



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

**Board of Directors**

*Finance and Budget Committee*

*Tuesday, January 23, 2018*

11:00 a.m.

- 1. **Call to Order**..... Timothy L. Firestine, Chairperson
- 2. **December 2017 Financial Report (Attachment 1)**..... Matthew T. Brown
- 3. **Action Items** (Subject to joint DC Retail Water & Sewer Rates and Finance & Budget committee discussions) ..... Matthew T. Brown
  - A. **Recommendation for Approval of the FY 2019 Proposed Budget (Attachment 2)**
    - Action Item 2A: Fiscal Year 2019 Proposed Operating Budget
    - Action Item 2B: Fiscal Year 2018 – FY 2027 Capital Improvement Program and Lifetime Budget
    - Action Item 2C: Fiscal Year 2018 – FY 2027 Ten Year Financial Plan
    - Action Item 2D: Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing
- 4. **Agenda for February Committee Meeting (Attachment 3)** ..... Timothy L. Firestine
- 5. **Executive Session**
- 6. **Adjournment**

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



Fiscal Year 2018

# Monthly Financial Report

Period Ending December 31, 2017

**DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET**

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

**Robert Hunt**, Director, Finance

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

**John Madrid**, Controller

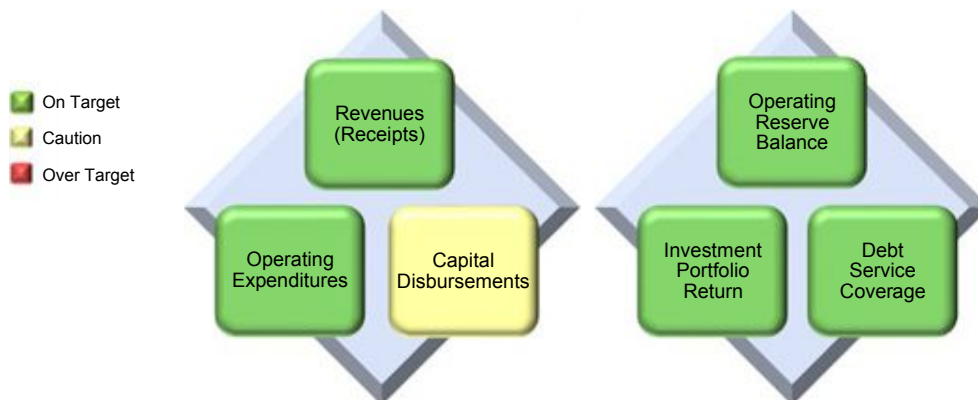
**Lola Oyeyemi**, Director, Budget

**Monthly Financial Report**

**DECEMBER 2017**

**EXECUTIVE SUMMARY**

As of the end of the first quarter of FY 2018, with 25 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance, except capital disbursements mainly due to Clean Rivers project and Wastewater Treatment service areas.



(\$ in millions)

	Budget	YTD Budget	Actual	Variance Favorable (Unfavorable)		Actual % Budget
<b>Revenues (Receipts)*</b>	\$617.2	\$154.3	\$155.0	\$0.7	0.5%	25.1%
<b>Expenditures</b>	\$561.9	\$140.5	\$126.2	\$14.3	10.2%	22.5%
<b>Capital Disbursements*</b>	\$387.3	\$96.8	\$157.4	(\$60.6)	(62.6%)	40.6%

\* Board approved budgets are subject to revision as part of the FY 2019 budget process

**Highlights:**

- Presentation on DC Water’s financial performance at the DC Institutional Investor Conference rescheduled to January 18 and 19, 2018 at the Walter E. Washington Convention Center
- The bond sale for the 2018A & B series of \$300 million is scheduled for the last week in March 2018 after FY 2019 budget adoption
- Issuance of the Request For Proposal (RFP) for the Merchant Credit Card Processing is anticipated in January 2018
- A new vendor has been selected for the Alternative Payment Sites (APS) to process water bills for retail cash paying customers at our authorized walk-in payment locations
- FY 2017 Year-End Closeout Status Update
  - Financial Statement audit completed with unmodified “clean” opinion issued on December 20, 2017. Results will be presented to the Audit Committee on January 25, 2018
  - Development of Comprehensive Annual Financial Report (CAFR) underway
  - The A133 Single Audit is on-going with expected completion by the end of January 2018
  - Green Bond attestation engagement underway

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

## Monthly Financial Report

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

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

Category	A	B	C	D = C/A	E = C-B	F = E/B
	FY 2018 BUDGET	YTD BUDGET*	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Res. / Comm. / Multi.	\$353,039	88,260	\$86,135	24.4%	(\$2,125)	(2.4%)
Federal	58,494	14,624	15,207	26.0%	584	4.0%
Municipal (DC Govt.)	19,066	4,767	6,695	35.1%	1,928	40.5%
DC Housing Authority	8,825	2,206	2,442	27.7%	236	10.7%
Metering Fee	10,776	2,694	2,967	27.5%	273	10.1%
Water System Replacement Fee (WSRF)	39,717	9,929	10,284	25.9%	354	3.6%
Wholesale	76,028	19,007	18,988	25.0%	(19)	(0.1%)
PILOT/ROW	21,511	5,378	5,684	26.4%	306	5.7%
All Other	29,703	7,426	6,622	22.3%	(804)	(10.8%)
<b>TOTAL</b>	<b>\$617,159</b>	<b>\$154,290</b>	<b>\$155,023</b>	<b>25.1%</b>	<b>\$733</b>	<b>0.5%</b>

\*Straight-lined (3/12 of approved budget)

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of December 2017, cash receipts totaled \$155.0 million, or 25.1 percent of the approved FY 2018 budget. Several categories of customers make payments on a quarterly basis, including the Federal Government (who made their first quarterly payment in October), and wholesale customers (who made their first quarterly payment in November).

Residential, Commercial and Multi-Family – Receipts for this category are slightly lower at \$86.1 million or 24.4 percent of the approved budget. The lower receipts are on account of slightly lower consumption as compared to budget.

District Government – Receipts are higher at \$6.7 million or 35.1 percent of the approved budget. The District Government did not pay the August billed amount of \$2.0 million as anticipated in September 2017. The overdue amount was received in October 2017 (FY 2018), which resulted in higher receipts compared to the approved budget.

DC Housing – Receipts are slightly higher at \$2.4 million or 27.7 percent of the approved budget.

Wholesale – Wholesale customers' actual receipts through December total \$19.0 million or 25 percent of the approved budget.

Other Revenue – Receipts are slightly lower than the straight-lined budget at \$6.6 million or 22.3 percent of the budgeted category primarily due to IMA Indirect Cost Reimbursement, which is not anticipated to be received until the third quarter of the fiscal year.

## Monthly Financial Report

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

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

Category	A	B	C	D = C/A	E = B-C	F = E/B
	FY 2018 BUDGET	YTD BUDGET*	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Personnel	\$149,193	\$37,298	\$39,111	26.2%	(\$1,813)	(4.9%)
Contractual Services	79,353	19,838	18,318	23.1%	1,520	7.7%
Water Purchases	30,156	7,539	6,032	20.0%	1,507	20.0%
Supplies & Chemicals	30,659	7,665	7,512	24.5%	153	2.0%
Utilities	29,399	7,350	6,884	23.4%	466	6.3%
Small Equipment	1,071	268	144	13.4%	124	46.2%
<b>SUBTOTAL O&amp;M</b>	<b>\$319,831</b>	<b>\$79,958</b>	<b>\$78,002</b>	<b>24.4%</b>	<b>\$1,956</b>	<b>2.4%</b>
Debt Service	185,480	46,370	42,849	23.1%	3,521	7.6%
PILOT/ROW	21,376	5,344	5,344	25.0%	0	0.0%
Cash Financed Capital Improvements	35,260	8,815	0	0.0%	8,815	100.0%
<b>TOTAL OPERATING</b>	<b>\$561,947</b>	<b>\$140,487</b>	<b>\$126,195</b>	<b>22.5%</b>	<b>\$14,292</b>	<b>10.2%</b>
Capital Labor	(21,061)	(5,265)	(4,394)	20.9%	(871)	16.5%
<b>TOTAL NET OPERATING</b>	<b>\$540,886</b>	<b>\$135,222</b>	<b>\$121,801</b>	<b>22.5%</b>	<b>\$13,421</b>	<b>9.9%</b>

\*Straight-lined (3/12 of approved budget)

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

Total Operating expenditures for this period are in line with expectations. The operating expenditures (including debt services and the Right-of-Way & PILOT fees) totaled \$126.2 million or 22.5 percent of the FY 2018 Board-approved budget of \$561.9 million.

These numbers include estimated incurred but unpaid invoices and are subject to revision in subsequent months.

Personnel Services – Increase is due to impact of retroactive salary adjustments consistent with the Board-ratified union labor contract. Of the 1260 positions authorized, 1144 were filled at the end of December with a year-to-date vacancy rate of 10 percent. Overtime spending totals 37% of the annual budget due to increased after-hour work performed in response to emergencies and historically high water main breaks experienced during the winter season (Bomb Cyclone), coupled with support for the on-going Automated Meter Reader (AMR) Program and additional staff time to support the increase in permit applications in the District.

Contractual Services – Underspensing is attributable to lag in various operational contracts throughout the Authority. These expenditures are expected to increase as we progress through the fiscal year.

Water Purchases – Reflect DC Water's share of Washington Aqueduct expenditures.

Debt Service – YTD actuals are in line with budget and debt service payment schedule.

Capital Labor – YTD spending is consistent with historical trend.

## Monthly Financial Report

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

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

Service Area	A	B	C	D = C/A	E = B-C	F = E/B
	FY 2018 BUDGET	YTD BUDGET*	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Non Process Area	\$20,030	\$5,008	\$7,213	36.0%	(2,205)	(44.0%)
Wastewater Treatment	98,423	24,606	36,642	37.2%	(12,036)	(48.9%)
Combined Sewer Overflow	130,475	32,619	65,253	50.0%	(32,634)	(100.0%)
Stormwater	2,682	671	354	13.2%	316	47.2%
Sanitary Sewer	39,294	9,824	13,809	35.1%	(3,985)	(40.6%)
Water	51,738	12,935	15,948	30.8%	(3,013)	(23.3%)
<b>SUBTOTAL: CAPITAL PROJECTS</b>	<b>\$342,642</b>	<b>\$85,661</b>	<b>\$139,218</b>	<b>40.6%</b>	<b>(\$53,557)</b>	<b>(62.5%)</b>
Capital Equipment	32,897	8,224	13,053	39.7%	(4,829)	(58.7%)
Washington Aqueduct	11,768	2,942	5,154	43.8%	(2,212)	(75.2%)
<b>SUBTOTAL: ADD'L CAPITAL PROGRAMS</b>	<b>\$44,665</b>	<b>\$11,166</b>	<b>18,207</b>	<b>40.8%</b>	<b>(\$7,041)</b>	<b>(63.1%)</b>
<b>TOTAL</b>	<b>\$387,307</b>	<b>\$96,827</b>	<b>\$157,425</b>	<b>40.6%</b>	<b>(\$60,598)</b>	<b>(62.6%)</b>

\*Straight-lined (3/12 of approved budget)

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

Total capital disbursements for this period are \$157.4 million or 40.6 percent of the FY 2018 Board-approved budget which is subject to revision as part of the Proposed FY 2019 budget process.

Capital Projects – Higher disbursements in the Wastewater Treatment and DC Clean Rivers' service areas are mainly due to the accelerated projects to meet the March 23, 2018 Consent Decree deadline for all facilities south of RFK stadium to be placed in operation. The detailed project performance will be reviewed as part of the quarterly CIP update by the Department of Engineering & Technical Services in February 2018.

Capital Equipment – Higher disbursements are mainly for the bulk purchases of meters during the latter part of FY 2017 in line with the accelerated Automated Meter Reading (AMR) Replacement Program. Approximately 85,000 small meters were planned to be replaced over a two-year period through FY 2018. At the end of December 2017, 56,194 meters have been installed.

Washington Aqueduct – A payment of \$5.1 million was made in December 2017 to execute contracts on the following projects: McMillan Clearwell North, West Filter, Reservoir 3<sup>rd</sup> High, and Dalecarlia Clearwell.

## Monthly Financial Report

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

### Cash Investments (\$ in millions)

#### Cash Balances

Rate Stabilization Fund Account (RSF)	\$61.5
DC Insurance Reserve	1.0
Operating Reserve Accounts	149.4
<b>Operating Cash Balance Including RSF</b>	<b>\$211.9</b>
Debt Service Reserve - Series 1998	23.4
Bond Fund- Construction Fund 2015A	1.0
Bond Fund- Construction Fund 2016B	24.7
Bond Fund- Construction Fund 2017A	18.3
Bond Fund- Construction Fund 2017B	29.8
<b>Total All Funds</b>	<b>\$309.1</b>

#### OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$149.4 million as compared to the operating reserve level objective of \$125.5 million for FY 2018
- Average cash balance for the month of December was \$153.2 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for December (on a cash basis) was \$206,341; YTD \$479,994
- A detailed investment performance report is attached

## Monthly Financial Report

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

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

	Annual Budget Cash Basis	YTD 25% Cash Budget	YTD Actual Cash Oct. 1, 2017 - Dec. 31, 2017	Variance Favorable (Unfavorable)	
<b>OPERATING BUDGET</b>					
<b>Cash Provided</b>					
Retail	\$489,917	\$122,479	\$123,730	\$1,250	1%
Wholesale	76,028	\$19,007	18,988	(19)	0%
Other	50,762	\$12,691	12,199	(492)	-4%
<b>Total Cash Provided</b>	<b>616,707</b>	<b>154,177</b>	<b>154,917</b>	<b>740</b>	<b>0%</b>
<b>Operating Cash Used</b>					
Personnel Services	128,132	32,033	34,259	(2,226)	-7%
Contractual Services	79,353	19,838	18,975	863	4%
Chemicals & Supplies	30,659	7,665	8,069	(404)	-5%
Utilities	29,399	7,350	4,267	3,082	42%
Water Purchases	30,156	7,539	7,037	502	7%
Small Equipment	1,071	268	106	161	60%
<b>Total Operating Cash Used</b>	<b>298,770</b>	<b>74,693</b>	<b>72,713</b>	<b>1,979</b>	<b>3%</b>
Defeasance D.S./Cash Financed Capital Construction	35,260	8,815	0	8,815	100%
<b>Other Cash Used</b>					
Debt Service	185,480	46,370	42,849	3,521	8%
Payment In Lieu of Taxes/Right of Way	21,376	5,344	5,344	()	0%
<b>Total Other Cash Used</b>	<b>206,856</b>	<b>51,714</b>	<b>48,193</b>	<b>3,521</b>	<b>7%</b>
<b>Total Cash Used</b>	<b>540,886</b>	<b>135,222</b>	<b>120,907</b>	<b>14,315</b>	<b>11%</b>
<b>Net Cash Provided (Used) by Operating Act.</b>	<b>75,821</b>	<b>18,955</b>	<b>34,010</b>	<b>15,055</b>	
<b>CAPITAL BUDGET</b>					
<b>Cash Provided</b>					
Debt Proceeds	119,827	29,957	97,423	67,466	225%
EPA Grants	23,092	5,773	5,139	(634)	-11%
System Availability Fee	1,925	481	0	(481)	-100%
Transfer from Operations	93,589	23,397	0	(23,397)	-100%
Interest Income	1,365	341	570	228	67%
Wholesale Capital Contributions	80,043	20,011	24,652	4,641	23%
<b>Total Cash Provided</b>	<b>319,841</b>	<b>79,960</b>	<b>127,783</b>	<b>47,823</b>	<b>60%</b>
<b>Cash Used</b>					
DC Water Capital Program	375,539	93,885	152,271	(58,386)	-62%
Washington Aqueduct Projects	11,768	2,942	5,154	(2,212)	-75%
<b>Total Cash Used</b>	<b>387,307</b>	<b>96,827</b>	<b>157,425</b>	<b>(60,598)</b>	<b>-63%</b>
<b>Net Cash/PAYGO Provided (Used) by Cap. Act.</b>	<b>(\$67,466)</b>	<b>(\$16,867)</b>	<b>(\$29,642)</b>	<b>(\$12,776)</b>	
<b>Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected</b>					
Plus (Less) Operating Surplus	\$147,212		\$147,212		
Wholesale Customer Refunds from Prior Years	75,821	18,955	34,010		
Interest Earned From Bond Reserve	(7,000)	(1,750)	0		
Prior Year Federal Billing Reconciliation	451	113	106		
Cash Used for Capital	(9,019)	(2,255)	(2,255)		
<b>Balance Attributable to O&amp;M Reserve</b>	<b>\$140,000</b>		<b>\$149,432</b>		
<b>OTHER CASH RESERVES</b>					
<b>Rate Stabilization Fund</b>	<b>Current Balance</b>				
<b>DC Insurance Reserve</b>	\$61,450				
	1,000				



**Monthly Financial Report**

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APPENDIX

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Monthly Financial Report

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

Operating Revenues Detail

(\$ in millions)

Revenue Category	FY 2018	YTD Budget	Actual	Variance		Actual % of Budget
	Budget			Favorable / (Unfavorable)		
Residential, Commercial, and Multi-family	\$353.0	\$88.3	\$86.1	(\$2.1)	-2.4%	24.4%
Federal	\$58.5	14.6	15.2	0.6	4.0%	26.0%
District Government	\$19.1	4.8	6.7	1.9	40.0%	35.1%
DC Housing Authority	\$8.8	2.2	2.4	0.2	9.1%	27.3%
Customer Metering Fee	\$10.8	2.7	3.0	0.3	11.1%	27.8%
Water System Replacement Fee (WSRF)	\$39.7	9.9	10.3	0.4	4.0%	25.9%
Wholesale	\$76.0	19.0	19.0	0.0	0.0%	25.0%
Right-of-Way Fee/PILOT	\$21.5	5.4	5.7	0.3	5.5%	26.5%
<b>Subtotal (before Other Revenues)</b>	<b>\$587.4</b>	<b>\$146.9</b>	<b>\$148.4</b>	<b>\$1.6</b>	<b>1.1%</b>	<b>25.3%</b>
Other Revenue without RSF						
IMA Indirect Cost Reimb. For Capital Projects	5.0	1.3	0.0	(1.3)	-100.0%	0.0%
DC Fire Protection Fee	10.8	2.7	2.7	0.0	0.0%	25.0%
Stormwater (MS4)	1.0	0.3	0.3	0.1	33.3%	30.0%
Interest	2.6	0.6	0.6	(0.1)	-16.7%	23.0%
Developer Fees (Water & Sewer)	6.0	1.5	2.0	0.5	33.3%	33.3%
Others	4.3	1.1	1.0	(0.1)	-9.1%	23.3%
<b>Subtotal</b>	<b>\$29.7</b>	<b>\$7.4</b>	<b>\$6.6</b>	<b>(\$0.9)</b>	<b>-12.2%</b>	<b>22.2%</b>
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
<b>Other Revenue Subtotal</b>	<b>\$29.7</b>	<b>\$7.4</b>	<b>\$6.6</b>	<b>(\$0.9)</b>	<b>-12.2%</b>	<b>22.2%</b>
<b>Grand Total</b>	<b>\$617.2</b>	<b>\$154.3</b>	<b>\$155.0</b>	<b>\$0.7</b>	<b>0.5%</b>	<b>25.1%</b>

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

Customer Category	Water	Sewer	Clean Rivers			Total
			IAC	Metering Fee	WSRF	
Residential	\$8,458	\$10,296	\$8,525	\$1,322	\$2,346	\$30,946
Commercial	13,806	14,215	10,645	897	4,091	43,655
Multi-family	7,502	8,950	3,738	410	1,786	22,386
Federal	4,910	4,661	5,637	193	1,413	16,814
District Govt	1,855	2,267	2,572	108	492	7,295
DC Housing Authority	933	1,127	382	36	156	2,634
<b>Total:</b>	<b>\$37,464</b>	<b>\$41,516</b>	<b>\$31,498</b>	<b>\$2,967</b>	<b>\$10,284</b>	<b>\$123,730</b>

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

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

Customer Category	FY 2018	Year-To-Date	Actual	Variance	Variance %	Actual %
	Budget	Budget	Received	Favorable / <Unfavorable>	of YTD Budget	of Budget
Residential	\$31,810	\$7,953	\$8,525	\$572	7%	27%
Commercial	40,078	10,020	10,645	626	6%	27%
Multi-family	12,816	3,204	3,738	534	17%	29%
Federal	18,874	4,719	5,637	918	19%	30%
District Govt	10,486	2,622	2,572	(49)	-2%	25%
DC Housing Authority	1,515	379	382	3	1%	25%
<b>Total:</b>	<b>\$115,579</b>	<b>\$28,895</b>	<b>\$31,498</b>	<b>\$2,603</b>	<b>9%</b>	<b>27%</b>

## Monthly Financial Report

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

### Overtime by Department

Department	FY 2018			
	Budget	YTD Actual	YTD Actual % of Budget	% of Regular Pay
Office of the Board Secretary	\$8,000	\$2,937	36.7%	4.5%
General Manager	9,000	1,807	20.1%	0.3%
General Counsel	2,000	76	3.8%	0.0%
External Affairs	27,000	-	0.0%	0.0%
Internal Audit	-	-	0.0%	0.0%
Information Technology	15,000	1,774	11.8%	0.2%
Procurement	30,000	1,833	6.1%	0.2%
Customer Service*	260,000	177,745	68.4%	7.1%
Finance, Accounting & Budget	40,000	15,456	38.6%	1.0%
Assistant General Manager - Support Services	0	-	0.0%	0.0%
Human Capital Management	4,000	1,143	28.6%	0.1%
Occupational Safety and Health	1,000	-	0.0%	0.0%
Facilities Management	238,000	70,302	29.5%	7.2%
Department of Security	-	305	0.0%	0.2%
Water Quality and Technology	-	53	0.0%	0.0%
Distribution and Conveyance System	541,000	213,538	39.5%	11.2%
Engineering and Technical Services	1,024,000	240,515	23.5%	5.1%
Water Services**	1,047,000	528,321	50.5%	15.1%
Clean Rivers	0	-	0.0%	0.0%
Sewer Services	900,000	398,784	44.3%	21.4%
Wastewater Treatment - Operations	1,463,300	413,383	28.3%	15.0%
Wastewater Treatment - Process Engineering	64,000	6,494	10.1%	0.8%
Maintenance Services	500,000	185,160	37.0%	9.3%
Permit Operations***	2,000	5,364	268.2%	1.5%
Fleet Management	3,000	507	16.9%	0.3%
<b>Total DC WATER</b>	<b>\$6,178,300</b>	<b>\$2,265,497</b>	<b>36.7%</b>	<b>8.0%</b>

**Notes:**

\* Increased overtime to support the on-going Automated Meter Reader (AMR) project

\*\* High overtime usage due to increased after-hour work performed in response to emergencies and historically high water main breaks experienced during the winter season (Bomb Cyclone)

\*\*\* High spending due to additional staff time needed to process increase in permit applications to support development in the District

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

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

Service Areas	Budget		Actual			Variance		
	FY 2018 Budget	YTD* Budget	Oct & Nov 2017	Dec 2017	YTD Actual	YTD Actual % Budget	YTD \$ Fav/(Unfav)	YTD % Fav/(Unfav)
<b>NON PROCESS FACILITIES</b>								
Facility Land Use	\$20,030	\$5,008	\$4,391	\$2,821	\$7,213	36.0%	(\$2,205)	(44.0%)
<b>Subtotal</b>	<b>20,030</b>	<b>5,008</b>	<b>4,391</b>	<b>2,821</b>	<b>7,213</b>	<b>36.0%</b>	<b>(2,205)</b>	<b>(44.0%)</b>
<b>WASTEWATER TREATMENT</b>								
Liquid Processing	24,883	6,221	5,796	1,357	7,153	28.7%	(932)	(15.0%)
Plantwide	14,562	3,641	3,105	1,115	4,220	29.0%	(580)	(15.9%)
Solids Processing	4,836	1,209	3,432	2,403	5,836	120.7%	(4,627)	(382.7%)
Enhanced Nitrogen Removal Facilities	54,141	13,535	13,380	6,053	19,433	35.9%	(5,898)	(43.8%)
<b>Subtotal</b>	<b>98,423</b>	<b>24,606</b>	<b>25,714</b>	<b>10,928</b>	<b>36,642</b>	<b>37.2%</b>	<b>(12,036)</b>	<b>(48.9%)</b>
<b>COMBINED SEWER OVERFLOW</b>								
D.C. Clean Rivers	116,713	29,178	44,061	16,932	60,993	52.3%	(31,815)	(109.0%)
Program Management	5,355	1,339	183	0	183	3.4%	1,156	86.3%
Combined Sewer	8,407	2,102	3,167	910	4,077	48.5%	(1,975)	(94.0%)
<b>Subtotal</b>	<b>130,475</b>	<b>32,619</b>	<b>47,411</b>	<b>17,842</b>	<b>65,253</b>	<b>50.0%</b>	<b>(32,634)</b>	<b>(100.0%)</b>
<b>STORMWATER</b>								
Local Drainage	8	2	37	0	37	457.3%	(35)	(1729.0%)
On-Going	572	143	0	0	0	0.0%	143	100.0%
Pumping Facilities	1,743	436	0	252	252	14.5%	184	42.2%
DDOT	19	5	0	0	0	0.0%	5	100.0%
Research and Program Management	238	60	0	0	0	0.0%	60	100.0%
Trunk/Force Sewers	102	26	66	0	66	64.3%	(40)	(157.3%)
<b>Subtotal</b>	<b>2,682</b>	<b>671</b>	<b>102</b>	<b>252</b>	<b>354</b>	<b>13.2%</b>	<b>316</b>	<b>47.2%</b>
<b>SANITARY SEWER</b>								
Collection Sewers	2,249	562	1,555	3,066	4,621	205.5%	(4,059)	(721.9%)
On-Going	11,645	2,911	4,102	337	4,439	38.1%	(1,528)	(52.5%)
Pumping Facilities	290	73	223	38	261	89.8%	(188)	(259.4%)
Program Management	11,917	2,979	625	134	758	6.4%	2,221	74.6%
Interceptor/Trunk Force Sewers	13,194	3,299	2,905	824	3,730	28.3%	(431)	(13.1%)
<b>Subtotal</b>	<b>39,294</b>	<b>9,824</b>	<b>9,410</b>	<b>4,399</b>	<b>13,809</b>	<b>35.1%</b>	<b>(3,985)</b>	<b>(40.6%)</b>
<b>WATER</b>								
Distribution Systems	28,847	7,212	4,283	2,033	6,316	21.9%	896	12.4%
Lead Program	720	180	995	497	1,491	207.1%	(1,311)	(728.6%)
On-Going	6,886	1,722	1,562	677	2,239	32.5%	(517)	(30.1%)
Pumping Facilities	1,958	490	657	419	1,076	55.0%	(587)	(119.9%)
DDOT	516	129	0	0	0	0.0%	129	100.0%
Storage Facilities	8,072	2,018	2,217	1,702	3,918	48.5%	(1,900)	(94.2%)
Program Management	4,739	1,185	560	347	907	19.1%	278	23.5%
<b>Subtotal</b>	<b>51,738</b>	<b>12,935</b>	<b>10,274</b>	<b>5,674</b>	<b>15,948</b>	<b>30.8%</b>	<b>(3,013)</b>	<b>(23.3%)</b>
<b>Capital Projects</b>	<b>\$342,642</b>	<b>\$85,661</b>	<b>\$97,302</b>	<b>\$41,916</b>	<b>\$139,218</b>	<b>40.6%</b>	<b>(53,557)</b>	<b>(62.5%)</b>
<b>CAPITAL EQUIPMENT</b>	<b>32,897</b>	<b>8,224</b>	<b>11,874</b>	<b>1,179</b>	<b>13,053</b>	<b>39.7%</b>	<b>(4,829)</b>	<b>(58.7%)</b>
<b>WASHINGTON AQUEDUCT</b>	<b>11,768</b>	<b>2,942</b>	<b>0</b>	<b>5,154</b>	<b>5,154</b>	<b>43.8%</b>	<b>(2,212)</b>	<b>(75.2%)</b>
<b>Additional Capital Programs</b>	<b>44,665</b>	<b>11,166</b>	<b>11,874</b>	<b>6,333</b>	<b>18,207</b>	<b>40.8%</b>	<b>(7,041)</b>	<b>(63.1%)</b>
<b>Total</b>	<b>\$387,306</b>	<b>\$96,827</b>	<b>\$109,176</b>	<b>\$48,249</b>	<b>157,425</b>	<b>40.6%</b>	<b>(60,599)</b>	<b>(62.6%)</b>

\*Straight-lined (3/12 of approved budget)

**Monthly Financial Report**

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

**Accounts Payable**

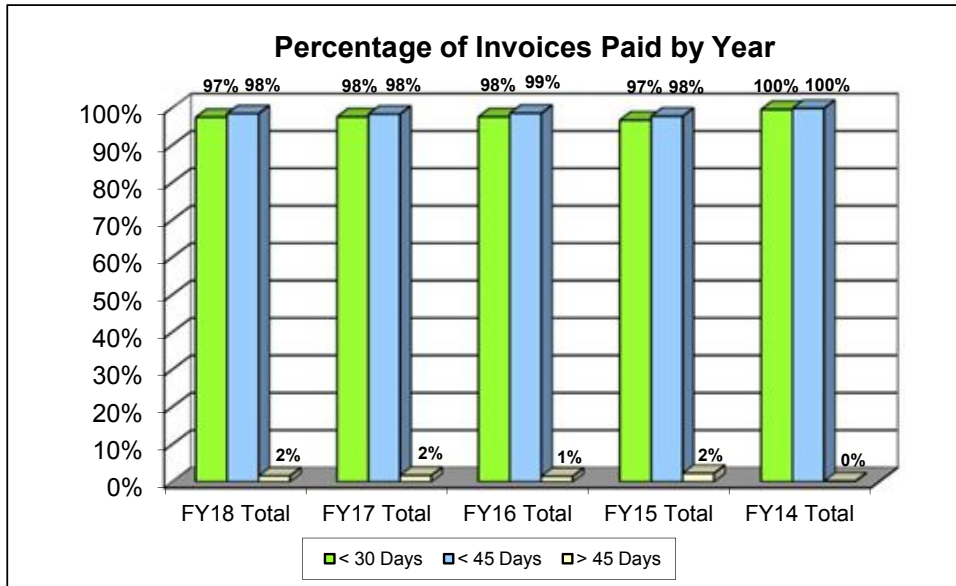
Cumulative performance for the 1<sup>st</sup> Quarter ending December 2017 reflects a total of 4,831 vendor payments were processed and paid within 30 days compared to 4,687 in FY 2017 (as shown in the table below) and with a dollar value of 206.8 million compared to 185.3 million for FY 2017.

For FY 2018, approximately 97.4% of the invoices were paid within 30 days compared to 97.6% for FY 2017. The Authority's goal is to pay 97% of all undisputed invoices within 30 days.

**Accounts Payable Performance**

Days	FY 2018		FY 2017	
	Number	Percent	Number	Percent
Less than 30	4,831	97.4%	4,687	97.6%
Less than 45	4,879	98.4%	4,722	98.3%
Greater than 45	79	1.6%	82	1.7%
<b>Sub-Total</b>	<b>4,958</b>	<b>100%</b>	<b>4,804</b>	<b>100%</b>
Retainage/Dispute	55		286	
<b>Total</b>	<b>5,013</b>		<b>5,090</b>	

The chart below shows cumulative year to date historical performance for fiscal year 2014 through fiscal year 2018.



**Monthly Financial Report**

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

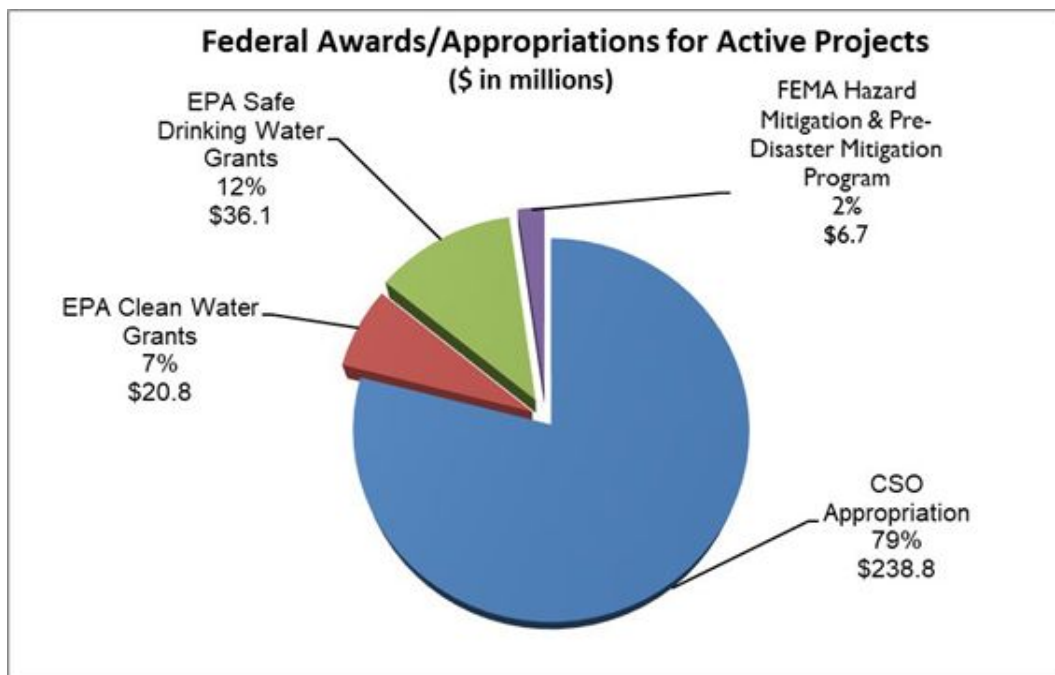
**Grants Report**

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, 2017, DC Water has \$302.4 million in total federal funds for active projects, as indicated below:



The remaining balance of the EPA funding as of December 31, 2017, is \$25 million. FEMA grants have a balance of \$6.6 million as of December 31, 2017.

DC Water has received eighteen separate Congressional CSO appropriations totaling \$238.8 million plus accrued interest of \$12.3 million, resulting in total CSO funding of \$251.1 million. The cumulative CSO appropriation life-to-date cash disbursement is \$251.1 million, based on requested reimbursement through December 31, 2017. The remaining CSO balance as of December 31, 2017 is \$2,737.85 which represents interest earned on CSO funds through the month of December.

Monthly Financial Report

**FY 2017 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.	\$328,988	\$338,646	102.9%	\$9,658
Federal	57,540	57,540	100.0%	\$0
Municipal (DC Govt.)	17,505	17,628	100.7%	\$123
DC Housing	8,372	8,560	102.2%	\$188
Metering Fee	10,776	11,566	107.3%	\$790
Water System Replacement Fee (WSRF)	39,717	40,522	102.0%	\$805
Wholesale	81,468	81,136	99.6%	(\$332)
PILOT/ROW	21,082	20,777	98.6%	(\$305)
All Other	29,998	40,642	135.5%	\$10,644
<b>TOTAL</b>	<b>\$595,446</b>	<b>\$617,017</b>	<b>103.6%</b>	<b>\$21,571</b>

**Operating Expenditures**

Category	A	B	C = B/A	D = A-B
	BUDGET	ACTUAL	% of BUDGET	\$ Fav/(Unfav)
Personnel	\$144,761	\$149,293	103.1%	(\$4,532)
Contractual Services	82,760	72,951	88.1%	9,809
Water Purchases	29,278	26,796	91.5%	2,482
Supplies & Chemicals	34,709	31,373	90.4%	3,336
Utilities	28,670	24,260	84.6%	4,410
Small Equipment	1,230	1,178	95.8%	52
<b>SUBTOTAL O&amp;M</b>	<b>\$321,408</b>	<b>\$305,851</b>	<b>95.2%</b>	<b>\$15,557</b>
Debt Service	169,346	161,208	95.2%	8,138
Cash Financed Capital Improvements	24,014	24,199	100.8%	(185)
PILOT/ROW	21,057	21,057	100.0%	(0)
<b>TOTAL OPERATING</b>	<b>\$535,825</b>	<b>\$512,315</b>	<b>95.6%</b>	<b>\$23,510</b>
Capital Labor	(24,934)	(17,231)	69.1%	(7,703)
<b>TOTAL NET OPERATING</b>	<b>\$510,891</b>	<b>\$495,084</b>	<b>96.9%</b>	<b>\$15,807</b>

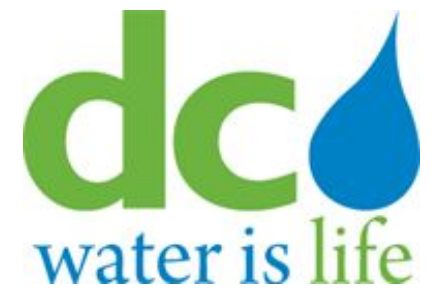
**Capital Disbursements**

Service Area	A	B	C = B/A	D = A-B
	BUDGET	ACTUAL	% of BUDGET	\$ Fav/(Unfav)
Non Process Facilities	\$34,150	\$25,189	73.8%	\$8,961
Wastewater Treatment	123,789	148,104	119.6%	(24,315)
Combined Sewer Overflow	184,387	229,425	124.4%	(45,038)
Stormwater	1,706	1,384	81.1%	322
Sanitary Sewer	38,302	40,059	104.6%	(1,757)
Water	58,819	47,309	80.4%	11,510
<b>SUBTOTAL: CAPITAL PROJECTS</b>	<b>\$441,153</b>	<b>\$491,470</b>	<b>111.4%</b>	<b>(\$50,317)</b>
Capital Equipment	54,949	38,362	69.8%	16,587
Washington Aqueduct	10,896	15,483	142.1%	(4,587)
<b>SUBTOTAL: ADD'L CAPITAL PROGRAMS</b>	<b>\$65,845</b>	<b>53,845</b>	<b>81.8%</b>	<b>\$12,000</b>
<b>TOTAL</b>	<b>\$506,998</b>	<b>\$545,315</b>	<b>107.6%</b>	<b>(\$38,317)</b>



# DC Water

*Investment Performance Report – December 2017*





**DC Water  
Finance Division  
Economic Update**

### ECONOMIC COMMENTARY

- The Federal Open Market Committee’s (“FOMC’s”) preferred gauge of inflation, the core personal consumption expenditures (“PCE”) price index, has continued to undershoot the 2% long-run objective. In December, PCE rose from 1.4% to 1.5% year-over-year. The FOMC still expects that inflation will gradually rise to reach the 2% target over time.
- At the FOMC’s December meeting, members decided to increase the federal funds target range by 0.25%. The target range for the federal funds rate is now 1.25% to 1.50%. In 2018, members expect three rate hikes.
- U.S. Treasury yields moved higher during the month of December, as the market continued to price in the FOMC’s interest rate hike throughout the course of the month. The yield on the 3-month Treasury bill increased by 0.12% from 1.26% to 1.38% while the 2-year Treasury note’s yield increased by 0.11% from 1.78% to 1.89%.
- The United States labor market added 148,000 jobs in December, well short of the 190,000 expectation. The unemployment rate was unchanged at 4.1%, continuing to hold steady at the lowest level in 17 years.

### PORTFOLIO RECAP

- The portfolio is diversified among Bank Deposits, U.S. Treasuries, Federal Agencies, Supranational Bonds, Commercial Paper, Negotiable CDs, Corporate Notes/Bonds, Municipal Bonds, FDIC Insured CDs, and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 1.21%.

#### Operating Reserve

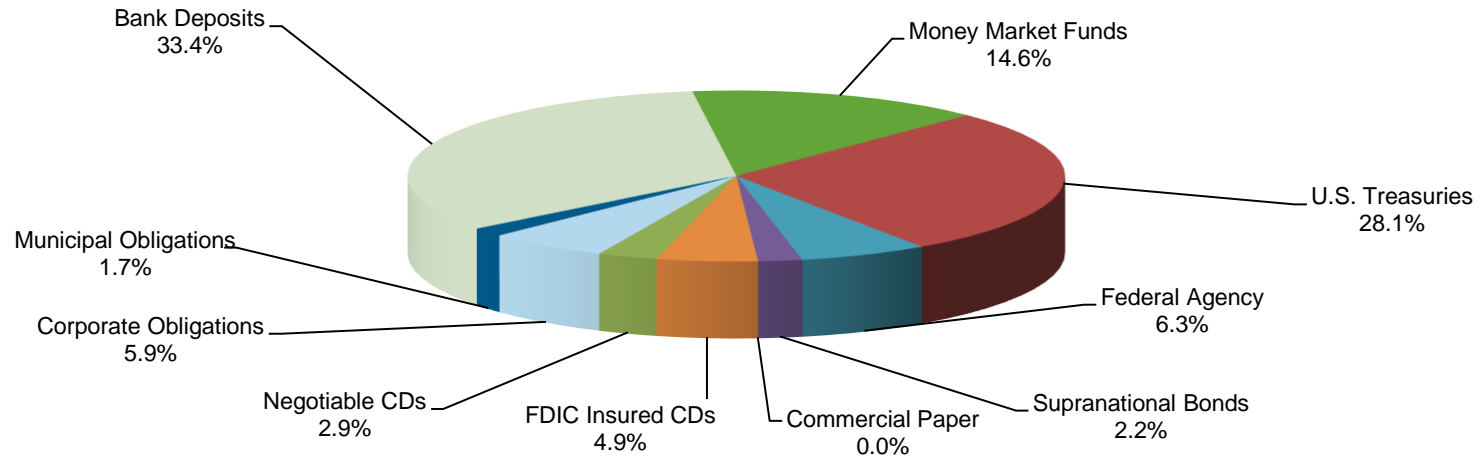
- PFM purchased \$3.65 million of 3-year US Treasuries at a yield of 1.75%.
- We also sold \$2.56 million of up to 1-year US Treasuries and \$960,000 of 6 month corporate notes.

#### 2017B Construction Fund

- PFM sold \$28.33 million of 3 to 6-month US Treasuries as well as \$12.4 million of 5-month commercial paper.



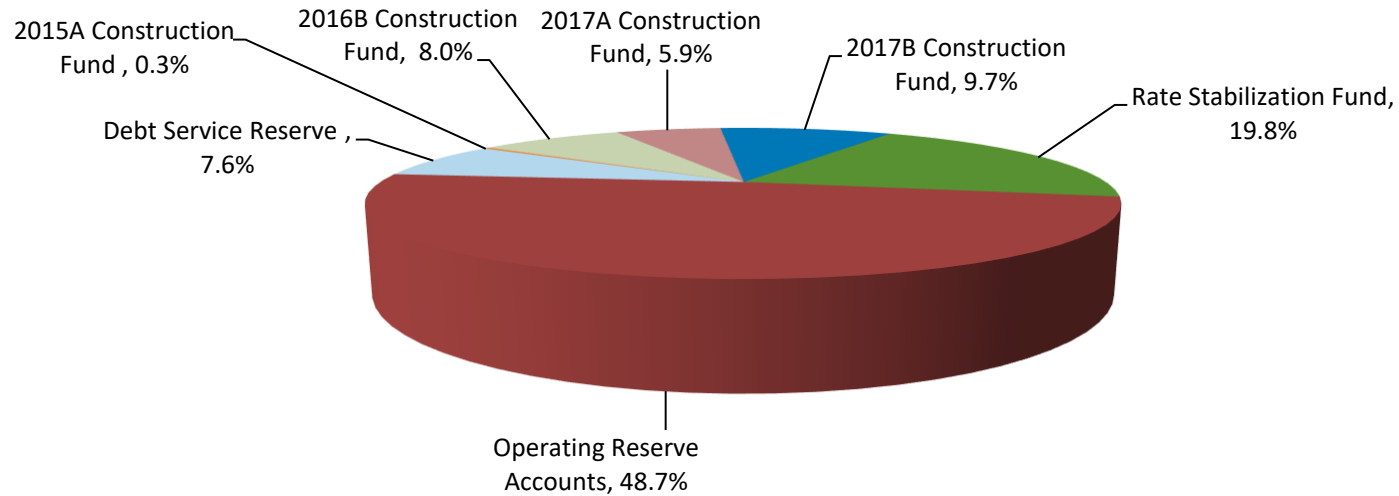
**DC Water  
Finance Division  
Investments - By Security Type  
As of December 31, 2017**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	103,453,871	33.4%	100.0%
Money Market Funds	45,056,617	14.6%	100.0%
U.S. Treasuries	86,894,546	28.1%	100.0%
Federal Agency	19,543,833	6.3%	80.0%
Supranational Bonds	6,689,260	2.2%	30.0%
Commercial Paper	-	0.0%	35.0%
FDIC Insured CDs	15,296,528	4.9%	30.0%
Negotiable CDs	9,120,052	2.9%	30.0%
Corporate Obligations	18,408,812	5.9%	30.0%
Municipal Obligations	5,156,684	1.7%	20.0%
<b>Total</b>	<b>\$ 309,620,203</b>	<b>100.0%</b>	



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

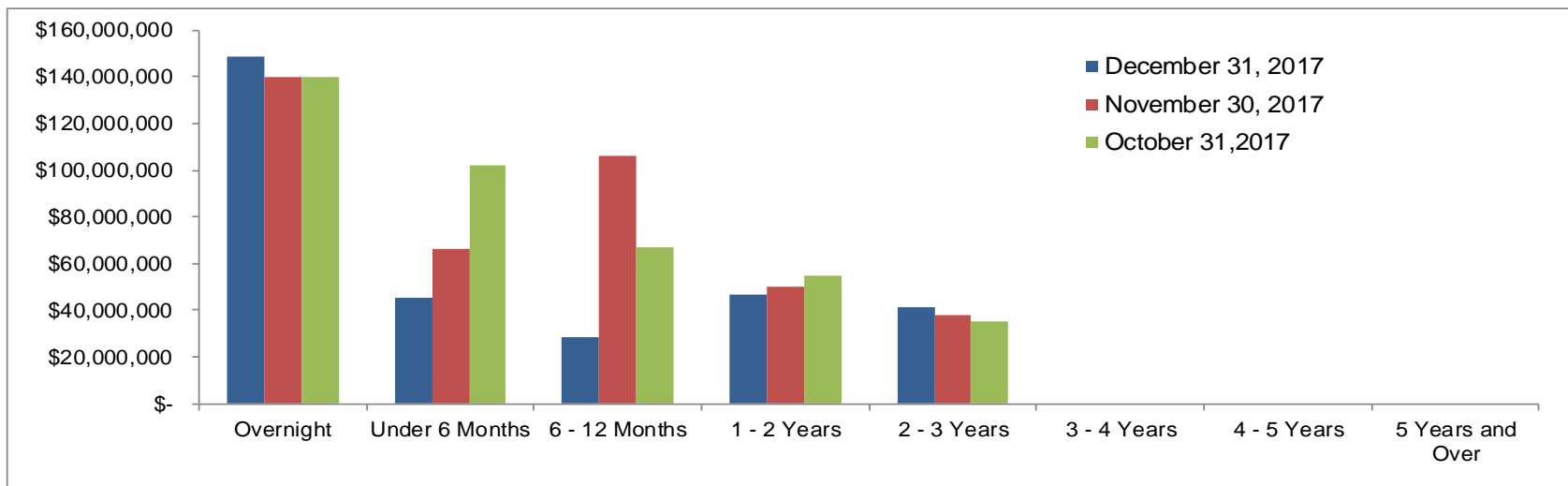


Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Rate Stabilization Fund	\$ 61,450,000	1.15%	0.00	1.0
Operating Reserve Accounts	\$ 150,682,351	1.32%	1.15	430.1
CSO LTCP Appropriations Account	\$ 2,738	1.19%	0.00	1.0
Debt Service Reserve	\$ 23,481,176	1.08%	0.70	259.8
2015A Construction Fund	\$ 1,044,675	1.14%	0.00	1.0
2015B Construction Fund	\$ 31,479	1.14%	0.00	1.0
2016B Construction Fund	\$ 24,719,684	1.14%	0.00	1.0
2017A Construction Fund	\$ 18,319,095	1.14%	0.00	1.0
2017B Construction Fund	\$ 29,889,005	0.98%	0.14	49.5
<b>Total</b>	<b>\$ 309,620,203</b>	<b>1.21%</b>	<b>0.63</b>	<b>234.1</b>



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

<b>Maturity Distribution</b>	<b>December 31, 2017</b>	<b>November 30, 2017</b>	<b>October 31, 2017</b>
Overnight	\$ 148,510,488.00	\$ 139,825,195.49	\$139,825,195.49
Under 6 Months	45,606,492.15	66,591,127.60	101,841,618.03
6 - 12 Months	28,201,069.22	105,835,104.22	67,159,191.08
1 - 2 Years	46,376,573.11	49,705,838.61	54,956,709.72
2 - 3 Years	40,925,580.81	38,206,517.25	35,090,413.68
3 - 4 Years	-	-	1,322,931.41
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
<b>Totals</b>	<b>\$ 309,620,203.29</b>	<b>\$ 400,163,783.17</b>	<b>\$400,196,059.41</b>

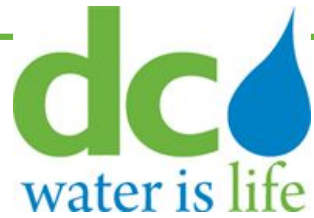




**DC Water  
Finance Division  
Investments – Issuer Allocation**

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
<b>Bank Deposits</b>					
TD Bank		103,453,870.97	33.4%	100.0%	Yes
<b>Sub-Total Bank Deposits</b>		<b>103,453,870.97</b>	<b>33.4%</b>	100.0%	Yes
<b>Money Market Mutual Funds</b>					
Wells Fargo Treasury Plus MMF	AAA	44,891,908.14	14.5%	50.0%	Yes
Wells Fargo Government MMF	AAA	164,708.89	0.1%	50.0%	Yes
<b>Sub-Total Money Market Mutual Funds</b>		<b>45,056,617.03</b>	<b>14.6%</b>	100.0%	Yes
<b>U.S. Treasuries</b>					
Treasury Note	AA+ / Aaa	86,894,546.48	28.1%	100.0%	Yes
<b>Sub-Total Treasuries</b>		<b>86,894,546.48</b>	<b>28.1%</b>	100.0%	Yes
<b>Federal Agencies</b>					
Fannie Mae	AA+ / Aaa	10,967,065.71	3.5%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	4,616,111.31	1.5%	40.0%	Yes
Freddie Mac	AA+ / Aaa	3,960,656.29	1.3%	40.0%	Yes
<b>Sub-Total Federal Agencies</b>		<b>19,543,833.31</b>	<b>6.3%</b>	80.0%	Yes
<b>Supranational Bonds</b>					
African Development Bank	AAA / Aaa	1,741,305.40	0.6%	5.0%	Yes
Asian Development Bank	AAA / Aaa	932,322.92	0.3%	5.0%	Yes
Inter-American Development Bank	AAA / Aaa	2,185,679.92	0.7%	5.0%	Yes
International Bank for Reconstruction and Development	AAA / Aaa	1,829,951.75	0.6%	5.0%	Yes
<b>Sub-Total Supranational Bonds</b>		<b>6,689,259.99</b>	<b>2.2%</b>	30.0%	Yes
<b>FDIC Insured Certificates of Deposit</b>					
CDARS - Placed by Industrial Bank	NR / NR	15,296,527.77	4.9%	5.0%	Yes
<b>Sub-Total FDIC-Insured Certificates of Deposit</b>		<b>15,296,527.77</b>	<b>4.9%</b>	30.0%	Yes
<b>Negotiable Certificates of Deposit</b>					
Canadian Imperial Bank NY	A-1 / P-1	1,802,083.13	0.6%	5.0%	Yes
Nordea Bank Finland NY	A-1+ / P-1	1,802,816.00	0.6%	5.0%	Yes
Skandinav Enskilda Banken NY	A+ / Aa3	1,863,610.50	0.6%	5.0%	Yes
Svenska Handelsbanken NY	AA- / Aa2	1,816,537.50	0.6%	5.0%	Yes
Swedbank NY	AA- / Aa3	927,624.69	0.3%	5.0%	Yes
Westpac Banking Corp NY	AA- / Aa3	907,380.00	0.3%	5.0%	Yes
<b>Sub-Total Negotiable Certificates of Deposit</b>		<b>9,120,051.82</b>	<b>2.9%</b>	30.0%	Yes

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



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
<b>Corporate Obligations</b>					
Apple Inc.	AA+ / Aa1	1,451,820.58	0.5%	5.0%	Yes
Bank of Montreal	A+ / A1	905,662.01	0.3%	5.0%	Yes
Bank of New York Mellon	A / A1	1,803,098.00	0.6%	5.0%	Yes
Bank of Nova Scotia	A+ / A1	1,809,879.73	0.6%	5.0%	Yes
Berkshire Hathaway Inc	AA / Aa2	130,610.42	0.0%	5.0%	Yes
Chevron	AA- / Aa2	901,756.13	0.3%	5.0%	Yes
Coca-Cola	AA- / Aa3	385,628.29	0.1%	5.0%	Yes
Colgate-Palmolive Company	AA- / Aa3	931,990.41	0.3%	5.0%	Yes
Exxon Mobil	AA+ / Aaa	933,422.77	0.3%	5.0%	Yes
General Electric Capital	A / A2	458,812.12	0.1%	5.0%	Yes
Johnson & Johnson	AAA / Aaa	195,339.65	0.1%	5.0%	Yes
Microsoft	AAA / Aaa	1,045,375.59	0.3%	5.0%	Yes
Pfizer Inc.	AA / A1	895,253.22	0.3%	5.0%	Yes
Procter & Gamble	AA- / Aa3	441,271.60	0.1%	5.0%	Yes
Royal Bank of Canada	AA- / A1	905,154.61	0.3%	5.0%	Yes
Toronto Dominion Bank NY	AA- / Aa2	904,957.85	0.3%	5.0%	Yes
Total Capital	A+ / Aa3	899,468.47	0.3%	5.0%	Yes
Toyota	AA- / Aa3	928,552.73	0.3%	5.0%	Yes
Wal-Mart Stores Inc.	AA / Aa2	431,476.05	0.1%	5.0%	Yes
Wells Fargo & Company Notes	A / A2	1,118,220.29	0.4%	5.0%	Yes
Westpac Banking	AA- / Aa3	931,061.39	0.3%	5.0%	Yes
<b>Sub-Total Corporate Obligations</b>		<b>18,408,811.91</b>	<b>5.9%</b>	30.0%	Yes
<b>Municipal Obligations</b>					
Connecticut State	A+ / A1	990,999.41	0.3%	5.0%	Yes
Florida State	AA / Aa3	1,819,467.00	0.6%	5.0%	Yes
New York City	AAA / Aa1	541,764.00	0.2%	5.0%	Yes
Regional Transportation Authority, IL	AA / NR	1,804,453.60	0.6%	5.0%	Yes
<b>Sub-Total Municipal Obligations</b>		<b>5,156,684.01</b>	<b>1.7%</b>	20.0%	Yes
<b>Grand Total</b>		<b>\$ 309,620,203.29</b>	<b>100.0%</b>		



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

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

	Trailing 1 Months		Trailing 3 Months		Trailing 6 Months		Trailing 12 Months	Trailing 24 Months
	Periodic	Annualized	Periodic	Annualized	Periodic	Annualized		
Total Rate Stabilization Fund	0.04%	0.52%	0.17%	0.67%	0.29%	0.59%	0.53%	0.58%
Operating Reserve Accounts	0.05%	0.56%	0.24%	0.97%	0.54%	1.07%	1.12%	1.18%
Total Debt Service Reserve	0.09%	1.14%	0.25%	1.01%	0.48%	0.97%	0.87%	0.78%
2016B Construction Fund	0.05%	0.66%	0.45%	1.83%	0.57%	1.15%	0.81%	n/a
2017A Construction Fund	0.08%	1.02%	0.31%	1.26%	0.63%	1.26%	n/a	n/a
2017B Construction Fund	0.07%	0.82%	0.22%	0.88%	0.49%	0.99%	n/a	n/a
<b>Short-Term</b>	<b>0.08%</b>	<b>1.01%</b>	<b>0.25%</b>	<b>1.02%</b>	<b>0.49%</b>	<b>0.99%</b>	<b>0.87%</b>	<b>0.77%</b>
Merrill Lynch 3-Month Treasury Index (Book Value) <sup>1</sup>	0.09%	1.15%	0.26%	1.07%	0.51%	1.02%	0.82%	0.54%
<b>Core (1+ Years)</b>	<b>0.12%</b>	<b>1.47%</b>	<b>0.36%</b>	<b>1.45%</b>	<b>0.70%</b>	<b>1.40%</b>	<b>1.31%</b>	<b>1.24%</b>
Merrill Lynch 1-3 Year Treasury Index (Book Value) <sup>2</sup>	0.15%	1.79%	0.40%	1.62%	0.74%	1.49%	1.35%	1.13%

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



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

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
<b>Rate Stabilization Fund</b>										
TD BANK BANK DEPOSIT		\$ 61,450,000		1/1/2018		1.15%	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000.00
<b>Operating Reserve Accounts</b>										
TD BANK BANK DEPOSIT		\$ 42,001,133		1/1/2018		1.19%	\$ 42,001,133	\$ 42,001,133	\$ 42,001,133	
WELLS FARGO GOVERNMENT MMF		164,709		1/1/2018		1.14%	164,709	164,709	164,709	
INDUSTRIAL BANK CDARS		2,563,284	0.600	1/18/2018	1/21/2016	0.60%	2,563,284	2,593,291	2,593,291	
INDUSTRIAL BANK CDARS		2,562,346	0.450	1/18/2018	1/19/2017	0.45%	2,562,346	2,573,344	2,573,344	
REGIONAL TRANS AUTH, IL TXBL REV BONDS	7599112M1	1,800,000	1.250	5/4/2018	5/20/2016	1.44%	1,793,358	1,803,303	1,804,454	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406HDB2	1,800,000	1.600	5/22/2018	5/29/2015	1.60%	1,799,838	1,801,489	1,803,098	
BANK OF NOVA SCOTIA CORP NOTE (CALLABLE)	064159GM2	875,000	1.700	6/11/2018	6/11/2015	1.72%	874,589	875,372	875,764	
INDUSTRIAL BANK CDARS		5,035,026	0.500	10/11/2018	10/12/2017	0.50%	5,035,026	5,040,659	5,040,659	
INDUSTRIAL BANK CDARS		5,085,490	0.500	11/8/2018	11/9/2017	0.50%	5,085,490	5,089,234	5,089,234	
CANADIAN IMPERIAL BANK NY CD	13606A5Z7	1,800,000	1.760	11/30/2018	12/5/2016	1.78%	1,798,596	1,798,928	1,802,083	
NORDEA BANK FINLAND NY CD	65558LWA6	1,800,000	1.760	11/30/2018	12/5/2016	1.74%	1,800,000	1,803,932	1,802,816	
US TREASURY NOTES	912828A75	3,000,000	1.500	12/31/2018	12/4/2015	1.22%	3,025,430	2,990,632	3,008,483	
SVENSKA HANDELSBANKEN NY LT CD	86958JHB8	1,800,000	1.890	1/10/2019	1/12/2017	1.91%	1,800,000	1,808,580	1,816,538	
WELLS FARGO & COMPANY NOTES	94974BFQ8	1,103,000	2.150	1/15/2019	10/7/2015	1.77%	1,116,225	1,115,705	1,118,220	
FHLB NOTES	3130AAE46	1,800,000	1.250	1/16/2019	12/8/2016	1.25%	1,799,928	1,799,003	1,810,274	
APPLE INC CORP NOTES	037833BQ2	545,000	1.700	2/22/2019	2/23/2016	1.71%	544,907	547,013	548,258	
FNMA BENCHMARK NOTE	3135G0J53	2,250,000	1.000	2/26/2019	2/23/2016	1.08%	2,244,690	2,236,543	2,255,758	
FNMA BENCHMARK NOTE	3135G0J53	825,000	1.000	2/26/2019	8/8/2016	0.90%	827,087	820,066	828,814	
FNMA BENCHMARK NOTE	3135G0J53	1,425,000	1.000	2/26/2019	9/2/2016	0.97%	1,425,926	1,416,477	1,430,381	
BERKSHIRE HATHAWAY INC NOTES	084664CG4	130,000	1.700	3/15/2019	3/15/2016	1.73%	129,901	130,230	130,610	
COLGATE-PALMOLIVE COMPANY CORP NOTES	19416QEF3	925,000	1.750	3/15/2019	5/1/2017	1.55%	928,432	926,989	931,990	
FREDDIE MAC NOTES	3137EADZ9	1,700,000	1.125	4/15/2019	5/31/2016	1.10%	1,701,309	1,688,477	1,704,632	
US TREASURY NOTES	912828D23	1,465,000	1.625	4/30/2019	6/29/2016	0.70%	1,502,998	1,464,556	1,486,968	
US TREASURY NOTES	912828D23	2,820,000	1.625	4/30/2019	11/14/2016	1.06%	2,858,555	2,819,146	2,848,784	
INTER-AMERICAN DEVELOPMENT BANK	458182DX7	1,260,000	1.000	5/13/2019	4/12/2016	1.10%	1,256,220	1,245,721	1,259,990	
CHEVRON CORP NOTES	166764BH2	900,000	1.561	5/16/2019	5/16/2016	1.56%	900,000	896,614	901,756	
FHLB GLOBAL NOTE	3130A8DB6	1,840,000	1.125	6/21/2019	6/3/2016	1.14%	1,839,227	1,820,821	1,840,197	
FL ST BOARD ADMIN FIN CORP TXBL REV BD	341271AA2	1,800,000	2.163	7/1/2019	3/8/2016	2.16%	1,800,000	1,815,579	1,819,467	
BANK OF MONTREAL	06367THQ6	900,000	1.500	7/18/2019	7/18/2016	1.53%	899,136	897,372	905,662	
FHLMC REFERENCE NOTE	3137EAEB1	2,250,000	0.875	7/19/2019	7/20/2016	0.96%	2,244,555	2,223,678	2,256,024	
ROYAL BANK OF CANADA CORP NOTES	78012KRR5	900,000	1.500	7/29/2019	7/29/2016	1.54%	898,974	895,412	905,155	
SKANDINAV ENSKILDA BANKEN NY CD	83050FXT3	1,850,000	1.840	8/2/2019	8/4/2017	1.85%	1,849,279	1,840,429	1,863,611	
APPLE INC CORP NOTES	037833CB4	900,000	1.100	8/2/2019	8/4/2016	1.13%	899,100	891,663	903,562	
MICROSOFT CORP NOTES	594918BN3	595,000	1.100	8/8/2019	8/8/2016	1.14%	594,387	589,643	597,270	
TORONTO DOMINION BANK NY CORP NOTES	89114QBJ6	900,000	1.450	8/13/2019	7/13/2016	1.45%	899,919	894,524	904,958	
CT ST TXBL GO BONDS	20772JD2	985,000	1.300	8/15/2019	8/17/2016	1.23%	987,128	974,560	990,999	
INTL BANK OF RECON AND DEV SN NOTE	459058FK4	900,000	0.875	8/15/2019	7/13/2016	0.88%	899,811	887,077	902,874	
FNMA NOTES	3135G0P49	1,450,000	1.000	8/28/2019	9/2/2016	1.05%	1,447,738	1,433,565	1,453,690	
FNMA NOTES	3135G0P49	1,975,000	1.000	8/28/2019	10/5/2016	1.02%	1,973,815	1,952,615	1,981,067	
AFRICAN DEVELOPMENT BANK NOTE	00828EBQ1	700,000	1.125	9/20/2019	9/20/2016	1.16%	699,258	691,448	701,781	

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Investment Performance Report – December 2017

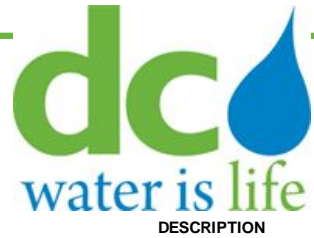


DC Water  
Finance Division  
Portfolio Holdings by Fund

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
<b>Operating Reserve Accounts</b>										
WAL-MART STORES INC CORP NOTE	931142DY6	430,000	1.750	10/9/2019	10/20/2017	1.75%	429,991	429,957	431,476	
THE PROCTER & GAMBLE CO CORP NOTES	742718EZ8	440,000	1.750	10/25/2019	10/25/2017	1.77%	439,846	440,047	441,272	
US TREASURY NOTES	912828G61	2,325,000	1.500	11/30/2019	12/5/2016	1.45%	2,328,633	2,311,263	2,330,411	
PFIZER INC CORP NOTE	717081EB5	595,000	1.700	12/15/2019	11/21/2016	1.72%	594,572	591,708	595,172	
PFIZER INC CORP NOTE	717081EB5	300,000	1.700	12/15/2019	11/21/2016	1.73%	299,775	298,340	300,081	
ASIAN DEVELOPMENT BANK NOTE	045167DT7	925,000	1.750	1/10/2020	1/12/2017	1.77%	924,464	927,639	932,323	
US TREASURY NOTES	912828H52	3,475,000	1.250	1/31/2020	1/5/2017	1.52%	3,447,309	3,447,162	3,474,276	
MICROSOFT CORP NOTES	594918BV5	445,000	1.850	2/6/2020	2/6/2017	1.87%	444,702	447,000	448,106	
FNMA NOTES	3135G0T29	1,150,000	1.500	2/28/2020	2/28/2017	1.52%	1,149,264	1,143,960	1,155,361	
US TREASURY NOTES	912828J50	725,000	1.375	2/29/2020	2/3/2017	1.58%	720,610	720,203	725,278	
US TREASURY NOTES	912828J50	2,900,000	1.375	2/29/2020	9/1/2017	1.38%	2,899,887	2,880,811	2,913,451	
EXXON MOBIL (CALLABLE) CORP NOTE	30231GAG7	925,000	1.912	3/6/2020	4/28/2017	1.77%	928,635	925,865	933,423	
WESTPAC BANKING CORP NOTES	961214DJ9	925,000	2.150	3/6/2020	3/6/2017	2.16%	924,602	927,233	931,061	
AFRICAN DEVELOPMENT BANK NOTE	00828ECA5	1,035,000	1.875	3/16/2020	3/16/2017	1.93%	1,033,468	1,036,237	1,039,524	
TOYOTA MOTOR CREDIT CORP (CALLABLE)	89236TDU6	630,000	1.950	4/17/2020	4/17/2017	1.97%	629,710	629,989	632,302	
TOYOTA MOTOR CREDIT CORP (CALLABLE)	89236TDU6	295,000	1.950	4/17/2020	4/17/2017	1.94%	295,089	295,995	296,251	
US TREASURY NOTES	912828K58	2,750,000	1.375	4/30/2020	4/5/2017	1.53%	2,737,646	2,722,423	2,747,058	
US TREASURY NOTES	912828K58	1,575,000	1.375	4/30/2020	4/10/2017	1.55%	1,566,879	1,559,206	1,572,489	
NYC TRANS FIN AUTH, NY TXBL REV BONDS	64971W5W6	540,000	1.960	5/1/2020	6/29/2017	1.96%	540,000	539,242	541,764	
TOTAL CAPITAL SA CORP NOTES	89152UAD4	850,000	4.450	6/24/2020	4/10/2017	2.07%	912,492	895,457	899,468	
US TREASURY NOTES	912828XH8	1,825,000	1.625	6/30/2020	6/16/2017	1.51%	1,830,988	1,811,608	1,830,026	
US TREASURY NOTES	912828XH8	3,650,000	1.625	6/30/2020	6/28/2017	1.50%	3,663,117	3,623,216	3,661,105	
BANK OF NOVA SCOTIA HOUSTON BKNT	064159JX5	925,000	2.150	7/14/2020	7/14/2017	2.15%	924,871	929,648	934,116	
FNMA NOTES	3135G0T60	1,850,000	1.500	7/30/2020	9/1/2017	1.49%	1,850,481	1,838,678	1,861,994	
US TREASURY NOTES	912828XM7	825,000	1.625	7/31/2020	7/7/2017	1.60%	825,516	824,262	831,049	
WESTPAC BANKING CORP NY CD	96121T4A3	900,000	2.050	8/3/2020	8/7/2017	2.05%	900,000	905,886	907,380	
INTL BANK OF RECONSTRUCTION AND DEV NOTE	45905UP32	925,000	1.561	9/12/2020	9/19/2017	1.64%	922,780	912,598	927,077	
GENERAL ELECTRIC CAPITAL CORP CORP NOTE	36962G4R2	425,000	4.375	9/16/2020	8/31/2017	1.84%	456,790	451,855	458,812	
FHLB NOTES	3130ACE26	965,000	1.375	9/28/2020	9/8/2017	1.48%	961,902	951,612	965,640	
US TREASURY NOTES	912828L99	250,000	1.375	10/31/2020	10/17/2017	1.71%	247,539	246,555	248,294	
INTER-AMERICAN DEVELOPMENT BANK	4581X0CD8	915,000	2.125	11/9/2020	10/10/2017	1.81%	923,481	918,582	925,690	
JOHNSON & JOHNSON CORP NOTE	478160CH5	195,000	1.950	11/10/2020	11/10/2017	1.99%	194,791	194,615	195,340	
COCA-COLA CO/THE GLOBAL NOTES	191216AR1	370,000	3.150	11/15/2020	9/12/2017	1.78%	385,584	381,584	385,628	
SWEDBANK (NEW YORK) CERT DEPOS	87019U6D6	925,000	2.270	11/16/2020	11/17/2017	2.30%	925,000	922,628	927,625	
US TREASURY NOTES	912828M98	3,000,000	1.625	11/30/2020	11/3/2017	1.77%	2,986,992	2,974,169	2,991,959	
US TREASURY N/B	912828N48	2,675,000	1.750	12/31/2020	12/5/2017	1.91%	2,662,252	2,656,530	2,662,691	
US TREASURY N/B	912828N48	975,000	1.750	12/31/2020	12/6/2017	1.96%	968,830	968,268	969,020	
										\$ 150,682,351.19
<b>Debt Service Reserve</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 7,315		1/1/2018		1.14%	\$ 7,315	\$ 7,315	\$ 7,315	
US TREASURY NOTES	912828Q45	6,820,000	0.875	3/31/2018	11/2/2016	0.76%	6,831,189	6,826,735	6,837,196	
US TREASURY NOTES	912828RH5	4,975,000	1.375	9/30/2018	11/15/2016	1.00%	5,009,786	4,979,264	5,006,378	
US TREASURY NOTES	912828T42	6,460,000	0.750	9/30/2018	5/19/2017	1.19%	6,421,644	6,426,455	6,451,416	
US TREASURY N/B	912828W97	5,175,000	1.250	3/31/2019	10/10/2017	1.45%	5,160,041	5,153,320	5,178,870	
										\$ 23,481,175.51

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Investment Performance Report – December 2017



DC Water  
Finance Division  
Portfolio Holdings by Fund

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
<b>CSO LTCP Appropriations Account</b>										
TD BANK BANK DEPOSIT		2,738		1/1/2018		1.19%	2,738	2,738	2,738	\$ 2,737.85
<b>2015A Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 1,044,675		1/1/2018		1.14%	\$ 1,044,675	\$ 1,044,675	\$ 1,044,675	\$ 1,044,674.93
<b>2015B Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 31,479		1/1/2018		1.14%	\$ 31,479	\$ 31,479	\$ 31,479	\$ 31,479.33
<b>2016B Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 24,719,684		1/1/2018		1.14%	\$ 24,719,684	\$ 24,719,684	\$ 24,719,684	\$ 24,719,684.43
<b>2017A Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 18,319,095		1/1/2018		1.14%	\$ 18,319,095	\$ 18,319,095	\$ 18,319,095	\$ 18,319,095.39
<b>2017B Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 769,659		1/1/2018		1.14%	\$ 769,659	\$ 769,659	\$ 769,659	
US TREASURY N/B	912828H37	17,485,000	0.875	1/15/2018	3/2/2017	0.92%	17,477,487	17,553,508	17,555,350	
US TREASURY NOTES	912828K25	11,555,000	0.750	4/15/2018	3/2/2017	1.04%	11,517,537	11,553,650	11,563,995	
										\$ 29,889,004.66
							<b>\$ 309,113,122.14</b>	<b>\$ 308,778,140.37</b>	<b>\$ 309,620,203.29</b>	<b>\$ 309,620,203.29</b>

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Investment Performance Report – December 2017



DC Water  
Finance Division  
Security Purchases  
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<b>Operating Reserve Accounts</b>							
912828XM7	US TREASURY NOTES	2,700,000.00	1.63	7/31/2020	7/7/2017	1.60	2,720,716.16
064159JX5	BANK OF NOVA SCOTIA HOUSTON CORP BOND	925,000.00	2.15	7/14/2020	7/14/2017	2.15	924,870.50
83050FXT3	SKANDINAV ENSKILDA BANKEN NY CD	1,850,000.00	1.84	8/2/2019	8/4/2017	1.88	1,849,278.50
96121T4A3	WESTPAC BANKING CORP NY CD	900,000.00	2.05	8/3/2020	8/7/2017	2.05	900,000.00
36962G4R2	GENERAL ELECTRIC CAPITAL CORP CORP NOTE	425,000.00	4.38	9/16/2020	8/31/2017	1.84	465,312.14
3135G0T60	FNMA NOTES	1,850,000.00	1.50	7/30/2020	9/1/2017	1.49	1,852,793.50
912828J50	US TREASURY NOTES	2,900,000.00	1.38	2/29/2020	9/1/2017	1.38	2,899,996.87
3130ACE26	FHLB NOTES	965,000.00	1.38	9/28/2020	9/8/2017	1.48	961,902.35
191216AR1	COCA-COLA CO/THE GLOBAL NOTES	370,000.00	3.15	11/15/2020	9/12/2017	1.78	389,372.28
45905UP32	INTL BANK OF RECONSTRUCTION AND DEV NOTE	925,000.00	1.56	9/12/2020	9/19/2017	1.64	922,780.00
4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	915,000.00	2.13	11/9/2020	10/10/2017	1.81	931,636.80
RE0959834	INDUSTRIAL BANK CDARS	5,035,025.80	0.50	10/11/2018	10/12/2017	0.51	5,035,025.80
912828L99	US TREASURY NOTES	250,000.00	1.38	10/31/2020	10/17/2017	1.71	249,127.04
931142DY6	WAL-MART STORES INC CORP NOTE	430,000.00	1.75	10/9/2019	10/20/2017	1.75	429,991.40
742718EZ8	THE PROCTER & GAMBLE CO CORP NOTES	440,000.00	1.75	10/25/2019	10/25/2017	1.77	439,846.00
912828M98	US TREASURY NOTES	3,000,000.00	1.63	11/30/2020	11/3/2017	1.77	3,007,770.88
RE0959842	INDUSTRIAL BANK CDARS	5,085,490.22	0.50	11/8/2018	11/9/2017	0.51	5,085,490.22
478160CH5	JOHNSON & JOHNSON CORP NOTE	195,000.00	1.95	11/10/2020	11/10/2017	1.99	194,791.35
87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	925,000.00	2.27	11/16/2020	11/17/2017	2.30	925,000.00
912828N48	US TREASURY N/B	2,675,000.00	1.75	12/31/2020	12/5/2017	1.91	2,682,350.80
912828N48	US TREASURY N/B	975,000.00	1.75	12/31/2020	12/6/2017	1.96	976,202.19
<b>Total Debt Service Reserve</b>							
912828W97	US TREASURY N/B	5,175,000.00	1.250	3/31/2019	10/10/2017	1.449	5,161,818.15
<b>2017B Construction Fund</b>							
06538BZ48	BANK OF TOKYO MITSUBISHI COMM PAPER	1,650,000.00	0.000	12/4/2017	9/1/2017	1.323	1,644,399.17
22533TZ58	CREDIT AGRICOLE CIB NY COMM PAPER	7,000,000.00	0.000	12/5/2017	9/1/2017	1.302	6,976,355.56
46640QEV9	JP MORGAN SECURITIES LLC COMM PAPER	7,000,000.00	0.000	5/29/2018	9/1/2017	1.576	6,919,150.00
89233GZ41	TOYOTA MOTOR CREDIT CORP COMM PAPER	5,700,000.00	0.000	12/4/2017	9/1/2017	1.231	5,681,991.17
06538CEV9	BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA	5,350,000.00	0.000	5/29/2018	9/1/2017	1.576	5,288,207.50
13607FDD5	CANADIAN IMPERIAL HOLDING COMM PAPER	7,000,000.00	0.000	4/13/2018	9/14/2017	1.459	6,941,412.33

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

Investment Performance Report – December 2017



DC Water  
Finance Division  
Security Sales  
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<b>Operating Reserve Accounts</b>							
90333VPF1	US BANK NA CINCIN CD(CALLED OMD 9/11/17)	1,200,000.00	1.38	8/11/2017	7/7/2017	1.20	1,205,580.67
30231GAL6	EXXON MOBIL CORP NOTES	575,000.00	1.31	3/6/2018	7/7/2017	1.39	577,200.09
459058FE8	INTL BANK OF RECON AND DEV SN NOTES	900,000.00	0.88	7/19/2018	7/7/2017	1.40	898,819.20
064159GM2	BANK OF NOVA SCOTIA CORP NOTE (CALLABLE)	925,000.00	1.70	6/11/2018	7/14/2017	1.56	927,625.46
83050FBG5	SKANDINAVISKA ENSKILDA BANKEN NY CD	1,800,000.00	1.48	11/16/2017	8/4/2017	1.27	1,820,226.62
961214BZ5	WESTPAC BANKING CORP NOTES	475,000.00	1.60	1/12/2018	8/7/2017	1.41	475,903.03
40428AR41	HSBC BANK USA NA FLOATING CERT DEPOS	275,000.00	1.90	11/17/2017	8/7/2017	1.29	276,514.99
17275RAU6	CISCO SYSTEMS INC CORP NOTE	375,000.00	1.65	6/15/2018	8/31/2017	1.48	376,808.75
3137EAED7	FHLMC REFERENCE NOTES	2,375,000.00	0.88	10/12/2018	9/1/2017	1.30	2,371,932.62
78010U4A2	ROYAL BANK OF CANADA CORP NOTES	850,000.00	1.40	10/13/2017	9/1/2017	1.36	854,595.67
40428AR41	HSBC BANK USA NA FLOATING CERT DEPOS	1,525,000.00	1.90	11/17/2017	9/1/2017	1.33	1,527,976.26
912828XM7	US TREASURY NOTES	950,000.00	1.63	7/31/2020	9/8/2017	1.37	958,389.95
17275RAU6	CISCO SYSTEMS INC CORP NOTE	390,000.00	1.65	6/15/2018	9/12/2017	1.45	392,147.93
912828XM7	US TREASURY NOTES	925,000.00	1.63	7/31/2020	9/19/2017	1.45	931,522.76
912828A34	US TREASURY NOTES	925,000.00	1.25	11/30/2018	10/10/2017	1.39	927,724.77
084670BX5	BERKSHIRE HATHAWAY INC GLOBAL NOTES	220,000.00	1.15	8/15/2018	10/17/2017	1.44	219,905.52
912828A34	US TREASURY NOTES	250,000.00	1.25	11/30/2018	10/20/2017	1.44	250,685.09
17275RAU6	CISCO SYSTEMS INC CORP NOTE	425,000.00	1.65	6/15/2018	10/25/2017	1.46	428,050.79
00828EBB4	AFRICAN DEVELOPMENT BANK NOTE	700,000.00	1.63	10/2/2018	11/3/2017	1.61	701,099.12
912828A34	US TREASURY NOTES	955,000.00	1.25	11/30/2018	11/3/2017	1.51	957,476.78
912828A34	US TREASURY NOTES	1,295,000.00	1.25	11/30/2018	11/3/2017	1.51	1,298,358.58
912828A34	US TREASURY NOTES	195,000.00	1.25	11/30/2018	11/10/2017	1.55	195,468.56
58933YAG0	MERCK & CO GLOBAL NOTES	731,000.00	1.30	5/18/2018	11/17/2017	1.57	734,738.25
912828A34	US TREASURY NOTES	175,000.00	1.25	11/30/2018	11/17/2017	1.60	175,387.14
<b>912828A34</b>	<b>US TREASURY NOTES</b>	<b>1,335,000.00</b>	<b>1.25</b>	<b>11/30/2018</b>	<b>12/5/2017</b>	<b>1.67</b>	<b>1,329,753.63</b>
<b>912828A75</b>	<b>US TREASURY NOTES</b>	<b>1,225,000.00</b>	<b>1.50</b>	<b>12/31/2018</b>	<b>12/5/2017</b>	<b>1.70</b>	<b>1,230,353.14</b>
<b>17275RAU6</b>	<b>CISCO SYSTEMS INC CORP NOTE</b>	<b>360,000.00</b>	<b>1.65</b>	<b>6/15/2018</b>	<b>12/6/2017</b>	<b>1.72</b>	<b>362,688.30</b>
<b>89236TCP8</b>	<b>TOYOTA MOTOR CREDIT CORP</b>	<b>600,000.00</b>	<b>1.55</b>	<b>7/13/2018</b>	<b>12/6/2017</b>	<b>1.78</b>	<b>602,872.17</b>
<b>2017A Construction Fund</b>							
89233GX27	TOYOTA MOTOR CREDIT CORP COMM PAPER	2,015,000.00	-	10/2/2017	8/8/2017	1.19	2,011,398.19
89233GYQ3	TOYOTA MOTOR CREDIT CORP COMM PAPER	2,350,000.00	-	11/24/2017	8/8/2017	1.26	2,341,258.00
89233GYQ3	TOYOTA MOTOR CREDIT CORP COMM PAPER	4,200,000.00	-	11/24/2017	8/9/2017	1.24	4,184,770.33

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

Investment Performance Report – December 2017



DC Water  
Finance Division  
Security Sales  
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<b>2017B Construction Fund</b>							
912828XF2	US TREASURY NOTES	12,195,000.00	1.13	6/15/2018	9/1/2017	1.24	12,213,281.56
912828K25	US TREASURY NOTES	6,950,000.00	0.75	4/15/2018	9/14/2017	1.19	6,954,001.06
89233GZ41	TOYOTA MOTOR CREDIT CORP COMM PAPER	2,000,000.00	-	12/4/2017	9/27/2017	1.22	1,995,466.67
912828XK1	US TREASURY NOTES	12,750,000.00	0.88	7/15/2018	10/23/2017	1.35	12,736,985.82
22533TZ58	CREDIT AGRICOLE CIB NY COMM PAPER	7,000,000.00	-	12/5/2017	10/23/2017	1.27	6,989,548.61
89233GZ41	TOYOTA MOTOR CREDIT CORP COMM PAPER	3,700,000.00	-	12/4/2017	10/23/2017	1.21	3,694,863.17
912828J68	US TREASURY N/B	19,250,000.00	1.00	3/15/2018	11/22/2017	1.27	19,269,617.25
06538BZ48	BANK OF TOKYO MITSUBISHI COMM PAPER	1,650,000.00	-	12/4/2017	11/22/2017	1.25	1,649,323.50
13607FDD5	CANADIAN IMPERIAL HOLDING COMM PAPER	7,000,000.00	-	4/13/2018	11/22/2017	1.65	6,955,270.00
<b>912828J68</b>	<b>US TREASURY N/B</b>	<b>9,620,000.00</b>	<b>1.00</b>	<b>3/15/2018</b>	<b>12/18/2017</b>	<b>1.31</b>	<b>9,637,840.27</b>
<b>912828XF2</b>	<b>US TREASURY NOTES</b>	<b>18,710,000.00</b>	<b>1.13</b>	<b>6/15/2018</b>	<b>12/18/2017</b>	<b>1.48</b>	<b>18,679,576.98</b>
<b>06538CEV9</b>	<b>BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA</b>	<b>5,350,000.00</b>	<b>-</b>	<b>5/29/2018</b>	<b>12/18/2017</b>	<b>1.76</b>	<b>5,308,591.00</b>
<b>46640QEV9</b>	<b>JP MORGAN SECURITIES LLC COMM PAPER</b>	<b>7,000,000.00</b>	<b>-</b>	<b>5/29/2018</b>	<b>12/18/2017</b>	<b>1.84</b>	<b>6,943,300.00</b>

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

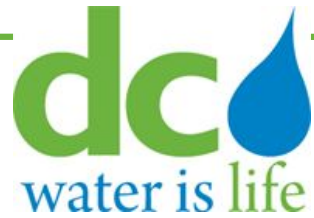
Investment Performance Report – December 2017



DC Water  
Finance Division  
Security Maturities  
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<b>Operating Reserve Accounts</b>							
605581FX0	MS ST TXBL GO BONDS	120,000.00	1.09	10/1/2017	10/1/2017	0.00	120,000.00
RE0959594	INDUSTRIAL BANK CDARS	5,035,025.80	0.35	10/12/2017	10/12/2017	0.00	5,052,600.24
RE0959610	INDUSTRIAL BANK CDARS	5,065,244.30	0.40	11/9/2017	11/9/2017	0.00	5,085,450.22
<b>Total Debt Service Reserve</b>							
912828TS9	US TREASURY NOTES	5,415,000.00	0.63	9/30/2017	9/30/2017	0.00	5,415,000.00
<b>2017A Construction Fund</b>							
09659BYQ7	BNP PARIBAS NY BRANCH COMM PAPER	16,500,000.00	-	11/24/2017	11/24/2017	0.00	16,500,000.00
89233GYQ3	TOYOTA MOTOR CREDIT CORP COMM PAPER	1,700,000.00	-	11/24/2017	11/24/2017	0.00	1,700,000.00
<b>2017B Construction Fund</b>							
912796LR8	US TREASURY BILL	11,135,000.00	-	8/31/2017	8/31/2017	0.00	11,135,000.00
06538BW17	BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER	16,500,000.00	-	9/1/2017	9/1/2017	0.00	16,500,000.00
21687AW17	COOPERATIEVE RABOBANK U.A. COMM PAPER	16,500,000.00	-	9/1/2017	9/1/2017	0.00	16,500,000.00
22533TW10	CREDIT AGRICOLE CIB NY COMM PAPER	16,500,000.00	-	9/1/2017	9/1/2017	0.00	16,500,000.00
46640PW17	JP MORGAN SECURITIES LLC COMM PAPER	16,500,000.00	-	9/1/2017	9/1/2017	0.00	16,500,000.00

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



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

DATE	TRANSACTION	CUSIP	DESCRIPTION	COUPON	MATURITY DATE	PAR VALUE/SHARES	PRINCIPAL	INTEREST	TOTAL
01/01/18	INTEREST	341271AA2	FL ST BOARD ADMIN FIN CORP TXBL REV BD	2.163	07/01/19	1,800,000.00	0.00	19,467.00	1,819,467.00
01/10/18	INTEREST	045167DT7	ASIAN DEVELOPMENT BANK NOTE	1.750	01/10/20	925,000.00	0.00	8,093.75	8,093.75
01/10/18	INTEREST	86958JHB8	SVENSKA HANDELSBANKEN NY LT CD	1.890	01/10/19	1,800,000.00	0.00	17,388.00	17,388.00
01/14/18	INTEREST	064159JX5	BANK OF NOVA SCOTIA HOUSTON BKNT	2.150	07/14/20	925,000.00	0.00	9,943.75	9,943.75
01/15/18	INTEREST	94974BFQ8	WELLS FARGO & COMPANY NOTES	2.150	01/15/19	1,103,000.00	0.00	11,857.25	11,857.25
01/15/18	MATURITY	912828H37	US TREASURY N/B	0.875	01/15/18	17,485,000.00	17,485,000.00	76,496.88	17,561,496.88
01/16/18	INTEREST	3130AAE46	FHLB NOTES	1.250	01/16/19	1,800,000.00	0.00	11,250.00	11,250.00
01/18/18	MATURITY	RE0959529	INDUSTRIAL BANK CDARS	0.600	01/18/18	2,563,284.00	2,563,284.34	30,717.62	2,594,001.96
01/18/18	MATURITY	RE0959685	INDUSTRIAL BANK CDARS	0.450	01/18/18	2,562,346.00	2,562,345.78	11,530.56	2,573,876.34
01/18/18	INTEREST	06367THQ6	BANK OF MONTREAL	1.500	07/18/19	900,000.00	0.00	6,750.00	6,750.00
01/19/18	INTEREST	3137EAEB1	FHLMC REFERENCE NOTE	0.875	07/19/19	2,250,000.00	0.00	9,843.75	9,843.75
01/29/18	INTEREST	78012KRK5	ROYAL BANK OF CANADA CORP NOTES	1.500	07/29/19	900,000.00	0.00	6,750.00	6,750.00
01/30/18	INTEREST	3135G0T60	FNMA NOTES	1.500	07/30/20	1,850,000.00	0.00	13,797.92	13,797.92
01/31/18	INTEREST	912828H52	US TREASURY NOTES	1.250	01/31/20	3,475,000.00	0.00	21,718.75	21,718.75
01/31/18	INTEREST	912828N89	US TREASURY NOTES	1.375	01/31/21	1,750,000.00	0.00	12,031.25	12,031.25
01/31/18	INTEREST	912828XM7	US TREASURY NOTES	1.625	07/31/20	825,000.00	0.00	6,703.13	6,703.13



# Appendix: Economic Update

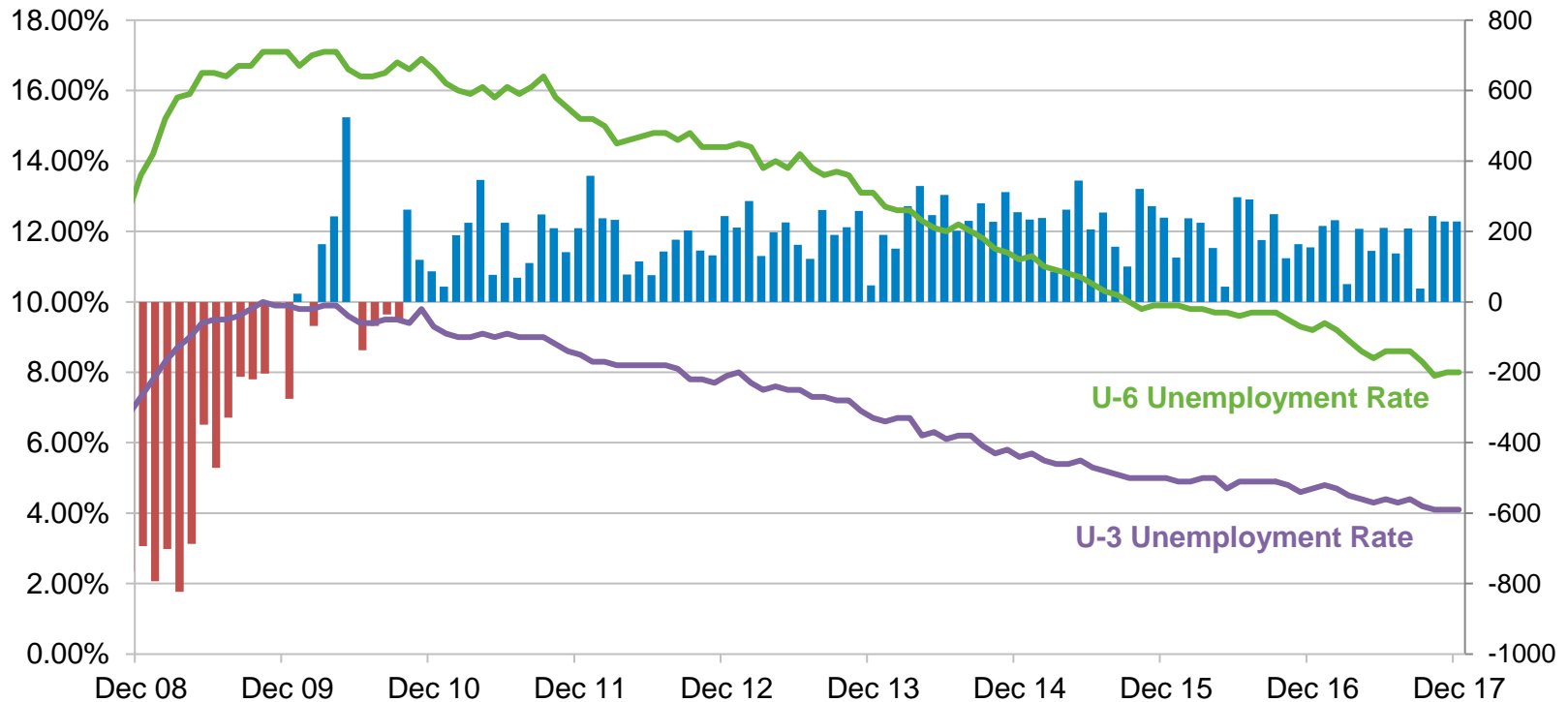




## U.S. Labor Market

- In December, nonfarm payrolls came in short of expectations, increasing by only 148,000.
- The unemployment rate was unchanged at 4.1%, continuing the recent trend of lows for U.S. unemployment.

**Unemployment vs. Non-Farm Payrolls**  
December 2008- December 2017



Source: Bloomberg



## FOMC Statement Highlights

December

13

- Information received since the FOMC met in November indicates that the **labor market has continued to strengthen** and that **economic activity has been rising at a solid rate**. Averaging through hurricane-related fluctuations, **job gains have been solid, and the unemployment rate declined further**.
- **Hurricane-related disruptions and rebuilding** have affected economic activity, employment, and inflation in recent months but **have not materially altered the outlook for the national economy**.
- **Inflation on a 12-month basis is expected to remain somewhat below 2 percent in the near term** but to stabilize around the Committee's 2 percent objective over the medium term.

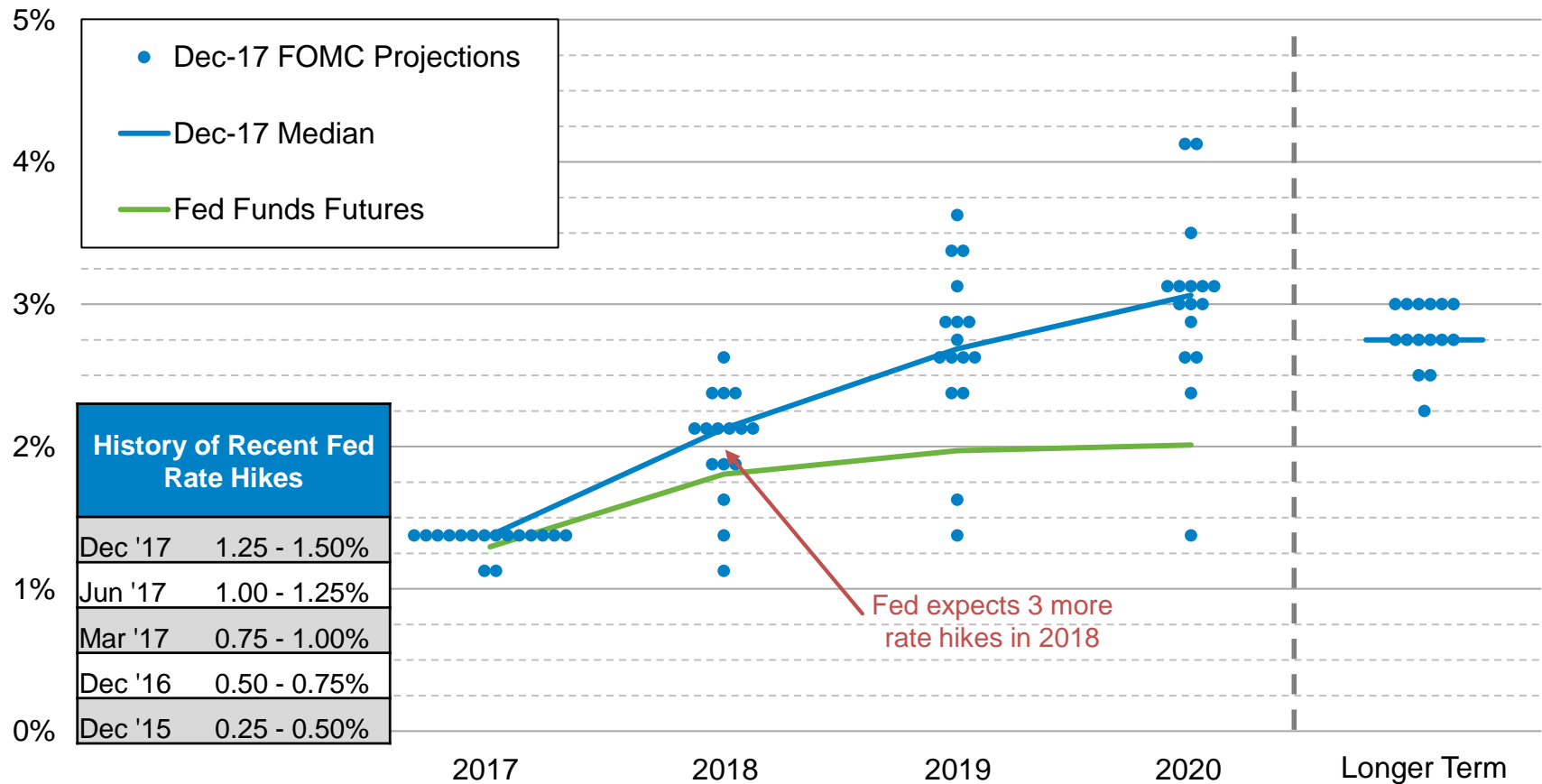
- The Committee decided to **raise the target range for the federal funds rate to 1¼ to 1½ percent**.
- The Committee expects that economic conditions will evolve in a manner that will warrant **gradual increases in the federal funds rate**.
- All voting members of the FOMC supported the monetary policy action, except for Charles Evans (Chicago) and Neel Kashkari (Minneapolis), who preferred at this meeting to maintain the existing target range for the federal funds rate.

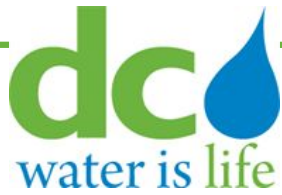
*Source: Federal Reserve*



# FOMC “Dot Plot” – December 2017

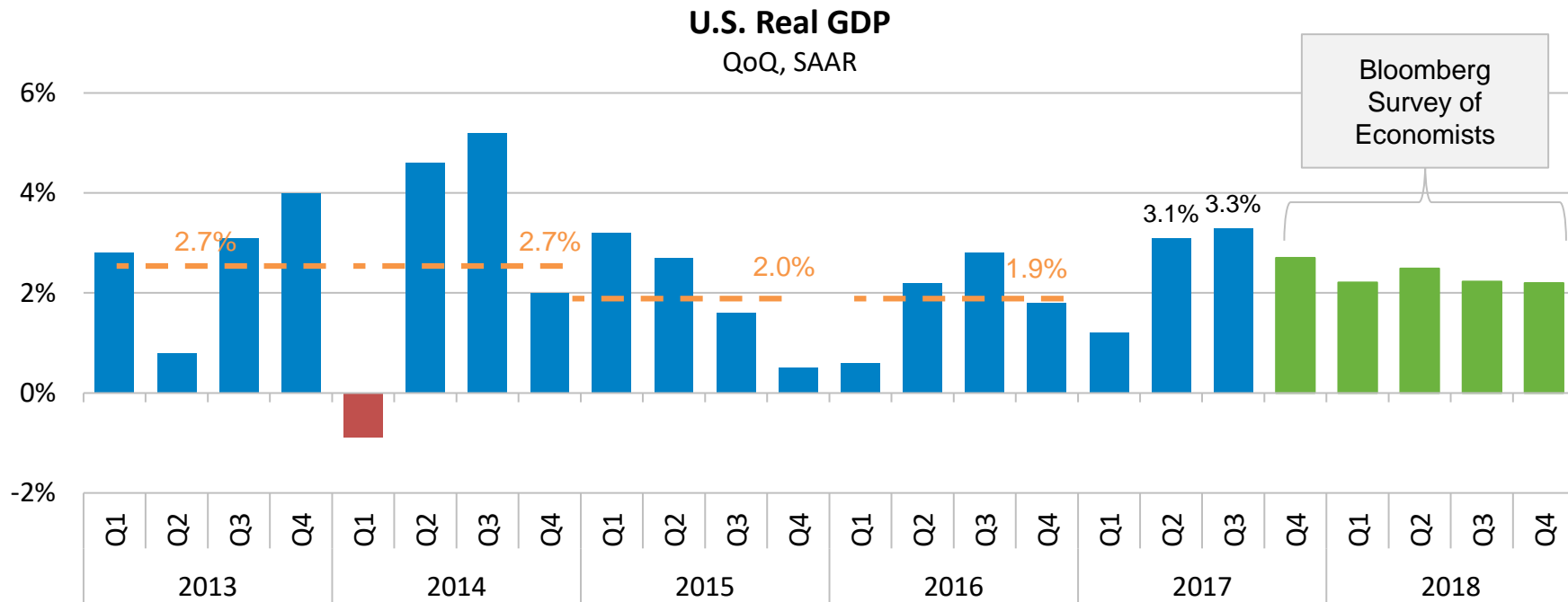
## Fed Participants’ Assessments of ‘Appropriate’ Monetary Policy





## Economic Growth Remained Strong in 3<sup>rd</sup> Quarter

- Gross domestic product increased at an annualized rate of 3.3% in the third quarter of 2017, the fastest pace of expansion over two consecutive quarters since 2014. Growth has averaged 2.4% over the last four quarters.
- The acceleration in Q3 GDP reflected positive contributions from personal consumption, business investment, boosted primarily by a rise in private inventories, and exports which were offset by negative contributions from residential housing.

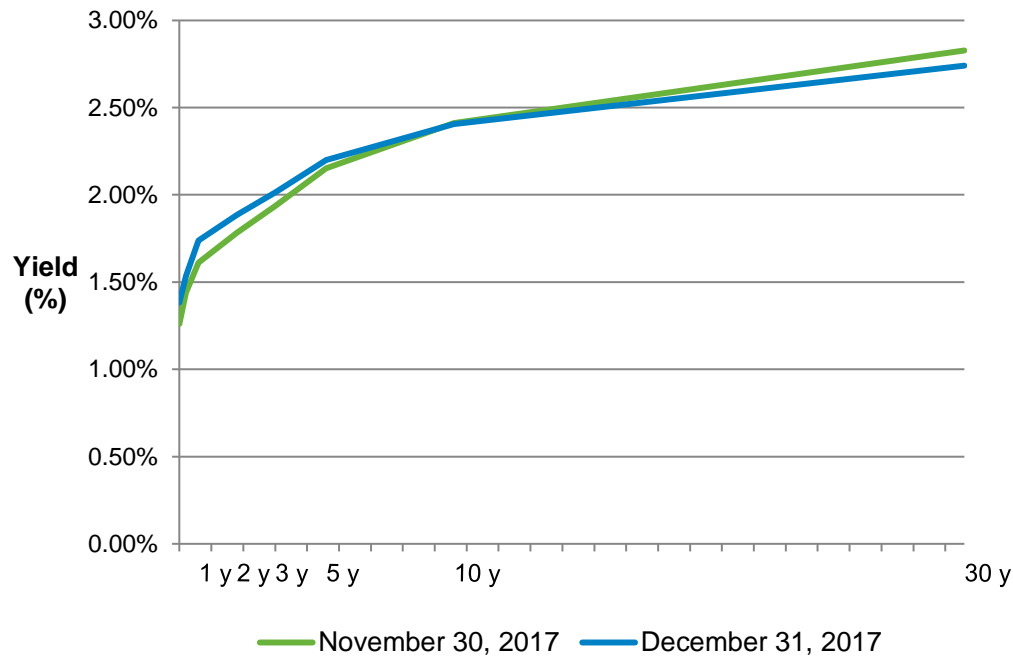


Source: Bloomberg



# U.S. Treasury Yields

**U.S. Treasury Yield Curve**  
November 30, 2017 vs. December 31, 2017



	<u>11/30/2017</u>	<u>12/31/2017</u>	<u>Change</u>
3 month	1.26%	1.38%	0.12%
6 month	1.44%	1.53%	0.09%
1 year	1.61%	1.74%	0.13%
2 year	1.78%	1.89%	0.11%
3 year	1.94%	2.01%	0.07%
5 year	2.15%	2.20%	0.05%
10 year	2.41%	2.41%	0.00%
30 year	2.83%	2.74%	-0.09%

Source: Bloomberg



*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**

**FINANCE & BUDGET COMMITTEE**

***ACTION ITEMS***

**FY 2019 BUDGET**

**FINANCE AND BUDGET COMMITTEE  
FISCAL YEAR 2019 PROPOSED OPERATING BUDGET ACTION ITEM**

**ACTION ITEM 2A: Proposed FY 2019 Operating Budget**

The Proposed FY 2019 Operating Budget to be considered by the Board of Directors totals \$582,781,000.

<b>Operations &amp; Maintenance Expenditures</b>	<b>\$335,055,000</b>
Debt Service	199,025,000
Cash Financed Capital Improvements (CFCI)	26,999,000
Payment In Lieu of Taxes (PILOT)	16,602,000
Right of Way Fee (ROW)	5,100,000
<b>Subtotal (Debt Service/CFCI/PILOT/ROW)</b>	<b>\$247,726,000</b>
<b>Proposed FY 2019 Operating Budget</b>	<b><u><u>\$582,781,000</u></u></b>



**FINANCE AND BUDGET COMMITTEE  
FISCAL YEAR 2018 – FY 2027 PROPOSED CAPITAL IMPROVEMENT  
PROGRAM  
ACTION ITEM**

**ACTION ITEM 2B: FY 2018 – FY 2027 Proposed Capital Improvement Program (10-Year Disbursement Plan and Lifetime Budget)**

DC Water presents its capital improvement program on two different bases:

- a. **10-Year Disbursement Plan** – The cash disbursement-based capital plan is utilized to forecast the timing and amount of capital financing, which is the primary basis for projected retail rate increases. As shown in Attachment A-1, the Board of Directors will be asked to approve a 10-year disbursement plan of \$4.00 billion.
- b. **Lifetime Budget** – The project lifetime budget reflects the total costs of each project active during the 10-year planning period. These costs include historical and projected spending, project contingencies, and labor (listed as separate line item). As shown in Attachment A-1, the Board of Directors will be asked to approve a lifetime budget of \$11.1 billion.

**Capital Improvement Program**

10-Year Disbursement Plan - projected annual cash disbursements, \$ in thousands

Attachment A-1

	FY 2018 - FY 2027 Proposed Disbursement Plan										10-Yr Total	Lifetime Budget
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY2027		
<b>NON PROCESS FACILITIES</b>												
Facility Land Use	\$32,194	\$33,107	\$18,907	\$7,860	\$1,551	\$25	\$6,615	\$7,773	\$0	\$0	\$108,032	\$169,147
Subtotal	32,194	33,107	18,907	7,860	1,551	25	6,615	7,773	0	0	108,032	169,147
<b>WASTEWATER TREATMENT</b>												
Liquid Processing	18,554	30,869	37,604	38,228	44,507	35,458	29,607	31,846	74,033	109,131	449,838	1,224,582
Plantwide	12,099	15,060	19,331	32,895	35,204	30,100	18,795	17,671	20,384	10,534	212,072	488,216
Solids Processing	11,229	13,942	18,154	15,302	8,770	1,953	1,288	723	533	555	72,448	802,911
Enhanced Nitrogen Removal Facilities	53,603	14,746	2,763	1,535	1,339	2,049	1,918	11,932	22,673	9,032	121,590	1,036,089
Subtotal	95,485	74,617	77,853	87,960	89,820	69,560	51,607	62,172	117,623	129,252	855,948	3,551,799
<b>COMBINED SEWER OVERFLOW</b>												
DC Clean Rivers	168,314	189,392	148,042	138,289	192,859	151,111	59,569	50,018	128,404	87,197	1,313,196	2,764,255
Program Management	1,934	1,969	2,518	3,495	4,373	4,339	3,012	1,821	0	0	23,460	64,663
Combined Sewer	11,568	8,982	9,993	6,337	5,853	9,058	17,112	13,772	7,393	5,622	95,691	323,002
Subtotal	181,816	200,343	160,554	148,121	203,086	164,508	79,692	65,611	135,797	92,819	1,432,348	3,151,920
<b>STORMWATER</b>												
Local Drainage	92	75	354	69	629	267	861	1,050	219	0	3,617	14,230
On-Going	375	1,074	668	617	744	722	760	464	752	736	6,912	11,315
Pumping Facilities	69	3,410	375	1,134	4,065	19	0	0	305	1,397	10,774	25,232
DDOT	0	0	0	0	0	0	0	0	0	0	0	3,237
Research and Program Management	314	156	36	115	402	204	163	128	0	0	1,517	12,013
Trunk/Force Sewers	95	194	966	377	0	0	0	0	0	0	1,632	15,365
Subtotal	945	4,909	2,400	2,312	5,839	1,212	1,784	1,642	1,276	2,133	24,452	81,392
<b>SANITARY SEWER</b>												
Collection Sewers	4,488	1,244	1,088	7,929	19,594	9,139	11,139	25,253	31,888	18,343	130,105	407,999
On-Going	10,001	9,618	9,475	10,399	9,982	10,535	11,079	11,402	11,589	12,023	106,103	206,045
Pumping Facilities	1,294	428	842	2,332	1,005	1,559	214	0	0	0	7,674	36,151
Program Management	2,999	3,075	7,205	5,032	6,410	6,977	6,128	5,151	1,624	115	44,716	124,972
Interceptor/Trunk Force Sewers	11,019	18,583	15,436	27,358	37,501	45,706	47,353	17,076	15,667	8,191	243,890	754,870
Subtotal	29,802	32,947	34,046	53,050	74,492	73,917	75,912	58,882	60,769	38,672	532,490	1,530,036
<b>WATER</b>												
Distribution Systems	28,353	22,924	56,015	35,946	23,051	29,648	52,339	79,039	81,503	69,487	478,306	1,235,949
Lead Program	3,422	1,487	1,252	1,422	1,528	1,658	1,718	903	235	75	13,700	209,245
On-Going	11,079	11,044	7,569	9,982	9,930	10,183	10,793	11,157	12,429	12,636	106,802	143,288
Pumping Facilities	3,286	1,857	4,561	4,248	4,193	1,840	8,023	1,668	211	0	29,887	118,394
DDOT	904	486	208	2	2	0	0	0	0	0	1,604	33,933
Storage Facilities	7,560	4,967	8,088	3,488	2,099	5,106	9,371	2,343	0	0	43,021	107,520
Program Management	3,441	2,982	6,563	7,252	7,438	5,035	5,812	4,551	6,966	7,312	57,352	90,944
Subtotal	58,044	45,747	84,256	62,341	48,241	53,471	88,055	99,661	101,344	89,510	730,672	1,939,272
<b>CAPITAL PROJECTS</b>												
	398,285	391,670	378,015	361,644	423,029	362,694	303,666	295,742	416,809	352,386	3,683,941	10,423,566
CAPITAL EQUIPMENT	39,898	34,518	29,383	27,998	9,579	10,306	10,850	11,177	12,122	12,303	198,133	198,133
WASHINGTON AQUEDUCT	11,768	12,930	12,944	13,039	13,039	12,312	11,768	11,441	10,496	10,315	120,052	120,052
<b>ADDITIONAL CAPITAL PROGRAMS</b>												
	51,665	47,448	42,327	41,037	22,618	22,618	22,618	22,618	22,618	22,618	318,185	318,185
<b>LABOR</b>												
												390,145
<b>TOTAL CAPITAL BUDGETS</b>												
	\$449,950	\$439,118	\$420,342	\$402,681	\$445,647	\$385,312	\$326,284	\$318,360	\$439,427	\$375,004	\$4,002,125	11,131,895

**FINANCE AND BUDGET COMMITTEE  
FISCAL YEAR 2018 – 2027 TEN-YEAR FINANCIAL PLAN ACTION ITEM**

**ACTION ITEM 2C: FY 2018 – FY 2027 Ten-Year Financial Plan**

1. Attached is a summary of the 10-year Financial Plan, which is based on the following key assumptions for FY 2019 and FY 2020:

**FY 2019**

- Operating receipts totaling \$649.5 million, an increase of \$29.0 million over FY 2018 funded through;
  - Retail Revenue – increase of \$24.4 million
  - Wholesale Revenue – increase of \$3.2 million
  - Other Revenue – increase of \$1.4 million
- Operating disbursements of \$564.5 million in FY 2019; and
- A ten-year capital improvement plan (FY 2018 – FY 2027) of \$4.0 billion on a cash disbursement basis.

**FY 2020**

- Operating receipts totaling \$685.8 million, an increase of \$36.3 million over FY 2019 funded through;
  - Retail Revenue – increase of \$30.7 million
  - Wholesale Revenue – increase of \$2.4 million
  - Other Revenue – increase of \$3.2 million
- Operating disbursements of \$591.0 million in FY 2020; and
- A ten-year capital improvement plan (FY 2018 – FY 2027) of \$4.0 billion on a cash disbursement basis.

The FY 2018 – FY 2027 Financial Plan is projected to meet the Board’s policy requirement of senior debt coverage of 140 percent and an operating reserve of 120 days of budgeted operations and maintenance costs with the objective of maintaining at least \$125.5 million in operating reserves.

**District of Columbia Water & Sewer Authority**  
**FY 2018 – 2027 Financial Plan**  
**(In 000's)**

<b>OPERATING</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<i>Retail*</i>	\$ 515,466	\$ 539,982	\$ 571,113	\$ 602,587	\$ 629,109	\$ 656,446	\$ 678,437	\$ 696,598	\$ 718,313	\$ 742,257
<i>Wholesale*</i>	76,028	79,237	81,614	84,062	86,584	89,182	91,857	94,613	97,451	100,375
<i>Other</i>	28,978	30,249	33,041	39,588	42,764	43,199	42,708	42,789	44,418	44,803
<i>RSF</i>	-	-	-	-	-	-	-	-	-	-
<b>Operating Receipts (1)</b>	<b>\$ 620,472</b>	<b>\$ 649,467</b>	<b>\$ 685,768</b>	<b>\$ 726,237</b>	<b>\$ 758,456</b>	<b>\$ 788,827</b>	<b>\$ 813,002</b>	<b>\$ 834,000</b>	<b>\$ 860,182</b>	<b>\$ 887,436</b>
<b>Operating Expenses</b>	<b>(320,146)</b>	<b>(338,499)</b>	<b>(348,335)</b>	<b>(358,462)</b>	<b>(368,891)</b>	<b>(379,628)</b>	<b>(390,684)</b>	<b>(402,068)</b>	<b>(413,790)</b>	<b>(427,381)</b>
<b>Debt Service</b>	<b>(184,278)</b>	<b>(199,025)</b>	<b>(214,119)</b>	<b>(232,128)</b>	<b>(245,477)</b>	<b>(258,537)</b>	<b>(267,811)</b>	<b>(275,215)</b>	<b>(283,955)</b>	<b>(292,699)</b>
<b>Cash Financed Capital Improvement</b>	<b>\$ (35,260)</b>	<b>\$ (26,999)</b>	<b>\$ (28,556)</b>	<b>\$ (30,129)</b>	<b>\$ (37,747)</b>	<b>\$ (45,951)</b>	<b>\$ (47,491)</b>	<b>\$ (55,728)</b>	<b>\$ (64,648)</b>	<b>\$ (66,803)</b>
<b>Net Revenues After Debt Service</b>	<b>\$ 80,789</b>	<b>\$ 84,944</b>	<b>\$ 94,758</b>	<b>\$ 105,518</b>	<b>\$ 106,342</b>	<b>\$ 104,711</b>	<b>\$ 107,017</b>	<b>\$ 100,989</b>	<b>\$ 97,788</b>	<b>\$ 100,553</b>
<b>Operating Reserve-Beg Balance</b>	<b>147,212</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>
<b>Other Misc (Disbursements)/Receipts</b>										
Wholesale/Federal True Up	(16,019)	(7,321)	(1,500)	-	-	-	-	-	-	-
Project Billing Refunds	(4,000)	(4,000)	(4,000)	-	-	-	-	-	-	-
Transfers To RSF	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(67,982)	(73,624)	(89,258)	(105,518)	(106,342)	(104,711)	(107,017)	(100,989)	(97,788)	(100,553)
<b>Operating Reserve - Ending Balance</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>
<b>Rate Stabilization Fund Balance RSF (2)</b>	<b>\$ (61,450)</b>	<b>\$ (61,450)</b>	<b>\$ (61,450)</b>	<b>\$ (61,450)</b>	<b>\$ (61,450)</b>	<b>\$ (61,450)</b>	<b>\$ (61,450)</b>	<b>\$ (61,450)</b>	<b>\$ (61,450)</b>	<b>\$ (61,450)</b>
<b>Senior Debt Service Coverage</b>	<b>489%</b>	<b>561%</b>	<b>545%</b>	<b>544%</b>	<b>575%</b>	<b>559%</b>	<b>659%</b>	<b>674%</b>	<b>648%</b>	<b>624%</b>
<b>Combined Debt Service Coverage</b>	<b>164%</b>	<b>161%</b>	<b>165%</b>	<b>168%</b>	<b>168%</b>	<b>167%</b>	<b>166%</b>	<b>166%</b>	<b>166%</b>	<b>166%</b>
<b>Actual/Projected Water/Sewer Rate Increases</b>	<b>5.0%</b>	<b>13.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>
<b>*Operating Receipts \$ Increase/Decrease</b>										
Retail	20,228	24,515	31,131	31,474	26,522	27,338	21,991	18,161	21,715	23,945
Wholesale	(5,108)	3,209	2,377	2,448	2,522	2,598	2,675	2,756	2,838	2,924
<b>*Operating Receipts % Increase/Decrease</b>										
Retail	4.1%	4.8%	5.8%	5.5%	4.4%	4.3%	3.3%	2.7%	3.1%	3.3%
Wholesale	-6.3%	4.2%	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 2018 planned transfers of \$0.0 million to Rate Stabilization Fund will maintain the total fund balance at \$61.45 million

**District of Columbia Water & Sewer Authority  
Average Residential Customer Monthly Bill  
FY 2018 - FY 2027**

	Units	Current FY 2018	Proposed FY 2019	Proposed FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
DC Water Water and Sewer Retail Rates <sup>(1)</sup>	Ccf	\$ 60.13	\$ 67.94	\$ 71.33	\$ 74.92	\$ 78.64	\$ 82.56	\$ 86.66	\$ 90.97	\$ 95.50	\$ 100.30
DC Water Clean Rivers IAC	ERU	25.18	23.00	25.58	29.07	31.33	33.62	34.66	34.75	35.45	36.46
DC Water Customer Metering Fee	5/8"	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86
DC Water Water System Replacement Fee <sup>(3)</sup>	5/8"	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30
<b>Subtotal DC Water Rates &amp; Charges</b>		<b>\$ 95.47</b>	<b>\$ 101.10</b>	<b>\$ 107.07</b>	<b>\$ 114.15</b>	<b>\$ 120.13</b>	<b>\$ 126.34</b>	<b>\$ 131.48</b>	<b>\$ 135.88</b>	<b>\$ 141.11</b>	<b>\$ 146.92</b>
Increase / Decrease		\$ 5.82	\$ 5.63	\$ 5.97	\$ 7.08	\$ 5.98	\$ 6.21	\$ 5.14	\$ 4.40	\$ 5.23	\$ 5.81
District of Columbia PILOT Fee <sup>(1)</sup>	Ccf	\$ 3.04	\$ 3.10	\$ 3.16	\$ 3.22	\$ 3.29	\$ 3.35	\$ 3.41	\$ 3.47	\$ 3.53	\$ 3.60
District of Columbia Right-of-Way Fee <sup>(1)</sup>	Ccf	1.12	1.12	1.18	1.18	1.18	1.18	1.24	1.24	1.24	1.24
District of Columbia Stormwater Fee <sup>(2)</sup>	ERU	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67
<b>Subtotal District of Columbia Charges</b>		<b>\$ 6.83</b>	<b>\$ 6.89</b>	<b>\$ 7.01</b>	<b>\$ 7.07</b>	<b>\$ 7.14</b>	<b>\$ 7.20</b>	<b>\$ 7.32</b>	<b>\$ 7.38</b>	<b>\$ 7.44</b>	<b>\$ 7.51</b>
<b>Total Amount Appearing on DC Water Bill</b>		<b>\$ 102.30</b>	<b>\$ 107.99</b>	<b>\$ 114.08</b>	<b>\$ 121.22</b>	<b>\$ 127.27</b>	<b>\$ 133.54</b>	<b>\$ 138.80</b>	<b>\$ 143.26</b>	<b>\$ 148.55</b>	<b>\$ 154.43</b>
Increase / Decrease Over Prior Year		\$ 5.95	\$ 5.69	\$ 6.09	\$ 7.14	\$ 6.05	\$ 6.27	\$ 5.26	\$ 4.46	\$ 5.29	\$ 5.88
<b>Percent Increase in Total Bill</b>		<b>6.2%</b>	<b>5.6%</b>	<b>5.6%</b>	<b>6.3%</b>	<b>5.0%</b>	<b>4.9%</b>	<b>3.9%</b>	<b>3.2%</b>	<b>3.7%</b>	<b>4.0%</b>

(1) Assumes average monthly consumption of 6.2 Ccf, or (4,638 gallons)

(2) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(3) DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015

**District of Columbia Water & Sewer Authority  
Retail Rates, Charges and Fees  
FY 2018 - FY 2020**

	<b>Units</b>	<b>Current FY 2018</b>	<b>Proposed FY 2019</b>	<b>Proposed FY 2020</b>
DC Water Retail Rates Water (Residential Lifeline 0 - 4 Ccf)	Ccf	\$ 3.39	\$ 3.83	\$ 4.02
DC Water Retail Rates Water (Residential > 4 Ccf)	Ccf	\$ 4.26	\$ 4.81	\$ 5.05
DC Water Retail Rates Water (Multi-Family)	Ccf	\$ 3.80	\$ 4.29	\$ 4.50
DC Water Retail Rates Water (Non-Residential)	Ccf	\$ 4.40	\$ 4.97	\$ 5.22
DC Water Retail Rates Sewer	Ccf	\$ 6.00	\$ 6.78	\$ 7.12
DC Water Clean Rivers IAC	ERU	\$ 25.18	\$ 23.00	\$ 25.58
DC Water Customer Metering Fee	5/8"	\$ 3.86	\$ 3.86	\$ 3.86
DC Water Water System Replacement Fee	5/8"	\$ 6.30	\$ 6.30	\$ 6.30
District of Columbia PILOT Fee	Ccf	\$ 0.49	\$ 0.50	\$ 0.51
District of Columbia Right-of-Way Fee	Ccf	\$ 0.18	\$ 0.18	\$ 0.19
District of Columbia Stormwater Fee	ERU	\$ 2.67	\$ 2.67	\$ 2.67

## **FINANCE AND BUDGET COMMITTEE**

### **INTENT TO REIMBURSE CAPITAL EXPENDITURES WITH PROCEEDS OF A BORROWING ACTION ITEM**

#### **ACTION ITEM 2D: Capital Projects Reimbursement Resolution**

The Board will be asked to approve a reimbursement resolution, which would allow for reimbursement of eligible capital project expenditures from bond proceeds. The action under consideration is to utilize the proceeds of tax-exempt bonds, taxable bonds or notes (the “bonds”) or other debt in an amount not currently expected to exceed \$410,000,000 to pay the costs of capital projects. These costs include amounts heretofore unreimbursed pursuant to Resolution 16-95 of the Board adopted on December 1, 2016, plus amounts projected to be reimbursed during Fiscal Year 2018 and through September 2019.

#### **EXHIBIT A – LIST OF PROJECTS**

Blue Plains System  
Non Process Facilities  
Sanitary Sewer System  
Combined Sewer System  
DC Clean Rivers  
Stormwater Sewer System  
Water Pumping, Distribution and Storage  
Metering and Capital Equipment  
Washington Aqueduct



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

**Thursday, February 22, 2018; 11:00 a.m.  
Blue Plains Wastewater Treatment Plant  
5000 Overlook Avenue, SW, DC**

**AGENDA**

<b>Call to Order</b>	Chairman
<b>January 2018 Financial Report</b>	Chief Financial Officer
<b>Proposed FY 2019 Budget</b>	Chief Financial Officer
<b>Agenda for March Committee Meeting</b>	Chairman
<b>Adjournment</b>	Chairman

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