NOTES	2.500	01/15/22	4,600,000.00	0.00	57,500.00	57,500.00
01/18/20	INTEREST	064159QD1	BANK OF NOVA SCOTIA	2.375	01/18/23	410,000.00	0.00	4,868.75	4,868.75
01/20/20	INTEREST	045167EF6	ASIAN DEVELOPMENT BANK NOTE	2.250	01/20/21	700,000.00	0.00	7,875.00	7,875.00
01/23/20	INTEREST	459058GH0	INTL BANK OF RECONSTRUCTION AND DEV NOTE	2.750	07/23/21	1,335,000.00	0.00	18,356.25	18,356.25
01/31/20	INTEREST	9128282P4	US TREASURY NOTES	1.875	07/31/22	3,050,000.00	0.00	28,593.75	28,593.75
01/31/20	INTEREST	912828N89	US TREASURY NOTES	1.375	01/31/21	800,000.00	0.00	5,500.00	5,500.00
01/31/20	INTEREST	912828N89	US TREASURY NOTES	1.375	01/31/21	1,750,000.00	0.00	12,031.25	12,031.25
01/31/20	INTEREST	912828V72	US TREASURY NOTES	1.875	01/31/22	3,800,000.00	0.00	35,625.00	35,625.00

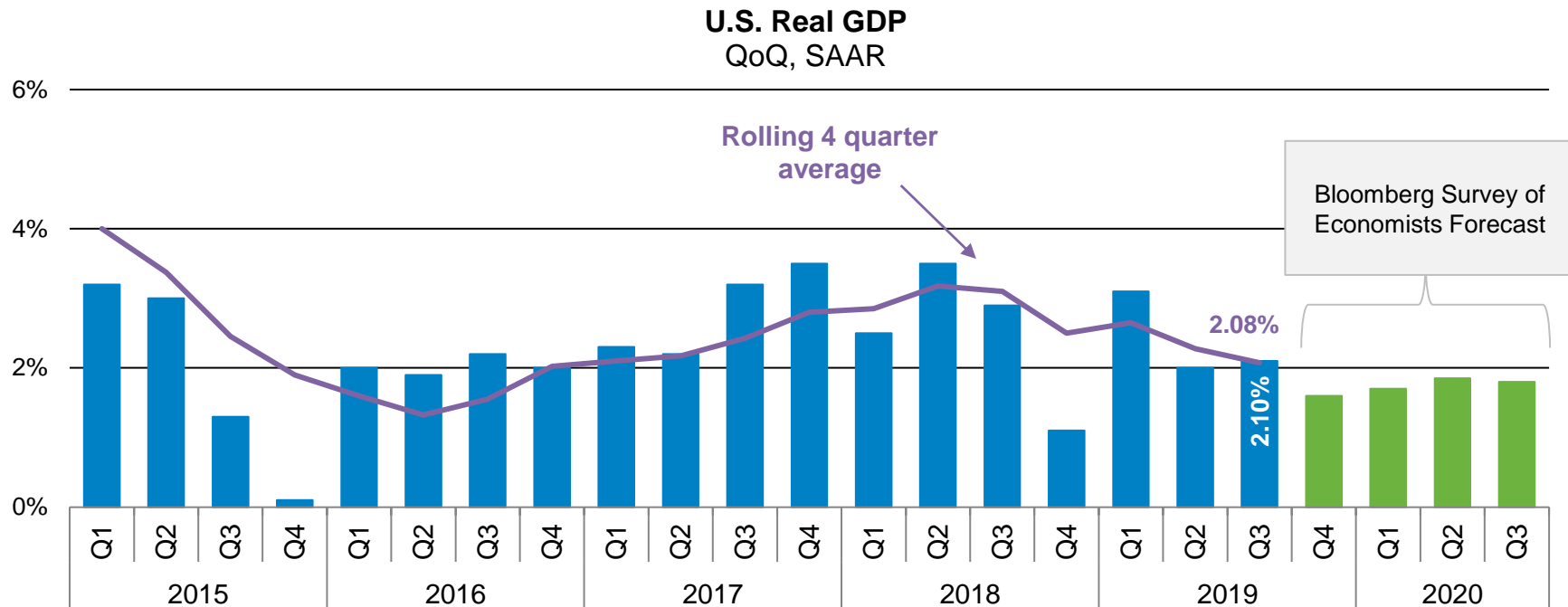


Appendix: Economic Update



Economic Growth Declines in Third Quarter

- U.S. economic activity experienced moderate growth during the second quarter of 2019.
 - The final estimate of U.S. GDP growth for the third quarter held steady at 2.1%, up slightly from the 2.0% pace in the second quarter.
 - Upwards revisions to personal spending and fixed investments were offset by a downward revision to inventory investment.
- Growth is still projected to steadily decline into 2020, highlighting positive but moderating growth.



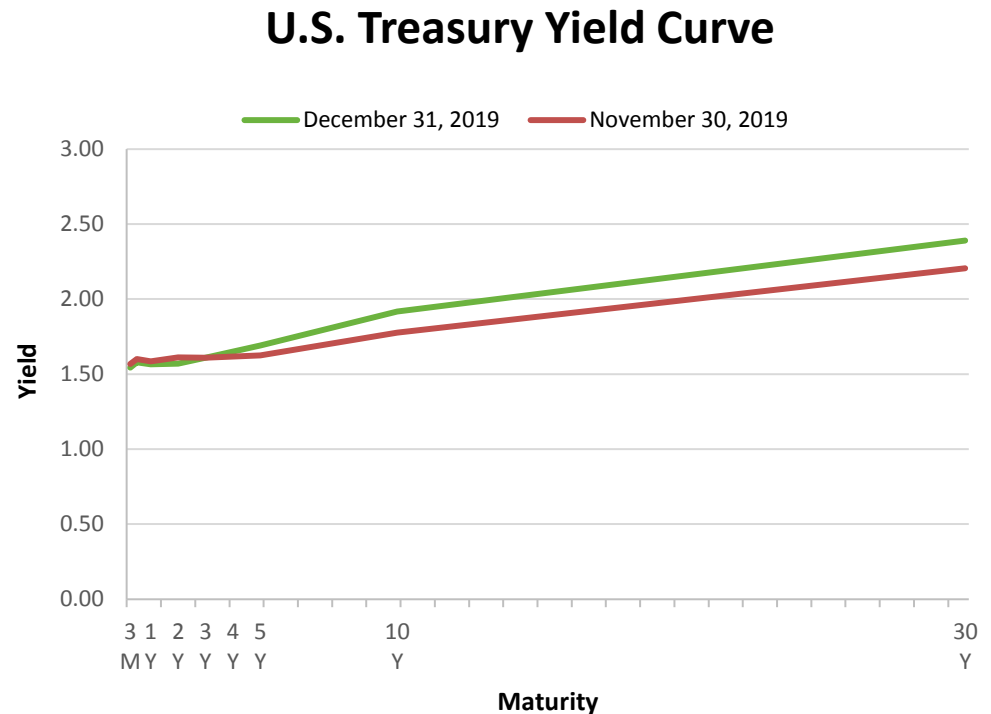
Source: Bloomberg, as of December 31, 2019. SAAR is seasonally adjusted annualized rate. Purple denotes rolling four-quarter averages.



The U.S. Treasury Yield Curve Normalizes

- U.S. Treasury rates rose modestly on the longer end of the curve, while shorter-term rates fell slightly to bring about a normalized yield curve.
- As of December 31, 2019, the yield curve normalized to have longer-duration securities provide additional income of those of shorter-duration U.S. Treasuries.

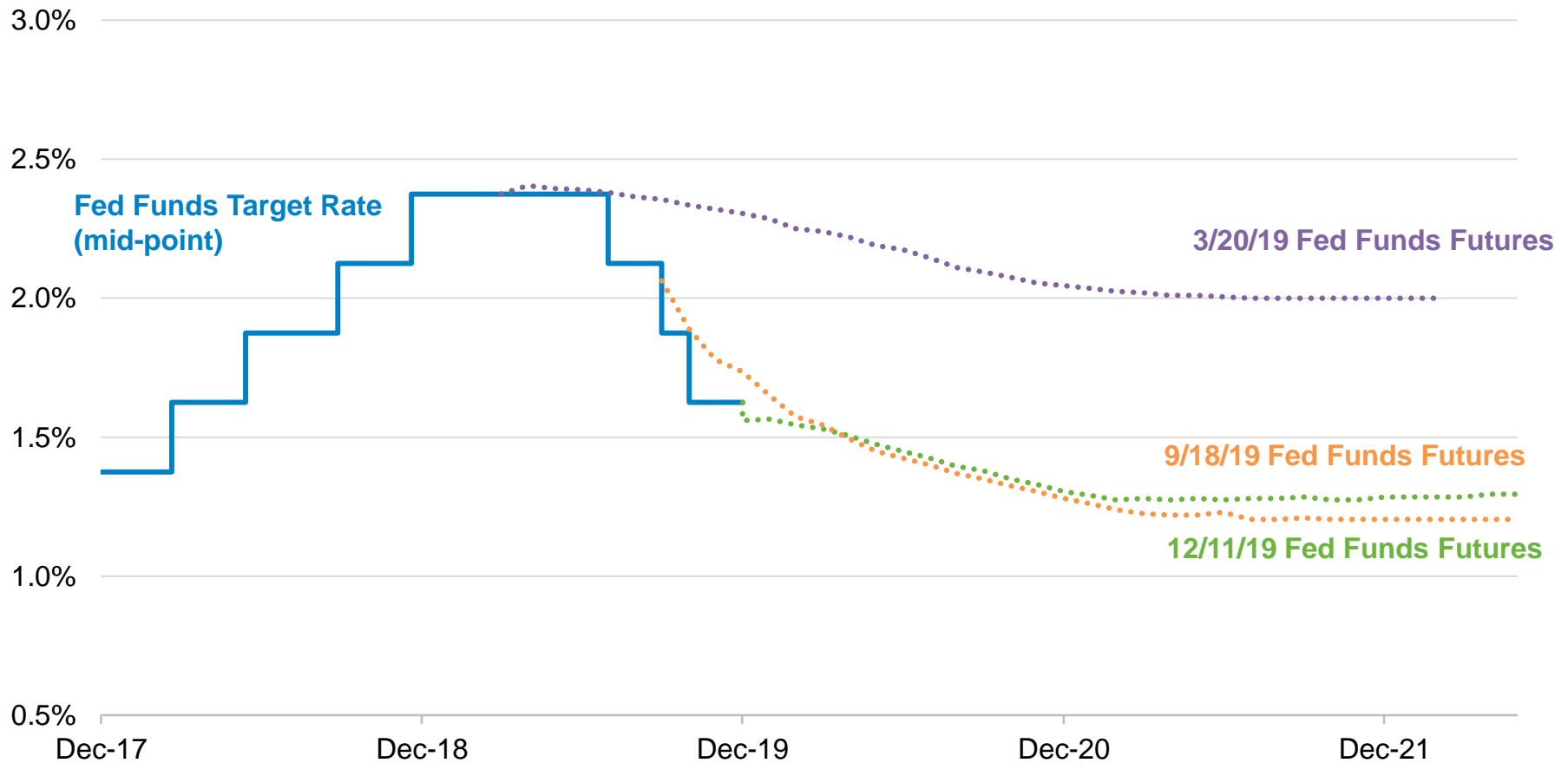
	<u>11/30/2019</u>	<u>12/31/2019</u>	<u>Change</u>
3 month	1.57%	1.54%	-0.03%
6 month	1.60%	1.58%	-0.02%
1 year	1.59%	1.57%	-0.02%
2 year	1.61%	1.57%	-0.04%
3 year	1.61%	1.61%	0.00%
5 year	1.63%	1.69%	0.06%
10 year	1.78%	1.92%	0.14%
30 year	2.21%	2.39%	0.18%



Source: Bloomberg, as of December 31, 2019.



The Fed Is On Hold After Cutting Rates For a Third Time



Source: Federal Reserve and Bloomberg. Fed funds futures as of Fed meeting dates of 3/20/2019 and 9/18/2019 as well as 12/11/2019.



Market Expectations Adjust to FOMC Guidance

2019 Rate Moves Priced into the Futures Market



*“The Committee will closely monitor the implications of incoming information for the economic outlook and will act as **appropriate to sustain the expansion...**”*
- June 2019

*“Information received since the Federal Open Market Committee met in July indicates that the **labor market remains strong and that economic activity has been rising at a moderate rate... but uncertainties about this outlook remain.**”*
- September 2019

*“In light of the **implications of global developments** for the economic outlooks as well as **muted inflation pressures**, the Committee decided to **lower the target range...**The Committee will continue to monitor the implications of incoming information for the economic outlook as it **assesses the appropriate path of the target range for the federal funds rate.**”*
- October 2019

*“...**maintaining the current stance of policy** for a time could be helpful for **cushioning the economy** from the global developments that have been weighing on economic activity and for **returning inflation** to the Committee's symmetric objective of 2 percent.”*
- December 2019

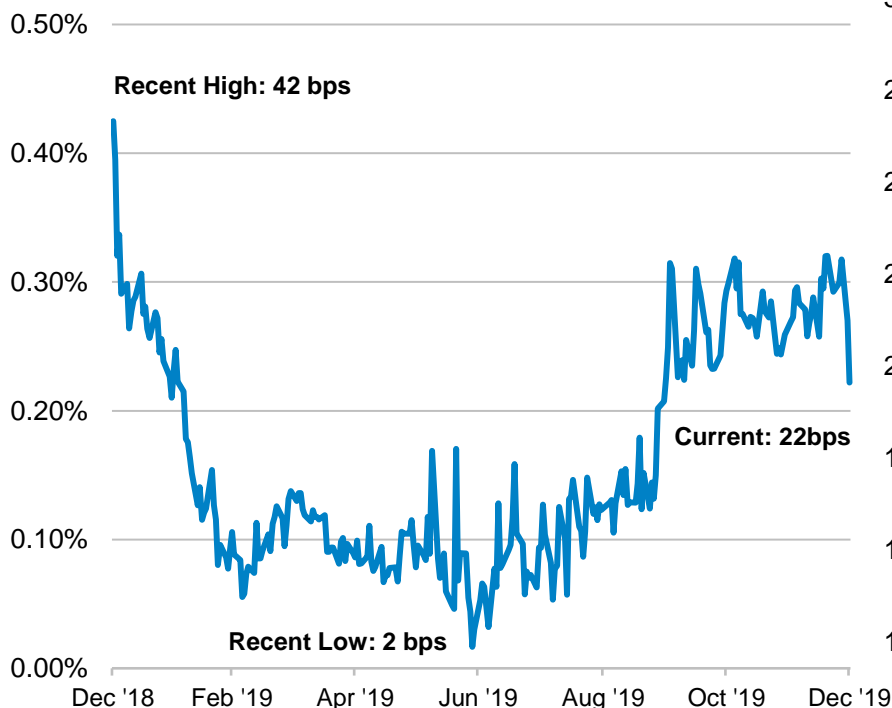
Source: Bloomberg, as of December 31, 2019.



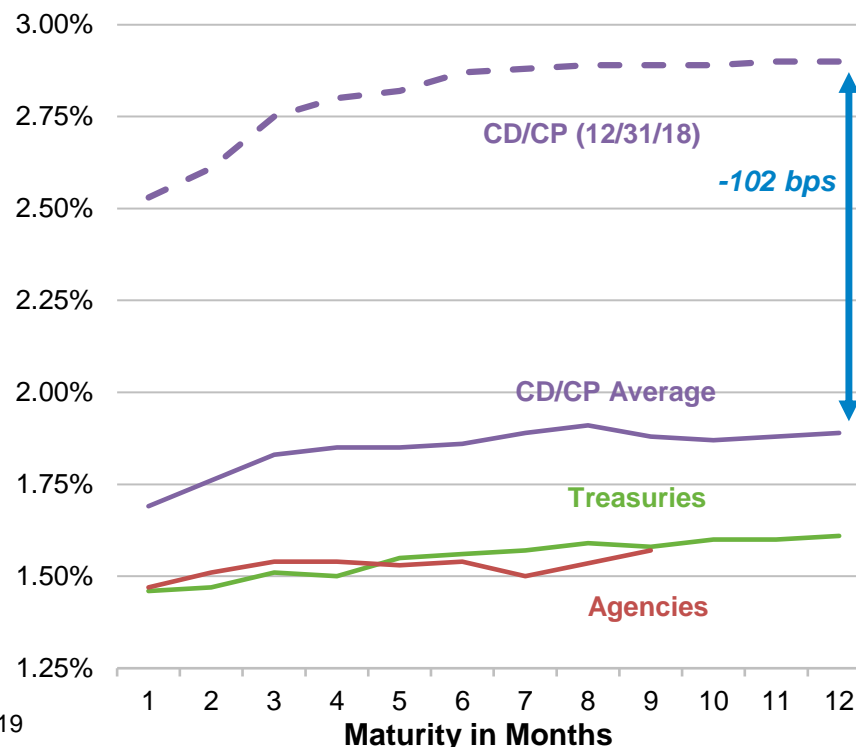
Current Short-Term Interest Rate Environment

- In December, commercial paper and bank certificate of deposit (CP/CD) yield spreads continued to trade between 25 and 30 bps over comparable maturity U.S. Treasury Bills. Towards the end of the month, spreads compressed towards the low 20s.
- Treasuries continue to be relatively attractive versus agency discount notes.

Yield Spread on 6-month Commercial Paper over T-Bill



Money Market Yield Curves



Source: Bloomberg, PFMAM Trading Desk, as of 12/31/19. Not a specific recommendation. Actual yields may vary by issue.



Disclosure

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

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



ATTACHMENT 2

Overview of Proposed FY 2021 Budget

Presentation to the Finance and Budget Committee, January 23, 2020

District of Columbia Water and Sewer Authority



DC Water Headquarters from the Anacostia River



Agenda

- Provide overview of the budget calendar, milestones and deliverables
- Review management's budget proposals including major drivers and underlying assumptions



Agenda

I. Budget Overview.....	4
II. Capital Improvement Program	11
III. Operating Expenditure Budgets.....	14
IV. Operating Revenue Budgets.....	27
V. Ten Year Financial Plan.....	33
VI. Next Steps	37
VII. Appendix	39



Budget Overview



Proposed FY 2021 Budget

- Doubles DC Water's current investment in water and sewer infrastructure by FY2022 to reach a one percent replacement cycle, and triples the investment by FY2027 to reach a 1.5 percent replacement cycle
- Fully funds the Clean Rivers program
- Adds five positions for the DC Water Consumer Protection Amendment Act of 2018
- Increases funds for fleet purchases by 60% to ensure crews have the equipment they need
- Invests \$0.5 million in the Apprenticeship Program to support fifteen entry level positions
- Makes the CAP2 program permanent
- Advances LeadFreeDC
- Continues capital procurement reform to help ensure that the capital program is delivered at the highest quality and lowest cost for ratepayers
- Holds the line on operating budget expenses, and FY2021 budget is within the previous financial plan forecast
- Takes advantage of low interest rates and current year savings to deliver rate increases that were smaller than the previously forecasted

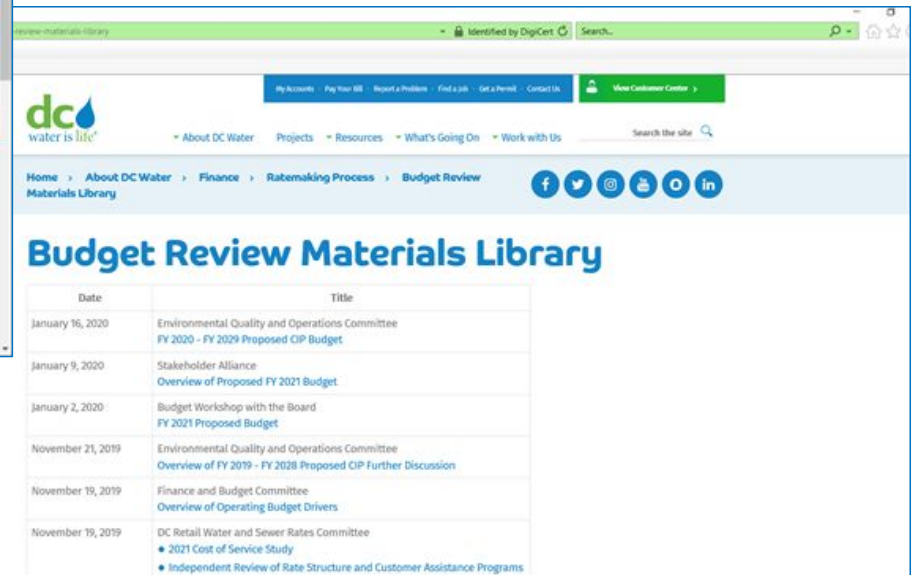
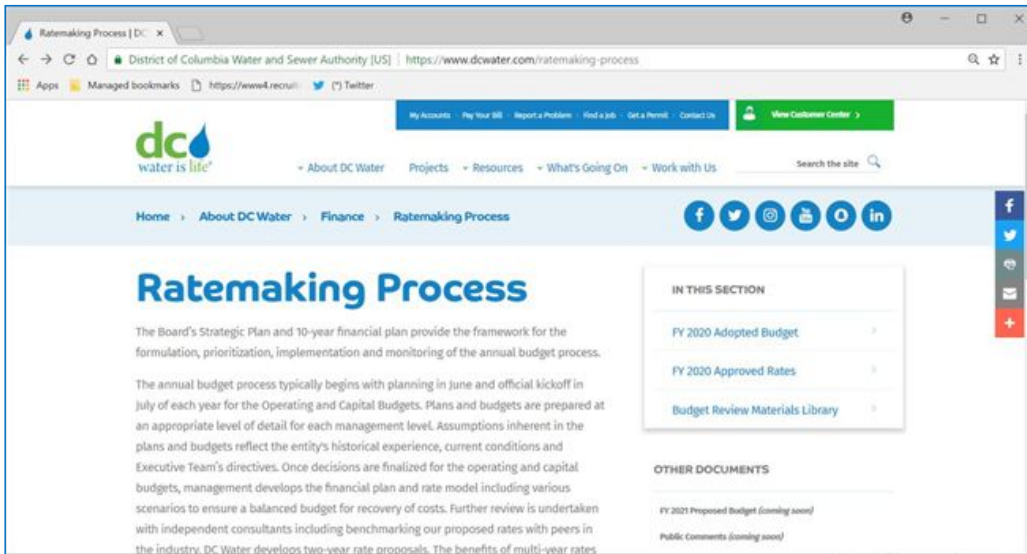


Budget Adoption Calendar

Timeline (2020)	Activity	Status
January 2	Budget Workshop with Board of Directors	✓
January 9	Stakeholder Alliance Briefing	✓
January 10	Wholesale Customer Briefing	✓
Committee Discussions & Reviews		
January 16	Environmental Quality & Operations	✓
→ January 23	Finance & Budget	
January 28	D.C. Retail Water & Sewer Rates	
February 6	Board Meeting (No Board Action Required)	
Committee Reviews, Recommendations & Actions		
February 20	Environmental Quality & Operations	
February 25	D.C. Retail Water & Sewer Rates	
February 27	Finance & Budget	
March 5	Board Adoption	
March	Submit budget via the District to U.S. Congress	



Public Communication



Complete Budget Briefing available online at <https://www.dewater.com/budget-review-materials-library>



Proposed FY 2021 Budget

💧 Proposed Operating Budget of \$642.7 million, an increase of \$28.1 million

- Operations and Maintenance – \$367.7 million, an increase of \$19.1 million for personnel and non personnel
- Debt Service budget of \$222.3 million or an increase of \$6.9 million and Cash Financed Capital Improvements budget of \$30.4 million or an increase of \$1.8 million
- PILOT & ROW payments to the District payments of \$22.4 million or an increase of \$0.3 million

💧 Proposed 10-year Capital Budget of \$5.45 billion, an increase of \$0.49 billion

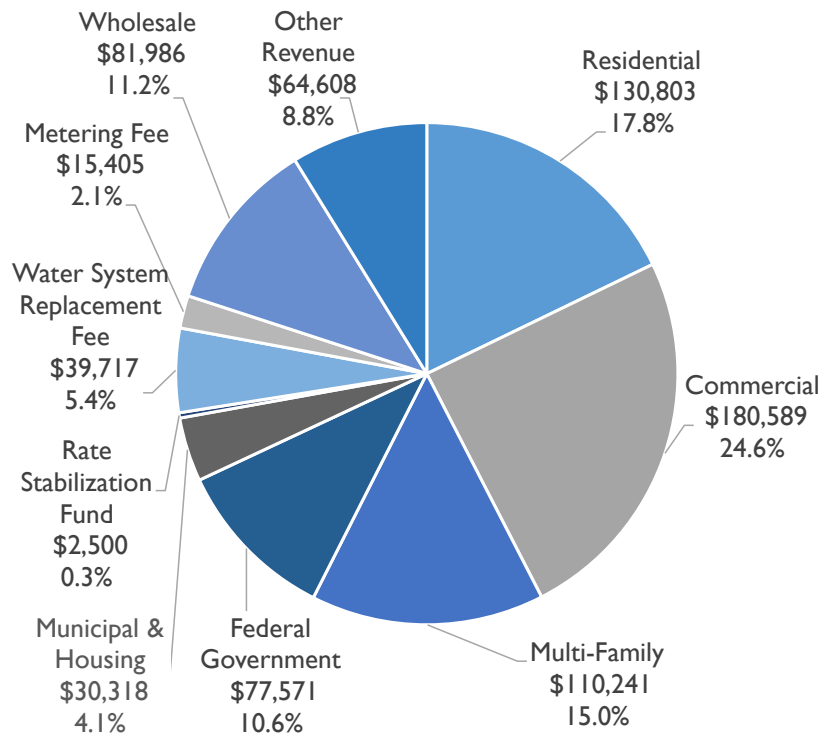
- Capital Projects – Funded at \$4.92 billion with increased funding starting FY 2027 to ramp up to 1.5% per year replacements for the small water mains and sewer lines
- Capital Equipment – Funded at \$333 million for planned equipment spending including the procurement of backhoes, jet-vacs, catch basin trucks and other aged vehicles to meet operational needs
- Washington Aqueduct (WAD) – Total of \$195.2 million, an increase of \$8.1 million for DC Water’s share of WAD’s capital program



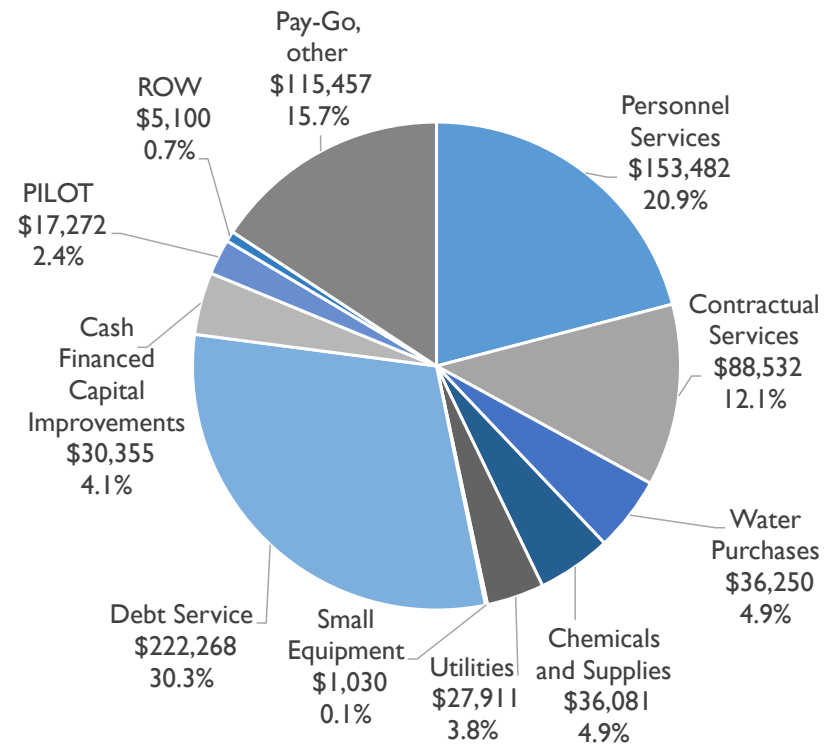
FY 2021 Operating: Sources and Uses of Funds

\$ in thousands

Sources - \$733.7 Million



Uses - \$733.7 Million

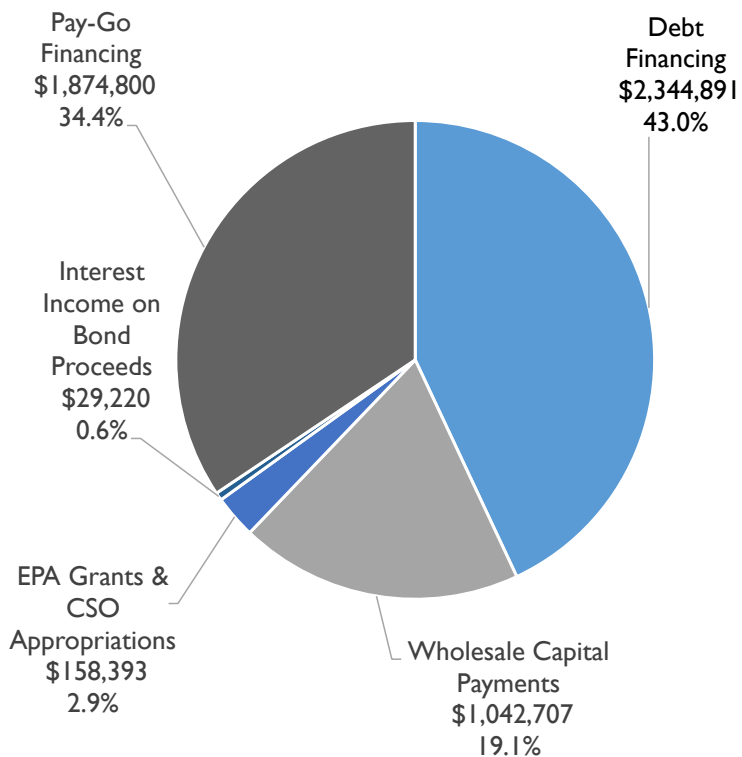




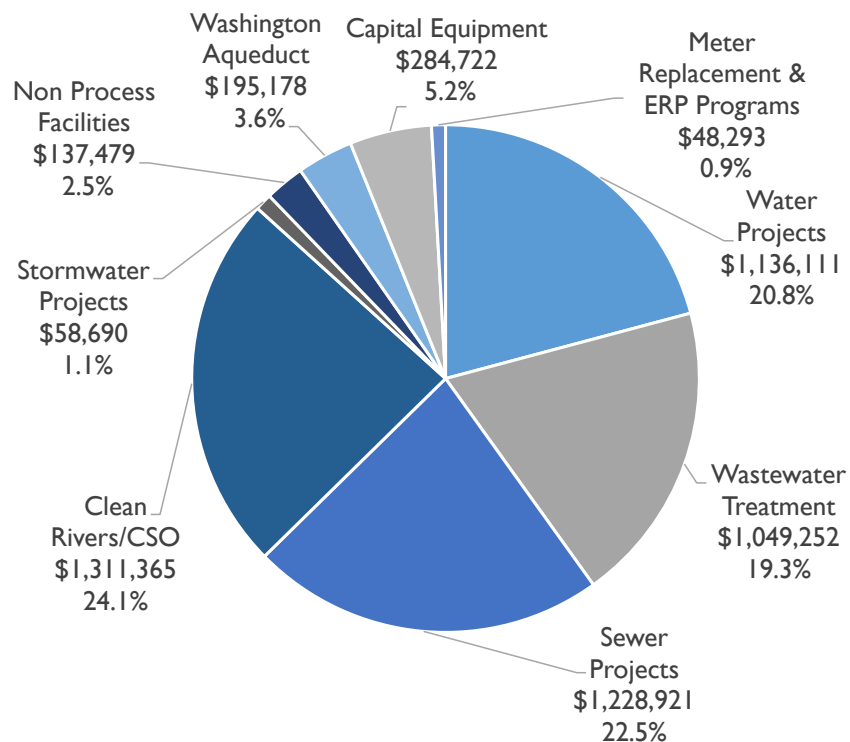
Ten Year CIP: Sources and Uses of Funds

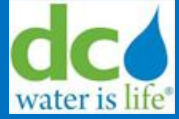
\$ in thousands

Sources - \$5.45 Billion



Uses - \$5.45 Billion





Capital Improvement Program





The CIP

The proposed 10-year disbursements (FY 2020 - FY 2029) of \$5.45 billion increases investment in our aging infrastructure

💧 Capital Construction Projects - \$4.92 billion

- \$1.2 billion fully funds the DC Clean Rivers' project to meet Consent Decree requirements
- \$57 million increase in the Sewer Service area to ramp up to 1.5% small sewer lines replacement from FY 2027 onwards, ten-year total of \$1.2 billion in Sewer
- \$102 million increase in the Water Service area to ramp up to the 1.5% of small diameter water mains replacement per year from FY 2027 onwards, ten-year total of \$1.1 billion in Water
- \$55 million for Efficiency Improvement projects starting FY 2021

💧 Additional Capital Programs - \$528 million

- \$333 million for capital equipment items to meet purchases/replacement of mechanical equipment, operational facilities, vehicle equipment, office renovations, and IT software/hardware
- \$195 million for DC Water's share of WAD's infrastructure improvements to achieve established service levels



10-Year CIP

- 💧 The proposed FY 2020 disbursement includes the underspending from FY 2019 to remain congruent with previously approved rate increases
- 💧 Ramp-up to modified Baseline CIP beginning in FY 2021

Service Area (\$000's)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	10-Yr Total	Last Year's CIP	(Increase) /Decrease
Non-Process Facilities	\$ 42,066	\$ 31,849	\$ 20,665	\$ 6,831	\$ 11,058	\$ 10,396	\$ 3,901	\$ 3,553	\$ 3,560	\$ 3,600	\$ 137,479	\$ 138,067	\$ 588
Wastewater Treatment	77,536	102,976	113,378	107,232	107,312	70,680	97,878	101,839	132,256	138,165	1,049,252	978,738	(70,514)
Clean Rivers	162,197	147,565	179,833	129,272	67,536	59,909	148,771	103,265	88,890	115,049	1,202,288	1,262,589	60,301
Combined Sewer	9,239	9,493	12,816	16,553	16,731	8,568	6,699	7,572	8,972	12,435	109,078	79,178	(29,900)
Stormwater	6,869	9,631	7,535	4,170	5,392	4,660	4,201	4,306	6,869	5,057	58,690	68,608	9,918
Sanitary Sewer	44,933	63,926	115,541	88,110	91,562	138,341	159,814	176,789	175,873	174,032	1,228,922	957,135	(271,787)
Water	62,163	88,677	108,878	109,000	92,905	101,765	116,319	146,791	154,916	154,697	1,136,112	945,015	(191,097)
CAPITAL PROJECTS	405,004	454,118	558,645	461,168	392,496	394,318	537,584	544,115	571,337	603,035	4,921,821	4,429,330	(492,491)
Capital Equipment	31,703	37,207	33,790	32,315	33,000	33,000	33,000	33,000	33,000	33,000	333,015	340,324	7,309
Washington Aqueduct	15,515	16,266	18,572	37,841	12,699	33,875	9,508	12,863	24,068	13,971	195,178	187,127	(8,051)
ADDITIONAL CAPITAL PROGRAMS	47,218	53,473	52,362	70,156	45,698	66,875	42,509	45,863	57,068	46,971	528,193	527,450	(743)
TOTAL CIP	\$ 452,223	\$ 507,590	\$ 611,008	\$ 531,322	\$ 438,194	\$ 461,193	\$ 580,093	\$ 589,978	\$ 628,404	\$ 650,006	\$ 5,450,013	\$ 4,956,780	\$ (493,233)
Last Years CIP (Increase)/Decrease	420,342 (31,880)	467,016 (40,574)	561,724 (49,284)	530,006 (1,317)	422,607 (15,587)	450,358 (10,835)	585,454 5,361	535,666 (54,312)	544,490 (83,914)	439,117 (210,890)	4,956,780 (493,232)		



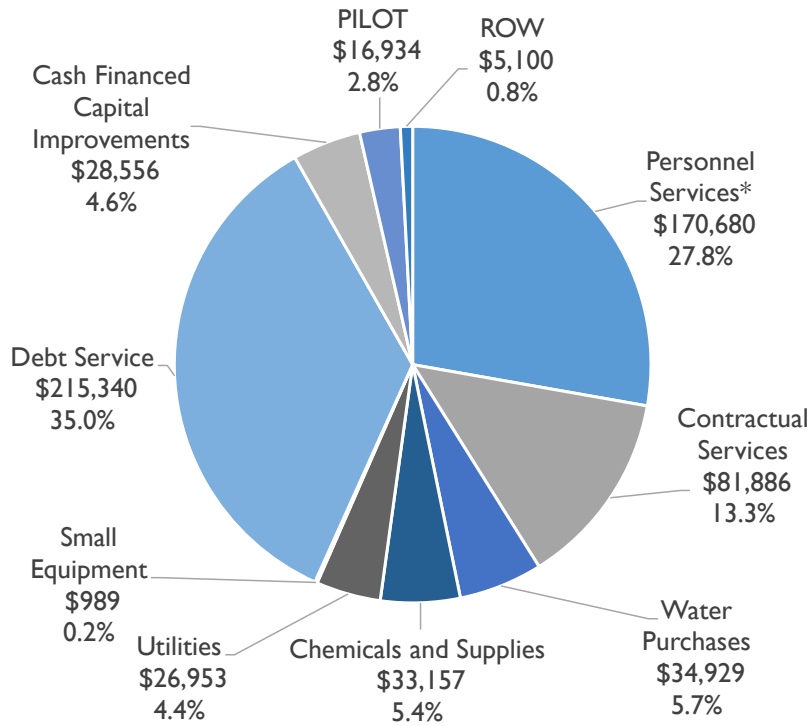
Operating Expenditure



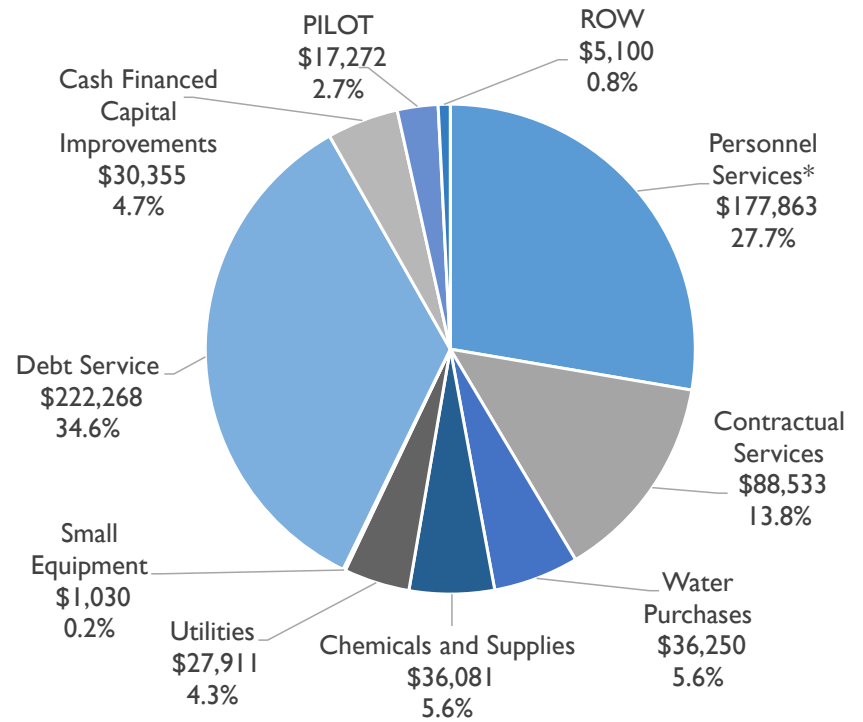
FY 2020 vs. FY 2021 Expenditure Budgets

\$ in thousands

Approved FY 2020
\$614,523



Proposed FY 2021
\$642,663



* Personnel Services includes capital labor charges



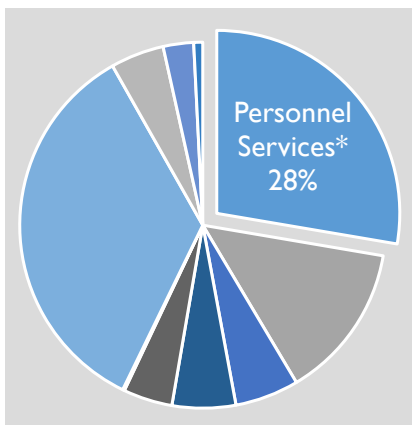
Comparison by Cost Category

- 💧 Total operating expenditure is projected to increase by \$28.1 million or 4.6 percent
- 💧 Total O&M expenditure is projected to increase by \$19.1 million or 5.5 percent

(\$000's)	FY 2019	FY 2019	FY 2019	FY 2020	FY 2021	(Increase)/	
	Approved	Actual	Variance	Approved	Proposed	Decrease	
Regular Pay	\$ 118,909	\$ 115,735	\$ 3,174	\$ 123,293	\$ 128,287	\$ (4,994)	-4.1%
Benefits	36,137	34,073	2,064	39,303	41,422	(2,119)	-5.4%
Overtime	7,575	8,171	(596)	8,084	8,154	(70)	-0.9%
Total Personnel Services	\$ 162,620	\$ 157,979	\$ 4,641	\$ 170,680	\$ 177,863	\$ (7,183)	-4.2%
Chemicals & Supplies	32,082	34,979	(2,897)	33,157	36,081	(2,924)	-8.8%
Utilities	26,915	25,778	1,137	26,953	27,911	(957)	-3.6%
Contractual Services	81,679	76,206	5,473	81,886	88,532	(6,647)	-8.1%
Water Purchases	30,520	32,430	(1,910)	34,929	36,250	(1,321)	-3.8%
Small Equipment	1,240	731	509	989	1,030	(41)	-4.1%
Total Non-Personnel Services	172,435	170,125	2,310	177,914	189,804	(11,891)	-6.7%
Total Operations & Maintenance	\$ 335,055	\$ 328,104	\$ 6,951	\$ 348,594	\$ 367,667	\$ (19,073)	-5.5%
Debt Service	199,025	193,035	5,990	215,340	222,268	(6,928)	-3.2%
PILOT & ROW	21,702	21,702	0	22,034	22,372	(339)	-1.5%
Cash Financed Capital Improvements	26,999	26,999	-	28,556	30,355	(1,800)	-6.3%
Total Non-O&M	247,726	241,736	5,990	265,929	274,996	(9,066)	-3.4%
Total Operating Expenditure	\$ 582,781	\$ 569,839	\$ 12,942	\$ 614,523	\$ 642,663	\$ (28,140)	-4.6%
Capital Labor Charges	(18,259)	(17,588)	(671)	(22,748)	(24,382)	1,634	-7.2%
Net Operating Expenditure	\$ 564,522	\$ 552,251	\$ 12,271	\$ 591,775	\$ 618,281	\$ (26,506)	-4.5%



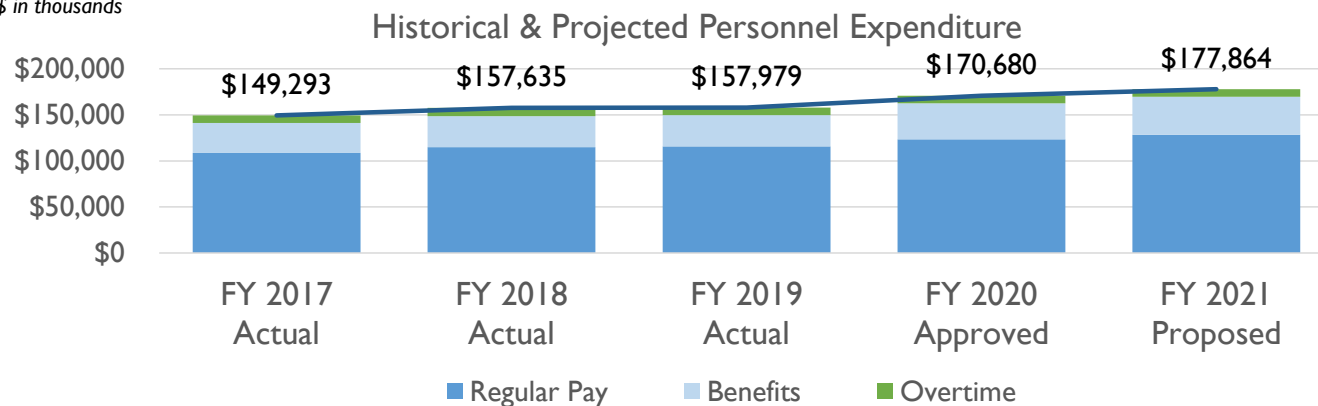
Personnel



Personnel Services – \$177.9 million or increase of \$7.2 million

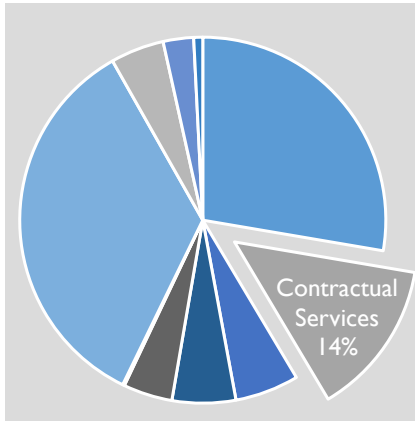
- **Headcount** – Total of 1231 FTEs includes five new positions to support the DC Water Consumer Protection Amendment Act of 2018
- **Regular Pay** – The increase of \$5.0 million includes funding requirements for merit increase consistent with the union agreement, Apprenticeship program and in-sourcing of engineering services
- **Benefits** – Increase of \$2.1 million is mainly for projected employee health benefit costs
- **Overtime** – Relatively flat compared to FY 2020 level and is consistent with historical spending trends required for emergency repairs of our aging infrastructure

\$ in thousands

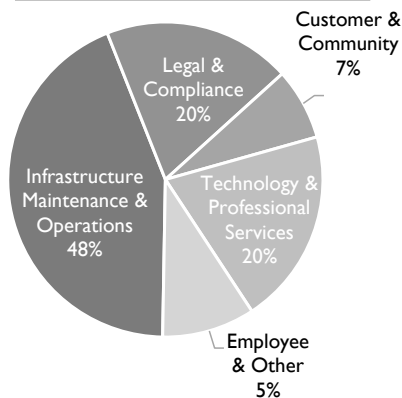




Contractual Services



Breakdown of Contractual Services



- ▶ **Proposed FY 2021 Contractual Services – \$88.5 million or \$6.6 million increase**
 - \$3.3 million increase for the Pay for Success - Social Impact Bond issued for the Green Infrastructure (GI) project based on the performance of the project in managing the volume of stormwater runoff, and \$0.2 million for the Green Infrastructure certification program previously funded under capital budget
 - \$1.7 million in mandatory software maintenance costs for various enterprise licenses, Cisco equipment for connectivity of voice and data, cyber security, backup data support and early termination fees for the replacement of the financial system, and new customer feedback system
 - \$3.4 million in various operational requirements such as equipment maintenance and repairs, automotive maintenance, fire suppression and detection system, security guards at new facilities, credit card fees, insurance coverage, and other professional services; *offset* by \$2.3 million decreases in various programs consistent with historical spending levels
 - \$0.5 million to establish the Non-Ratepayer Expenditure Fund to be allocated to departments based on costs incurred and supported/offset by realistic and obtainable revenues from non-ratepayer sources, for a net-zero impact on ratepayers

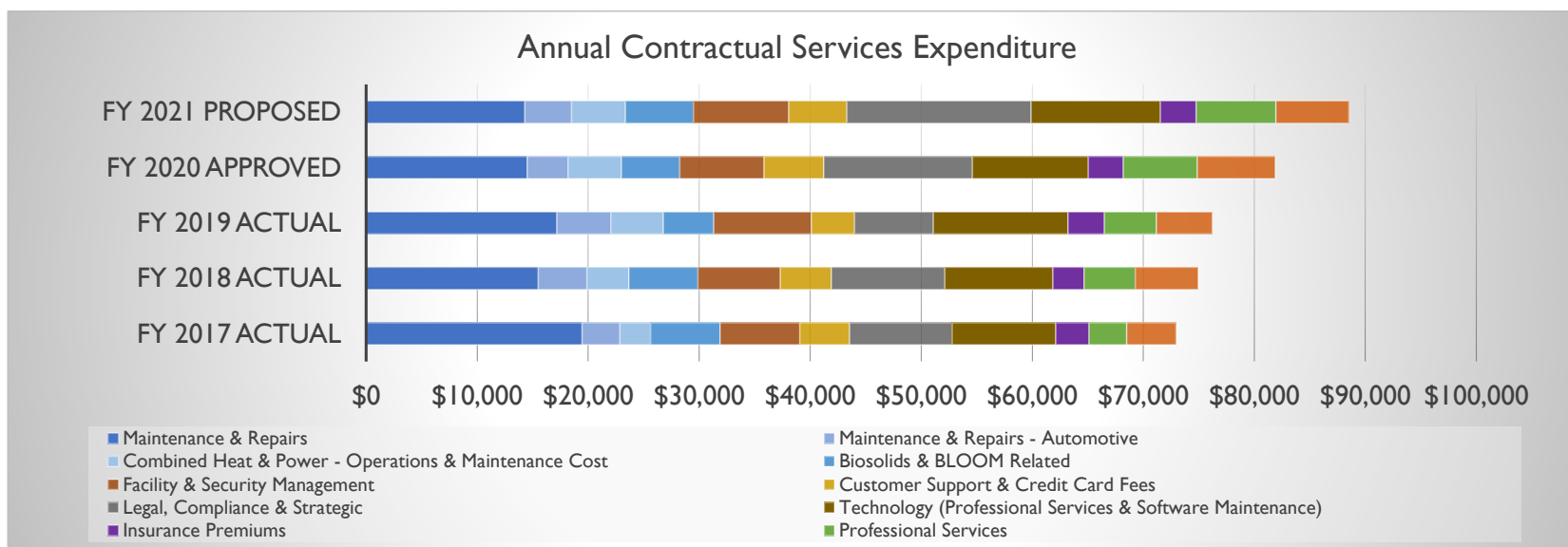
- ▶ **Approximately 68 percent of the contractual services budget is for infrastructure maintenance, legal and compliance requirements**

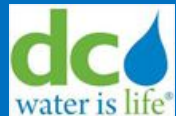


Breakdown of Contractual Services

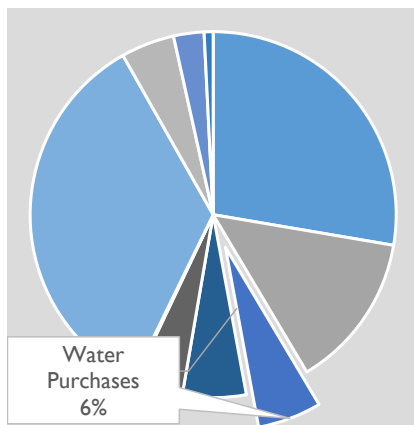
- Contractual services costs have been consistently stable with average growth of 2% - 3% per year
- A significant portion of the proposed FY 2021 budget increase of 8% is needed for the Social Impact Bond fee and establishment of the Non-Ratepayer Expenditure Fund
- Budget reflects management’s commitment to reducing reliance on external consultants for various professional services mainly in instrumentation, information technology and financial services

\$ in thousands





Water Purchases

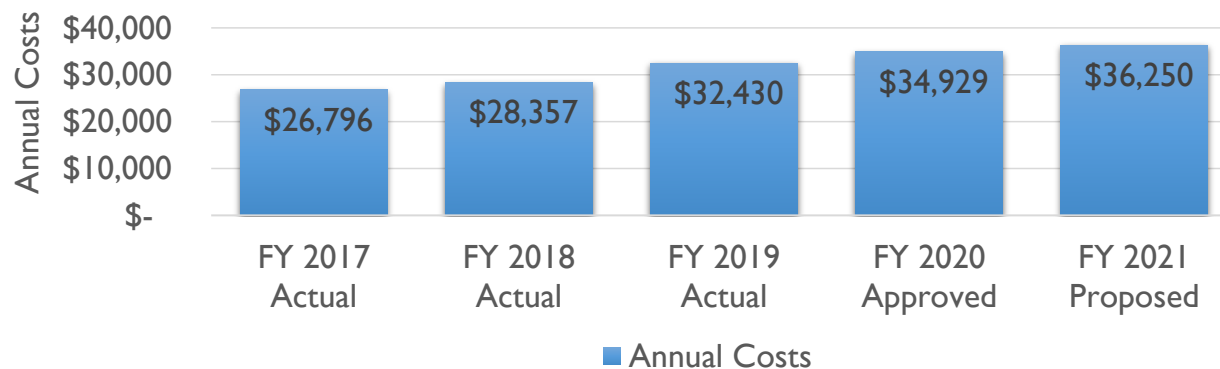


Water Purchases – \$36.3 million or increase of \$1.3 million

- DC Water purchases drinking water from the Washington Aqueduct and is responsible for approximately 75% of the Aqueduct’s operating costs
- Annual water rates are set based on the approved budget, including historical budget performance and consumption trends

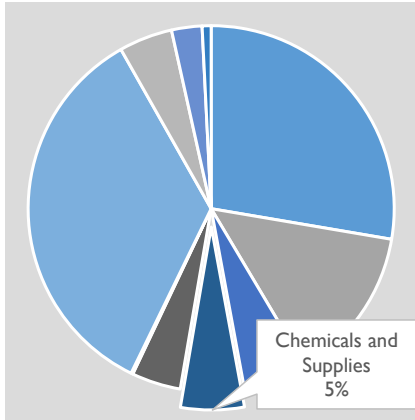
\$ in thousands

Historical & Projected Water Purchases





Chemicals & Supplies

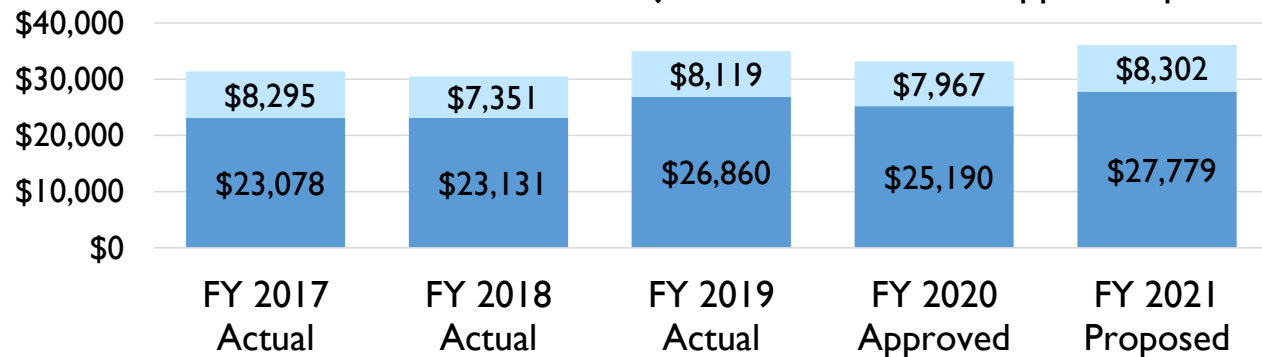


💧 Chemicals & Supplies – \$36.1 million or increase of \$2.9 million

- Chemicals – \$2.6 million increase in fixed costs for major chemicals (methanol, sodium bisulfite and ferric chloride) used at the Plant and various pumping facilities
- Supplies – This line item covers purchases of spare parts, uniforms and shoes for our crews required by the union agreement. The increase of \$0.3 million is mainly for the maintenance requirements for the Tunnel Dewatering Pump Station (TDPS)

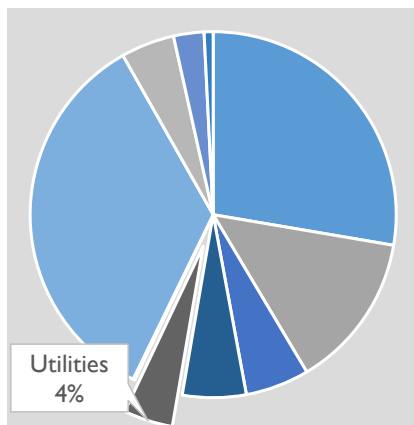
\$ in thousands

Historical & Projected Chemicals & Supplies Expenditures



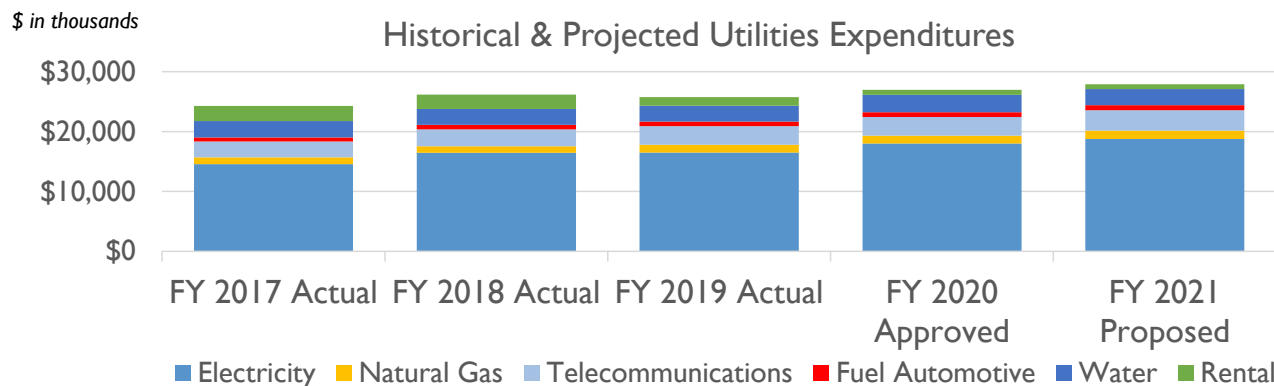


Utilities



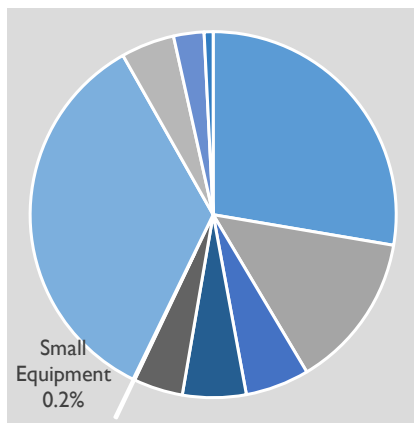
Utilities – \$27.9 million or increase of \$1 million

- Electricity – \$0.8 million increase is for energy needed to operate the Plant, Pump Stations and Operational facilities and includes the impacts of the Clean Energy DC Omnibus Act for increased renewable portfolio standards. Onsite electric generation of 6MW from the Combined Heat & Power Facility continues to reduce energy costs and our reliance on the power grid
- Telecommunications – Net increase of \$0.2 million mainly for data network circuits, Skype Connectivity, backup internet and other technology solutions; offset by decreases resulting from the discontinuation of local call services
- Rental - Reflects materialized savings from the relocation to the Administrative Headquarters





Small Equipment

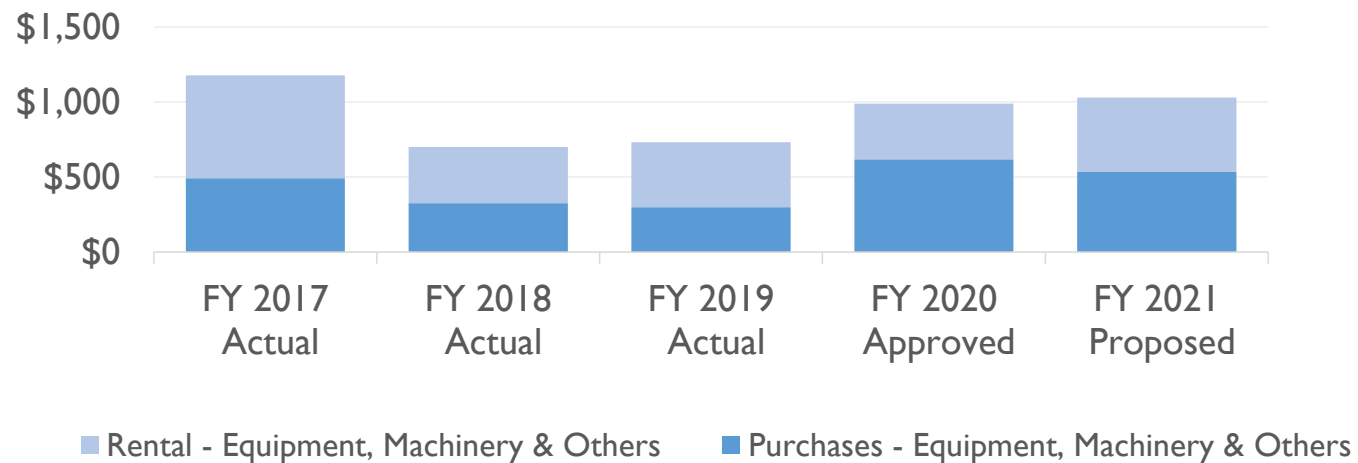


Small Equipment – \$1 million is relatively flat

- This is mainly for the purchase of small items such as office equipment, cameras, small appliances and tools, rental of postage machines, etc.

\$ in thousands

Historical & Projected Small Equipment Expenditures





Non Operations & Maintenance Budget Drivers

- **Debt Service** – \$222.3 million or increase of \$6.9 million due to existing debt and anticipated FY 2020 new money issuance of \$300 million
 - Refunded Series 2013A bonds for \$300 million in FY 2020; total Present Value (PV) savings of \$50.8 million and annual cash flow savings of \$2.4 to \$2.7 million through FY 2048 compared to the previous financial plan

- **PILOT & ROW** – \$22.4 million or increase of \$0.3 million consistent with MOUs
 - PILOT – Increase of \$0.3 million for payments to the District
 - ROW – Remains at the FY 2020 level for payments to the District

- **Cash Financed Capital Improvements** – \$30.4 million or increase of \$1.8 million
 - PAYGO funding

- **Capital Labor Charges** – \$24.4 million or increase of \$1.6 million
 - Funds personnel costs incurred on capital projects and insourcing of engineering functions

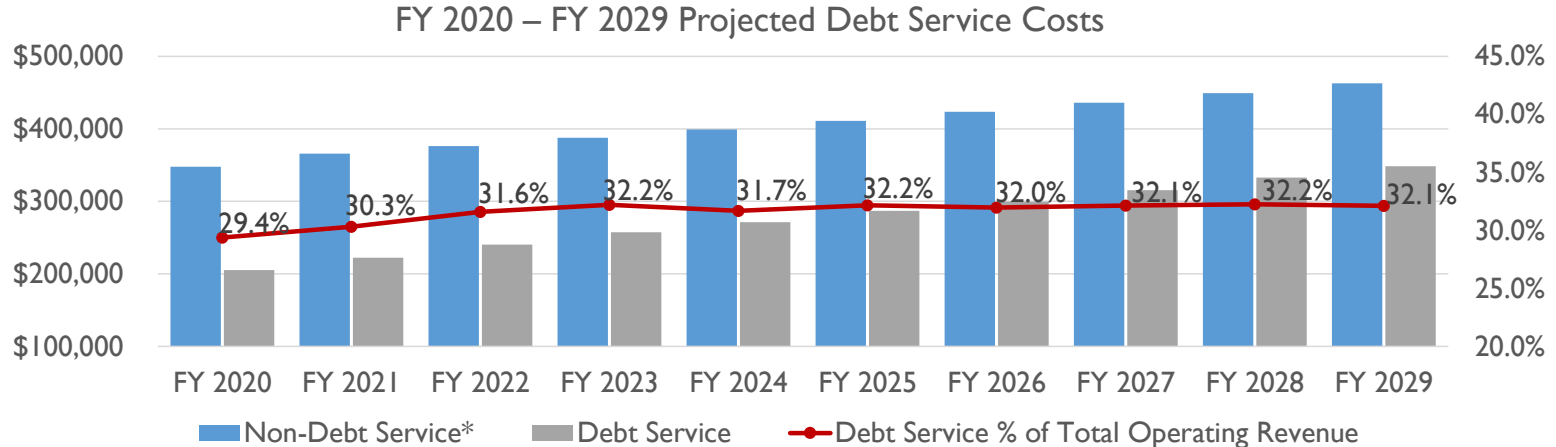


Debt Service Costs

Debt service is the largest driver in the operating budget

- Represents 37.8% of the total operating expenditure budget and 30.3% of total revenue in FY 2021
- Over the next ten years, about \$2.4 billion is anticipated to be borrowed to fund capital expenditures
- Debt service cost is projected to grow from \$205.1 million in FY 2020 to \$348.3 million by FY 2029 (approx. 70% increase)

\$ in thousands

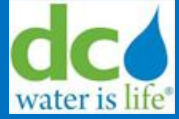


* Non-Debt Service includes O&M, PILOT, ROW and CFCI estimates



Budget Risks

- 💧 Personnel - Overtime during emergencies, increased healthcare, staffing and other leave adjustments typically funded by vacancies
- 💧 Chemicals - Market volatilities, unit prices, rain events, process optimization
- 💧 Utilities - Onsite energy optimization, solar project output & timeline
- 💧 New Facilities - Parts, equipment and maintenance requirement for tunnels, Fleet Services and Sewer Services
- 💧 Biosolids/BLOOM - Hauling/marketing of 65,000 tons
- 💧 Litigation & Insurance - Impacts of unanticipated legal cases and insurance policy requirements
- 💧 Enterprise Resource Planning (ERP) - Project implementation and Go-live



Operating Revenue



Proposed Rates and Revenue

- Cost of Service Study advanced to align with rate proposal
- Combined rate increase for average household customer lowered from 8.1% forecasted last year to 6.6% for FY 2021 and from 6.9% to 6.7% for FY 2022
 - Proposed annual water and sewer rate increase of 9.9% for FY 2021 and 7.8% FY 2022
 - Continue Shift of CRIAC to sewer volumetric of 28% and 37% for FY 2021 and FY 2022 respectively
 - Proposed CRIAC of \$19.52 per ERU in FY 2021 and \$18.40 per ERU in FY 2022
 - Water System Replacement Fee (WSRF) will remain the same
 - Customer Metering Fee for 5/8” meters will increase from \$3.86 to \$4.96 in FY 2021 and to \$7.75 for FY 2022
 - PILOT Fee for FY 2021 and FY 2022 will increase by \$0.03 and \$0.02 per Ccf respectively
 - Right-of-Way Fee will remain the same at \$0.19 per Ccf
 - CAP2 Program made permanent



Customer Metering Fee

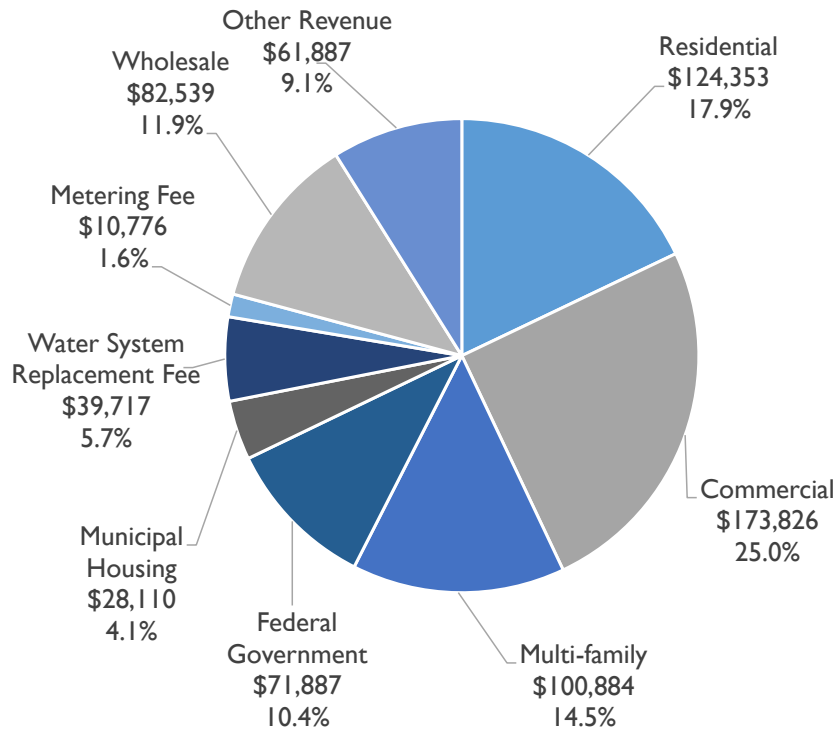
- In FY 2019, the Metering Fee recovered \$11.6 million
 - In FY 2003, established Metering Fee at \$2.01 for 5/8” meter
 - In FY 2011, increased Metering Fee to \$3.86 for 5/8” meter
 - Originally fee amount set to cover the capital costs of the original Automated Meter Infrastructure (AMI) system and meter purchase and installation (debt service) plus about \$4 million of Customer Service costs
- Current Cost of Service Study recommends recovering \$24.1 million in FY 2022, consistent with independent rate review recommendation
 - Includes costs associated with metering and billing
 - Customer assistance, shutoff/restore, and leak adjustment etc. remain in the volumetric charges
 - Proposed FY 2021 fee recovers \$15.4 million, all the debt service and coverage plus about half of the full Customer Service O&M allocation (\$4.96 for a 5/8” meter)
 - Proposed FY 2022 fee adds the additional half of Customer Service allocation for a total of about \$24.1 million (\$7.75 for a 5/8” meter)



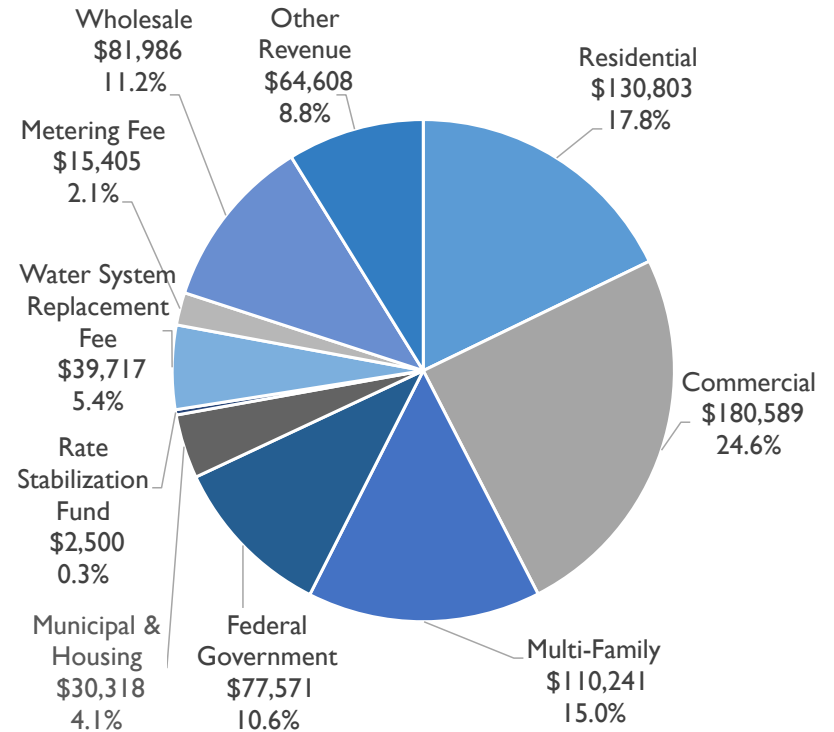
FY 2020 vs. FY 2021 Operating Revenues

\$ in thousands

Approved FY 2020
\$693,979



Proposed FY 2021
\$733,738





Revenue Comparison by Customer Class

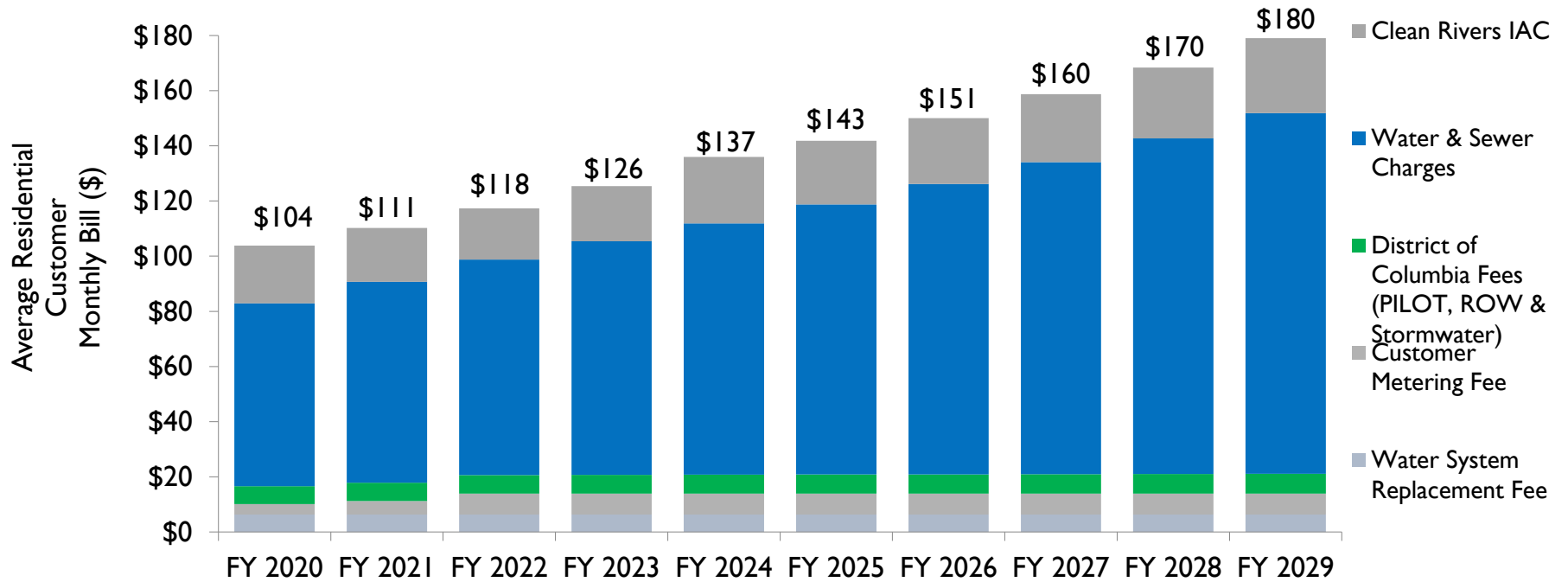
- 💧 Total revenue is projected to increase by \$39.8 million or 5.7% for FY 2021 and \$32.6 million or 4.4% for FY 2022 mainly due to rate increases
- 💧 Retail revenue is projected to increase by \$35.1 million or 6.4% for FY 2021 and \$23.0 million or 3.9% for FY 2022 due to rate increases for both years
- 💧 Wholesale revenue is projected to decrease by \$0.6 million or -0.7% for FY 2021 due to low flows and increase by \$2.5 million or 3.0% for FY 2022 due to 3.0 percent escalation

<i>\$ in thousands</i>	Approved FY 2020	Proposed FY 2021	Proposed FY 2022	FY 2021 vs FY 2020		FY 2022 vs FY 2021	
				Incr/(Decr) \$	%	Incr/(Decr) \$	%
	Retail Revenue	\$549,553	\$584,644	\$607,652	\$35,091	6.4%	\$23,008
Wholesale Revenue							
Potomac Interceptor (PI)	2,715	3,547	3,547	832	30.6%	-	-
Loudoun County Sanitation Authority (LCSA)	7,758	7,648	7,983	-110	-1.4%	335	4.4%
Washington Suburban Sanitary Commission (WSSC)	57,284	55,952	57,630	-1,332	-2.3%	1,678	3.0%
Fairfax County	14,782	14,839	15,285	57	0.4%	446	3.0%
Total Wholesale Revenue	\$82,539	\$81,986	\$84,445	-\$553	-0.7%	\$2,459	3.0%
Other Revenue	61,887	64,608	63,701	2,721	4.4%	-907	-1.4%
Rate Stabilization Fund	-	2,500	10,500	2,500	-	8,000	320.0%
Total Revenues	\$693,979	\$733,738	\$766,298	\$39,759	5.7%	\$32,560	4.4%



Projected Average Residential Customer Bill

Projected average monthly residential customer bill ranges from \$104 in FY 2020 to \$180 in FY 2029



* Assumes average residential consumption of 5.42 Ccf, or 4,054 gallons, per month. Ccf = hundred cubic feet, or 748 gallons



Ten-Year Financial Plan



Ten-Year Financial Plan Assumptions

- Maintain Debt Service as a percentage of revenue equal to 33.0 percent or less
- Maintain combined coverage of 160 percent
- Maintain 250 days of cash including Rate Stabilization Fund
- FY 2019 actual consumption declined by 1.8 percent. Assumed 1.5 percent conservation each for FY 2020 and FY 2021 and 1.0 percent in FY 2022 and onwards
- FY 2019 Debt Service was lower as compared to budget due to deferring bond issuance as well as achieving lower interest than projected. The new plan assumed lower interest rates with slightly lower Debt Service projections



Ten-Year Financial Plan

\$ in thousands

OPERATING	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Retail*	\$ 571,666	\$ 607,107	\$ 630,495	\$ 669,848	\$ 723,657	\$ 752,224	\$ 791,988	\$ 833,503	\$ 879,616	\$ 928,122
Wholesale*	82,539	81,986	84,445	86,978	89,588	92,275	95,044	97,895	100,832	103,857
Other	44,774	42,145	40,858	44,081	46,959	51,637	54,692	54,970	56,935	57,752
RSF	-	2,500	10,500	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 698,979	\$ 733,738	\$ 766,298	\$ 800,907	\$ 860,204	\$ 896,136	\$ 941,724	\$ 986,368	\$ 1,037,383	\$ 1,089,731
Operating Expenses	(347,881)	(365,658)	(376,303)	(387,553)	(399,149)	(411,101)	(423,421)	(436,120)	(449,209)	(462,701)
Debt Service	(205,137)	(222,268)	(240,497)	(257,460)	(271,238)	(286,756)	(299,489)	(315,321)	(332,807)	(348,316)
Cash Financed Capital Improvement	\$ (28,556)	\$ (30,355)	\$ (37,830)	\$ (46,889)	\$ (50,656)	\$ (60,178)	\$ (71,279)	\$ (75,015)	\$ (79,165)	\$ (83,531)
Net Revenues After Debt Service	\$ 117,405	\$ 115,456	\$ 111,668	\$ 109,005	\$ 139,161	\$ 138,101	\$ 147,535	\$ 159,912	\$ 176,202	\$ 195,183
Operating Reserve-Beg Balance	186,764	180,000	185,000	194,000	201,000	205,000	215,000	220,000	230,000	240,000
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(5,372)	(3,184)	(5,490)	-	-	-	-	-	-	-
Project Billing Refunds	(4,000)	(4,000)	-	-	-	-	-	-	-	-
Transfers To RSF	(13,000)	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(101,797)	(103,272)	(97,178)	(102,005)	(135,161)	(128,101)	(142,535)	(149,912)	(166,202)	(185,183)
Operating Reserve - Ending Balance	\$ 180,000	\$ 185,000	\$ 194,000	\$ 201,000	\$ 205,000	\$ 215,000	\$ 220,000	\$ 230,000	\$ 240,000	\$ 250,000
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ (74,450)	\$ (71,950)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)
Senior Debt Service Coverage	459%	502%	533%	513%	616%	647%	632%	618%	660%	769%
Combined Debt Service Coverage	171%	172%	169%	170%	179%	177%	181%	182%	184%	187%
Actual/Projected Water/Sewer Rate Increases	11.5%	9.9%	7.8%	8.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
*Operating Receipts \$ Increase/Decrease										
Retail	7,460	35,441	23,388	39,353	53,809	28,567	39,764	41,514	46,113	48,507
Wholesale	423	(554)	2,460	2,533	2,609	2,688	2,768	2,851	2,937	3,025
*Operating Receipts % Increase/Decrease										
Retail	1.3%	6.2%	3.9%	6.2%	8.0%	3.9%	5.3%	5.2%	5.5%	5.5%
Wholesale	0.5%	-0.7%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

⁽¹⁾ Includes interest earnings on senior lien revenue bonds' debt service reserve fund

⁽²⁾ FY 2021 planned transfers of \$0.0 million to Rate Stabilization Fund and \$2.5 million utilization will bring the total fund balance to \$71.95 million



Financial Metrics

Metrics	Indenture Requirement	Board Policy	Management Target
Days of Cash on Hand	—	\$125.5 million or 120 Days	250 Days
Combined Coverage Ratio	—	—	1.6X
Senior Coverage	1.2X	1.4X	—
Subordinate Coverage	1.0X	1.0X	—
Debt Service as a % of Revenue	—	—	33% of Revenue or Less
Rate Stabilization Fund	—	—	10% of Revenue



Next Steps



Next Steps

- ▶ **Board Member Questions & Follow Up**
 - Submit budget-related questions to Board Secretary
 - Board Secretary will distribute questions to appropriate staff



▶ **Committee Reviews, Recommendations & Actions – February**

	Environmental Quality & Operations	DC Retail Water & Sewer Rates	Finance & Budget
FY 2020 - FY 2029 Capital Budget (Disbursements & Lifetime)	Action Required		Action Required
FY 2021 Operating Budget			Action Required
Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing			Action Required
FY 2020 – FY 2029 Financial Plan		Action Required	Action Required
FY 2021 & 2022 Rates, Charges & Fees		Action Required	

- ▶ **Board Adoption – March 5**
- ▶ **Rates Public Outreach and Public Hearing**



Appendix



10-Year Engineering CIP Options Compared

Service Area	Approved Baseline \$4.4B (FY19-28)	Proposed Baseline \$4.9B (FY20-29)	Asset Management \$5.4B (FY19-28)	Fully Funded \$5.8B (FY20-29)
Clean Rivers	Fully funded to meet Consent Decree	Fully funded to meet Consent Decree	Fully funded to meet Consent Decree	Fully funded to meet Consent Decree
Wastewater	Fully funded to meet NPDES Permit and established levels of service	Fully funded to meet NPDES Permit and established levels of service	Fully funded to meet NPDES Permit and established levels of service	Fully funded to meet NPDES Permit and established levels of service
Stormwater	Fully funded	Fully funded	Fully funded	Fully funded
Water				
Pump Stations & Storage Facilities	Generally funded	Generally funded	Fully Funded	Fully Funded
Small Diameter Water Mains	Underfunded; (Funded to meet 1% per year replacement level - [11 mi/year])	Increased funding to ramp up to 1.5% per year replacement level from FY 2027 onwards. [16.5 mi/year]	Fully funded to ramp up to 2% replacement level [22 mi/year]	Fully funded to ramp up to 2% replacement level [22 mi/year]
Large Diameter Water Mains	Generally funded	Generally funded	Generally funded	Fully Funded
Sewer				
Pump Stations	Fully funded	Fully funded	Fully funded	Fully funded
Sewer Lines < 60" diameter	Underfunded (Funded to ramp up to 1.0% per year rehabilitation level [17.5 mi/year] by FY 2023)	Increased funding to ramp up to 1.5% per year replacement level from FY 2027 onwards. [26 mi/year]	Fully funded to ramp up to 2.3% rehabilitation level [40 mi/year]	Fully funded to ramp up to 2.3% rehabilitation level [40 mi/year]
Sewer Lines ≥ 60"	Generally Funded	Generally Funded	Generally Funded	Fully funded
Non Process	Fully funded	Fully funded	Fully funded	Fully funded

'Generally Funded' = What we know or expect to find can be rehabilitated 'Underfunded' = What we know or expect to find is not all funded
 'Fully Funded' = All needs known or expected are met



Washington Aqueduct Capital Projects

\$000's	Washington Aqueduct	DC Water's Share
FY 2020	\$21,095	\$15,515
FY 2021	\$22,115	\$16,266
FY 2022	\$25,251	\$18,572
FY 2023	\$51,449	\$37,841
FY 2024	\$17,266	\$12,699
FY 2025	\$46,057	\$33,875
FY 2026	\$12,927	\$9,508
FY 2027	\$17,489	\$12,863
FY 2028	\$32,723	\$24,068
FY 2029	\$18,995	\$13,971
Total	\$265,368	\$195,178

- ▶ **Washington Aqueduct (WAD)** – Total ten-year budget of \$265.4 million
 - Presented a risk-based asset management CIP using decision-making tools to prioritize and grade projects to achieve established service levels
 - Major projects include the Old Conduit Rehabilitation, North Clearwell Replacement, and Dalecarlia Back-up Power Generation
 - Budget proposal excludes the Federally Owned Water Mains, Travilah Quarry Acquisition & Outfitting and Advanced Treatment Facilities

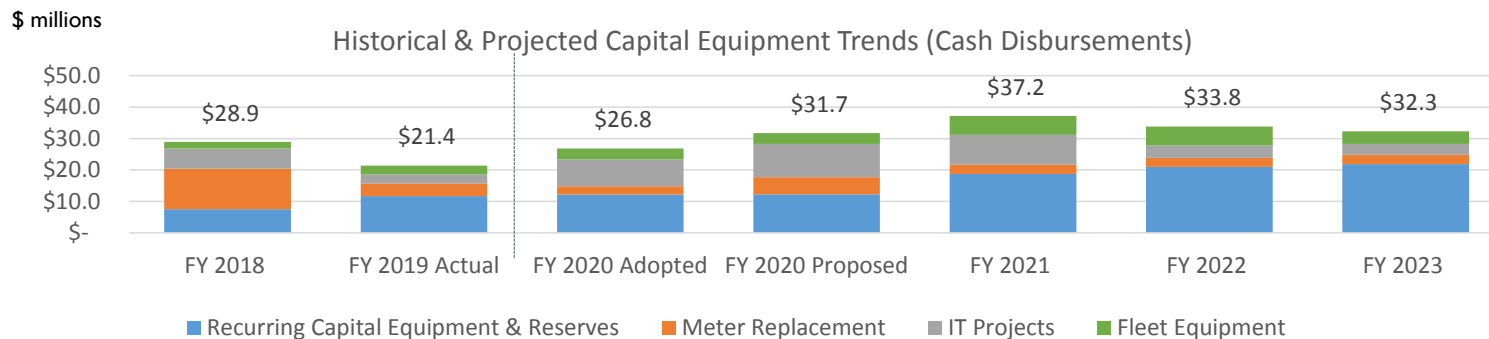
- ▶ **DC Water's Share** – Total of \$195.2 million represents 73.6% of WAD's capital programs



Capital Equipment

💧 Ten-year disbursements of \$333 million for capital equipment includes

- The proposed FY 2020 budget includes the carryover of \$5 million from prior year for the Enterprise Resource Planning (ERP) and Advanced Meter Infrastructure (AMI) projects
- Recurring Capital Equipment – This covers the purchase/replacement of pumps, motors, HVACs, roof, laptops, computers, servers, fire hydrants and includes the Authority-wide reserves for future facilities and other equipment needs
- Meter Replacement – Funding requirement for equipment, labor and installation of small and large meters including completion of the AMI project
- IT Projects – Funds new and upgrades to various Authority-wide technology systems such as the ERP, Maximo, Vertex One, GIS, Facilities Mobility, and Third Party Portal Enhancements
- Fleet Equipment – increases funds for procurement of backhoes, jet-vacs, catch basin trucks and other aged vehicles to meet operational needs





Customer Impacts

Residential – Avg. 5.42 Ccf / 1 ERU Base	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Water & Sewer Rate (%)	11.5%	9.9%	7.8%	8.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
CRIAC (\$/ERU)	\$20.94	\$19.52	\$18.40	\$19.58	\$24.07	\$23.07	\$23.82	\$24.56	\$25.64	\$26.78
Avg. Customer Bill (\$)	\$104	\$111	\$118	\$126	\$137	\$143	\$151	\$160	\$170	\$180
Avg. Customer Bill (%)	5.2%	6.6%	6.7%	6.7%	8.8%	4.4%	5.7%	5.8%	6.1%	6.2%
Multi-family – Avg. 86.14 Ccf / 6.83 ERU Base	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Water & Sewer Rate (%)	11.5%	9.9%	7.8%	8.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
CRIAC (\$/ERU)	\$20.94	\$19.52	\$18.40	\$19.58	\$24.07	\$23.07	\$23.82	\$24.56	\$25.64	\$26.78
Avg. Customer Bill (\$)	\$1,341	\$1,447	\$1,538	\$1,654	\$1,791	\$1,896	\$2,022	\$2,157	\$2,304	\$2,461
Avg. Customer Bill (%)	8.1%	8.0%	6.2%	7.6%	8.3%	5.9%	6.6%	6.7%	6.8%	6.8%
Commercial – Avg. 115.82 Ccf / 14.17 ERU Base	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Water & Sewer Rate (%)	11.5%	9.9%	7.8%	8.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
CRIAC (\$/ERU)	\$20.94	\$19.52	\$18.40	\$19.58	\$24.07	\$23.07	\$23.82	\$24.56	\$25.64	\$26.78
Avg. Customer Bill (\$)	\$2,029	\$2,163	\$2,285	\$2,456	\$2,669	\$2,814	\$2,994	\$3,189	\$3,401	\$3,629
Avg. Customer Bill (%)	6.8%	6.6%	5.7%	7.5%	8.7%	5.4%	6.4%	6.5%	6.7%	6.7%



ATTACHMENT 3

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

**Thursday, February 27, 2020; 11:00 a.m.
DC Water Headquarters
1385 Canal Street, SE, DC
AGENDA**

Call to Order	Chairperson
January 2020 Financial Report	Chief Financial Officer
Agenda for March Committee Meeting	Chairperson
Adjournment	Chairperson

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