



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

**Board of Directors  
Finance and Budget Committee**

*Thursday, April 27, 2017*

11:00 a.m.

- 1. **Call to Order**.....Ana Harvey, Vice Chairperson
- 2. **March 2017 Financial Report (Attachment 1)** ..... Lola Oyeyemi
- 3. **Update on Letter of Credit for Series 2014 B1 & B2 Bonds** ..... Robert Hunt
- 4. **Action Item**.....Robert Hunt
  - A. **Letter of Credit Renewal (Attachment 2)**
- 5. **Agenda for May Committee Meeting (Attachment 3)**.....Ana Harvey, Vice Chairperson
- 6. **Adjournment**

***FOLLOW-UP ITEM – No follow-up items from the meeting held February 23, 2017.***

\* 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 2017

# Monthly Financial Report

Period Ending March 31, 2017

**DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET**

**Robert Hunt**, Chief Financial Officer (Acting) & Director, Finance

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

**John Madrid**, Controller

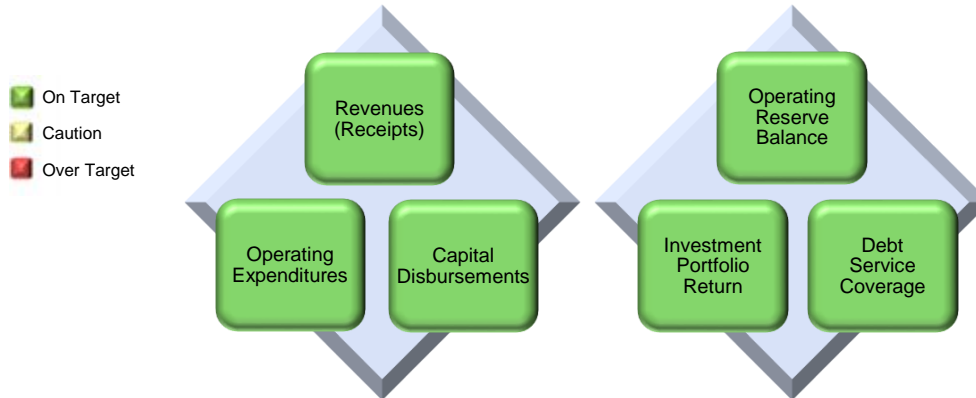
**Lola Oyeyemi**, Director, Budget

**Monthly Financial Report**

**MARCH 2017**

**EXECUTIVE SUMMARY**

As of the end of March 2017, with 50 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance.



(\$ in millions)

	Budget	YTD Budget	Actual	Variance Favorable (Unfavorable)		Actual % Budget
<b>Revenues (Receipts)*</b>	\$595.4	\$297.7	\$301.4	\$3.6	1.2%	50.6%
<b>Expenditures*</b>	\$535.8	\$267.9	\$234.6	\$33.3	12.4%	43.8%
<b>Capital Disbursements</b>	\$507.0	\$261.5	\$253.6	\$7.9	3.0%	50.0%

\* *Straight-lined (6/12 of budget)*

**Highlights:**

- FY 2016 Inter-Municipal Agreement (IMA) Operating Settlement was completed in March 2017, with net refund of \$728K to DC Water
- Budget Calendar Update:
  - FY 2017 Preliminary year-end budget projections for Committee review in May
  - FY 2019 Budget Kick-off anticipated on May 22, 2017

**Robert Hunt, Chief Financial Officer (Acting)**

## Monthly Financial Report

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

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

Category	A	B*	C	D = C/A	E = C-B	F = E/B
	FY 2017 BUDGET	YTD BUDGET	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Res. / Comm. / Multi.	\$328,988	164,494	\$169,166	51.4%	\$4,672	2.8%
Federal	57,540	28,770	28,423	49.4%	(347)	-1.2%
Municipal (DC Govt.)	17,505	8,753	8,339	47.6%	(413)	(4.7%)
DC Housing Authority	8,372	4,186	4,243	50.7%	57	1.4%
Metering Fee	10,776	5,388	5,738	53.2%	350	6.5%
Water System Replacement Fee (WSRF)	39,717	19,859	20,043	50.5%	184	0.9%
Wholesale	81,468	40,734	40,540	49.8%	(194)	(0.5%)
PILOT/ROW	21,082	10,541	10,422	49.4%	(120)	(1.1%)
All Other	29,998	14,999	14,454	48.2%	(545)	(3.6%)
<b>TOTAL</b>	<b>\$595,446</b>	<b>\$297,723</b>	<b>\$301,367</b>	<b>50.6%</b>	<b>\$3,644</b>	<b>1.2%</b>

\*Straight-lined (6/12 of budget)

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of March 2017, cash receipts totaled \$301.4 million, or 50.6 percent of the revised FY 2017 budget. Several categories of customers make payments on a quarterly basis, including the Federal Government and wholesale customers.

Residential, Commercial and Multi-Family – Receipts for this category are higher at \$169.2 million or 51.4 percent of the revised budget. The higher receipts are on account of slightly higher Clean Rivers Impervious Area Charge (CRIAC) as compared to budget.

District Government – Receipts are slightly lower at \$8.3 million or 47.6 percent of the revised budget. The lower receipts are on account of slightly lower amount of CRIAC billed as compared to the budget.

DC Housing Authority – Receipts are slightly higher at \$4.2 million or 50.7 percent of the revised budget. The \$0.8 million overdue amount pertaining to January 2017 bill was collected in March 2017.

## Monthly Financial Report

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As of March 31, 2017

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

Category	A	B*	C	D = C/A	E = B - C	F = E/B
	FY 2017 BUDGET	YTD BUDGET	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Personnel	\$144,761	\$72,381	\$72,620	50.2%	(\$240)	(0.3%)
Contractual Services	82,760	41,380	32,935	39.8%	8,445	20.4%
Water Purchases	29,278	14,639	12,936	44.2%	1,703	11.6%
Supplies & Chemicals	34,709	17,355	15,073	43.4%	2,282	13.1%
Utilities	28,670	14,335	12,534	43.7%	1,801	12.6%
Small Equipment	1,230	615	577	46.9%	38	6.2%
<b>SUBTOTAL O&amp;M</b>	<b>\$321,408</b>	<b>\$160,704</b>	<b>\$146,674</b>	<b>45.6%</b>	<b>\$14,030</b>	<b>8.7%</b>
Debt Service	169,346	84,673	77,374	45.7%	7,299	8.6%
PILOT/ROW	21,057	10,529	10,529	50.0%	0	0.0%
Cash Financed Capital Improvements	24,014	12,007	0	0.0%	12,007	100.0%
<b>TOTAL OPERATING</b>	<b>\$535,825</b>	<b>\$267,913</b>	<b>\$234,577</b>	<b>43.8%</b>	<b>\$33,336</b>	<b>12.4%</b>
Capital Labor	(21,934)	(10,967)	(8,224)	37.5%	(2,743)	25.0%
<b>TOTAL NET OPERATING</b>	<b>\$513,891</b>	<b>\$256,946</b>	<b>\$226,353</b>	<b>44.0%</b>	<b>\$30,593</b>	<b>11.9%</b>

\*Straight-lined 6/12 of budget)

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of March 2017, operating expenditures totaled \$234.6 million, or 43.8 percent of the Board-approved budget. These numbers include estimated, incurred but unpaid, invoices and are subject to revision in subsequent months

Personnel Services – Expenditures total \$72.6 million or 50.2 percent of budget. Of the 1260 positions authorized, 1116 positions were filled at the end of March with YTD vacancy rate of 11 percent. Overtime spending totals \$3.9 million of the annual budget of \$6.8 million. Increased overtime spending was primarily due to unusually high water main breaks partly caused by fluctuations in temperature experienced during the winter season, shift coverage for the command center and support of the ongoing Automated Meter Reading (AMR) replacement program.

Contractual Services – Underspensing is attributable to lag in various operational contracts throughout the Authority. This includes materialized savings from biosolids hauling costs due to the Digester Project. Biosolids production during the fiscal year to date averaged 430 wet tons/day as compared to the 500 wet tons/day assumed value when the budget was prepared.

Supplies & Chemicals – YTD underspensing is primarily due to lower unit prices for some chemicals (methanol and sodium hydroxide), coupled with the continued use of safer and less expensive chemical (lime slurry in lieu of sodium hydroxide) as a main source to control alkalinity and pH balance in the wastewater treatment process.

Utilities – YTD underspensing is mainly from onsite electricity generation from the Combined Heat and Power project (CHP) which represents approximately 7MW or 24 percent of Authority-wide usage. Presently, 17MW of the Authority's electricity load is locked at an average Western Hub unit price of \$36.95/MWh for the remainder of the year, and 10MW at \$35.75/MWh for FY 2018. Staff continues to monitor the market with plans to hedge additional load when market conditions are favorable.

Debt Service – YTD actual debt service is trending lower than budget primarily due to current interest rates being lower than forecast and refinancing of the Authority's debt.

## Monthly Financial Report

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

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

Service Area	A	B	C	D = C/A	E = B-C	F = E/B
	FY 2017 BUDGET	YTD BUDGET	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Non Process Area	\$34,150	\$17,054	\$13,724	40.2%	3,330	19.5%
Wastewater Treatment	123,789	66,954	67,239	54.3%	(285)	(0.4%)
Combined Sewer Overflow	184,387	99,177	113,202	61.4%	(14,025)	(14.1%)
Stormwater	1,706	671	934	54.8%	(263)	(39.2%)
Sanitary Sewer	38,302	15,215	16,802	43.9%	(1,587)	(10.4%)
Water	58,819	29,464	24,039	40.9%	5,425	18.4%
<b>SUBTOTAL: CAPITAL PROJECTS</b>	<b>\$441,153</b>	<b>\$228,535</b>	<b>\$235,940</b>	<b>53.5%</b>	<b>(\$7,405)</b>	<b>(3.2%)</b>
Capital Equipment	54,949	27,474	17,631	32.1%	9,843	35.8%
Washington Aqueduct	10,896	5,448	0	0.0%	5,448	100.0%
<b>SUBTOTAL: ADD'L CAPITAL PROGRAMS</b>	<b>\$65,845</b>	<b>\$32,922</b>	<b>17,631</b>	<b>26.8%</b>	<b>\$15,291</b>	<b>46.4%</b>
<b>TOTAL</b>	<b>\$506,998</b>	<b>\$261,457</b>	<b>\$253,571</b>	<b>50.0%</b>	<b>\$7,886</b>	<b>3.0%</b>

### VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of March 2017, total capital disbursements are \$253.6 million or 50 percent of the revised FY 2017 budget. Disbursements are slightly above the budget for Capital Projects and offset by under-spending in Additional Capital Programs.

Capital Projects – The project performance will be reviewed in detail as part of the quarterly CIP update by the Department of Engineering and Technical Services to the Environmental Quality and Operations and Finance and Budget Committees in May.

Capital Equipment – Lower than planned disbursements are primarily attributable to unused funds in the Authority-wide reserve as well as a lower than expected spending related to the Automated Meter Reading (AMR) Replacement Program.

**AMR Replacement Program** – The ramp up and acceleration of this program commenced in March 2017. Over the next 18 months, it is anticipated that a minimum of 5,000 installations will be performed per month for the duration of the project.

Washington Aqueduct (WAD) – Non-disbursement to date represents WAD's plan to draw-down prepaid balances currently in escrow and US Treasury accounts, and postpone customer billing until third quarter FY 2017.

## Monthly Financial Report

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

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

Rate Stabilization Fund Account (RSF)	\$51.5
DC Insurance Reserve	1.0
Operating Reserve Accounts	<u>149.1</u>
<b>Operating Cash Balance Including RSF</b>	<b>\$201.6</b>
Debt Service Reserve - Series 1998	23.8
Bond Fund- Construction Fund 2015A	1.0
Bond Fund- Construction Fund 2016B	24.5
Bond Fund- Construction Fund 2017A	108.0
Bond Fund- Construction Fund 2017B	<u>210.0</u>
<b>Total All Funds</b>	<b>\$568.9</b>

#### OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$149.1 million as compared to the operating reserve level objective of \$125.5 million for FY 2017
- Average cash balance for the month of March was \$155.9 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for March (on a cash basis) was \$158,462; YTD \$792,590
- A detailed investment performance report is attached

#### Note:

The Core Portfolio's underperformance versus its benchmark is the result of the Core Portfolio having a shorter weighted average maturity (1.61 years compared to the benchmark's 1.94 years). The weighted average maturity as of March 31, 2017 is shorter than in prior periods because of the investment of the 2017 Bond Construction Funds in securities maturing in less than 1 ½ years.

## Monthly Financial Report

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

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

	Annual Budget Cash Basis	YTD 50% Cash Budget	YTD Actual Cash Oct. 1, 2016 - Mar. 31, 2017	Variance Favorable (Unfavorable)	
<b>OPERATING BUDGET</b>					
<b>Cash Provided</b>					
Retail	\$462,898	\$231,449	\$235,952	\$4,503	2%
Wholesale	81,468	40,734	40,540	(194)	0%
Other	50,757	25,378	24,736	(643)	-3%
<b>Total Cash Provided</b>	<b>595,123</b>	<b>297,561</b>	<b>301,228</b>	<b>3,666</b>	<b>1%</b>
<b>Operating Cash Used</b>					
Personnel Services	122,827	61,414	59,619	1,794	3%
Contractual Services	82,760	41,380	39,928	1,452	4%
Chemicals & Supplies	34,709	17,355	16,462	892	5%
Utilities	28,670	14,335	12,694	1,641	11%
Water Purchases	29,278	14,639	13,813	826	6%
Small Equipment	1,230	615	479	136	22%
<b>Total Operating Cash Used</b>	<b>299,474</b>	<b>149,737</b>	<b>142,995</b>	<b>6,742</b>	<b>5%</b>
Defeasance D.S./Cash Financed Capital Improvements	24,199	12,100	0	12,100	100%
<b>Other Cash Used</b>					
Debt Service	167,733	83,866	77,374	6,493	8%
Payment In Lieu of Taxes/Right of Way	21,057	10,529	10,529	0	0%
<b>Total Other Cash Used</b>	<b>188,790</b>	<b>94,395</b>	<b>87,902</b>	<b>6,493</b>	<b>7%</b>
<b>Total Cash Used</b>	<b>512,463</b>	<b>256,232</b>	<b>230,897</b>	<b>25,335</b>	<b>10%</b>
<b>Net Cash Provided (Used) by Operating Act.</b>	<b>82,660</b>	<b>41,330</b>	<b>70,331</b>	<b>29,001</b>	
<b>CAPITAL BUDGET</b>					
<b>Cash Provided</b>					
Debt Proceeds	195,903	97,952	118,415	20,464	21%
EPA Grants/DC Reimbursements	25,013	12,507	11,448	(1,059)	-8%
Transfer from Operations	100,633	50,316	0	(50,316)	-100%
Interest Income	1,283	641	433	(209)	-33%
Wholesale Capital Contributions	107,732	53,866	55,159	1,293	2%
<b>Total Cash Provided</b>	<b>430,564</b>	<b>215,282</b>	<b>185,455</b>	<b>(29,827)</b>	<b>-14%</b>
<b>Cash Used</b>					
DC Water Capital Program	496,102	248,051	256,154	(8,103)	-3%
Washington Aqueduct Projects	10,896	5,448	0	5,448	100%
<b>Total Cash Used</b>	<b>506,998</b>	<b>253,499</b>	<b>256,154</b>	<b>(2,655)</b>	<b>-1%</b>
<b>Net Cash/PAYGO Provided (Used) by Cap. Act.</b>	<b>(\$76,434)</b>	<b>(\$38,217)</b>	<b>(\$70,698)</b>	<b>(\$32,481)</b>	
<b>Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected</b>					
Plus (Less) Operating Surplus	\$162,652		\$162,652		
Wholesale Customer Refunds from Prior Years	82,660	41,330	70,331		
Interest Earned From Bond Reserve	(10,000)	(5,000)	(3,746)		
Prior Year Federal Billing Reconciliation	323	162	139,622		
Cash Used for Capital	(19,201)	(9,600)	(9,600)		
<b>Balance Attributable to O&amp;M Reserve</b>	<b>\$140,000</b>		<b>\$149,078</b>		
<b>OTHER CASH RESERVES</b>					
Rate Stabilization Fund		<b>Current Balance</b>			
DC Insurance Reserve		\$51,450			
		1,045			



**Monthly Financial Report**

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APPENDIX

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Monthly Financial Report

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

Operating Revenues Detail

(\$ in millions)

Revenue Category	Budget	YTD Budget	YTD Actual	Variance Favorable / (Unfavorable)		YTD % of Budget
Residential, Commercial, and Multi-family	\$329.0	\$164.5	\$169.2	\$4.7	2.8%	51.4%
Federal	57.5	28.8	28.4	(0.4)	-1.2%	49.4%
District Government	17.5	8.8	8.3	(0.4)	-4.7%	47.6%
DC Housing Authority	8.4	4.2	4.2	0.1	1.4%	50.7%
Customer Metering Fee	10.8	5.4	5.7	0.3	6.5%	53.2%
Water System Replacement Fee (WSRF)	39.7	19.9	20.0	0.2	0.9%	50.5%
Wholesale	81.5	40.7	40.5	(0.2)	-0.5%	49.8%
Right-of-Way Fee/PILOT	21.1	10.6	10.4	(0.1)	-1.1%	49.4%
<b>Subtotal (before Other Revenues)</b>	<b>\$565.5</b>	<b>\$282.7</b>	<b>\$286.9</b>	<b>\$4.2</b>	<b>1.5%</b>	<b>50.7%</b>
Other Revenue without RSF						
IMA Indirect Cost Reimb. For Capital Projects	6.5	3.2	1.4	(1.8)	-56.3%	21.5%
DC Fire Protection Fee	10.8	5.4	5.4	0.0	0.0%	50.0%
Stormwater (MS4)	1.0	0.5	0.5	0.0	0.0%	50.0%
Interest	2.2	1.1	0.8	(0.3)	-27.3%	36.3%
Developer Fees (Water & Sewer)	7.0	3.5	4.3	0.8	22.9%	61.4%
Others	2.6	1.3	2.1	0.8	61.5%	80.8%
<b>Subtotal</b>	<b>\$30.0</b>	<b>\$15.0</b>	<b>\$14.5</b>	<b>(\$0.5)</b>	<b>-3.6%</b>	<b>48.2%</b>
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
<b>Other Revenue Subtotal</b>	<b>\$30.0</b>	<b>\$15.0</b>	<b>\$14.5</b>	<b>(\$0.5)</b>	<b>-3.6%</b>	<b>48.2%</b>
<b>Grand Total</b>	<b>\$595.4</b>	<b>\$297.7</b>	<b>\$301.4</b>	<b>\$3.6</b>	<b>1.2%</b>	<b>50.6%</b>

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

Customer Category	Water	Sewer	Clean Rivers IAC	Metering Fee	WSRF	Total
Residential	\$17,252	\$21,001	\$15,373	\$2,595	\$4,660	\$60,880
Commercial	27,215	27,905	18,901	1,685	7,797	83,503
Multi-family	15,933	19,007	6,579	787	3,463	45,770
Federal	9,293	8,822	10,307	384	2,821	31,627
District Govt	2,028	2,478	3,833	217	1,010	9,566
DC Housing Authority	1,611	1,945	687	70	292	4,605
<b>Total:</b>	<b>\$73,331</b>	<b>\$81,159</b>	<b>\$55,681</b>	<b>\$5,738</b>	<b>\$20,043</b>	<b>\$235,952</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 2017 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$27,286	\$13,643	\$15,373	\$1,730	13%	56%
Commercial	33,037	16,519	18,901	2,382	14%	57%
Multi-family	10,516	5,258	6,579	1,321	25%	63%
Federal	20,615	10,308	10,307	(0)	0%	50%
District Govt	9,258	4,629	3,833	(796)	-17%	41%
DC Housing Authority	1,337	669	687	19	3%	51%
<b>Total:</b>	<b>\$102,049</b>	<b>\$51,025</b>	<b>\$55,681</b>	<b>\$4,656</b>	<b>9%</b>	<b>55%</b>

## Monthly Financial Report

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As of March 31, 2017

### 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
October 31, 2016	\$7.8	12,040
November 30, 2016	\$7.9	12,114
December 31, 2016	\$8.2	12,861
January 31, 2017	\$8.5	13,046
February 28, 2017	\$9.1	12,873
March 31, 2017	\$8.5	11,915

#### Greater Than 90 Days by Customer

	Number of Accounts			Month of March (All Categories)				Total Delinquent			
	W & S a/c	Impervious Only a/c	Total No. of a/c	Active		Inactive		No. of a/c Feb.	Amount (\$)	No. of a/c Mar.	Amount (\$)
				No. of a/c	Amount (\$)	No. of a/c	Amount (\$)				
Commercial	10,462	3,362	13,824	1,049	2,572,399	180	\$ 111,505	1,318	\$ 3,083,323	1,229	\$ 2,683,904
Multi-family	8,403	462	8,865	699	1,824,652	182	\$ 73,646	900	1,850,327	881	\$ 1,898,298
Single-Family Residential	106,346	3,380	109,726	7,395	3,372,328	2,410	\$ 503,349	10,655	4,121,197	9,805	\$ 3,875,677
<b>Total</b>	<b>125,211</b>	<b>7,204</b>	<b>132,415</b>	<b>9,143</b>	<b>\$ 7,769,379</b>	<b>2,772</b>	<b>\$ 688,500</b>	<b>12,873</b>	<b>\$ 9,054,847</b>	<b>11,915</b>	<b>\$ 8,457,879</b>

Notes: Included in the above \$7.77M (or 9,143 accounts) of the DC Water Over 90 days delinquent accounts, \$3,109,153.17 (or 1,991 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.

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### Overtime by Department

Department	FY 2017			
	Budget	YTD Actual	YTD Actual % of Budget	% of Regular Pay
Office of the Board Secretary	\$5,000	\$5,893	117.9%	4.5%
General Manager	7,500	4,321	57.6%	0.3%
General Counsel	2,000	273	13.7%	0.0%
External Affairs	27,000	369	1.4%	0.1%
Internal Audit	-	0	0.0%	0.0%
Information Technology	26,670	9,712	36.4%	0.6%
Procurement	30,000	4,704	15.7%	0.3%
Customer Service	260,000	299,745	115.3%	6.9%
Finance, Accounting & Budget	30,000	14,174	47.2%	0.5%
Assistant General Manager - Support Services	1,000	292	29.2%	0.1%
Human Capital Management	5,000	1,484	29.7%	0.1%
Occupational Safety and Health	2,000	264	13.2%	0.0%
Facilities Management	250,000	151,344	60.5%	7.8%
Department of Security	-	765	0.0%	0.2%
Distribution and Conveyance System	750,000	369,479	49.3%	11.2%
Engineering and Technical Services*	1,063,000	368,751	34.7%	4.3%
Water Services	1,100,000	855,363	77.8%	12.6%
Clean Rivers	5,000	0	0.0%	0.0%
Sewer Services	900,000	570,081	63.3%	15.9%
Wastewater Treatment - Operations	1,450,780	879,598	60.6%	16.1%
Wastewater Treatment - Process Engineering	120,000	13,150	11.0%	0.8%
Maintenance Services	700,000	355,660	50.8%	8.9%
Permit Operations	15,000	2,374	15.8%	0.4%
Fleet Management	3,500	854	24.4%	0.2%
<b>Total DC WATER</b>	<b>\$6,753,450</b>	<b>\$3,908,650</b>	<b>57.9%</b>	<b>7.4%</b>

**Notes:**

\* Engineering and Technical Services Department include overtime that will be charged/transferred to capital projects at the end of the fiscal year

## Monthly Financial Report

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

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

Service Areas	Budget		Actual			Variance		
	Annual	YTD	Oct. 2016 - Feb. 2017	Mar. 2017	YTD	YTD % Budget	YTD \$ Fav/(Unfav)	YTD % Fav/(Unfav)
<b>NON PROCESS FACILITIES</b>								
Facility Land Use	\$ 34,150	\$ 17,054	\$ 10,529	\$ 3,195	\$ 13,724	40.2%	\$ 3,330	19.5%
<b>Subtotal</b>	<b>34,150</b>	<b>17,054</b>	<b>10,529</b>	<b>3,195</b>	<b>13,724</b>	<b>40.2%</b>	<b>3,330</b>	<b>19.5%</b>
<b>WASTEWATER TREATMENT</b>								
Liquid Processing	16,152	7,556	4,588	1,690	6,278	38.9%	1,278	16.9%
Plantwide	11,313	5,164	4,849	1,285	6,135	54.2%	(971)	-18.8%
Solids Processing	7,654	6,025	6,100	344	6,443	84.2%	(418)	-6.9%
Enhanced Nitrogen Removal Facilities	88,670	48,209	40,570	7,812	48,383	54.6%	(174)	-0.4%
<b>Subtotal</b>	<b>123,789</b>	<b>66,954</b>	<b>56,107</b>	<b>11,131</b>	<b>67,239</b>	<b>54.3%</b>	<b>(284)</b>	<b>-0.4%</b>
<b>COMBINED SEWER OVERFLOW</b>								
D.C. Clean Rivers	171,300	92,804	81,893	24,379	106,272	62.0%	(13,468)	-14.5%
Program Management	3,827	1,770	1,957	167	2,124	55.5%	(354)	-20.0%
Combined Sewer	9,260	4,603	3,755	1,052	4,806	51.9%	(203)	-4.4%
<b>Subtotal</b>	<b>184,387</b>	<b>99,177</b>	<b>87,605</b>	<b>25,598</b>	<b>113,202</b>	<b>61.4%</b>	<b>(14,025)</b>	<b>-14.1%</b>
<b>STORMWATER</b>								
Local Drainage	172	169	195	99	295	170.9%	(125)	-73.9%
On-Going	424	71	179	19	198	46.7%	(127)	-178.6%
Pumping Facilities	368	135	-	-	-	0.0%	135	100.0%
DDOT	16	9	-	-	-	0.0%	9	100.0%
Research and Program Management	270	178	323	12	336	124.5%	(158)	-88.9%
Trunk/Force Sewers	456	109	95	11	106	23.3%	3	2.9%
<b>Subtotal</b>	<b>1,706</b>	<b>671</b>	<b>793</b>	<b>141</b>	<b>934</b>	<b>54.8%</b>	<b>(263)</b>	<b>-39.2%</b>
<b>SANITARY SEWER</b>								
Collection Sewers	4,890	2,916	2,785	63	2,848	58.2%	68	2.3%
On-Going	11,838	4,310	3,327	578	3,905	33.0%	405	9.4%
Pumping Facilities	2,806	1,742	1,244	637	1,881	67.0%	(139)	-8.0%
Program Management	8,755	2,825	3,521	459	3,980	45.5%	(1,155)	-40.9%
Interceptor/Trunk Force Sewers	10,013	3,422	3,100	1,088	4,188	41.8%	(767)	-22.4%
<b>Subtotal</b>	<b>38,302</b>	<b>15,215</b>	<b>13,977</b>	<b>2,825</b>	<b>16,802</b>	<b>43.9%</b>	<b>(1,587)</b>	<b>-10.4%</b>
<b>WATER</b>								
Distribution Systems	30,148	15,289	8,365	1,531	9,896	32.8%	5,393	35.3%
Lead Program	1,050	528	938	285	1,222	116.4%	(694)	-131.3%
On-Going	10,643	5,966	3,060	536	3,596	33.8%	2,370	39.7%
Pumping Facilities	2,598	1,459	1,373	118	1,490	57.4%	(31)	-2.2%
DDOT	830	457	-	-	-	0.0%	457	100.0%
Storage Facilities	7,728	2,941	3,272	1,256	4,528	58.6%	(1,588)	-54.0%
Program Management	5,823	2,824	2,905	401	3,307	56.8%	(483)	-17.1%
<b>Subtotal</b>	<b>58,819</b>	<b>29,464</b>	<b>19,911</b>	<b>4,128</b>	<b>24,039</b>	<b>40.9%</b>	<b>5,425</b>	<b>18.4%</b>
<b>Capital Projects</b>	<b>441,153</b>	<b>228,536</b>	<b>188,923</b>	<b>47,017</b>	<b>235,940</b>	<b>53.5%</b>	<b>(7,405)</b>	<b>-3.2%</b>
<b>CAPITAL EQUIPMENT</b>	<b>54,949</b>	<b>27,474</b>	<b>14,524</b>	<b>3,106</b>	<b>17,631</b>	<b>32.1%</b>	<b>9,844</b>	<b>35.8%</b>
<b>WASHINGTON AQUEDUCT</b>	<b>10,896</b>	<b>5,448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>5,448</b>	<b>0.0%</b>
<b>Additional Capital Programs</b>	<b>65,845</b>	<b>32,922</b>	<b>14,524</b>	<b>3,106</b>	<b>17,631</b>	<b>26.8%</b>	<b>15,292</b>	<b>46.4%</b>
<b>Total</b>	<b>\$ 506,998</b>	<b>\$ 261,458</b>	<b>\$ 203,448</b>	<b>\$ 50,123</b>	<b>\$ 253,571</b>	<b>50.0%</b>	<b>\$ 7,886</b>	<b>3.0%</b>

**Monthly Financial Report**

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

**Accounts Payable**

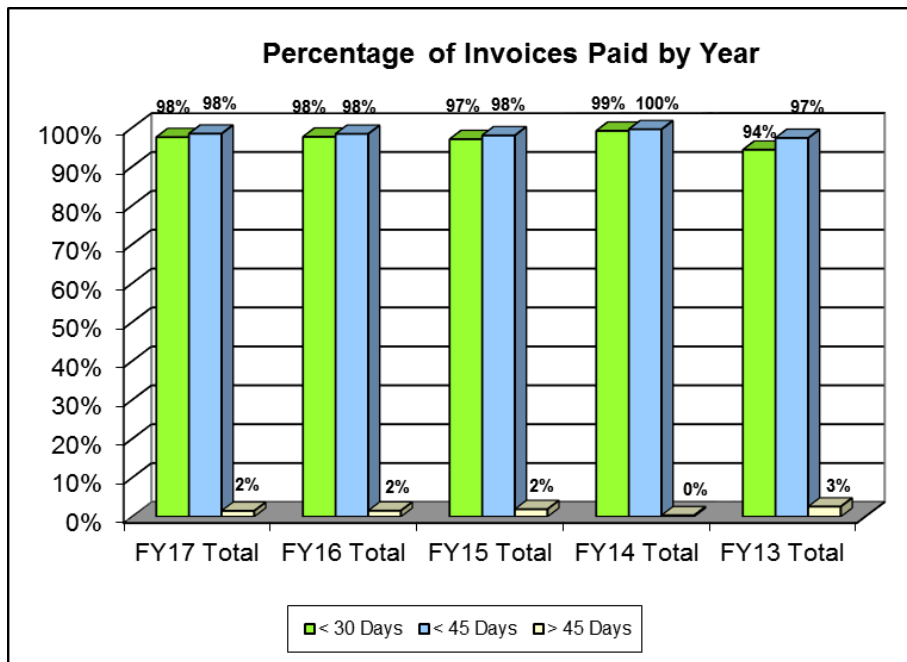
Cumulative performance for the six month period ending March FY 2017, a total of 9,624 vendor payments were processed and paid within 30 days compared to 9,890 in FY 2016 (as shown in the table below) and with a dollar value of \$372.1 million compared to \$473.0 million for FY 2016.

For FY 2017, approximately 97.6% of the invoices were paid within 30 days compared to 97.7% for FY 2016. The Authority’s goal is to pay 97% of all undisputed invoices within 30 days.

**Accounts Payable Performance**

Days	FY 2017		FY 2016	
	Number	Percent	Number	Percent
Less than 30	9,624	97.6%	9,890	97.7%
Less than 45	9,712	98.5%	9,966	98.4%
Greater than 45	148	1.5%	157	1.6%
<b>Sub-Total</b>	<b>9,860</b>	<b>100%</b>	<b>10,123</b>	<b>100%</b>
Retainage/Dispute	78		117	
<b>Total</b>	<b>9,938</b>		<b>10,240</b>	

The chart below shows cumulative year to date historical performance for fiscal year 2013 through fiscal year 2017



**Monthly Financial Report**

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

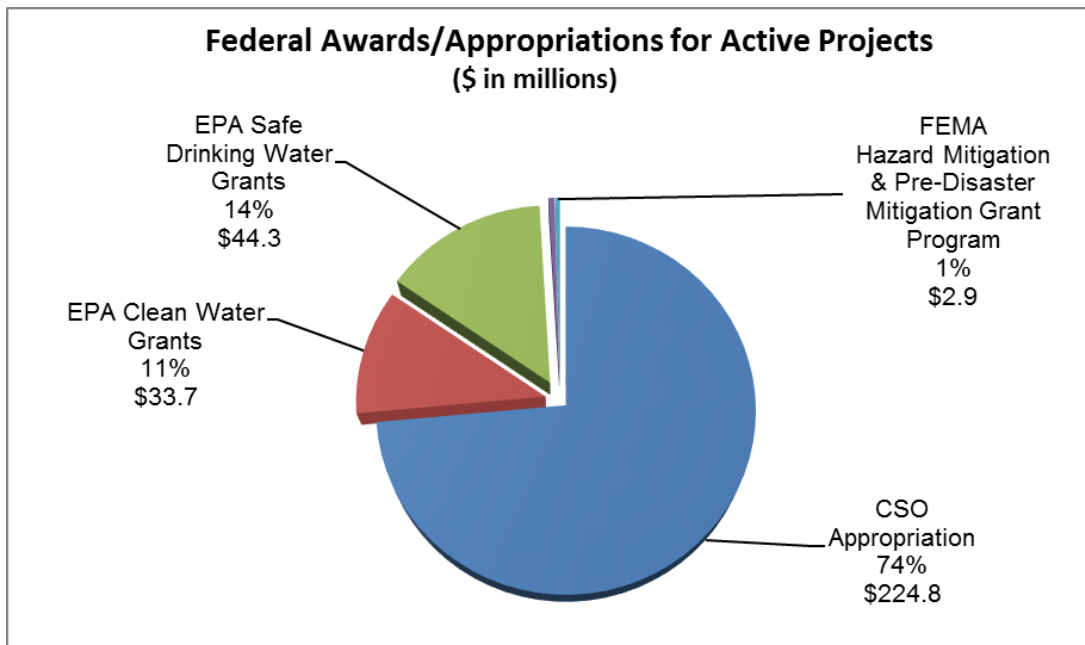
**Grants Report**

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 March 31 2017, DC Water has \$305.7 million in total federal awards and appropriations for active projects, as indicated below:



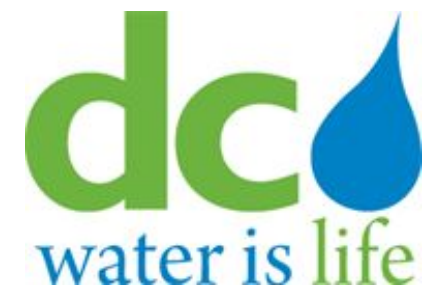
EPA awards total \$78 million with remaining fund balance of \$23.7 million, while FEMA grants have remaining fund balance of \$2.8 million as of March 31, 2017.

DC Water has received seventeen separate Congressional CSO appropriations totaling \$224.8 million plus accrued interest of \$12.3 million, resulting in total CSO funding of \$237.1 million. The cumulative CSO appropriation life-to-date cash disbursement is \$237.1 million, based on requested reimbursement through March 31, 2017. The remaining CSO balance as of March 31, 2017 is \$514.42 which represents interest.



# DC Water

*Investment Performance Report – March 2017*





**DC Water  
Finance Division  
Economic Update**

### ECONOMIC COMMENTARY

- U.S. Treasury yields climbed higher at the beginning of March in anticipation of the FOMC meeting on March 15<sup>th</sup>. Despite the FOMC raising rates by ¼%, yields remained relatively unchanged following the meeting.
- The United States labor market added 98,000 jobs in March, below expectations of job growth of 180,000. The unemployment rate ticked down from 4.7% to 4.5%.

### 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 0.94%.

#### Operating Reserve

- PFM purchased \$1,035,000 of 3-year Supranational Bonds at an average yield of 1.93% and \$925,000 of 3-year corporate notes at an average yield of 2.17%.

#### 2017A Construction Fund

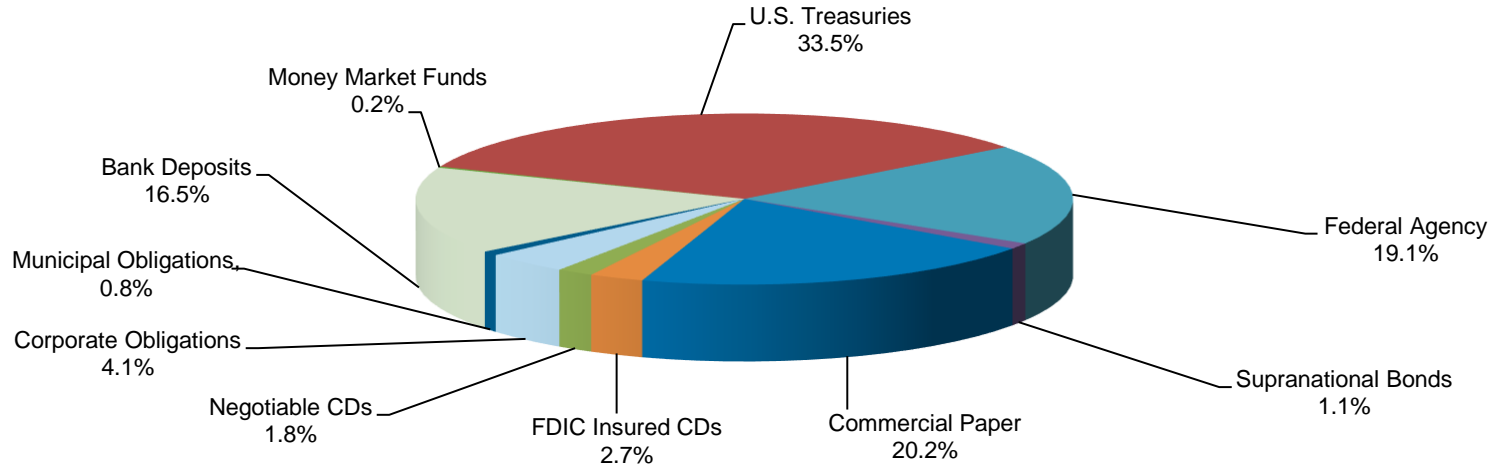
- At the beginning of March, PFM purchased \$81.6 million of 1- to 3-month Federal Agencies at an average yield of 0.62% and \$26.8 million of 7- to 9-month commercial paper at an average yield of 1.34%.

#### 2017B Construction Fund

- At the beginning of March, PFM purchased \$121.1 million of 6-month to 1¼-year U.S. Treasuries at an average yield of 1.01%, \$88.8 million of 6-month commercial paper at an average yield of 1.23%, and \$15.0 million of 4-month Federal Agencies at an average yield of 0.66%.



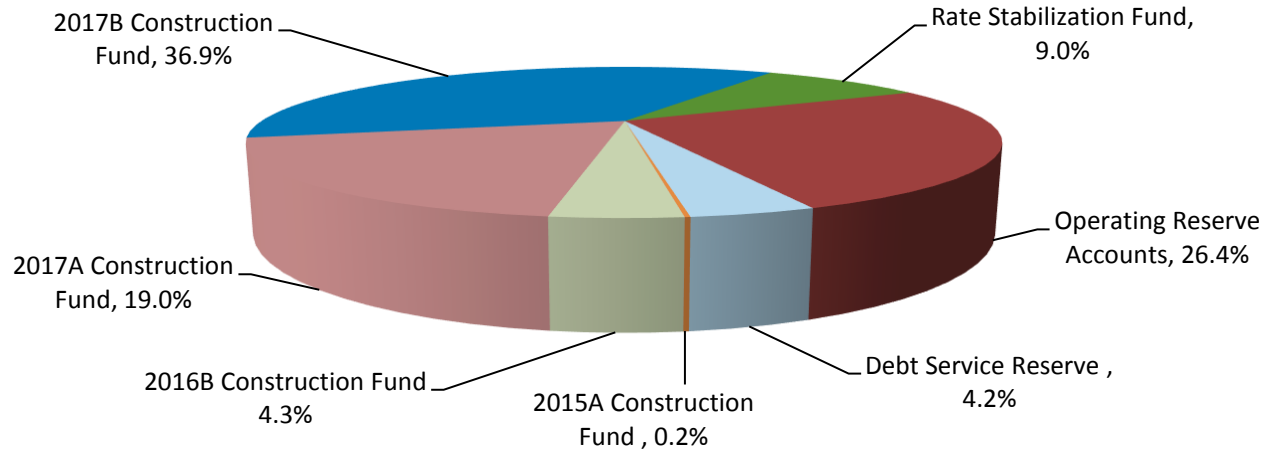
**DC Water  
Finance Division  
Investments - By Security Type  
As of March 31, 2017**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	94,073,422	16.5%	100.0%
Money Market Funds	1,251,583	0.2%	100.0%
U.S. Treasuries	190,504,772	33.5%	100.0%
Federal Agency	108,685,813	19.1%	80.0%
Supranational Bonds	6,436,641	1.1%	30.0%
Commercial Paper	114,830,354	20.2%	35.0%
FDIC Insured CDs	15,262,823	2.7%	30.0%
Negotiable CDs	10,241,082	1.8%	30.0%
Corporate Obligations	23,479,438	4.1%	30.0%
Municipal Obligations	4,726,235	0.8%	20.0%
<b>Total</b>	<b>\$ 569,492,162</b>	<b>100.0%</b>	



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

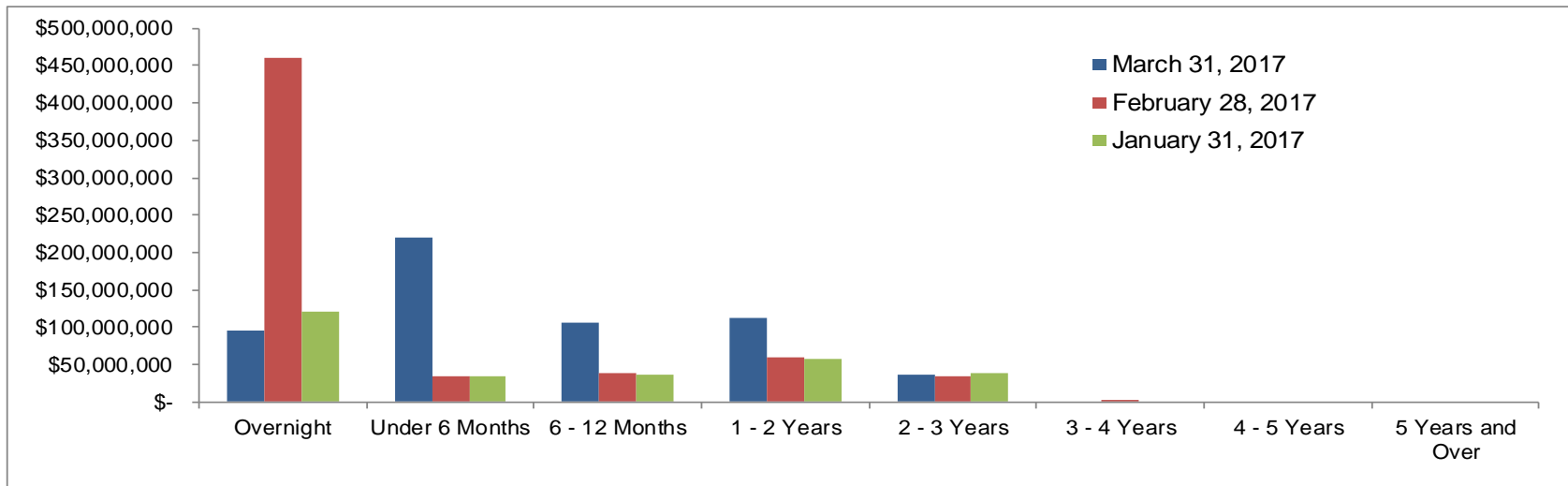


Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Rate Stabilization Fund	\$ 51,450,000	0.40%	0.00	1.0
Operating Reserve Accounts	\$ 150,359,927	1.09%	1.14	425.0
CSO LTCP Appropriations Account	\$ 514	0.37%	0.00	1.0
Debt Service Reserve	\$ 23,675,937	0.81%	0.85	311.5
2015A Construction Fund	\$ 1,039,671	0.58%	0.00	1.0
2015B Construction Fund	\$ 31,359	0.58%	0.00	1.0
2016B Construction Fund	\$ 24,552,597	0.54%	0.09	34.0
2017A Construction Fund	\$ 108,041,055	0.78%	0.24	87.0
2017B Construction Fund	\$ 210,341,102	1.10%	0.74	273.3
<b>Total</b>	<b>\$ 569,492,162</b>	<b>0.94%</b>	<b>0.66</b>	<b>244.2</b>



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

<b>Maturity Distribution</b>	<b>March 31, 2017</b>	<b>February 28, 2017</b>	<b>January 31, 2017</b>
Overnight \$	95,325,004.29 \$	460,230,183.32 \$	121,372,507.16
Under 6 Months	220,621,967.78	34,539,867.46	34,521,834.98
6 - 12 Months	105,992,469.73	37,398,235.39	35,704,408.12
1 - 2 Years	111,277,174.98	58,470,671.15	58,155,037.77
2 - 3 Years	36,275,545.62	34,412,782.13	37,173,195.07
3 - 4 Years	-	924,602.25	-
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
<b>Totals \$</b>	<b>569,492,162.40 \$</b>	<b>625,976,341.70 \$</b>	<b>286,926,983.10</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		94,073,421.59	16.5%	100.0%	Yes
<b>Sub-Total Bank Deposits</b>		<b>94,073,421.59</b>	<b>16.5%</b>	100.0%	Yes
<b>Money Market Mutual Funds</b>					
Wells Fargo Treasury Plus MMF	AAA m	1,226,888.18	0.2%	50.0%	Yes
Wells Fargo Government MMF	AAA m	24,694.52	0.0%	50.0%	Yes
<b>Sub-Total Money Market Mutual Funds</b>		<b>1,251,582.70</b>	<b>0.2%</b>	100.0%	Yes
<b>U.S. Treasuries</b>					
Treasury Note	AA+ / Aaa	190,504,772.00	33.5%	100.0%	Yes
<b>Sub-Total Treasuries</b>		<b>190,504,772.00</b>	<b>33.5%</b>	100.0%	Yes
<b>Federal Agencies</b>					
Fannie Mae	AA+ / Aaa	59,063,210.63	10.4%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	43,277,598.44	7.6%	40.0%	Yes
Freddie Mac	AA+ / Aaa	6,345,004.41	1.1%	40.0%	Yes
<b>Sub-Total Federal Agencies</b>		<b>108,685,813.48</b>	<b>19.1%</b>	80.0%	Yes
<b>Supranational Bonds</b>					
African Development Bank	AAA / Aaa	2,444,855.26	0.4%	5.0%	Yes
Asian Development Bank	AAA / Aaa	928,054.07	0.2%	5.0%	Yes
Inter-American Development Bank	AAA / Aaa	1,262,222.28	0.2%	5.0%	Yes
International Bank for Reconstruction and Development	AAA / Aaa	1,801,508.98	0.3%	5.0%	Yes
<b>Sub-Total Supranational Bonds</b>		<b>6,436,640.59</b>	<b>1.1%</b>	30.0%	Yes
<b>Commercial Paper</b>					
BNP Paribas	A-1 / P-1	16,358,787.39	2.9%	5.0%	Yes
Bank of Tokyo Mitsubishi	A-1 / P-1	16,404,629.84	2.9%	5.0%	Yes
Cooperative Rabobank	A-1 / P-1	16,421,459.84	2.9%	5.0%	Yes
Credit Agricole	A-1 / P-1	16,414,447.50	2.9%	5.0%	Yes
GE Capital	A-1+ / P-1	16,422,862.34	2.9%	5.0%	Yes
JP Morgan Securities LLC	A-1 / P-1	16,412,343.75	2.9%	5.0%	Yes
Toyota Motor Credit	A-1+ / P-1	16,395,823.58	2.9%	5.0%	Yes
<b>Sub-Total Commercial Paper</b>		<b>114,830,354.24</b>	<b>20.2%</b>	35.0%	Yes
<b>FDIC Insured Certificates of Deposit</b>					
CDARS - Placed by Industrial Bank	NR / NR	15,262,822.99	2.7%	5.0%	Yes
<b>Sub-Total FDIC-Insured Certificates of Deposit</b>		<b>15,262,822.99</b>	<b>2.7%</b>	30.0%	Yes



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
<b>Negotiable Certificates of Deposit</b>					
Canadian Imperial Bank NY	A+ / Aa3	1,809,118.58	0.3%	5.0%	Yes
HSBC Bank USA NA	A-1+ / P-1	1,803,508.33	0.3%	5.0%	Yes
Nordea Bank Finland NY	AA- / Aa3	1,810,296.00	0.3%	5.0%	Yes
Skandinaviska Enskilda Banken NY	A-1 / P-1	1,810,064.00	0.3%	5.0%	Yes
Svenska Handelsbanken NY	AA- / Aa2	1,807,465.50	0.3%	5.0%	Yes
US Bank NA Cincinnati	AA- / Aa1	1,200,629.34	0.2%	5.0%	Yes
<b>Sub-Total Negotiable Certificates of Deposit</b>		<b>10,241,081.75</b>	<b>1.8%</b>	30.0%	Yes
<b>Corporate Obligations</b>					
Apple Inc.	AA+ / Aa1	1,446,781.89	0.3%	5.0%	Yes
Bank of Montreal	A+ / Aa3	902,072.50	0.2%	5.0%	Yes
Bank of New York Mellon	A / A1	1,810,256.23	0.3%	5.0%	Yes
Bank of Nova Scotia	A+ / Aa3	1,809,008.11	0.3%	5.0%	Yes
Berkshire Hathaway Inc	AA / Aa2	350,338.36	0.1%	5.0%	Yes
Cisco Systems Inc.	AA- / A1	1,557,422.57	0.3%	5.0%	Yes
Chevron	AA- / Aa2	1,807,502.70	0.3%	5.0%	Yes
Exxon Mobil	AA+ / Aaa	1,801,631.25	0.3%	5.0%	Yes
IBM	AA- / Aa3	1,826,544.59	0.3%	5.0%	Yes
Merck & Co.	AA / A1	734,389.41	0.1%	5.0%	Yes
Microsoft	AAA / Aaa	1,041,455.66	0.2%	5.0%	Yes
Pfizer Inc.	AA / A1	899,918.77	0.2%	5.0%	Yes
Royal Bank of Canada	AA- / Aa3	1,757,055.15	0.3%	5.0%	Yes
Toronto Dominion Bank NY	AA- / Aa1	901,674.99	0.2%	5.0%	Yes
Toyota Motor Credit Corp	AA- / Aa3	1,529,459.28	0.3%	5.0%	Yes
Walmart Stores Inc.	AA / Aa2	784,709.53	0.1%	5.0%	Yes
Wells Fargo & Company Notes	A / A2	1,115,335.80	0.2%	5.0%	Yes
Westpac Banking	AA- / Aa2	1,403,880.80	0.2%	5.0%	Yes
<b>Sub-Total Corporate Obligations</b>		<b>23,479,437.59</b>	<b>4.1%</b>	30.0%	Yes
<b>Municipal Obligations</b>					
Connecticut State	AA- / Aa3	988,327.70	0.2%	5.0%	Yes
Florida State	AA / Aa3	1,809,733.50	0.3%	5.0%	Yes
Mississippi State	AA / Aa2	120,654.00	0.0%	5.0%	Yes
Regional Transportation Authority, IL	AA / Aa3	1,807,520.27	0.3%	5.0%	Yes
<b>Sub-Total Municipal Obligations</b>		<b>4,726,235.47</b>	<b>0.8%</b>	20.0%	Yes
<b>Grand Total</b>		<b>\$ 569,492,162.40</b>	<b>100.0%</b>		



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

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

	Trailing 1 Months		Trailing 3 Months		Trailing 6 Months		Trailing 12 Months	Trailing 24 Months
	Periodic	Annualized	Periodic	Annualized	Periodic	Annualized		
Total Rate Stabilization Fund	0.04%	0.50%	0.12%	0.50%	0.22%	0.45%	0.52%	0.57%
Operating Reserve Accounts	0.10%	1.18%	0.29%	1.19%	0.55%	1.11%	1.20%	1.08%
Total Debt Service Reserve	0.07%	0.81%	0.20%	0.81%	0.40%	0.80%	0.72%	0.71%
2015A Construction Fund	0.02%	0.24%	0.10%	0.43%	0.29%	0.58%	0.61%	n/a
2015B Construction Fund	0.01%	0.13%	0.10%	0.41%	0.26%	0.53%	0.62%	n/a
2016B Construction Fund	0.05%	0.55%	0.14%	0.55%	n/a	n/a	n/a	n/a
2017A Construction Fund	0.07%	0.82%	n/a	n/a	n/a	n/a	n/a	n/a
2017B Construction Fund	0.09%	1.11%	n/a	n/a	n/a	n/a	n/a	n/a
<b>Short-Term</b>	<b>0.07%</b>	<b>0.85%</b>	<b>0.17%</b>	<b>0.69%</b>	<b>0.33%</b>	<b>0.67%</b>	<b>0.67%</b>	<b>0.55%</b>
Merrill Lynch 3-Month Treasury Index (Book Value) <sup>1</sup>	0.06%	0.71%	0.14%	0.56%	0.23%	0.45%	0.33%	0.21%
<b>Core (1+ Years)</b>	<b>0.10%</b>	<b>1.20%</b>	<b>0.30%</b>	<b>1.21%</b>	<b>0.59%</b>	<b>1.18%</b>	<b>1.16%</b>	<b>1.06%</b>
Merrill Lynch 1-3 Year Treasury Index (Book Value) <sup>2</sup>	0.11%	1.26%	0.29%	1.20%	0.56%	1.12%	0.93%	0.86%

- (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		\$ 51,450,000		4/1/2017		0.40%	\$ 51,450,000	\$ 51,450,000	\$ 51,450,000	\$ 51,450,000.00
<b>Operating Reserve Accounts</b>										
TD BANK BANK DEPOSIT		\$ 42,622,907		4/1/2017		0.90%	\$ 42,622,907	\$ 42,622,907	\$ 42,622,907	
WELLS FARGO GOVERNMENT MMF		24,695		4/1/2017		0.57%	24,695	24,695	24,695	
US BANK NA CINCINNATI (CALLABLE) CD	90333VPF1	1,200,000	1.375	9/11/2017	9/11/2014	1.41%	1,198,068	1,202,445	1,200,629	
MS ST TXBL GO BONDS	605581FX0	120,000	1.090	10/1/2017	2/18/2015	1.09%	120,000	120,660	120,654	
INDUSTRIAL BANK CDARS		5,035,026	0.350	10/12/2017	10/13/2016	0.35%	5,035,026	5,043,256	5,043,256	
ROYAL BANK OF CANADA CORP NOTES	78010U4A2	850,000	1.400	10/13/2017	10/15/2014	1.41%	849,873	855,310	855,530	
INDUSTRIAL BANK CDARS		5,065,244	0.400	11/9/2017	11/10/2016	0.40%	5,065,244	5,073,192	5,073,192	
SKANDINAVISKA ENSKILDA BANKEN NY CD	83050FBG5	1,800,000	1.480	11/16/2017	11/17/2015	1.48%	1,800,000	1,808,777	1,810,064	
HSBC BANK USA NA FLOATING CERT DEPOS	40428AR41	1,800,000	1.632	11/17/2017	11/18/2015	0.97%	1,800,000	1,807,423	1,803,508	
CHEVRON CORP (CALLABLE) GLOBAL NOTES	166764AA8	900,000	1.104	12/5/2017	11/26/2014	1.26%	895,743	901,702	902,234	
TOYOTA MOTOR CREDIT CORP NOTE	89236TCA1	590,000	1.450	1/12/2018	1/12/2015	1.50%	589,192	591,782	591,664	
WESTPAC BANKING CORP NOTES	961214BZ5	475,000	1.600	1/12/2018	4/29/2015	1.27%	479,175	476,813	477,889	
INDUSTRIAL BANK CDARS		2,563,284	0.600	1/18/2018	1/21/2016	0.60%	2,563,284	2,581,723	2,581,723	
INDUSTRIAL BANK CDARS		2,562,346	0.450	1/18/2018	1/19/2017	0.45%	2,562,346	2,564,652	2,564,652	
IBM CORP NOTES	459200HZ7	1,825,000	1.125	2/6/2018	2/6/2015	1.23%	1,819,434	1,825,604	1,826,545	
WAL MART STORES INC. CORP NOTES	931142CJ0	750,000	5.800	2/15/2018	6/12/2015	1.30%	838,382	846,770	784,710	
EXXON MOBIL CORP NOTES	30231GAL6	1,800,000	1.305	3/6/2018	3/6/2015	1.31%	1,800,000	1,800,193	1,801,631	
REGIONAL TRANS AUTH. IL TXBL REV BONDS	7599112M1	1,800,000	1.250	5/4/2018	5/20/2016	1.44%	1,793,358	1,805,472	1,807,520	
MERCK & CO GLOBAL NOTES	58933YAG0	731,000	1.300	5/18/2018	3/27/2015	1.31%	730,664	734,313	734,389	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406HDB2	1,800,000	1.600	5/22/2018	5/29/2015	1.60%	1,799,838	1,809,987	1,810,256	
BANK OF NOVA SCOTIA CORP NOTE (CALLABLE)	064159GM2	1,800,000	1.700	6/11/2018	6/11/2015	1.72%	1,799,154	1,812,997	1,809,008	
CISCO SYSTEMS INC CORP NOTE	17275RAU6	1,550,000	1.650	6/15/2018	6/17/2015	1.66%	1,549,737	1,562,501	1,557,423	
FEDERAL HOME LOAN BANKS AGCY	3130A8BD4	1,880,000	0.875	6/29/2018	5/27/2016	0.99%	1,875,469	1,876,938	1,881,492	
FEDERAL HOME LOAN BANKS AGCY	3130A8BD4	1,675,000	0.875	6/29/2018	8/12/2016	0.85%	1,675,637	1,672,272	1,679,170	
TOYOTA MOTOR CREDIT CORP	89236TCP8	935,000	1.550	7/13/2018	7/13/2015	1.58%	934,205	939,126	937,796	
INTL BANK OF RECON AND DEV SN NOTES	459058FE8	900,000	0.875	7/19/2018	4/19/2016	0.95%	898,407	896,694	900,649	
FHLB NOTES	3130A8PK3	3,675,000	0.625	8/7/2018	8/12/2016	0.81%	3,661,844	3,650,548	3,669,482	
BERKSHIRE HATHAWAY INC GLOBAL NOTES	084670B5	220,000	1.150	8/15/2018	8/15/2016	1.16%	219,974	219,216	220,305	
AFRICAN DEVELOPMENT BANK NOTE	00828EBB4	700,000	1.625	10/2/2018	11/3/2016	1.12%	706,699	707,918	710,930	
FHLMC REFERENCE NOTE	3137EAED7	2,375,000	0.875	10/12/2018	9/16/2016	0.90%	2,373,979	2,373,379	2,385,503	
US TREASURY NOTES	912828A34	2,130,000	1.250	11/30/2018	11/9/2015	1.18%	2,134,327	2,140,338	2,141,301	
US TREASURY NOTES	912828A34	3,000,000	1.250	11/30/2018	5/6/2016	0.83%	3,031,641	3,014,561	3,033,156	
CANADIAN IMPERIAL BANK NY CD	13606A5Z7	1,800,000	1.760	11/30/2018	12/5/2016	1.78%	1,798,596	1,820,257	1,809,119	
NORDEA BANK FINLAND NY CD	65558LWA6	1,800,000	1.760	11/30/2018	12/5/2016	1.74%	1,800,000	1,820,257	1,810,296	
US TREASURY NOTES	912828A75	5,150,000	1.500	12/31/2018	12/4/2015	1.22%	5,193,654	5,193,562	5,194,459	
SVENSKA HANDELSBANKEN NY LT CD	86958JHB8	1,800,000	1.890	1/10/2019	1/12/2017	1.91%	1,800,000	1,802,532	1,807,466	
WELLS FARGO & COMPANY NOTES	94974BFQ8	1,103,000	2.150	1/15/2019	10/7/2015	1.77%	1,116,225	1,113,754	1,115,336	
FHLB NOTES	3130AAE46	1,800,000	1.250	1/16/2019	12/8/2016	1.25%	1,799,928	1,802,967	1,804,621	
APPLE INC CORP NOTES	037833BQ2	545,000	1.700	2/22/2019	2/23/2016	1.71%	544,907	548,136	545,919	
FNMA BENCHMARK NOTE	3135G0J53	2,250,000	1.000	2/26/2019	2/23/2016	1.08%	2,244,690	2,237,482	2,248,809	
FNMA BENCHMARK NOTE	3135G0J53	825,000	1.000	2/26/2019	8/8/2016	0.90%	827,087	820,410	827,365	
FNMA BENCHMARK NOTE	3135G0J53	1,425,000	1.000	2/26/2019	9/2/2016	0.97%	1,425,926	1,417,072	1,427,097	
BERKSHIRE HATHAWAY INC NOTES	084664CG4	130,000	1.700	3/15/2019	3/15/2016	1.73%	129,901	130,323	130,033	
FREDDIE MAC NOTES	3137EADZ9	1,700,000	1.125	4/15/2019	5/31/2016	1.10%	1,701,309	1,700,592	1,709,756	
US TREASURY NOTES	912828D23	1,465,000	1.625	4/30/2019	6/29/2016	0.70%	1,502,998	1,485,125	1,502,933	
US TREASURY NOTES	912828D23	2,820,000	1.625	4/30/2019	11/14/2016	1.06%	2,858,555	2,858,739	2,871,891	
INTER-AMERICAN DEVELOPMENT BANK	458182DX7	1,260,000	1.000	5/13/2019	4/12/2016	1.10%	1,256,220	1,252,312	1,262,222	

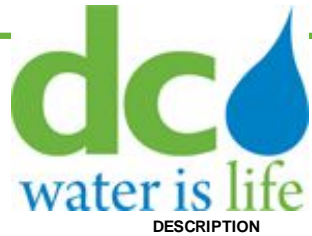




**DC Water  
Finance Division  
Portfolio Holdings by Fund**

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>										
CHEVRON CORP NOTES	166764BH2	900,000	1.561	5/16/2019	5/16/2016	1.56%	900,000	902,306	905,268	
FHLB GLOBAL NOTE	3130A8DB6	1,840,000	1.125	6/21/2019	6/3/2016	1.14%	1,839,227	1,835,446	1,845,182	
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	1,823,990	1,809,734	
BANK OF MONTREAL	06367THQ6	900,000	1.500	7/18/2019	7/18/2016	1.53%	899,136	893,348	902,073	
FHLMC REFERENCE NOTE	3137EAE1	2,250,000	0.875	7/19/2019	7/20/2016	0.96%	2,244,555	2,226,598	2,249,746	
ROYAL BANK OF CANADA CORP NOTES	78012KRR5	900,000	1.500	7/29/2019	7/29/2016	1.54%	898,974	893,104	901,525	
APPLE INC CORP NOTES	037833CB4	900,000	1.100	8/2/2019	8/4/2016	1.13%	899,100	890,875	900,863	
MICROSOFT CORP NOTES	594918BN3	595,000	1.100	8/8/2019	8/8/2016	1.14%	594,387	589,466	595,481	
TORONTO DOMINION BANK NY CORP NOTES	89114QBJ6	900,000	1.450	8/13/2019	7/13/2016	1.45%	899,919	891,794	901,675	
CT ST TXBL GO BONDS	20772J3D2	985,000	1.300	8/15/2019	8/17/2016	1.23%	987,128	975,506	988,328	
INTL BANK OF RECON AND DEV SN NOTE	459058FK4	900,000	0.875	8/15/2019	7/13/2016	0.88%	899,811	886,767	900,860	
FNMA NOTES	3135G0P49	1,450,000	1.000	8/28/2019	9/2/2016	1.05%	1,447,738	1,435,845	1,449,417	
FNMA NOTES	3135G0P49	1,975,000	1.000	8/28/2019	10/5/2016	1.02%	1,973,815	1,955,720	1,975,714	
AFRICAN DEVELOPMENT BANK NOTE	00828EBQ1	700,000	1.125	9/20/2019	9/20/2016	1.16%	699,258	691,556	699,628	
US TREASURY NOTES	912828G61	2,325,000	1.500	11/30/2019	12/5/2016	1.45%	2,328,633	2,340,595	2,339,939	
PFIZER INC CORP NOTE	717081EB5	595,000	1.700	12/15/2019	11/21/2016	1.72%	594,572	598,141	598,275	
PFIZER INC CORP NOTE	717081EB5	300,000	1.700	12/15/2019	11/21/2016	1.73%	299,775	301,584	301,643	
ASIAN DEVELOPMENT BANK	045167DT7	925,000	1.750	1/10/2020	1/12/2017	1.77%	924,464	932,558	928,054	
US TREASURY NOTES	912828H52	3,475,000	1.250	1/31/2020	1/5/2017	1.52%	3,447,309	3,459,803	3,456,608	
MICROSOFT CORP	594918BV5	445,000	1.850	2/6/2020	2/6/2017	1.87%	444,702	447,638	445,974	
FNMA NOTES	3135G0T29	1,150,000	1.500	2/28/2020	2/28/2017	1.52%	1,149,264	1,148,717	1,150,770	
UNITED STATES TREASURY NOTES	912828J50	725,000	1.375	2/29/2020	2/3/2017	1.58%	720,610	723,120	721,698	
WESTPAC BANKING CORP	961214DJ9	925,000	2.150	3/6/2020	3/6/2017	2.16%	924,602	926,931	925,992	
AFRICAN DEVELOPMENT BANK NOTE	00828ECA5	1,035,000	1.875	3/16/2020	3/16/2017	1.93%	1,033,468	1,040,292	1,034,298	
										\$ 150,359,927.27
<b>Debt Service Reserve</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 141,264		4/1/2017		0.58%	\$ 141,264	\$ 141,264	\$ 141,264	
US TREASURY NOTES	912828TS9	5,415,000	0.625	9/30/2017	4/26/2016	0.75%	5,405,058	5,407,479	5,411,622	
US TREASURY NOTES	912828PA2	6,257,000	1.875	9/30/2017	6/29/2015	0.76%	6,412,692	6,286,403	6,291,902	
US TREASURY NOTES	912828Q45	6,820,000	0.875	3/31/2018	11/2/2016	0.76%	6,831,189	6,806,312	6,828,099	
US TREASURY NOTES	912828RH5	4,975,000	1.375	9/30/2018	11/15/2016	1.00%	5,009,786	4,989,764	5,003,050	
										\$ 23,675,936.77
<b>CSO LTCP Appropriations Account</b>										
TD BANK BANK DEPOSIT		514		4/1/2017		0.37%	514	514	514	
										\$ 514.42
<b>2015A Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 1,039,671		4/1/2017		0.58%	\$ 1,039,671	\$ 1,039,671	\$ 1,039,671	
										\$ 1,039,671.37
<b>2015B Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 31,359		4/1/2017		0.58%	\$ 31,359	\$ 31,359	\$ 31,359	
										\$ 31,358.96
<b>2016B Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 756		4/1/2017		0.58%	\$ 756	\$ 756	\$ 756	
US TREASURY BILL	912796KU2	24,564,000	-	5/4/2017	11/10/2016	0.54%	24,499,520	24,549,409	24,551,841	
										\$ 24,552,596.75
<b>2017A Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 5,335		4/1/2017		0.58%	\$ 5,335	\$ 5,335	\$ 5,335	
FED HOME LN DISCOUNT NT	313385DW3	31,515,000	-	4/3/2017	3/1/2017	0.52%	31,499,978	31,513,152	31,514,090	
FNMA DISC NOTE	313589GH0	50,000,000	-	6/1/2017	3/1/2017	0.66%	49,915,667	49,934,466	49,944,083	
FNMA DISC NOTE	313589GH0	40,000	-	6/1/2017	3/1/2017	0.66%	39,933	39,948	39,955	

Investment Performance Report – March 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>2017A Construction Fund</b>										
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GX27	2,015,000	-	10/2/2017	3/1/2017	1.26%	1,999,957	2,002,295	2,002,126	
BNP PARIBAS NY BRANCH COMM PAPER	09659BYQ7	16,500,000	-	11/24/2017	3/1/2017	1.31%	16,340,317	16,344,999	16,358,787	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GYQ3	8,250,000	-	11/24/2017	3/1/2017	1.36%	8,167,088	8,178,877	8,176,678	
										\$ 108,041,055.19
<b>2017B Construction Fund</b>										
WELLS FARGO TREASURY PLUS MMF		\$ 8,503		4/1/2017		0.58%	\$ 8,503	\$ 8,503	\$ 8,503	
FED HOME LN DISCOUNT NT	313385HN9	885,000	-	6/30/2017	3/1/2017	0.65%	883,067	883,237	883,562	
US TREASURY BILL	912796LR8	12,535,000	-	8/31/2017	3/6/2017	0.82%	12,484,085	12,490,952	12,491,522	
BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER	06538BW17	16,500,000	-	9/1/2017	3/1/2017	1.37%	16,385,307	16,407,402	16,404,630	
COOPERATIEVE RABOBANK U.A. COMM PAPER	21687AW17	16,500,000	-	9/1/2017	3/2/2017	1.13%	16,406,060	16,419,249	16,421,460	
CREDIT AGRICOLE CIB NY COMM PAPER	22533TW10	16,500,000	-	9/1/2017	3/2/2017	1.23%	16,397,673	16,413,540	16,414,448	
GE CAPITAL TREASURY LLC COMM PAPER	36164JW18	16,500,000	-	9/1/2017	3/1/2017	1.11%	16,407,233	16,424,414	16,422,862	
JP MORGAN SECURITIES LLC COMM PAPER	46640PW17	16,500,000	-	9/1/2017	3/1/2017	1.26%	16,394,583	16,418,540	16,412,344	
TOYOTA MOTOR CREDIT CORP	89233GW51	6,250,000	-	9/5/2017	3/3/2017	1.22%	6,210,927	6,217,413	6,217,019	
US TREASURY N/B	912828H37	17,485,000	0.875	1/15/2018	3/2/2017	0.92%	17,477,487	17,495,946	17,510,323	
US TREASURY N/B	912828J68	28,870,000	1.000	3/15/2018	3/2/2017	1.02%	28,865,489	28,861,915	28,879,205	
US TREASURY NOTES	912828K25	18,505,000	0.750	4/15/2018	3/2/2017	1.04%	18,445,003	18,502,549	18,513,468	
US TREASURY NOTES	912828XF2	30,905,000	1.125	6/15/2018	3/2/2017	1.08%	30,924,316	31,003,587	31,025,315	
US TREASURY NOTES	912828XK1	12,750,000	0.875	7/15/2018	3/2/2017	1.10%	12,710,654	12,729,587	12,736,443	
										\$ 210,341,101.67
							<b>\$ 568,889,211.51</b>	<b>\$ 569,116,219.35</b>	<b>\$ 569,492,162.40</b>	<b>\$ 569,492,162.40</b>

## Investment Performance Report – March 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>							
3135G0P49	FNMA NOTES	1,975,000.00	1.00	8/28/2019	10/5/2016	1.02	1,975,625.42
RE0959594	INDUSTRIAL BANK CDARS	5,035,025.80	0.35	10/12/2017	10/13/2016	0.35	5,035,025.80
00828EBB4	AFRICAN DEVELOPMENT BANK NOTE	700,000.00	1.63	10/2/2018	11/3/2016	1.12	707,679.12
RE0959610	INDUSTRIAL BANK CDARS	5,065,244.30	0.40	11/9/2017	11/10/2016	0.41	5,065,244.30
912828D23	US TREASURY NOTES	2,820,000.00	1.63	4/30/2019	11/14/2016	1.06	2,860,326.93
717081EB5	PFIZER INC CORP NOTE	300,000.00	1.70	12/15/2019	11/21/2016	1.73	299,775.00
717081EB5	PFIZER INC CORP NOTE	595,000.00	1.70	12/15/2019	11/21/2016	1.72	594,571.60
912828G61	US TREASURY NOTES	3,250,000.00	1.50	11/30/2019	12/5/2016	1.45	3,255,747.77
65558LWA6	NORDEA BANK FINLAND NY CD	1,800,000.00	1.76	11/30/2018	12/5/2016	1.74	1,800,000.00
13606A5Z7	CANADIAN IMPERIAL BANK NY CD	1,800,000.00	1.76	11/30/2018	12/5/2016	1.78	1,798,596.00
3130AAE46	FHLB NOTES	1,800,000.00	1.25	1/16/2019	12/8/2016	1.25	1,799,928.00
912828H52	US TREASURY NOTES	3,475,000.00	1.25	1/31/2020	1/5/2017	1.52	3,465,958.39
045167DT7	ASIAN DEVELOPMENT BANK	925,000.00	1.75	1/10/2020	1/12/2017	1.77	924,463.50
86958JHB8	SVENSKA HANDELSBANKEN NY LT CD	1,800,000.00	1.89	1/10/2019	1/12/2017	1.91	1,800,000.00
RE0959685	INDUSTRIAL BANK CDARS	2,562,345.78	0.45	1/18/2018	1/19/2017	0.46	2,562,345.78
912828J50	UNITED STATES TREASURY NOTES	1,825,000.00	1.38	2/29/2020	2/3/2017	1.58	1,824,764.08
594918BV5	MICROSOFT CORP	445,000.00	1.85	2/6/2020	2/6/2017	1.87	444,701.85
3135G0T29	FNMA NOTES	1,150,000.00	1.50	2/28/2020	2/28/2017	1.52	1,149,264.00
<b>961214DJ9</b>	<b>WESTPAC BANKING CORP</b>	<b>925,000.00</b>	<b>2.15</b>	<b>3/6/2020</b>	<b>3/6/2017</b>	<b>2.16</b>	<b>924,602.25</b>
<b>00828ECA5</b>	<b>AFRICAN DEVELOPMENT BANK NOTE</b>	<b>1,035,000.00</b>	<b>1.88</b>	<b>3/16/2020</b>	<b>3/16/2017</b>	<b>1.93</b>	<b>1,033,468.20</b>
<b>Total Debt Service Reserve</b>							
912828Q45	US TREASURY NOTES	6,820,000.00	0.875	3/31/2018	11/2/2016	0.758	6,836,599.16
912828RH5	US TREASURY NOTES	4,975,000.00	1.375	9/30/2018	11/15/2016	0.997	5,018,430.88
<b>2016B Construction Fund</b>							
912796KU2	US TREASURY BILL	24,564,000.00	0.000	5/4/2017	11/10/2016	0.549	24,499,519.50
<b>2017A Construction Fund</b>							
<b>09659BYQ7</b>	<b>BNP PARIBAS NY BRANCH COMM PAPER</b>	<b>16,500,000.00</b>	<b>0.000</b>	<b>11/24/2017</b>	<b>3/1/2017</b>	<b>1.328</b>	<b>16,340,316.67</b>
<b>313385DW3</b>	<b>FED HOME LN DISCOUNT NT</b>	<b>31,515,000.00</b>	<b>0.000</b>	<b>4/3/2017</b>	<b>3/1/2017</b>	<b>0.528</b>	<b>31,499,977.85</b>
<b>313589GH0</b>	<b>FNMA DISC NOTE</b>	<b>50,000,000.00</b>	<b>0.000</b>	<b>6/1/2017</b>	<b>3/1/2017</b>	<b>0.670</b>	<b>49,915,666.67</b>
<b>313589GH0</b>	<b>FNMA DISC NOTE</b>	<b>40,000.00</b>	<b>0.000</b>	<b>6/1/2017</b>	<b>3/1/2017</b>	<b>0.670</b>	<b>39,932.53</b>
<b>89233GX27</b>	<b>TOYOTA MOTOR CREDIT CORP COMM PAPER</b>	<b>2,015,000.00</b>	<b>0.000</b>	<b>10/2/2017</b>	<b>3/1/2017</b>	<b>1.276</b>	<b>1,999,957.47</b>
<b>89233GYQ3</b>	<b>TOYOTA MOTOR CREDIT CORP COMM PAPER</b>	<b>8,250,000.00</b>	<b>0.000</b>	<b>11/24/2017</b>	<b>3/1/2017</b>	<b>1.380</b>	<b>8,167,087.50</b>

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

## Investment Performance Report – March 2017



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<u>2017B Construction Fund</u>							
06538BW17	BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER	16,500,000.00	0.000	9/1/2017	3/1/2017	1.389	16,385,306.67
313385HN9	FED HOME LN DISCOUNT NT	15,035,000.00	0.000	6/30/2017	3/1/2017	0.661	15,002,152.70
36164JW18	GE CAPITAL TREASURY LLC COMM PAPER	16,500,000.00	0.000	9/1/2017	3/1/2017	1.122	16,407,233.33
46640PW17	JP MORGAN SECURITIES LLC COMM PAPER	16,500,000.00	0.000	9/1/2017	3/1/2017	1.275	16,394,583.33
912828H37	US TREASURY N/B	17,485,000.00	0.875	1/15/2018	3/2/2017	0.924	17,496,928.10
912828J68	US TREASURY N/B	28,870,000.00	1.000	3/15/2018	3/2/2017	1.015	28,999,471.38
912828K25	US TREASURY NOTES	18,505,000.00	0.750	4/15/2018	3/2/2017	1.042	18,497,620.56
912828XF2	US TREASURY NOTES	30,905,000.00	1.125	6/15/2018	3/2/2017	1.076	30,997,863.59
912828XK1	US TREASURY NOTES	12,750,000.00	0.875	7/15/2018	3/2/2017	1.102	12,724,830.75
21687AW17	COOPERATIEVE RABOBANK U.A. COMM PAPER	16,500,000.00	0.000	9/1/2017	3/2/2017	1.142	16,406,060.00
22533TW10	CREDIT AGRICOLE CIB NY COMM PAPER	16,500,000.00	0.000	9/1/2017	3/2/2017	1.245	16,397,672.50
89233GW51	TOYOTA MOTOR CREDIT CORP	6,250,000.00	0.000	9/5/2017	3/3/2017	1.234	6,210,927.08
912796LR8	US TREASURY BILL	12,535,000.00	0.000	8/31/2017	3/6/2017	0.836	12,484,084.57

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

## Investment Performance Report – March 2017



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<b><u>Operating Reserve Accounts</u></b>							
06366RVD4	BANK OF MONTREAL CORP NOTES (CALLABLE)	850,000.00	1.30	7/14/2017	10/5/2016	1.18	853,268.25
05253JAF8	ANZ BANKING GROUP LTD CORP NOTES	500,000.00	1.25	6/13/2017	10/5/2016	1.14	502,319.44
05253JAF8	ANZ BANKING GROUP LTD CORP NOTES	550,000.00	1.25	6/13/2017	10/5/2016	1.14	552,551.39
912828A34	US TREASURY NOTES	675,000.00	1.25	11/30/2018	11/3/2016	0.90	683,500.61
3137EADZ9	FREDDIE MAC NOTES	2,500,000.00	1.13	4/15/2019	11/14/2016	1.09	2,504,240.62
3137EADZ9	FREDDIE MAC NOTES	350,000.00	1.13	4/15/2019	11/14/2016	1.09	350,593.69
3135G0P49	FNMA NOTES	900,000.00	1.00	8/28/2019	11/21/2016	1.31	894,379.00
912828UE8	US TREASURY NOTES	1,275,000.00	0.75	12/31/2017	12/5/2016	0.93	1,276,715.02
13606JYY9	CANADIAN IMPERIAL BANK NY YCD	1,800,000.00	1.01	4/6/2017	12/5/2016	1.00	1,802,673.50
65558LFA5	NORDEA BANK FINLAND NY CD	1,800,000.00	1.15	5/26/2017	12/5/2016	1.09	1,800,770.35
09659BQH6	BNP PARIBAS NY BRANCH COMM PAPER	1,800,000.00	-	3/17/2017	12/5/2016	0.97	1,795,155.00
912828A34	US TREASURY NOTES	1,795,000.00	1.25	11/30/2018	12/8/2016	1.10	1,800,611.68
3135G0J61	FNMA NOTE	1,000,000.00	0.88	3/28/2018	1/5/2017	1.05	1,000,207.64
369604BC6	GENERAL ELECTRIC CO NOTES	550,000.00	5.25	12/6/2017	1/5/2017	1.28	572,225.04
21684BXH2	RABOBANK NEDERLAND NV CERT DEPOS	1,800,000.00	1.07	4/21/2017	1/5/2017	1.05	1,803,787.73
912828G61	US TREASURY NOTES	925,000.00	1.50	11/30/2019	1/12/2017	1.49	926,892.01
86958DH54	SVENSKA HANDELSBANKEN NY FLT CERT DEPOS	1,800,000.00	1.50	8/24/2017	1/12/2017	1.16	1,805,873.59
3135G0J61	FNMA NOTE	1,250,000.00	0.88	3/28/2018	2/3/2017	0.96	1,252,585.24
912828VE7	US TREASURY NOTES	450,000.00	1.00	5/31/2018	2/3/2017	1.02	450,698.10
459200HZ7	IBM CORP NOTES	425,000.00	1.13	2/6/2018	2/6/2017	1.20	424,664.25
912828J50	UNITED STATES TREASURY NOTES	1,100,000.00	1.38	2/29/2020	2/28/2017	1.44	1,097,851.56
<b>961214BZ5</b>	<b>WESTPAC BANKING CORP NOTES</b>	<b>925,000.00</b>	<b>1.60</b>	<b>1/12/2018</b>	<b>3/6/2017</b>	<b>1.45</b>	<b>928,385.50</b>
<b>3130A8BD4</b>	<b>FEDERAL HOME LOAN BANKS AGCY</b>	<b>950,000.00</b>	<b>0.88</b>	<b>6/29/2018</b>	<b>3/16/2017</b>	<b>1.23</b>	<b>947,512.45</b>
<b><u>Total Debt Service Reserve</u></b>							
912828MV9	US TREASURY NOTES	6,538,000.00	3.25	3/31/2017	11/2/2016	0.47	6,631,582.42
912828SM3	US TREASURY NOTES	5,000,000.00	1.00	3/31/2017	11/15/2016	0.59	5,013,935.87
<b><u>2015A Construction Fund</u></b>							
3137EADT3	FHLMC NOTES	6,500,000.00	0.88	2/22/2017	12/19/2016	0.58	6,521,799.38
912828SM3	US TREASURY NOTES	3,500,000.00	1.00	3/31/2017	12/19/2016	0.55	3,512,067.31
3137EADT3	FHLMC NOTES	32,300,000.00	0.88	2/22/2017	1/18/2017	0.54	32,424,633.14
<b><u>2015B Construction Fund</u></b>							
89233GLW4	TOYOTA MOTOR CREDIT CORP COMM PAPER	8,175,000.00	-	11/30/2016	11/7/2016	0.43	8,172,806.38
<b><u>2017B Construction Fund</u></b>							
<b>313385HN9</b>	<b>FED HOME LN DISCOUNT NT</b>	<b>14,150,000.00</b>	<b>-</b>	<b>6/30/2017</b>	<b>3/30/2017</b>	<b>0.80</b>	<b>14,121,432.72</b>

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

## Investment Performance Report – March 2017



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<u>Operating Reserve Accounts</u>							
RE0908369	INDUSTRIAL BANK CDARS	5,017,482.34	0.35	10/13/2016	10/13/2016	0.00	5,035,043.53
RE0960964	INDUSTRIAL BANK CDARS	5,045,079.12	0.40	11/10/2016	11/10/2016	0.00	5,065,259.44
RE0959511	INDUSTRIAL BANK CDARS	2,539,450.42	0.45	1/19/2017	1/19/2017	0.00	2,550,877.95
<u>2015A Construction Fund</u>							
09659BM98	BNP PARIBAS NY BRANCH COMM PAPER	15,000,000.00	-	12/9/2016	12/9/2016	0.00	15,000,000.00
13607EMW6	CANADIAN IMPERIAL HOLDING COMM PAPER	11,130,000.00	-	12/30/2016	12/30/2016	0.00	11,130,000.00
<b>06366GQ36</b>	<b>BANK OF MONTREAL CHICAGO COMM PAPER</b>	<b>10,000,000.00</b>	<b>-</b>	<b>3/3/2017</b>	<b>3/3/2017</b>	<b>0.00</b>	<b>10,000,000.00</b>
<u>2015B Construction Fund</u>							
89233GLW4	TOYOTA MOTOR CREDIT CORP COMM PAPER	6,825,000.00	-	11/30/2016	11/30/2016	0.00	6,825,000.00
21687ALW1	COOPERATIEVE RABOBANK U.A. COMM PAPER	10,000,000.00	-	11/30/2016	11/30/2016	0.00	10,000,000.00

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



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

DATE	TRANSACTION	CUSIP	DESCRIPTION	COUPON	MATURITY DATE	PAR VALUE/SHARES	PRINCIPAL	INTEREST	TOTAL
04/01/17	INTEREST	605581FX0	MS ST TXBL GO BONDS	1.090	10/01/17	120,000.00	0.00	654.00	654.00
04/01/17	INTEREST	7599112M1	REGIONAL TRANS AUTH, IL TXBL REV BONDS	1.250	05/04/18	1,800,000.00	0.00	11,250.00	11,250.00
04/02/17	INTEREST	00828EBB4	AFRICAN DEVELOPMENT BANK NOTE	1.625	10/02/18	700,000.00	0.00	5,687.50	5,687.50
04/12/17	INTEREST	3137EAED7	FHLMC REFERENCE NOTE	0.875	10/12/18	2,375,000.00	0.00	11,891.49	11,891.49
04/13/17	INTEREST	78010U4A2	ROYAL BANK OF CANADA CORP NOTES	1.400	10/13/17	850,000.00	0.00	5,950.00	5,950.00
04/15/17	INTEREST	3137EADZ9	FREDDIE MAC NOTES	1.125	04/15/19	1,700,000.00	0.00	9,562.50	9,562.50
04/30/17	INTEREST	912828D23	US TREASURY NOTES	1.625	04/30/19	1,465,000.00	0.00	11,903.13	11,903.13
04/30/17	INTEREST	912828D23	US TREASURY NOTES	1.625	04/30/19	2,820,000.00	0.00	22,912.50	22,912.50



# Appendix: Economic Update

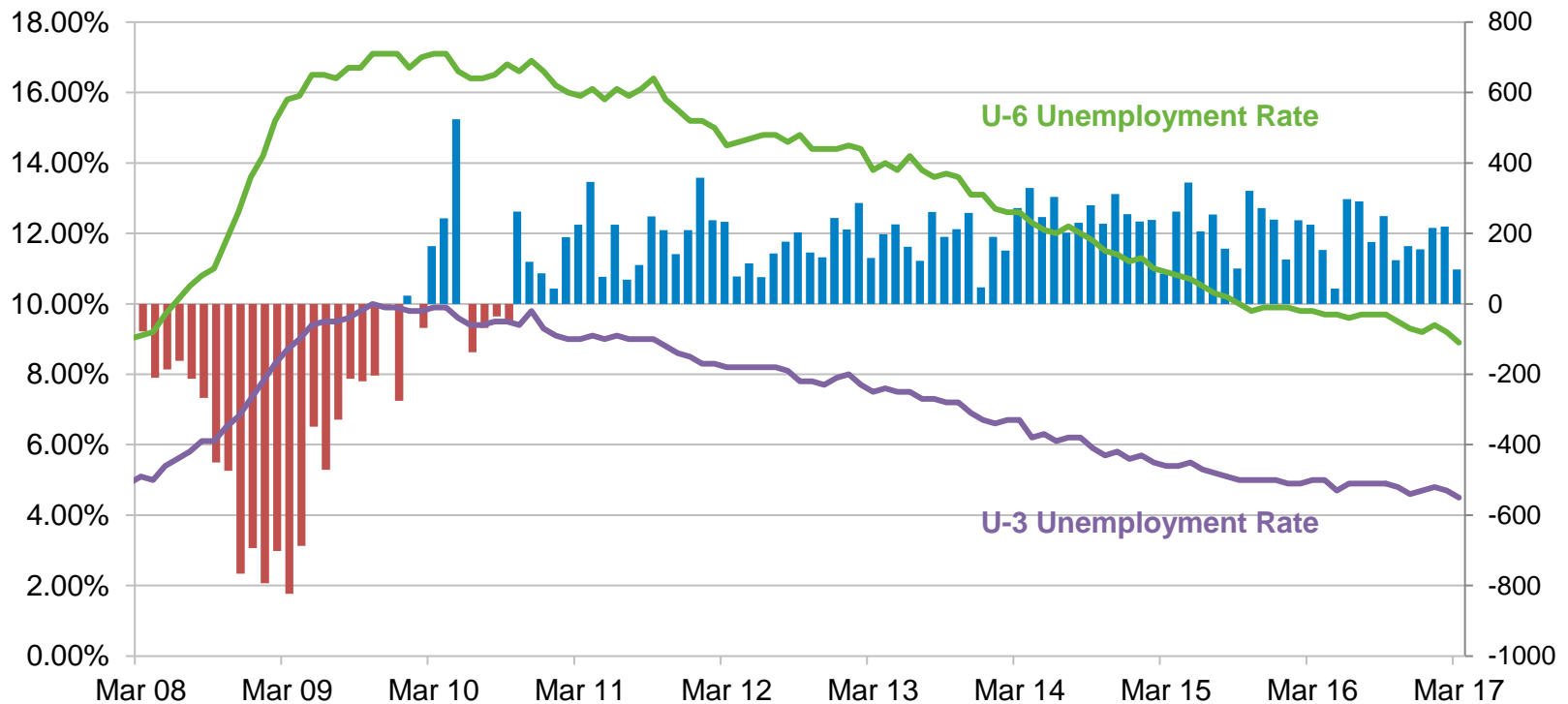




## U.S. Labor Market

- The U.S. labor market added 98,000 jobs in March, below expectations for 180,000 jobs.
- The unemployment rate ticked down to 4.5%.

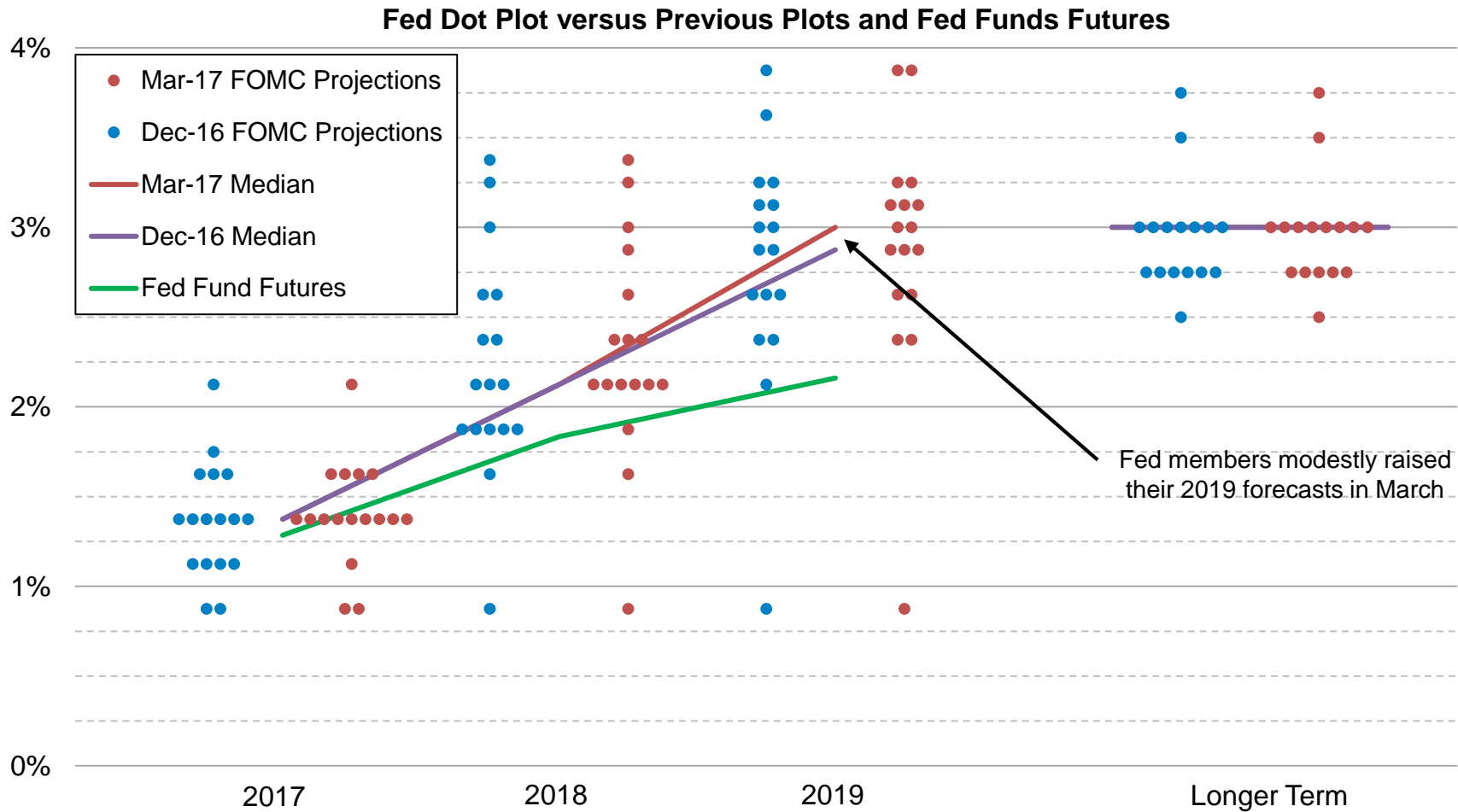
**Unemployment vs. Non-Farm Payrolls**  
March 2008 – March 2017



Source: Bloomberg



# FOMC “Dot Plot”



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. Fed fund futures as of 03/31/17.



## FOMC Statement Highlights

March

15

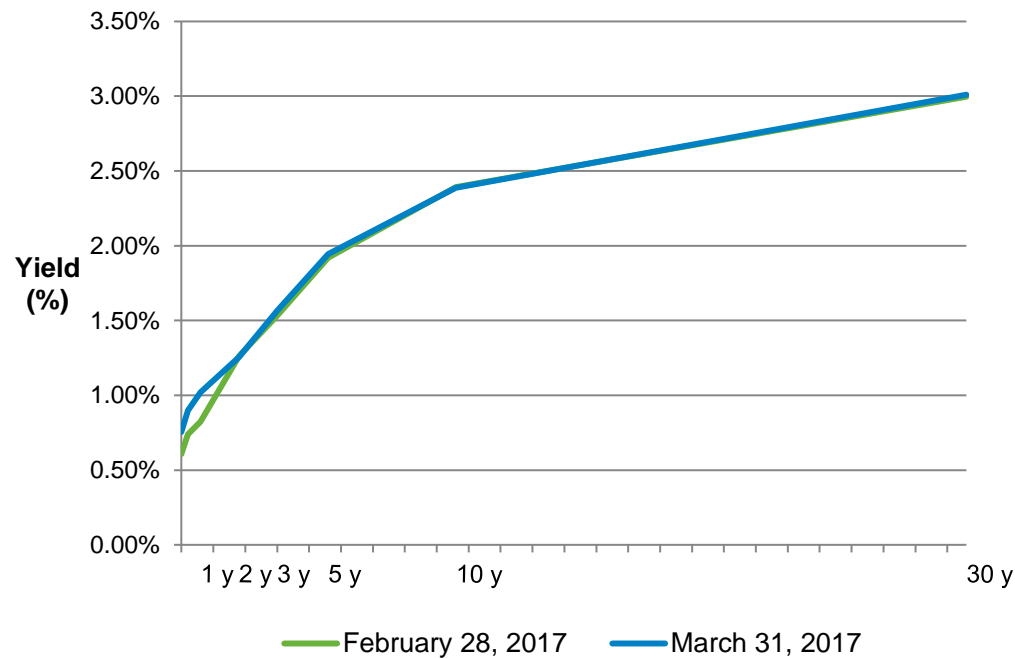
- Information received since the FOMC met in February indicates that the **labor market has continued to strengthen** and that **economic activity has continued to expand at a moderate pace.**
  - **Job gains remained solid** and the **unemployment rate was little changed in recent months.**
  - **Inflation has increased in recent quarters**, moving close to the Committee's 2 percent longer-run objective; **excluding energy and food prices, inflation was little changed and continued to run somewhat below 2%.**
- In view of realized and expected labor market conditions and inflation, the Committee decided to **raise the target range for the federal funds rate to 0.75% - 1.00%.**
  - The committee expects that economic conditions will evolve in a manner that will warrant **gradual increases in the federal funds rate.**
  - Minneapolis Fed President Neel Kashkari was the only dissenter, who preferred at this meeting to maintain the existing target range for the federal funds rate.

*Source: Federal Reserve*



# U.S Treasury Yields

**U.S. Treasury Yield Curve**  
March 31, 2017 vs. February 28, 2017



	<u>2/28/2017</u>	<u>3/31/2017</u>	<u>Change</u>
3 month	0.61%	0.75%	0.14%
6 month	0.74%	0.90%	0.16%
1 year	0.82%	1.02%	0.20%
2 year	1.26%	1.26%	0.00%
3 year	1.53%	1.57%	0.04%
5 year	1.92%	1.94%	0.02%
10 year	2.39%	2.39%	0.00%
30 year	3.00%	3.01%	0.01%

Source: Bloomberg



## Disclosure

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

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



# Finance & Budget Committee Update Renewal of TD Bank Credit Facility

April 27, 2017

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PFM Financial Advisors LLC

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## TD Bank Credit Facility Renewal

### Background

- ◆ DC Water issued \$100 million in Variable Rate Demand Bonds (VRDBs) in 2014 (the Series 2014 B Bonds)
- ◆ VRDBs require a bank-provided credit facility
- ◆ Investors have an ability to tender their VRDBs each week when the variable SIFMA rate resets
- ◆ The credit facility provides liquidity and can be used to pay investors that tender their bonds in the event DC Water is unable to provide the necessary cash
- ◆ Investors require (and indenture mandates) that a credit facility secure the Series 2014 B Bonds
- ◆ Current facility with TD Bank expires on July 23, 2017

**NEW ISSUE - BOOK-ENTRY ONLY**

	LT	SE
	AA	A-1+
	Moody's: Aa3	VMG3-1
	Fitch: AA-	F1+
	See "Ratings" herein.	

*In the opinion of Co-Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2014B Bonds is exempt from gross income for federal income tax purposes and is not in any way subject to the Federal alternative minimum tax imposed on individuals and corporations, and (ii) the Series 2014B Bonds and the interest thereon are exempt from District taxation, except estate, inheritance and gift taxes. Interest on the Series 2014B Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.*



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**  
Public Utility Subordinate Lien Multimodal Revenue Bonds  
Series 2014B  
(Weekly Rate Period)

**\$100,000,000**

**\$50,000,000**  
Subseries 2014B-1

**\$50,000,000**  
Subseries 2014B-2

**Dated:** Date of Delivery **Due:** As shown on inside cover

The Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2014B (the "Series 2014B Bonds"), consisting of the Subseries 2014B-1 Bonds (the "Subseries 2014B-1 Bonds") and the Subseries 2014B-2 Bonds (the "Subseries 2014B-2 Bonds") are being issued by the District of Columbia Water and Sewer Authority (the "Authority," also commonly referred to as "DC Water") pursuant to a Master Indenture of Trust, dated as of April 1, 2009 (the "Master Indenture"), by and between the Authority and Wells Fargo Bank, N.A., as trustee (the "Trustee"), as amended and supplemented to the date of issuance of the Series 2014B Bonds (the "Indenture"). The proceeds of the Series 2014B Bonds will be used to pay (i) a portion of the costs of certain capital improvements to the System (as defined herein) and (ii) costs of issuing the Series 2014B Bonds. The Series 2014B Bonds will be secured by a pledge of Net Revenues that will be subordinate to the pledge of Net Revenues that secures any Outstanding Senior Debt and other Senior Debt the Authority may issue from time to time in the future, and on a parity with the pledge of Net Revenues that secures the Outstanding Subordinate Debt and other Subordinate Debt the Authority may issue from time to time in the future, without preference, priority or distinction of any Subordinate Debt over any other Subordinate Debt, all as further described and defined herein. See "SECURITY FOR THE SERIES 2014B BONDS."

Each Subseries of the Series 2014B Bonds will initially bear interest at a Weekly Rate, as described herein. Interest on the Series 2014B Bonds in the Weekly Rate will be calculated on the basis of a 365- or 366-day year for the number of days actually elapsed, payable on the first Business Day of each calendar month, commencing August 1, 2014. After the Initial Period, each Subseries will continue to bear interest in the specified Interest Period unless and until all of the Series 2014B Bonds of a Subseries are converted to a different Interest Period, as more fully described in this Official Statement. The applicable interest rate for the Initial Period shall be determined by Bank of America Merrill Lynch for the Subseries 2014B-1 Bonds (the "Subseries 2014B-1 Remarking Agent") and by Loop Capital Markets LLC for the Subseries 2014B-2 Bonds (the "Subseries 2014B-2 Remarking Agent"), all in the manner described in this Official Statement.

The Series 2014B Bonds will be issued initially in denominations of \$100,000 or any \$1,000 integral multiple in excess thereof and in fully registered form in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") under the book-entry only system maintained by DTC. Cede & Co. is the registered owner of the Series 2014B Bonds, the principal of and premium, if any, and interest on the Series 2014B Bonds will be payable by the Trustee to DTC, which will in turn remit such payments to its participants for subsequent disbursement to beneficial owners of the Series 2014B Bonds, as more fully described herein. See Appendix E - "DTC BOOK-ENTRY ONLY SYSTEM."

The Series 2014B Bonds are subject to redemption prior to maturity, as more fully described herein.

Paid for the purchase of each Subseries upon optional or mandatory tender thereof will be available, subject to certain conditions, through a Liquidity Facility provided by TD Bank, N.A., the Liquidity Facility Provider named in the inside cover of this Official Statement. Upon the occurrence of certain events of default under the Liquidity Facility, the obligation of Liquidity Facility Provider to purchase tendered Series 2014B Bonds of the relevant Subseries will terminate or, in certain cases, be suspended, immediately, without any prior notice to holders of the Series 2014B Bonds. Upon the occurrence of certain other events of default under the applicable Liquidity Facility, the obligation of Liquidity Facility Provider to purchase tendered Series 2014B Bonds of the applicable Subseries may be terminated by the Liquidity Facility Provider as described in this Official Statement.


**Bank**

The Series 2014B Bonds shall be special, limited obligations of the Authority payable solely from the Net Revenues of the Authority. The Series 2014B Bonds shall be without recourse to the District of Columbia (the "District"). The Series 2014B Bonds shall not be general obligations of the District or of the Authority. The Series 2014B Bonds shall not be a pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a debt of the District, the United States of America or any State Jurisdiction (as defined herein) or any agency or instrumentality of any State Jurisdiction, and neither the District, the United States, any State Jurisdiction nor any agency or instrumentality of any State Jurisdiction shall be liable thereon. The Series 2014B Bonds also shall not constitute the lending of the public credit for private undertakings as prohibited by the Home Rule Act (as defined herein). The Authority has no taxing power.

The Series 2014B Bonds are offered when, as and if issued by the Authority and received by the Underwriters. Certain legal matters with respect to the issuance of the Series 2014B Bonds are subject to the approval of Squire Patton Boggs (US) LLP, and Lottich & Lottich, LLC, Co-Bond Counsel to the Authority. Squire Patton Boggs (US) LLP and Lottich & Lottich, LLC, also serve as Co-Underwriters Counsel to the Authority in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the Authority by its General Counsel, and for the Underwriters by Orrick, Herrington & Sutcliffe, LLP, and McKeown & Associates, Co-Underwriters' Counsel. It is expected that the Series 2014B Bonds will be available for delivery through the facilities of DTC in New York, New York on or about July 23, 2014.

**BofA Merrill Lynch**

(Senior Manager and Remarketing Agent for the Subseries 2014B-1 Bonds)

**Loop Capital Markets**

(Senior Manager and Remarketing Agent for the Subseries 2014B-2 Bonds)

This cover page, including the inside cover page, contains certain information for quick reference only. It is not a summary of this Official Statement. Prospective purchasers must read the entire Official Statement to obtain the information essential to the making of an informed investment decision. Issued July 9, 2014



## DC Water's Options

- ◆ DC Water has 2 options as the credit facility approaches expiration
  - ◆ Replace the TD facility with a facility provided by another bank requiring:
    - RFP process (~30 days)
    - Evaluation of proposals (~15 days)
    - Negotiations with the new bank and their counsel (~30 days)
    - Updated ratings (short-term ratings)
    - Updated disclosure (official statement)
    - Finance & Budget and Board approval
  - ◆ Renew the facility with TD Bank
    - Request a proposal (term sheet) from TD Bank
    - Typically requires an amendment to the current agreement
    - Finance & Budget and Board approval





## Benefits of Renewal versus Replacement

### ◆ Fees

- ◆ TD has proposed an updated fee of 28 basis points (~\$280,000 per year)
  - Reduction of 1 basis point from prior facility
  - When compared to recent credit facilities RFPs for similarly rated utilities, TD Bank has proposed a very competitive rate

### ◆ Significant Avoided Costs compared to a replacement

- ◆ Legal fees associated with a replacement likely between \$100,000 - \$150,000, depending on complexity of negotiations and need to update and distribute a new disclosure document
- ◆ Required ratings fees in excess of \$20,000
- ◆ Other issuance costs of ~\$25,000



## Benefits of Renewal versus Replacement

- ◆ Negotiations
  - ◆ Renewal requires an amendment
  - ◆ Replacement requires a full re-negotiation with the new bank with no assurance that the Representations and Warranties, Covenants, Events of Default and others critical provisions will be as favorable to DC Water as the TD Bank agreement.
- ◆ Staff Time
  - ◆ The replacement process generally requires ~3 months of concerted effort and focus for selected members of the DC Water's staff.
- ◆ Credit Quality of TD
  - ◆ TD Bank is one of the higher rated banks providing these types of facilities
  - ◆ VRDBs supported by TD Bank trade at very competitive levels compared to other VRDBs supported by other banks



## Recommendation and Road Ahead

- ◆ Renewal of the TD Facility (3 years for 28 basis points per year) is a prudent and timely option
  - ◆ Very competitive fee proposal
  - ◆ Avoids costly legal, disclosure and other fees associated with a replacement of the facility
  - ◆ Avoids renegotiation of “hard fought” provisions in the current Standby Bond Purchase Agreement
  - ◆ Focus’ staff time
- ◆ Road Ahead
  - ◆ Approval of the resolution
  - ◆ DC Water and TD Bank negotiate the amendment and extension
  - ◆ Extension executed (through July of 2020).

**ATTACHMENT 2**

**FINANCE & BUDGET COMMITTEE**

**PROPOSED RENEWAL OF TD BANK CREDIT FACILITY FOR  
THE 2014 B1 AND B2 BOND ISSUANCE**

**ACTION ITEM A: Approval of renewal of the TD Bank credit facility for the  
2014 B1 and B2 bond issuance.**

The Board will be asked to approve a resolution to renew the letter of credit provided by TD Bank as a credit facility for DC Water 2014 B1 and B2 series of bonds.



**TD Bank, N.A.**  
2070 Chain Bridge Road  
Vienna, VA 22182

March 31, 2017

Mr. Robert Hunt  
Manager, Treasury and Debt  
District of Columbia Water and Sewer Authority  
5000 Overlook Avenue, SW  
Washington, DC 20032

Mr. Chris Lover  
Director  
Public Financial Management  
11325 North Community House Road  
Suite 275  
Charlotte, NC 28277

Dear Mr. Hunt and Mr. Lover:

Further to our discussions we are pleased to provide you with our preliminary proposal to extend our existing credit facilities (the "Credit Facilities") that are described on the attached preliminary term sheet to District of Columbia Water and Sewer Authority ("DC Water"). The proposed Credit Facilities consist of a three (3) year extension of our existing of up to \$101,117,808 standby note purchase agreements.

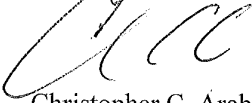
Please be advised that this letter and the preliminary term sheet constitutes a statement of suggested terms for discussion with respect to the extension contemplated and do not contain all matters upon which agreement must be reached in order for the extension contemplated hereby to be consummated and, therefore, do not represent a binding commitment with respect to the transaction. A binding commitment with respect to the Credit Facilities will result only after satisfactory final due diligence, approval and upon execution and delivery by all of the parties of a definitive agreement relating to the Credit Facilities, subject to the conditions contained therein.

We shall not be responsible or liable to DC Water or any other person for consequential damages which may be alleged as a result of this letter, the preliminary term sheet or any transaction contemplated hereby. This letter is delivered to DC Water on the condition that its existence and its contents will not be disclosed by DC Water without our prior written approval except (i) as may be required to be disclosed in any legal proceeding or as may be required by law and (ii) on a confidential and "need to know" basis, to your directors, officers, employees, advisors and agents.

If the proposal outlined in the attached preliminary term sheet reflects arrangements that substantially meet your needs and you would like TD Bank, N.A. to proceed with due diligence, underwriting and approval process, please return a signed copy of this letter before the close of business on April 30, 2017. Please do not hesitate to contact Christopher C. Arabia at (703) 663-4975 with any questions or comments that you may have.

We appreciate the opportunity to consider providing for the financing needs of DC Water and are excited about the prospect of expanding our mutually rewarding relationship.

Very Truly Yours,



Christopher C. Arabia  
Senior Vice President  
TD Bank, N.A.

Accepted and Agreed to this \_\_\_\_ day of \_\_\_\_\_, 2017  
DC Water

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_



## PRELIMINARY TERM SHEET

<b>Borrower:</b>	District of Columbia Water and Sewer Authority ("DC Water")						
<b>Facility Providers:</b>	TD Bank, NA ("Lender" or "Bank")						
<b>Facility &amp; Amount:</b>	<p>Extension of up to \$101,117,808 Irrevocable Direct Pay Letter of Credit or Standby Note Purchase Agreement ("SNPA") including principal plus interest reserve as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Par Value of Bonds:</td> <td style="text-align: right;">\$100,000,000</td> </tr> <tr> <td>+ Required Interest Reserve*:</td> <td style="text-align: right;">\$ 1,117,808</td> </tr> <tr> <td><b>Total Facility:</b></td> <td style="text-align: right;"><b>\$101,117,808</b></td> </tr> </table> <p>*Includes 34 days of interest at 12%</p> <p>The amount may be adjusted based on DC Water's needs</p>	Par Value of Bonds:	\$100,000,000	+ Required Interest Reserve*:	\$ 1,117,808	<b>Total Facility:</b>	<b>\$101,117,808</b>
Par Value of Bonds:	\$100,000,000						
+ Required Interest Reserve*:	\$ 1,117,808						
<b>Total Facility:</b>	<b>\$101,117,808</b>						
<b>Purpose:</b>	To provide liquidity support for DC Water's 2014 Variable Rate Demand Bond Issuance.						
<b>Closing Date:</b>	No later than July 3, 2017.						
<b>Maturity Date:</b>	Three years from the date of closing.						
<b>Term Out Provision:</b>	Same as existing SNPA.						
<b>Agent Fee:</b>	None.						
<b>Facility Fee:</b>	<p><u>Standby Note Purchase Agreement</u></p> <p>28 basis points annually for the 3 year Facility, payable quarterly, in advance.</p> <p>The rate would increase for each notch of rating decline below A1 or A+ by 5 bps per notch.</p> <p>In the event that the rating agencies then rating the Bonds have conflicting or "split" ratings, the lowest rating shall be used to determine the Annual Fee. Each such pricing change will become effective on the date such rating downgrade is announced by the applicable rating agency.</p> <p>If an Event of Default occurs and is continuing, the Annual Fee payable by the Borrower shall automatically and without notice to the Borrower increase by an additional one hundred basis points (1.00%) per annum, commencing on the date such Event of Default occurs. The increased Annual Fee shall be payable until such Event of Default is cured, the Bank waives said Event of Default in writing or the Facility otherwise terminates.</p>						
<b>Maintenance of Ratings:</b>	The Borrower shall maintain public ratings on the underlying long-term debt rating of not less than Baa1/BBB+ from two of the three national recognized bond rating agencies (Moody's, S&P and Fitch) during the term of the Facility. The cancellation, withdrawal or suspension of the underlying long-term debt rating by any rating agency shall constitute an Event of Default under the Facility.						
<b>Termination Fee:</b>	If the Facility is terminated within the Initial Committed Term (three or five years as described above), except as a result of a two (2) level downgrade of the current short-term ratings of the Lender by either Standard & Poor's, or Moody's, the Issuer will be required to pay all amounts due to such date plus an						



**PRELIMINARY TERM SHEET**

	<p>amount equal to the Facility Fee that would have been payable through the minimum period as outlined in the table below. After passing the minimum period, the Facility may be terminated by the Issuer without any Termination Fee.</p> <table border="1"> <thead> <tr> <th>Initial Committed Term</th> <th>Minimum Period</th> </tr> </thead> <tbody> <tr> <td>Three years</td> <td>18 months</td> </tr> </tbody> </table>	Initial Committed Term	Minimum Period	Three years	18 months
Initial Committed Term	Minimum Period				
Three years	18 months				
<b>Legal Fees:</b>	To be covered by the Borrower.				
<b>Other Costs:</b>	Same as existing SNPA.				
<b>Interest Rate:</b>	Same as existing SNPA.				
<b>Clawback Amounts:</b>	Same as existing SNPA.				
<b>Default Rate:</b>	Same as existing SNPA.				
<b>Mandatory Prepayments:</b>	Same as existing SNPA.				
<b>Voluntary Prepayments/ Commitment Reductions:</b>	Same as existing SNPA.				
<b>Collateral:</b>	Same as existing SNPA.				
<b>Representations and Warranties:</b>	Same as existing SNPA.				
<b>General Covenants:</b>	Same as existing SNPA.				
<b>Financial Covenants:</b>	As defined in the Indenture.				
<b>Reporting Requirements:</b>	Same as existing SNPA.				
<b>Other Requirements:</b>	The Lender reserves the right to sell down portions of the Facility Amount.				
<b>Events of Default:</b>	Same as existing SNPA.				
<b>Material Adverse Change:</b>	This proposal may be withdrawn, in the sole discretion of the Bank, upon the occurrence of a material adverse change in the financial, operational, or legal condition of the Issuer.				
<b>Key Representations and Warranties:</b>	<p>Same as existing SNPA, plus the following with respect to the Amendment to SNPA:</p> <ol style="list-style-type: none"> <li>1) Organization; Authorization; Legal, Valid and Binding Obligations</li> <li>2) No Conflict; Consents and Approvals;</li> <li>3) No Litigation; No Defaults</li> <li>4) Financial Statements</li> </ol>				





**PRELIMINARY TERM SHEET**

<p><b>Conditions:</b></p>	<ol style="list-style-type: none"> <li>1) Subject to Bank counsel review and acceptance of the Amendment to SNPA and other documentation which shall be satisfactory to the Bank in its sole discretion.</li> <li>2) Agreement as to all final terms and conditions of the Amendment to SNPA and the related documents and Bank's satisfactory review thereof</li> <li>3) Absence of any material change in the financial condition, operations or prospects of the Borrower, or in any law, rule or regulation (or their interpretation or administration), that, in each case, may adversely affect the consummation of the transaction, to be determined in the Bank's sole discretion</li> </ol>																
<p><b>Legal Representation:</b></p>	<p>Michael Graff                  McGuire Woods LLP                  1750 Tysons Blvd.                  Suite 1800                  McLean, VA 22102                  703.712.5110 (phone)                  703.712.5191 (fax)                  mgraft@mcguirewoods.com</p> <p>Estimated legal fees: \$ 5,000                  Cap on legal fees: \$10,000</p>																
<p><b>TD Bank, NA</b></p>	<p><u>Bank Ratings:</u></p> <table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Moody's</u></th> <th style="text-align: center;"><u>S&amp;P</u></th> <th style="text-align: center;"><u>Fitch</u></th> </tr> </thead> <tbody> <tr> <td>Long Term</td> <td style="text-align: center;">A1</td> <td style="text-align: center;">AA-</td> <td style="text-align: center;">AA-</td> </tr> <tr> <td>Short Term</td> <td style="text-align: center;">P1</td> <td style="text-align: center;">A1+</td> <td style="text-align: center;">F1+</td> </tr> <tr> <td>Outlook</td> <td style="text-align: center;">Stable</td> <td style="text-align: center;">Stable</td> <td style="text-align: center;">Stable</td> </tr> </tbody> </table> <p><u>Contact:</u>                  Christopher C. Arabia                  Senior Vice President                  1919 Gallows Road                  Second Floor                  Vienna, VA 22182                  703.663.4975 (O)                  703.663.4367 (F)                  christopher.arabia@td.com</p>		<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>	Long Term	A1	AA-	AA-	Short Term	P1	A1+	F1+	Outlook	Stable	Stable	Stable
	<u>Moody's</u>	<u>S&amp;P</u>	<u>Fitch</u>														
Long Term	A1	AA-	AA-														
Short Term	P1	A1+	F1+														
Outlook	Stable	Stable	Stable														
<p><b>Disclaimer:</b></p>	<p><i>THIS PRELIMINARY TERM SHEET IS FOR DISCUSSION PURPOSES ONLY AND IS NOT A COMMITMENT TO LEND FROM THE LENDERS, NOR DOES IT SUMMARIZE ALL OF THE CONDITIONS, COVENANTS, REPRESENTATIONS, WARRANTIES, EVENTS OF DEFAULT OR OTHER PROVISIONS THAT MAY BE CONTAINED IN DOCUMENTS REQUIRED TO CONSUMMATE THIS FINANCING. IT INCLUDES A DESCRIPTION OF SOLELY THE PRINCIPAL TERMS AND, IF ACCEPTED BY YOU AND APPROVED BY US, IS INTENDED AS A FRAMEWORK FOR ANY DOCUMENTATION THEREOF AND AS A BASIS FOR FURTHER DISCUSSION OF THE TERMS. DELIVERY OF ANY FINAL TERM SHEET IS SUBJECT TO COMPLETION BY THE LENDERS OF THE NECESSARY UNDERWRITING, DUE DILIGENCE AND APPLICABLE CREDIT APPROVAL. THE BORROWER AGREES THAT THIS TERM SHEET IS FOR ITS CONFIDENTIAL USE ONLY AND WILL NOT BE DISCLOSED, WITHOUT PRIOR WRITTEN CONSENT, TO ANY PERSON OTHER THAN ITS ACCOUNTANTS, ATTORNEYS AND OTHER ADVISORS OR PURSUANT TO THE TERMS OF A MANDATE LETTER.</i></p>																



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

**Thursday, May 25, 2017; 11:00 a.m.  
Blue Plains Wastewater Treatment Plant  
5000 Overlook Avenue, SW, DC  
AGENDA**

<b>Call to Order</b>	Chairman
<b>April 2017 Financial Report</b>	Chief Financial Officer
<b>Agenda for June 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)