



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Finance and Budget Committee

Thursday, February 23, 2017

11:00 a.m.

1. **Call to Order**.....Timothy L. Firestine, Chairperson
2. **January 2017 Financial Report (Attachment 1)** Mark Kim
3. **Bond Sale Update – Series 2017A & Series 2017B (Attachment 2)**..... PFM
4. **CIP Quarterly Report (Attachment 3)** Liliana Maldonado
5. **Action Items**..... Mark Kim
 - A. **Recommendation to Expand the Customer Assistance Program (CAP) Benefits (Attachment 4)**
6. **Agenda for March Committee Meeting (Attachment 5)**..... Timothy L. Firestine
7. **Adjournment**

FOLLOW-UP ITEM – No follow-up items.

* 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 January 31, 2017

DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET

Mark Kim, Chief Financial Officer

Robert Hunt, Director, Finance

Syed Khalil, Director, Rates & Revenue

John Madrid, Controller

Annie Fulton-George, Capital Budget Manager

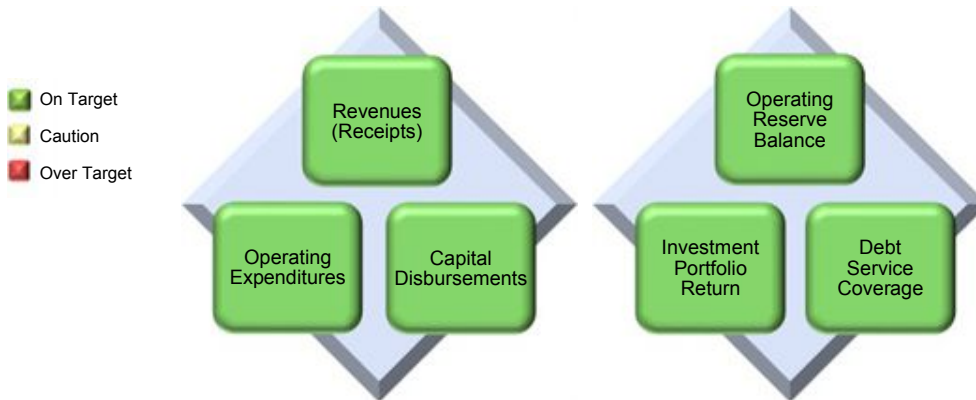
Lola Oyeyemi, Operating Budget Manager

Monthly Financial Report

JANUARY 2017

EXECUTIVE SUMMARY

As of the end of January 2017, with approximately 33 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
Revenues (Receipts)*	\$595.4	\$198.5	\$209.4	\$10.9	5.5%	35.2%
Expenditures*	\$535.8	\$178.6	\$160.8	\$17.8	10.0%	30.0%
Capital Disbursements	\$507.0	\$168.1	\$165.8	\$2.2	1.3%	32.7%

* *Straight-lined (4/12 of budget)*

Highlights:

- DC Water will close on the 2017 A & B series bond sale on February 23, 2017
- FY 2016 audit status update as presented to the Audit Committee on February 14, 2017:
 - Comprehensive Annual Financial Report (CAFR) completed with unmodified opinion
 - The Uniform Guidance Audit (Single Audit) also completed with unmodified opinion
- The DC Council Public Oversight Hearing for FY 2016 – FY 2017 Performance is scheduled for February 28, 2017

Mark T. Kim, Chief Financial Officer

Monthly Financial Report

Fiscal Year-to-Date
As of January 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	109,663	\$114,342	34.8%	\$4,679	4.3%
Federal	57,540	19,180	28,384	49.3%	9,204	48.0%
Municipal (DC Govt.)	17,505	5,835	5,816	33.2%	(19)	(0.3%)
DC Housing	8,372	2,791	2,815	33.6%	24	0.9%
Metering Fee	10,776	3,592	3,930	36.5%	338	9.4%
Water System Replacement Fee (WSRF)	39,717	13,239	14,149	35.6%	910	6.9%
Wholesale	81,468	27,156	20,534	25.2%	(6,622)	(24.4%)
PILOT/ROW	21,082	7,027	7,525	35.7%	498	7.1%
All Other	29,998	9,999	11,886	39.6%	1,886	18.9%
TOTAL	\$595,446	\$198,482	\$209,382	35.2%	\$10,900	5.5%

*Straight-lined (4/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of January 2017, cash receipts totaled \$209.4 million, or 35.2 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 \$114.3 million or 34.8 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 \$5.8 million or 33.2 percent of the revised budget. The lower receipts are on account of slightly lower amount of CRIAC billed as compared to the budget.

Wholesale – The Wholesale customers' actual receipts through January 2017 total \$20.5 million or 25.2 percent of the revised FY 2017 budget. Wholesale customers' second quarter payment is anticipated to be received during the month of February 2017.

Monthly Financial Report

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

Operating Expenditures (\$000's)

Category	A	B*	C	D = C/A	E = B - C	F = E/B
	FY 2017	YTD	ACTUAL	ACTUAL %	VARIANCE \$	VARIANCE %
	BUDGET	BUDGET		BUDGET	Fav/(Unfav)	Fav/(Unfav)
Personnel	\$144,761	\$48,254	\$49,372	34.1%	(\$1,118)	(2.3%)
Contractual Services	82,760	27,587	25,224	30.5%	2,363	8.6%
Water Purchases	29,278	9,759	8,897	30.4%	862	8.8%
Supplies & Chemicals	34,709	11,570	10,237	29.5%	1,332	11.5%
Utilities	28,670	9,557	8,674	30.3%	883	9.2%
Small Equipment	1,230	410	260	21.1%	150	36.6%
SUBTOTAL O&M	\$321,408	\$107,136	\$102,664	31.9%	\$4,472	4.2%
Debt Service	169,346	56,449	51,089	30.2%	5,360	9.5%
PILOT/ROW	21,057	7,019	7,019	33.3%	0	0.0%
Cash Financed Capital Improvements	24,014	8,005	0	0.0%	8,005	100.0%
TOTAL OPERATING	\$535,825	\$178,608	\$160,772	30.0%	\$17,836	10.0%
Capital Labor	(24,934)	(8,311)	(5,565)	22.3%	(2,746)	33.0%
TOTAL NET OPERATING	\$510,891	\$170,297	\$155,207	30.4%	\$15,090	8.9%

*Straight-lined (4/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of January 2017, operating expenditures totaled \$160.8 million, or 30.0 percent of the FY 2017 budget of \$535.8 million. These numbers include estimated, incurred but unpaid, invoices and are subject to revision in subsequent months.

Personnel Services (PS) – Expenditures total \$49.4 million or 34.1 percent, which is slightly higher than the straight-lined budget. This increase is consistent with expectations for increased hiring effort to reduce Authority-wide vacancies, coupled with high overtime spending. Increased overtime was primarily due to unusually high water main brakes and fluctuations in temperature experienced during the winter season, and increased man-hours needed to manually read and service the Authority's meters in advance of the Automated Meter Reading (AMR) replacement Program. Of the 1260 positions authorized, 1108 positions were filled at the end of January with a YTD vacancy rate of 12 percent. Overtime spending totals \$2.6 million of the annual budget of \$6.8 million.

Non-Personnel Services (NPS) – YTD expenditures for contractual services, water purchases, supplies, chemicals, utilities and small equipment are in line with expectations for these cost categories. Underspensing in chemicals and supplies is due to lower unit prices for chemicals (methanol) and 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. We have 17MW of the Authority's electricity load 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.

Non-O&M – YTD expenditures for debt service, and PILOT/ROW are in line with expectations for these cost categories.

Monthly Financial Report

Fiscal Year-to-Date
As of January 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	\$11,383	\$10,485	30.7%	898	7.9%
Wastewater Treatment	123,789	41,263	43,159	34.9%	(1,896)	(4.6%)
Combined Sewer Overflow	184,387	61,462	72,054	39.1%	(10,592)	(17.2%)
Stormwater	1,706	570	711	41.7%	(141)	(24.8%)
Sanitary Sewer	38,302	12,767	10,983	28.7%	1,784	14.0%
Water	58,819	19,606	16,623	28.3%	2,983	15.2%
SUBTOTAL: CAPITAL PROJECTS	\$441,153	\$147,051	\$154,015	34.9%	(\$6,964)	(4.7%)
Capital Equipment	54,949	18,316	11,833	21.5%	6,483	35.4%
Washington Aqueduct	10,896	2,724	0	0.0%	2,724	100.0%
SUBTOTAL: ADD'L CAPITAL PROGRAMS	\$65,845	\$21,040	11,833	18.0%	\$9,207	43.8%
TOTAL	\$506,998	\$168,091	\$165,848	32.7%	\$2,243	1.3%

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of January 2017, capital disbursements are \$165.8 million or 33 percent of the revised FY 2017 budget. Disbursements are on track for capital projects, with a slight under spending in additional capital programs.

Capital Projects – Project performance will be reviewed in detail as part of the quarterly Capital Improvement Program (CIP) update by the Department of Engineering & Technical Services to the Environmental Quality & Operations and Finance & Budget Committees in February 2017.

Capital Equipment – Lower than planned disbursements are primarily attributable to unused funds in the Authority-wide reserve as well as a lower spending related to the Automated Meter Reading (AMR) Replacement Program. Over the next 18 months, it is anticipated the vendor will perform up to 5,000 installations per month for the duration of the project.

Washington Aqueduct – As previously stated in the January report, Quarter 1 billing was postponed as contract awarding of the Dalecarlia Chemical Building Electrical Upgrades project was pushed to Quarter 2.

Monthly Financial Report

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

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

Rate Stabilization Fund Account (RSF)	\$51.5
DC Insurance Reserve	1.0
Operating Reserve Accounts	<u>163.9</u>
Operating Cash Balance Including RSF	\$216.4
Debt Service Reserve - Series 1998	23.7
Bond Fund- Construction Fund 2015A	22.0
Bond Fund- Construction Fund 2016B	24.5
Total All Funds	\$286.6

OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$163.9 million as compared to the operating reserve level objective of \$125.5 million for FY 2017
- Average cash balance for the month of January was \$152.4 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for January (on a cash basis) was \$162,513; YTD \$573,343
- A detailed investment performance report is attached

Monthly Financial Report

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

Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD 33% Cash Budget	YTD Actual Cash Oct. 1, 2016 - Jan. 31, 2017	Variance Favorable (Unfavorable)	
OPERATING BUDGET					
Cash Provided					
Retail	\$462,898	\$154,299	\$169,437	\$15,137	10%
Wholesale	81,468	\$27,156	20,534	(6,622)	-24%
Other	50,757	\$16,919	19,411	2,492	15%
Total Cash Provided	595,123	198,374	209,382	11,007	6%
Operating Cash Used					
Personnel Services	122,827	40,942	40,873	69	0%
Contractual Services	82,760	27,587	26,690	896	3%
Chemicals & Supplies	34,709	11,570	10,269	1,301	11%
Utilities	28,670	9,557	6,772	2,784	29%
Water Purchases	29,278	9,759	9,585	175	2%
Small Equipment	1,230	410	205	205	50%
Total Operating Cash Used	299,474	99,825	94,395	5,430	5%
Defeasance D.S./Cash Financed Capital Construction	24,199	8,066	0	8,066	100%
Other Cash Used					
Debt Service	167,733	55,911	51,089	4,822	9%
Payment In Lieu of Taxes/Right of Way	21,057	7,019	5,264	1,755	25%
Total Other Cash Used	188,790	62,930	56,353	6,577	10%
Total Cash Used	512,463	170,821	150,747	20,074	12%
Net Cash Provided (Used) by Operating Act.	82,660	27,553	58,634	31,081	
CAPITAL BUDGET					
Cash Provided					
Debt Proceeds	195,903	65,301	83,172	17,871	27%
EPA Grants/DC Reimbursements	25,013	8,338	9,400	1,063	13%
Transfer from Operations	100,633	33,544	0	(33,544)	-100%
Interest Income	1,283	428	352	(75)	-18%
Wholesale Capital Contributions	107,732	35,911	25,168	(10,742)	-30%
Total Cash Provided	430,564	143,521	118,093	(25,429)	-18%
Cash Used					
DC Water Capital Program	496,102	165,367	165,848	(481)	0%
Washington Aqueduct Projects	10,896	3,632	0	3,632	100%
Total Cash Used	506,998	168,999	165,848	3,151	2%
Net Cash/PAYGO Provided (Used) by Cap. Act.	(\$76,434)	(\$25,478)	(\$47,756)	(\$22,278)	
Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected	\$162,652		\$162,652		
Plus (Less) Operating Surplus	82,660	27,553	58,634		
Wholesale Customer Refunds from Prior Years	(10,000)	(3,333)	0		
Interest Earned From Bond Reserve	323	108	0		
Prior Year Federal Billing Reconciliation	(19,201)	(6,400)	(9,600)		
Cash Used for Capital	(76,434)	(25,478)	(47,756)		
Balance Attributable to O&M Reserve	\$140,000		\$163,930		
OTHER CASH RESERVES					
Rate Stabilization Fund	\$51,450				
DC Insurance Reserve	1,044				

Monthly Financial Report

APPENDIX

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Fiscal Year-to-Date
As of January 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	\$109.7	\$114.3	\$4.6	4.3%	34.8%
Federal	57.5	19.2	28.4	9.2	48.0%	49.3%
District Government	17.5	5.8	5.8	0.0	-0.3%	33.2%
DC Housing Authority	8.4	2.8	2.8	0.0	0.9%	33.6%
Customer Metering Fee	10.8	3.6	3.9	0.3	9.4%	36.5%
Water System Replacement Fee (WSRF)	39.7	13.2	14.1	0.9	6.9%	35.6%
Wholesale	81.5	27.2	20.6	(6.6)	-24.4%	25.2%
Right-of-Way Fee/PILOT	21.1	7.0	7.5	0.5	7.1%	35.7%
Subtotal (before Other Revenues)	\$565.5	\$188.5	\$197.5	\$9.0	4.8%	34.9%
Other Revenue without RSF						
IMA Indirect Cost Reimb. For Capital Projects	6.5	2.2	1.4	(0.8)	-36.4%	21.5%
DC Fire Protection Fee	10.8	3.6	5.4	1.8	50.0%	50.0%
Stormwater (MS4)	1.0	0.3	0.4	0.1	33.3%	40.0%
Interest	2.2	0.7	0.6	(0.1)	-14.3%	27.3%
Developer Fees (Water & Sewer)	7.0	2.3	2.6	0.3	13.0%	37.1%
Others	2.6	0.9	1.5	0.6	66.7%	57.7%
Subtotal	\$30.0	\$10.0	\$11.9	\$1.9	18.9%	39.6%
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%
Other Revenue Subtotal	\$30.0	\$10.0	\$11.9	\$1.9	18.9%	39.6%
Grand Total	\$595.5	\$198.5	\$209.4	\$10.9	5.5%	35.2%

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

Customer Category	Water	Sewer	Clean Rivers IAC	Metering Fee	WSRF	Total
Residential	\$11,567	\$14,081	\$10,224	\$1,727	\$3,101	\$40,700
Commercial	18,805	19,308	12,518	1,125	5,159	56,916
Multi-family	10,795	12,878	4,166	502	2,186	30,526
Federal	9,274	8,804	10,307	384	2,821	31,589
District Govt	1,599	1,954	2,264	146	688	6,650
DC Housing Authority	1,070	1,292	453	46	195	3,056
Total:	\$53,110	\$58,316	\$39,932	\$3,930	\$14,149	\$169,437

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

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

Customer Category	FY2016 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$27,286	\$9,095	\$10,224	\$1,128	12%	37%
Commercial	33,037	11,012	12,518	1,506	14%	38%
Multi-family	10,516	3,505	4,166	660	19%	40%
Federal	20,615	6,872	10,307	3,436	50%	50%
District Govt	9,258	3,086	2,264	(822)	-27%	24%
DC Housing Authority	1,337	446	453	7	2%	34%
Total:	\$102,049	\$34,016	\$39,932	\$5,915	17%	39%

Monthly Financial Report

Fiscal Year-to-Date
As of January 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

Greater Than 90 Days by Customer

	Number of Accounts			Month of January (All Categories)				Total Delinquent				
	W & S a/c	Impervious Only a/c	Total No. of a/c	Active		Inactive		No. of a/c Dec.	Amount (\$)	No. of a/c Jan.	Amount (\$)	%
				No. of a/c	Amount (\$)	No. of a/c	Amount (\$)					
Commercial	10,450	3,376	13,826	1,151	2,534,447	176	\$ 109,392	1,313	\$ 2,482,375	1,327	\$ 2,643,839	31%
Multi-family	8,369	456	8,825	708	1,707,966	180	\$ 73,492	895	1,732,737	888	\$ 1,781,458	22%
Single-Family Residential	106,262	3,393	109,655	8,413	3,557,313	2,418	\$ 524,515	10,653	3,967,968	10,831	\$ 4,081,828	48%
Total	125,081	7,225	132,306	10,272	\$ 7,799,726	2,774	\$ 707,399	12,861	\$ 8,183,080	13,046	\$ 8,507,125	100%

Notes: Included in the above \$7.80M (or 10,272 accounts) of the DC Water Over 90 days delinquent accounts, \$3,053,487.36 (or 2,055 accounts) represents Impervious only accounts over 90 days delinquent.

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

Monthly Financial Report

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

Overtime by Department

Department	FY 2017			
	Budget	YTD Actual	YTD Actual % of Budget	% of Regular Pay
Office of the Board Secretary	5,000	3,900	78.0%	4.4%
General Manager	7,500	3,057	40.8%	0.3%
General Counsel	2,000	114	5.7%	0.0%
External Affairs	27,000	300	1.1%	0.1%
Internal Audit	-	0	0.0%	0.0%
Information Technology	26,670	6,450	24.2%	0.6%
Procurement	30,000	3,725	12.4%	0.3%
Customer Service	410,000	213,627	52.1%	7.2%
Finance, Accounting & Budget	30,000	11,395	38.0%	0.6%
Assistant General Manager - Support Services	1,000	75	7.5%	0.1%
Human Capital Management	5,000	982	19.6%	0.1%
Occupational Safety and Health	2,000	179	9.0%	0.0%
Facilities Management	250,000	94,678	37.9%	7.0%
Department of Security	-	729	0.0%	0.3%
Distribution and Conveyance System	750,000	207,840	27.7%	9.1%
Engineering and Technical Services	1,063,000	229,909	21.6%	4.1%
Water Services	1,000,000	665,247	66.5%	14.5%
Clean Rivers	5,000	0	0.0%	0.0%
Sewer Services	850,000	386,492	45.5%	15.7%
Wastewater Treatment - Operations	1,450,780	607,792	41.9%	16.1%
Wastewater Treatment - Process Engineering	120,000	8,372	7.0%	0.8%
Maintenance Services	700,000	194,632	27.8%	7.2%
Permit Operations	15,000	721	4.8%	0.2%
Fleet Management	3,500	335	9.6%	0.1%
Total DC WATER	\$6,753,450	\$2,640,554	39.1%	7.4%

Notes:

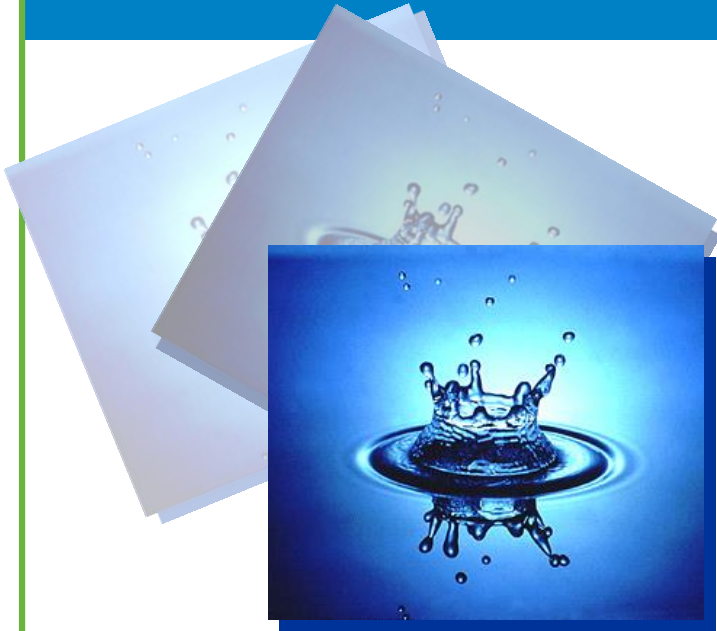
- Engineering and Technical Services Department include overtime that will be charged/transferred to capital projects at the end of the fiscal year
- Includes accruals for 10 days thru January 31, 2017

Monthly Financial Report

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

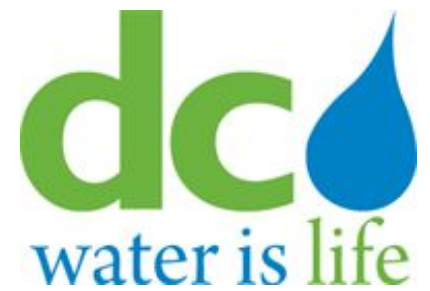
Capital Disbursements Detail by Program (\$000's)

Service Areas	Budget		Actual	Actual	Actual	Variance		
	Annual	YTD	Oct. - Dec. 2016	Jan. 2017	YTD	YTD % Budget	YTD \$ Fav/(Unfav)	YTD % Fav/(Unfav)
NON PROCESS FACILITIES								
Facility Land Use	\$34,150	\$11,383	\$7,038	\$3,447	\$10,485	30.7%	\$898	7.9%
Subtotal	34,150	11,383	7,038	3,447	10,485	30.7%	898	7.9%
WASTEWATER TREATMENT								
Liquid Processing	16,152	5,384	3,277	\$554	\$3,831	23.7%	1,553	28.9%
Plantwide	11,313	3,771	2,650	\$827	\$3,477	30.7%	294	7.8%
Solids Processing	7,654	2,551	4,528	\$585	\$5,113	66.8%	(2,561)	-100.4%
Enhanced Nitrogen Removal Facilities	88,670	29,557	25,354	\$5,385	\$30,739	34.7%	(1,182)	-4.0%
Subtotal	123,789	41,263	35,808	7,351	43,159	34.9%	(1,896)	-4.6%
COMBINED SEWER OVERFLOW								
D.C. Clean Rivers	171,300	57,100	49,116	\$17,782	\$66,898	39.1%	(9,798)	-17.2%
Program Management	3,827	1,276	950	\$677	\$1,627	42.5%	(351)	-27.5%
Combined Sewer	9,260	3,087	2,499	\$1,030	\$3,529	38.1%	(442)	-14.3%
Subtotal	184,387	61,462	52,565	19,488	72,054	39.1%	(10,591)	-17.2%
STORMWATER								
Local Drainage	172	57	180	\$8	\$188	108.9%	(130)	-226.6%
On-Going	424	141	174	\$0	\$174	40.9%	(32)	-22.8%
Pumping Facilities	368	123	0	\$0	\$0	0.0%	123	100.0%
DDOT	16	5	0	\$0	\$0	0.0%	5	100.0%
Research and Program Management	270	90	149	\$105	\$254	94.3%	(164)	-182.9%
Trunk/Force Sewers	456	152	66	\$29	\$95	20.9%	57	37.4%
Subtotal	1,706	569	569	142	711	41.7%	(142)	-25.0%
SANITARY SEWER								
Collection Sewers	4,890	1,630	1,439	\$94	\$1,533	31.3%	97	6.0%
On-Going	11,838	3,946	2,734	\$26	\$2,760	23.3%	1,186	30.0%
Pumping Facilities	2,806	935	723	\$297	\$1,020	36.3%	(85)	-9.0%
Program Management	8,755	2,918	1,853	\$796	\$2,649	30.3%	269	9.2%
Interceptor/Trunk Force Sewers	10,013	3,338	2,849	\$172	\$3,021	30.2%	317	9.5%
Subtotal	38,302	12,767	9,598	1,385	10,983	28.7%	1,785	14.0%
WATER								
Distribution Systems	30,148	10,049	5,606	\$1,427	\$7,033	23.3%	3,016	30.0%
Lead Program	1,050	350	832	\$53	\$885	84.3%	(535)	-152.9%
On-Going	10,643	3,548	2,254	\$78	\$2,331	21.9%	1,216	34.3%
Pumping Facilities	2,598	866	1,015	\$208	\$1,224	47.1%	(358)	-41.3%
DDOT	830	277	0	\$0	\$0	0.0%	277	100.0%
Storage Facilities	7,728	2,576	1,414	\$1,677	\$3,092	40.0%	(516)	-20.0%
Program Management	5,823	1,941	1,254	\$805	\$2,059	35.4%	(118)	-6.1%
Subtotal	58,819	19,606	12,375	4,248	16,623	28.3%	2,983	15.2%
Capital Projects	\$441,153	\$147,051	\$117,953	\$36,062	\$154,015	34.9%	(\$6,964)	-4.7%
CAPITAL EQUIPMENT	54,949	18,316	8,805	3,028	11,833	21.5%	6,483	35.4%
WASHINGTON AQUEDUCT	10,896	2,724	0	0	0	0.0%	2,724	0.0%
Additional Capital Programs	\$65,845	\$21,040	\$8,805	\$3,028	\$11,833	18.0%	\$9,207	43.8%
Total	\$506,998	\$168,091	\$126,759	\$39,090	\$165,848	32.7%	\$2,243	1.3%



DC Water

Investment Performance Report – January 2017



**DC Water
Finance Division
Economic Update**

ECONOMIC COMMENTARY

- At the FOMC's January 31st – February 1st meeting, the Committee unanimously decided to leave the target range for the federal funds rate unchanged. The Federal Funds Target Rate remains at 0.50% - 0.75%. The general expectation is that the FOMC will raise rates gradually through 2017, as the labor market approaches full employment and inflation nears the 2% long-run objective.
- The United States added 227,000 jobs in January, exceeding expectations for gains of 180,000. The unemployment rate ticked up to 4.8% from the prior month's reading of 4.7%, while wage growth slowed to 2.5% year-over-year.
- After two months of significant volatility in interest rates, Treasury yields stabilized in January with minimal changes.

PORTFOLIO RECAP

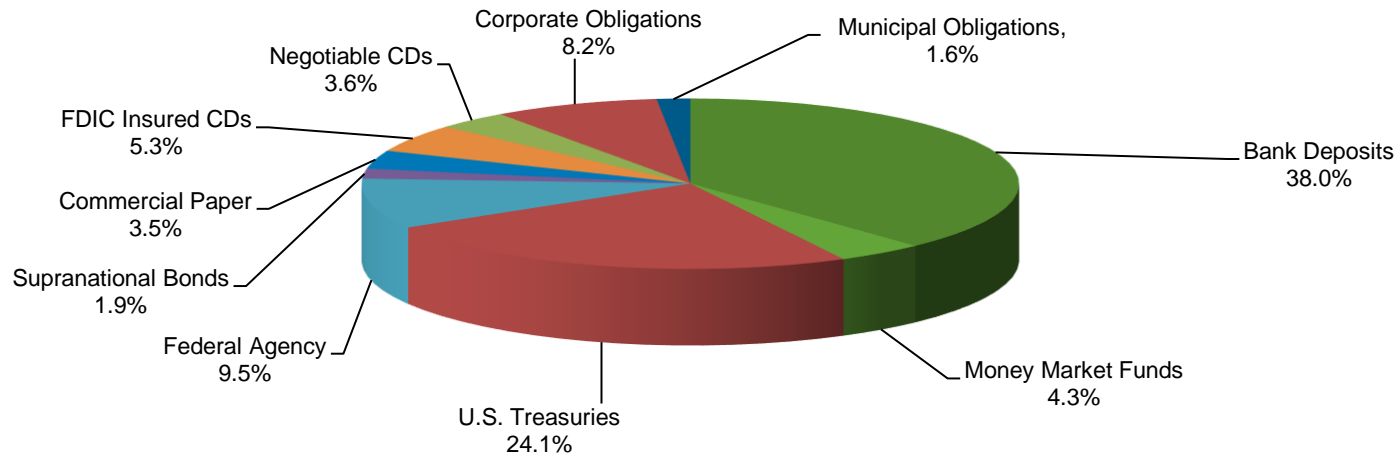
- The portfolio is diversified among Bank Deposits, U.S. Treasuries, Federal Agencies, Supranational Bonds, Commercial Paper, Negotiable CDs, Corporate Notes/Bonds, Municipal Bonds, FDIC Insured CDs, and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 0.84%.

Operating Reserve

- PFM purchased \$3.5 million of 3-year U.S. Treasury Notes at an average yield of 1.52%. We also purchased \$1.8 million of 2-year Negotiable CDs at an average yield of 1.91%.
- The District renewed its \$2.56 million CD with Industrial Bank.



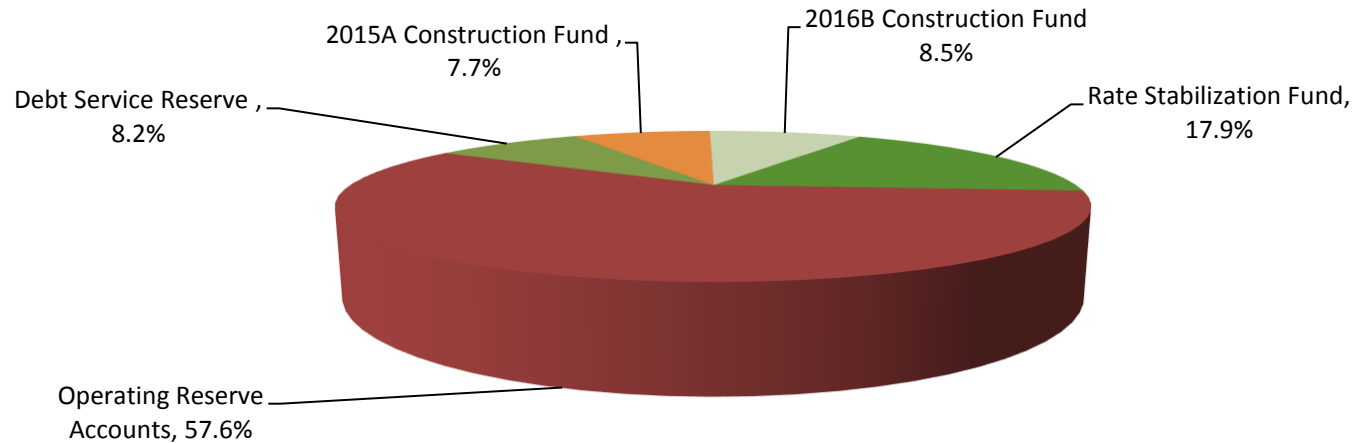
**DC Water
Finance Division
Investments - By Security Type
As of January 31, 2017**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	109,101,479	38.0%	100.0%
Money Market Funds	12,271,028	4.3%	100.0%
U.S. Treasuries	69,124,243	24.1%	100.0%
Federal Agency	27,364,391	9.5%	80.0%
Supranational Bonds	5,399,764	1.9%	30.0%
Commercial Paper	9,991,733	3.5%	35.0%
FDIC Insured CDs	15,252,236	5.3%	30.0%
Negotiable CDs	10,228,215	3.6%	30.0%
Corporate Obligations	23,474,365	8.2%	30.0%
Municipal Obligations	4,719,529	1.6%	20.0%
Total	\$ 286,926,983	100.0%	



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

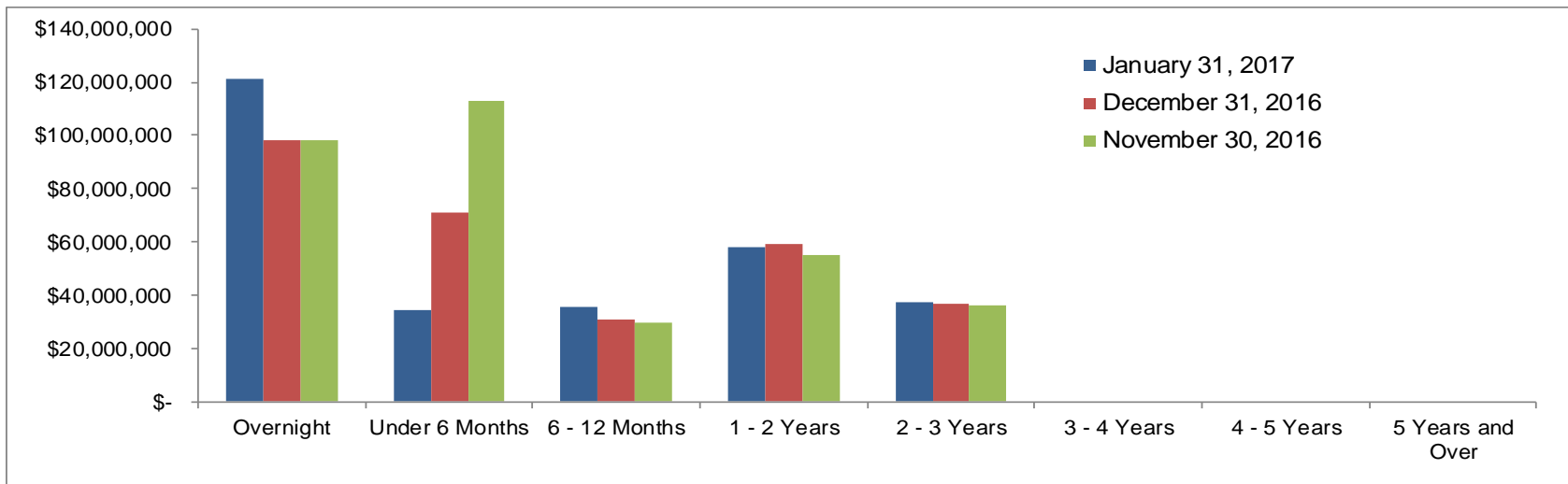


Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Rate Stabilization Fund	\$ 51,450,000	0.40%	0.00	1.0
Operating Reserve Accounts	\$ 165,179,434	1.06%	1.09	406.4
CSO LTCP Appropriations Account	\$ 514	0.37%	0.00	1.0
Debt Service Reserve	\$ 23,645,041	0.81%	1.01	372.3
2015A Construction Fund	\$ 22,089,784	0.66%	0.04	14.6
2015B Construction Fund	\$ 31,352	0.38%	0.00	1.0
2016B Construction Fund	\$ 24,530,857	0.54%	0.25	93.0
Total	\$ 286,926,983	0.84%	0.74	273.9



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

Maturity Distribution	January 31, 2017	December 31, 2016	November 30, 2016
Overnight \$	121,372,507.16 \$	97,995,069.60 \$	98,199,066.33
Under 6 Months	34,521,834.98	71,271,764.79	112,781,028.42
6 - 12 Months	35,704,408.12	30,921,696.51	29,430,961.36
1 - 2 Years	58,155,037.77	58,988,232.56	54,774,749.79
2 - 3 Years	37,173,195.07	36,660,641.80	35,895,750.93
3 - 4 Years	-	-	894,775.23
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
Totals \$	286,926,983.10 \$	295,837,405.26 \$	331,976,332.06





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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
Bank Deposits					
TD Bank		109,101,478.94	38.0%	100.0%	Yes
Sub-Total Bank Deposits		109,101,478.94	38.0%	100.0%	Yes
Money Market Mutual Funds					
Wells Fargo Treasury Plus MMF	AAA m	12,131,800.13	4.2%	50.0%	Yes
Wells Fargo Government MMF	AAA m	139,228.09	0.0%	50.0%	Yes
Sub-Total Money Market Mutual Funds		12,271,028.22	4.3%	100.0%	Yes
U.S. Treasuries					
Treasury Note	AA+ / Aaa	69,124,242.77	24.1%	100.0%	Yes
Sub-Total Treasuries		69,124,242.77	24.1%	100.0%	Yes
Federal Agencies					
Fannie Mae	AA+ / Aaa	9,206,674.59	3.2%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	11,822,951.72	4.1%	40.0%	Yes
Freddie Mac	AA+ / Aaa	6,334,764.69	2.2%	40.0%	Yes
Sub-Total Federal Agencies		27,364,391.00	9.5%	80.0%	Yes
Supranational Bonds					
African Development Bank	AAA / Aaa	1,411,823.98	0.5%	5.0%	Yes
Asian Development Bank	AAA / Aaa	925,327.05	0.3%	5.0%	Yes
Inter-American Development Bank	AAA / Aaa	1,259,919.58	0.4%	5.0%	Yes
International Bank for Reconstruction and Development	AAA / Aaa	1,802,693.24	0.6%	5.0%	Yes
Sub-Total Supranational Bonds		5,399,763.85	1.9%	30.0%	Yes
Commercial Paper					
Bank of Montreal Chicago	A-1 / P-1	9,991,733.30	3.5%	5.0%	Yes
Sub-Total Commercial Paper		9,991,733.30	3.5%	35.0%	Yes
FDIC Insured Certificates of Deposit					
CDARS - Placed by Industrial Bank	NR / NR	15,252,236.00	5.3%	5.0%	No*
Sub-Total FDIC-Insured Certificates of Deposit		15,252,236.00	5.3%	30.0%	Yes

*Bond proceeds being drawn down during the month resulted in a higher issuer allocation to CDARS – Placed by Industrial Bank than what is permitted by the investment policy. Balances will increase in February resulting in this allocation becoming less than 5%



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
Negotiable Certificates of Deposit					
Canadian Imperial Bank NY	A+ / Aa3	1,803,812.32	0.6%	5.0%	Yes
HSBC Bank USA NA	A-1+ / P-1	1,805,685.64	0.6%	5.0%	Yes
Nordea Bank Finland NY	AA- / Aa3	1,805,104.00	0.6%	5.0%	Yes
Skandinaviska Enskilda Banken NY Long Term	A-1 / P-1	3,607,588.00	1.3%	5.0%	Yes
US Bank NA Cincinnati	AA- / Aa1	1,206,025.34	0.4%	5.0%	Yes
Sub-Total Negotiable Certificates of Deposit		10,228,215.30	3.6%	30.0%	Yes
Corporate Obligations					
Apple Inc.	AA+ / Aa1	1,453,115.44	0.5%	5.0%	Yes
Bank of Montreal	A+ / Aa3	899,775.04	0.3%	5.0%	Yes
Bank of New York Mellon	A / A1	1,805,447.03	0.6%	5.0%	Yes
Bank of Nova Scotia	A+ / Aa3	1,803,860.91	0.6%	5.0%	Yes
Berkshire Hathaway Inc	AA / Aa2	351,910.73	0.1%	5.0%	Yes
Cisco Systems Inc.	AA- / A1	1,553,145.32	0.5%	5.0%	Yes
Chevron	AA- / Aa2	1,803,268.44	0.6%	5.0%	Yes
Exxon Mobil	AA+ / Aaa	1,809,461.25	0.6%	5.0%	Yes
IBM	AA- / Aa3	2,259,957.24	0.8%	5.0%	Yes
Merck & Co.	AA / A1	732,787.84	0.3%	5.0%	Yes
Microsoft	AAA / Aaa	597,629.18	0.2%	5.0%	Yes
Pfizer Inc.	AA / A1	897,347.00	0.3%	5.0%	Yes
Royal Bank of Canada	AA- / Aa3	1,752,758.29	0.6%	5.0%	Yes
Toronto Dominion Bank NY	AA- / Aa1	906,020.49	0.3%	5.0%	Yes
Toyota Motor Credit Corp	AA- / Aa3	1,525,528.30	0.5%	5.0%	Yes
Walmart Stores Inc.	AA / Aa2	804,750.74	0.3%	5.0%	Yes
Wells Fargo & Company Notes	A / A2	1,112,056.20	0.4%	5.0%	Yes
Westpac Banking	AA- / Aa2	1,405,545.28	0.5%	5.0%	Yes
Sub-Total Corporate Obligations		23,474,364.72	8.2%	30.0%	Yes
Municipal Obligations					
Connecticut State	AA- / Aa3	992,642.08	0.3%	5.0%	Yes
Florida State	AA / Aa3	1,803,244.50	0.6%	5.0%	Yes
Mississippi State	AA / Aa2	120,436.00	0.0%	5.0%	Yes
Regional Transportation Authority, IL	AA / Aa3	1,803,206.42	0.6%	5.0%	Yes
Sub-Total Municipal Obligations		4,719,529.00	1.6%	20.0%	Yes
Grand Total		\$ 286,926,983.10	100.0%		



**DC Water
Finance Division
Book Value Performance
As of January 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	0.03%	0.40%	0.10%	0.40%	0.20%	0.40%	0.54%	0.57%
Operating Reserve Accounts	0.10%	1.15%	0.27%	1.07%	0.60%	1.19%	1.18%	1.04%
Total Debt Service Reserve	0.07%	0.81%	0.21%	0.84%	0.38%	0.75%	0.67%	0.68%
2015A Construction Fund	0.04%	0.52%	0.16%	0.64%	0.34%	0.67%	0.60%	n/a
2015B Construction Fund	0.08%	0.93%	0.17%	0.66%	0.38%	0.76%	0.65%	n/a
2016B Construction Fund	0.05%	0.55%	0.13%	0.50%	n/a	n/a	n/a	n/a
Short-Term	0.06%	0.66%	0.16%	0.64%	0.33%	0.66%	0.64%	0.52%
Merrill Lynch 3-Month Treasury Index (Book Value) ¹	0.04%	0.47%	0.11%	0.42%	0.16%	0.32%	0.27%	0.16%
Core (1+ Years)	0.10%	1.21%	0.29%	1.17%	0.58%	1.16%	1.14%	1.02%
Merrill Lynch 1-3 Year Treasury Index (Book Value) ²	0.10%	1.15%	0.29%	1.14%	0.49%	0.97%	0.86%	0.80%

- (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
Rate Stabilization Fund										
TD BANK BANK DEPOSIT		\$ 51,450,000		2/1/2017		0.40%	\$ 51,450,000	\$ 51,450,000	\$ 51,450,000	\$ 51,450,000.00
Operating Reserve Accounts										
TD BANK BANK DEPOSIT		\$ 57,650,965		2/1/2017		0.90%	\$ 57,650,965	\$ 57,650,965	\$ 57,650,965	
WELLS FARGO GOVERNMENT MMF		139,228		2/1/2017		0.40%	139,228	139,228	139,228	
US BANK NA CINCINNATI (CALLABLE) CD	90333VPF1	1,200,000	1.375	9/11/2017	9/11/2014	1.41%	1,198,068	1,208,935	1,206,025	
MS ST TXBL GO BONDS	605581FX0	120,000	1.090	10/1/2017	2/18/2015	1.09%	120,000	120,539	120,436	
INDUSTRIAL BANK CDARS		5,035,026	0.350	10/12/2017	10/13/2016	0.35%	5,035,026	5,040,400	5,040,400	
ROYAL BANK OF CANADA CORP NOTES	78010U4A2	850,000	1.400	10/13/2017	10/15/2014	1.41%	849,873	853,435	853,540	
INDUSTRIAL BANK CDARS		5,065,244	0.400	11/9/2017	11/10/2016	0.40%	5,065,244	5,069,890	5,069,890	
SKANDINAVISKA ENSKILDA BANKEN NY CD	83050FBG5	1,800,000	1.480	11/16/2017	11/17/2015	1.48%	1,800,000	1,803,115	1,805,698	
HSBC BANK USA NA FLOATING CERT DEPOS	40428AR41	1,800,000	1.496	11/17/2017	11/18/2015	0.97%	1,800,000	1,809,457	1,805,686	
CHEVRON CORP (CALLABLE) GLOBAL NOTES	166764AA8	900,000	1.104	12/5/2017	11/26/2014	1.26%	895,743	900,193	900,342	
TOYOTA MOTOR CREDIT CORP NOTE	89236TCA1	590,000	1.450	1/12/2018	1/12/2015	1.50%	589,192	590,978	590,192	
WESTPAC BANKING CORP NOTES	961214BZ5	1,400,000	1.600	1/12/2018	4/29/2015	1.27%	1,412,306	1,402,612	1,405,545	
INDUSTRIAL BANK CDARS		2,562,346	0.450	1/18/2018	1/19/2017	0.45%	2,562,346	2,562,730	2,562,730	
INDUSTRIAL BANK CDARS		2,563,284	0.600	1/18/2018	1/21/2016	0.60%	2,563,284	2,579,216	2,579,216	
IBM CORP NOTES	459200HZ7	2,250,000	1.125	2/6/2018	2/6/2015	1.23%	2,243,138	2,259,843	2,259,957	
WAL MART STORES INC. CORP NOTES	931142CJ0	750,000	5.800	2/15/2018	6/12/2015	1.30%	838,382	805,074	804,751	
EXXON MOBIL CORP NOTES	30231GAL6	1,800,000	1.305	3/6/2018	3/6/2015	1.31%	1,800,000	1,809,976	1,809,461	
FNMA NOTE	3135G0J61	1,250,000	0.875	3/28/2018	3/4/2016	0.97%	1,247,500	1,252,392	1,252,329	
REGIONAL TRANS AUTH, IL TXBL REV BONDS	7599112M1	1,800,000	1.250	5/4/2018	5/20/2016	1.44%	1,793,358	1,803,288	1,803,206	
MERCK & CO GLOBAL NOTES	58933YAG0	731,000	1.300	5/18/2018	3/27/2015	1.31%	730,664	732,760	732,788	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406HDB2	1,800,000	1.600	5/22/2018	5/29/2015	1.60%	1,799,838	1,806,665	1,805,447	
US TREASURY NOTES	912828VE7	450,000	1.000	5/31/2018	12/30/2015	1.21%	447,768	450,796	449,547	
BANK OF NOVA SCOTIA CORP NOTE (CALLABLE)	064159GM2	1,800,000	1.700	6/11/2018	6/11/2015	1.72%	1,799,154	1,804,650	1,803,861	
CISCO SYSTEMS INC CORP NOTE	17275RAU6	1,550,000	1.650	6/15/2018	6/17/2015	1.66%	1,549,737	1,559,012	1,553,145	
FEDERAL HOME LOAN BANKS AGCY	3130A8BD4	2,830,000	0.875	6/29/2018	5/27/2016	0.99%	2,823,180	2,824,523	2,827,576	
FEDERAL HOME LOAN BANKS AGCY	3130A8BD4	1,675,000	0.875	6/29/2018	8/12/2016	0.85%	1,675,637	1,671,759	1,676,783	
TOYOTA MOTOR CREDIT CORP	89236TCP8	935,000	1.550	7/13/2018	7/13/2015	1.58%	934,205	935,770	935,336	
INTL BANK OF RECON AND DEV SN NOTES	459058FE8	900,000	0.875	7/19/2018	4/19/2016	0.95%	898,407	895,767	899,219	
FHLB NOTES	3130A8PK3	3,675,000	0.625	8/7/2018	8/12/2016	0.81%	3,661,844	3,657,867	3,676,036	
BERKSHIRE HATHAWAY INC GLOBAL NOTES	084670Bx5	220,000	1.150	8/15/2018	8/15/2016	1.16%	219,974	220,157	221,146	
AFRICAN DEVELOPMENT BANK NOTE	00828EBB4	700,000	1.625	10/2/2018	11/3/2016	1.12%	706,699	706,275	709,612	
FHLMC REFERENCE NOTE	3137EAED7	2,375,000	0.875	10/12/2018	9/16/2016	0.90%	2,373,979	2,370,393	2,381,957	
CANADIAN IMPERIAL BANK NY CD	13606A5Z7	1,800,000	1.760	11/30/2018	12/5/2016	1.78%	1,798,596	1,819,929	1,803,812	
NORDEA BANK FINLAND NY CD	65558LWA6	1,800,000	1.760	11/30/2018	12/5/2016	1.74%	1,800,000	1,819,929	1,805,104	
US TREASURY NOTES	912828A34	3,000,000	1.250	11/30/2018	5/6/2016	0.83%	3,031,641	3,010,708	3,029,067	
US TREASURY NOTES	912828A34	2,130,000	1.250	11/30/2018	11/9/2015	1.18%	2,134,327	2,137,603	2,137,214	
US TREASURY NOTES	912828A75	5,150,000	1.500	12/31/2018	12/4/2015	1.22%	5,193,654	5,185,797	5,184,179	
SVENSKA HANDELSBANKEN NY LT CD	86958JHB8	1,800,000	1.890	1/10/2019	1/12/2017	1.91%	1,800,000	1,800,842	1,801,890	
WELLS FARGO & COMPANY NOTES	94974BFQ8	1,103,000	2.150	1/15/2019	10/7/2015	1.77%	1,116,225	1,110,422	1,112,056	
FHLB NOTES	3130AAE46	1,800,000	1.250	1/16/2019	12/8/2016	1.25%	1,799,928	1,799,877	1,800,866	
APPLE INC CORP NOTES	037833BQ2	545,000	1.700	2/22/2019	2/23/2016	1.71%	544,907	540,407	549,002	
FNMA BENCHMARK NOTE	3135G0J53	2,250,000	1.000	2/26/2019	2/23/2016	1.08%	2,244,690	2,245,969	2,256,016	
FNMA BENCHMARK NOTE	3135G0J53	825,000	1.000	2/26/2019	8/8/2016	0.90%	827,087	823,522	830,250	
FNMA BENCHMARK NOTE	3135G0J53	1,425,000	1.000	2/26/2019	9/2/2016	0.97%	1,425,926	1,422,447	1,431,909	
BERKSHIRE HATHAWAY INC NOTES	084664CG4	130,000	1.700	3/15/2019	3/15/2016	1.73%	129,901	130,860	130,764	

Investment Performance Report – January 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
Operating Reserve Accounts										
FREDDIE MAC NOTES	3137EADZ9	1,700,000	1.125	4/15/2019	5/31/2016	1.10%	1,701,309	1,698,061	1,706,644	
US TREASURY NOTES	912828D23	1,465,000	1.625	4/30/2019	6/29/2016	0.70%	1,502,998	1,481,416	1,501,223	
US TREASURY NOTES	912828D23	2,820,000	1.625	4/30/2019	11/14/2016	1.06%	2,858,555	2,851,600	2,866,947	
INTER-AMERICAN DEVELOPMENT BANK	458182DX7	1,260,000	1.000	5/13/2019	4/12/2016	1.10%	1,256,220	1,250,610	1,259,920	
CHEVRON CORP NOTES	166764BH2	900,000	1.561	5/16/2019	5/16/2016	1.56%	900,000	901,286	902,927	
FHLB GLOBAL NOTE	3130A8DB6	1,840,000	1.125	6/21/2019	6/3/2016	1.14%	1,839,227	1,831,843	1,841,690	
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	1,813,703	1,803,245	
BANK OF MONTREAL	06367THQ6	900,000	1.500	7/18/2019	7/18/2016	1.53%	899,136	899,076	899,775	
FHLMC REFERENCE NOTE	3137EAE1	2,250,000	0.875	7/19/2019	7/20/2016	0.96%	2,244,555	2,220,954	2,246,164	
ROYAL BANK OF CANADA CORP NOTES	78012KRK5	900,000	1.500	7/29/2019	7/29/2016	1.54%	898,974	889,270	899,219	
APPLE INC CORP NOTES	037833CB4	900,000	1.100	8/2/2019	8/4/2016	1.13%	899,100	894,342	904,113	
MICROSOFT CORP NOTES	594918BN3	595,000	1.100	8/8/2019	8/8/2016	1.14%	594,387	589,326	597,629	
TORONTO DOMINION BANK NY CORP NOTES	89114QBJ6	900,000	1.450	8/13/2019	7/13/2016	1.45%	899,919	894,185	906,020	
CT ST TXBL GO BONDS	20772J3D2	985,000	1.300	8/15/2019	8/17/2016	1.23%	987,128	974,207	992,642	
INTL BANK OF RECON AND DEV SN NOTE	459058FK4	900,000	0.875	8/15/2019	7/13/2016	0.88%	899,811	888,380	903,474	
FNMA NOTES	3135G0P49	1,450,000	1.000	8/28/2019	9/2/2016	1.05%	1,447,738	1,440,228	1,454,048	
FNMA NOTES	3135G0P49	1,975,000	1.000	8/28/2019	10/5/2016	1.02%	1,973,815	1,961,690	1,982,122	
AFRICAN DEVELOPMENT BANK NOTE	00828EBQ1	700,000	1.125	9/20/2019	9/20/2016	1.16%	699,258	693,211	702,212	
US TREASURY NOTES	912828G61	2,325,000	1.500	11/30/2019	12/5/2016	1.45%	2,328,633	2,334,851	2,334,479	
PFIZER INC CORP NOTE	717081EB5	595,000	1.700	12/15/2019	11/21/2016	1.72%	594,572	596,509	596,566	
PFIZER INC CORP NOTE	717081EB5	300,000	1.700	12/15/2019	11/21/2016	1.73%	299,775	300,761	300,781	
ASIAN DEVELOPMENT BANK	045167DT7	925,000	1.750	1/10/2020	1/12/2017	1.77%	924,464	925,931	925,327	
US TREASURY NOTES	912828H52	3,475,000	1.250	1/31/2020	1/5/2017	1.52%	3,447,309	3,451,229	3,448,086	\$ 165,179,433.77
Debt Service Reserve										
WELLS FARGO TREASURY PLUS MMF		\$ 1,641		2/1/2017		0.38%	\$ 1,641	\$ 1,641	\$ 1,641	
US TREASURY NOTES	912828PA2	6,257,000	1.875	9/30/2017	6/29/2015	0.76%	6,412,692	6,342,429	6,342,776	
US TREASURY NOTES	912828TS9	5,415,000	0.625	9/30/2017	4/26/2016	0.75%	5,405,058	5,421,878	5,421,932	
US TREASURY NOTES	912828Q45	6,820,000	0.875	3/31/2018	11/2/2016	0.76%	6,831,189	6,836,066	6,849,544	
US TREASURY NOTES	912828RH5	4,975,000	1.375	9/30/2018	11/15/2016	1.00%	5,009,786	5,019,875	5,029,148	\$ 23,645,041.23
CSO LTCP Appropriations Account										
TD BANK BANK DEPOSIT		514		2/1/2017		0.37%	514	514	514	\$ 513.91
2015A Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 12,098,051		2/1/2017		0.38%	\$ 12,098,051	\$ 12,098,051	\$ 12,098,051	
BANK OF MONTREAL CHICAGO COMM PAPER	06366GQ36	10,000,000	-	3/3/2017	6/16/2016	1.00%	9,928,356	9,994,310	9,991,733	\$ 22,089,784.43
2015B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 31,352		2/1/2017		0.38%	\$ 31,352	\$ 31,352	\$ 31,352	\$ 31,352.31
2016B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 756		2/1/2017		0.38%	\$ 756	\$ 756	\$ 756	
US TREASURY BILL	912796KU2	24,564,000	-	5/4/2017	11/10/2016	0.54%	24,499,520	24,531,895	24,530,102	\$ 24,530,857.45
							\$ 286,637,413.96	\$ 286,659,409.92	\$ 286,926,983.10	\$ 286,926,983.10

Investment Performance Report – January 2017



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts							
037833CB4	APPLE INC CORP NOTES	900,000.00	1.10	8/2/2019	8/4/2016	1.13	899,100.00
594918BN3	MICROSOFT CORP NOTES	595,000.00	1.10	8/8/2019	8/8/2016	1.14	594,387.15
3135G0J53	FNMA BENCHMARK NOTE	825,000.00	1.00	2/26/2019	8/8/2016	0.90	830,799.75
3130A8PK3	FHLB NOTES	3,675,000.00	0.63	8/7/2018	8/12/2016	0.81	3,662,162.51
3130A8BD4	FEDERAL HOME LOAN BANKS AGCY	1,675,000.00	0.88	6/29/2018	8/12/2016	0.85	1,677,387.11
084670BX5	BERKSHIRE HATHAWAY INC GLOBAL NOTES	220,000.00	1.15	8/15/2018	8/15/2016	1.16	219,973.60
3137EADZ9	FREDDIE MAC NOTES	2,500,000.00	1.13	4/15/2019	8/15/2016	0.89	2,526,700.00
20772J3D2	CT ST TXBL GO BONDS	985,000.00	1.30	8/15/2019	8/17/2016	1.23	987,127.60
3135G0P49	FNMA NOTES	2,350,000.00	1.00	8/28/2019	9/2/2016	1.05	2,346,334.00
3135G0J53	FNMA BENCHMARK NOTE	1,425,000.00	1.00	2/26/2019	9/2/2016	0.97	1,426,163.75
3137EAD7	FHLMC REFERENCE NOTE	2,375,000.00	0.88	10/12/2018	9/16/2016	0.90	2,373,978.75
00828EBQ1	AFRICAN DEVELOPMENT BANK NOTE	700,000.00	1.13	9/20/2019	9/20/2016	1.16	699,258.00
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
RE0959611	INDUSTRIAL BANK CDARS	2,562,345.78	0.45	1/18/2018	1/19/2017	0.00	2,562,345.78
Total Debt Service Reserve							
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
2016B Construction Fund							
912796KU2	US TREASURY BILL	24,564,000.00	0.000	5/4/2017	11/10/2016	0.549	24,499,519.50

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

Investment Performance Report – January 2017



DC Water
Finance Division
Security Sales
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts							
912828D23	US TREASURY NOTES	160,000.00	1.63	4/30/2019	8/4/2016	0.77	164,378.26
912828C65	US TREASURY NOTES	715,000.00	1.63	3/31/2019	8/4/2016	0.76	735,171.19
36962G5N0	GENERAL ELEC CAP CORP GLOBAL NOTES	600,000.00	2.90	1/9/2017	8/8/2016	0.91	606,387.67
912828SH4	US TREASURY NOTES	800,000.00	1.38	2/28/2019	8/8/2016	0.80	816,375.00
912828RH5	US TREASURY NOTES	2,700,000.00	1.38	9/30/2018	8/12/2016	0.72	2,750,928.15
912828VQ0	US TREASURY NOTES	895,000.00	1.38	7/31/2018	8/12/2016	0.70	907,148.17
912828VE7	US TREASURY NOTES	1,620,000.00	1.00	5/31/2018	8/12/2016	0.75	1,630,381.93
912828VQ0	US TREASURY NOTES	200,000.00	1.38	7/31/2018	8/15/2016	0.74	202,596.47
912828D23	US TREASURY NOTES	2,450,000.00	1.63	4/30/2019	8/15/2016	0.79	2,516,126.70
912828D23	US TREASURY NOTES	960,000.00	1.63	4/30/2019	8/17/2016	0.77	986,445.65
3137EADJ5	FREDDIE MAC GLOBAL NOTES	500,000.00	1.00	7/28/2017	9/2/2016	0.66	501,987.22
36962G5N0	GENERAL ELEC CAP CORP GLOBAL NOTES	600,000.00	2.90	1/9/2017	9/2/2016	0.88	606,821.67
89114QAQ1	TORONTO DOMINION BANK NY CORP NT	300,000.00	1.13	5/2/2017	9/2/2016	1.10	301,164.00
89114QAQ1	TORONTO DOMINION BANK NY CORP NT	790,000.00	1.13	5/2/2017	9/2/2016	1.10	793,065.20
912828UE8	US TREASURY NOTES	1,425,000.00	0.75	12/31/2017	9/2/2016	0.75	1,426,914.36
912828WD8	US TREASURY NOTES	2,350,000.00	1.25	10/31/2018	9/16/2016	0.82	2,382,392.33
05253JAF8	ANZ BANKING GROUP LTD CORP NOTES	700,000.00	1.25	6/13/2017	9/20/2016	1.16	702,812.64
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
09659BQH6	BNP PARIBAS NY BRANCH COMM PAPER	1,800,000.00	-	3/17/2017	12/5/2016	0.97	1,795,155.00
65558LFA5	NORDEA BANK FINLAND NY CD	1,800,000.00	1.15	5/26/2017	12/5/2016	1.09	1,800,770.35
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	1.37	8/24/2017	1/12/2017	1.16	1,805,873.59
Total Debt Service Reserve							
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

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

Investment Performance Report – January 2017



DC Water
Finance Division
Security Sales
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
2015A Construction Fund							
912828SM3	US TREASURY NOTES	1,625,000.00	1.00	3/31/2017	9/22/2016	0.45	1,637,403.60
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
2015B Construction Fund							
912828J35	US TREASURY NOTES	25,140,000.00	0.50	2/28/2017	8/29/2016	0.48	25,205,112.94
912828RU6	US TREASURY NOTES	5,285,000.00	0.88	11/30/2016	8/29/2016	0.35	5,303,390.55
46640PPU1	JP MORGAN SECURITIES LLC COMM PAPER	10,000,000.00	-	2/28/2017	8/29/2016	0.97	9,951,708.30
912828RJ1	US TREASURY NOTES	1,250,000.00	1.00	9/30/2016	8/29/2016	0.37	1,255,840.69
912828RJ1	US TREASURY NOTES	4,200,000.00	1.00	9/30/2016	9/22/2016	0.28	4,220,738.22
89233GLW4	TOYOTA MOTOR CREDIT CORP COMM PAPER	8,175,000.00	-	11/30/2016	11/7/2016	0.43	8,172,806.38

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



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

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts							
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
2015A Construction Fund							
912828RF9	US TREASURY NOTES	6,450,000.00	1.00	8/31/2016	8/31/2016	0.00	6,450,000.00
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
2015B Construction Fund							
06538BJG9	BANK OF TOKYO MITSUBISHI COMM PAPER	9,000,000.00	-	9/16/2016	9/16/2016	0.00	9,000,000.00
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
02/04/17	INTEREST	037833CB4	APPLE INC CORP NOTES	1.100	08/02/19	900,000.00	0.00	4,950.00	4,950.00
02/06/17	INTEREST	459200HZ7	IBM CORP NOTES	1.125	02/06/18	2,250,000.00	0.00	12,656.25	12,656.25
02/06/17	BUY	594918BV5	MICROSOFT CORP	1.850	02/06/20	445,000.00	445,000.00	(298.15)	(444,701.85)
02/07/17	INTEREST	3130A8PK3	FHLB NOTES	0.625	08/07/18	3,675,000.00	0.00	11,484.38	11,484.38
02/08/17	INTEREST	594918BN3	MICROSOFT CORP NOTES	1.100	08/08/19	595,000.00	0.00	3,272.50	3,272.50
02/13/17	INTEREST	89114QBJ6	TORONTO DOMINION BANK NY CORP NOTES	1.450	08/13/19	900,000.00	0.00	6,525.00	6,525.00
02/15/17	INTEREST	084670BX5	BERKSHIRE HATHAWAY INC GLOBAL NOTES	1.150	08/15/18	220,000.00	0.00	1,265.00	1,265.00
02/15/17	INTEREST	20772J3D2	CT ST TXBL GO BONDS	1.300	08/15/19	985,000.00	0.00	6,331.36	6,331.36
02/15/17	INTEREST	459058FK4	INTL BANK OF RECON AND DEV SN NOTE	0.875	08/15/19	900,000.00	0.00	3,937.50	3,937.50
02/15/17	INTEREST	931142CJ0	WAL MART STORES INC. CORP NOTES	5.800	02/15/18	750,000.00	0.00	21,750.00	21,750.00
02/17/17	INTEREST	40428AR41	HSBC BANK USA NA FLOATING CERT DEPOS	1.496	11/17/17	1,800,000.00	0.00	6,412.91	6,412.91
02/23/17	INTEREST	037833BQ2	APPLE INC CORP NOTES	1.700	02/22/19	545,000.00	0.00	4,632.50	4,632.50
02/26/17	INTEREST	3135G0J53	FNMA BENCHMARK NOTE	1.000	02/26/19	825,000.00	0.00	4,125.00	4,125.00
02/26/17	INTEREST	3135G0J53	FNMA BENCHMARK NOTE	1.000	02/26/19	1,425,000.00	0.00	7,125.00	7,125.00
02/26/17	INTEREST	3135G0J53	FNMA BENCHMARK NOTE	1.000	02/26/19	2,250,000.00	0.00	11,250.00	11,250.00
02/28/17	INTEREST	3135G0P49	FNMA NOTES	1.000	08/28/19	1,450,000.00	0.00	7,088.89	7,088.89
02/28/17	INTEREST	3135G0P49	FNMA NOTES	1.000	08/28/19	1,975,000.00	0.00	9,655.56	9,655.56



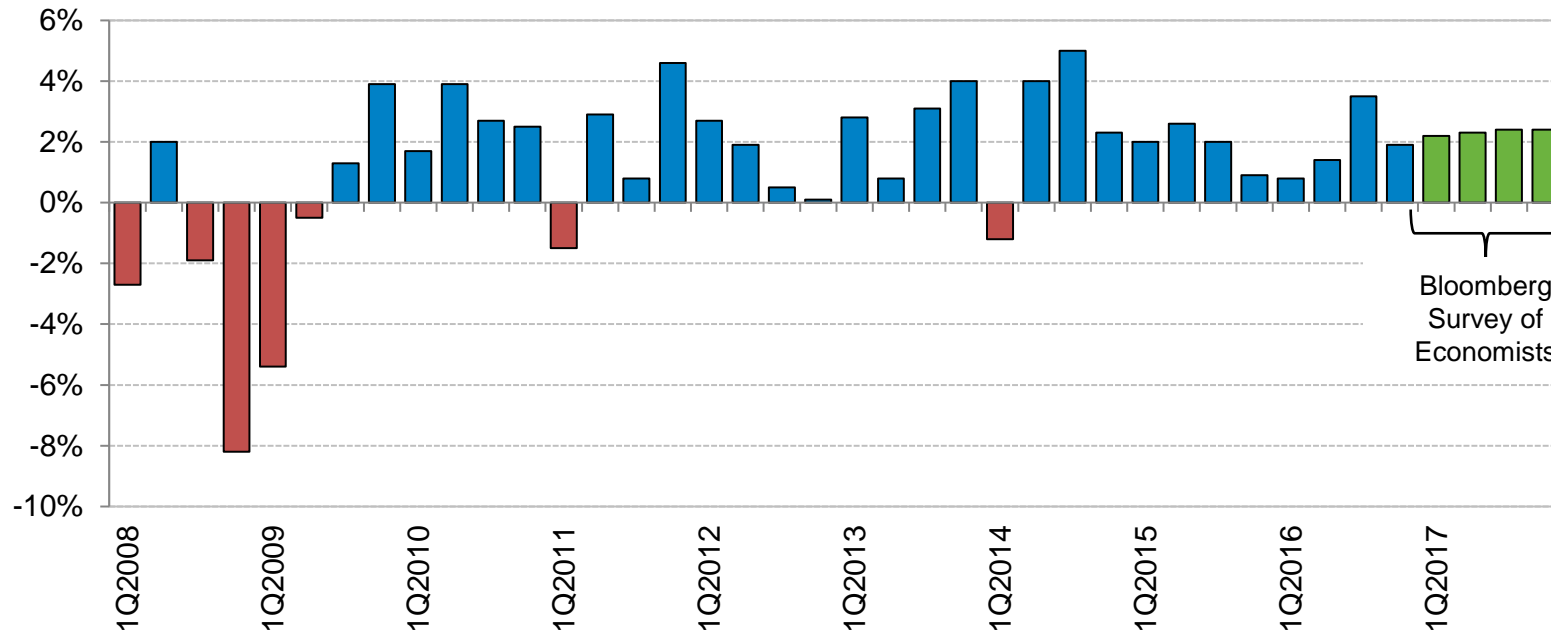
Appendix: Economic Update



Gross Domestic Product

- Gross domestic product increased at an annualized rate of 1.9% in the fourth quarter, down from the 3.5% pace of the prior quarter prior, resulting in an average 1.9% rate of growth for both 2015 and 2016.
- Fourth quarter GDP reflected positive contributions from personal consumption, fixed investment, private inventories, and government expenditures. However, these drivers of growth were offset by a large decline in net exports.

**Gross Domestic Product
January 2008 – December 2017 (Projected)**



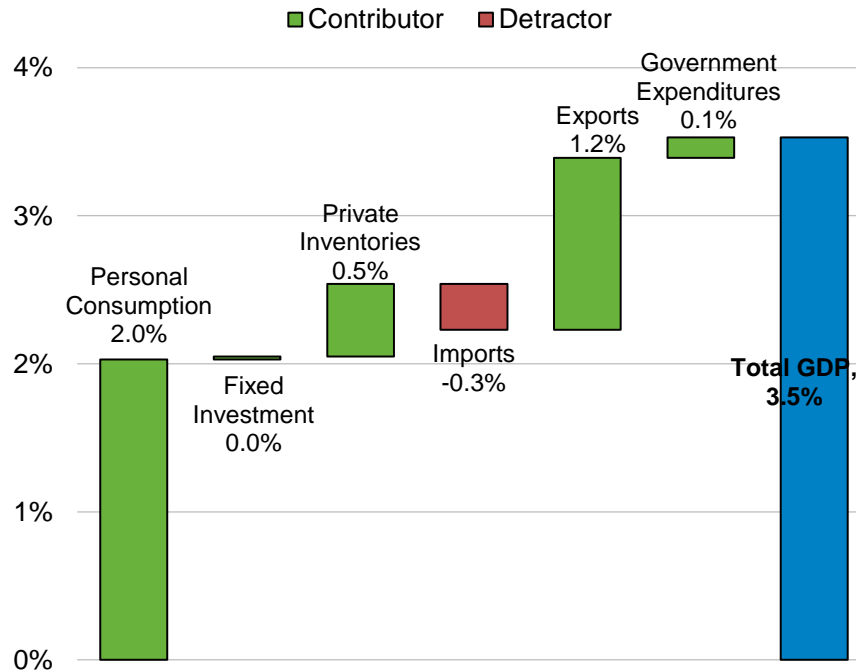
Source: Bloomberg



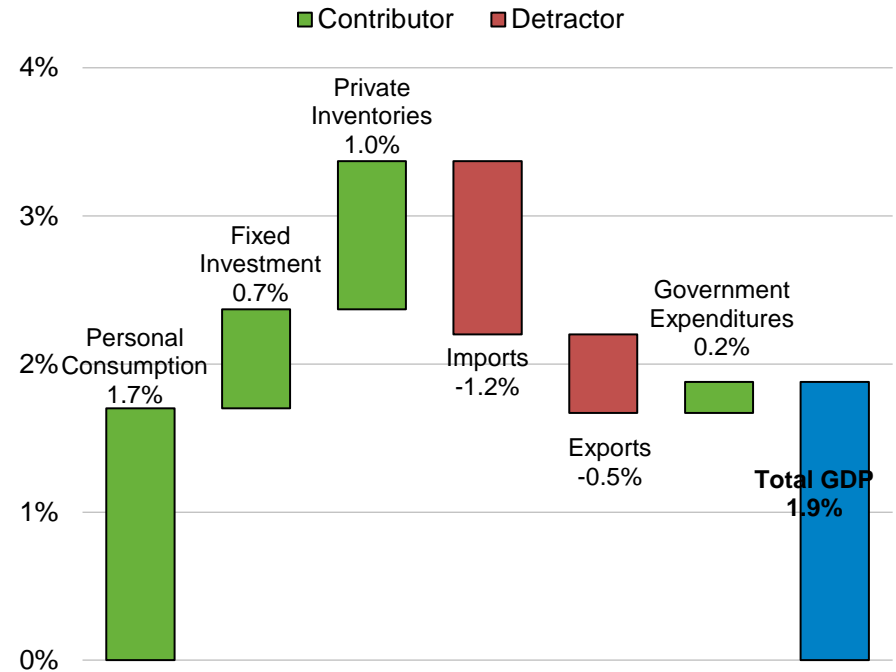
Contributions to GDP

- Personal consumption remains the primary driver of overall economic growth, expanding 2.5% over the fourth quarter and contributing 1.7% to the headline number. Contribution from private inventories and investment unexpectedly increased to 1.7% as businesses adjusted their outlooks for future economic growth.
- After a temporary jump in soybean exports last quarter narrowed the trade deficit, this quarter, net exports subtracted -1.7% from the headline number, the largest drag from trade in six years.

Contributions to 3rd Quarter GDP



Contributions to 4rd Quarter GDP



Source: Bureau of Economic Analysis, as of January 2017.



FOMC Statement Highlights

February

1

- Information received since the FOMC met in December 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 stayed near its recent low.**
 - Measures of **consumer and business sentiment have improved** of late. **Inflation increased in recent quarters** but is still below the Committee's 2 percent longer-run objective.
- In view of realized and expected labor market conditions and inflation, the Committee decided to **maintain the target range for the federal funds rate at $\frac{1}{2}$ to $\frac{3}{4}$ percent.**
 - The committee expects that economic conditions will evolve in a manner that will warrant only **gradual increases in the federal funds rate.**
 - All 10 voting members of the FOMC supported the monetary policy action.

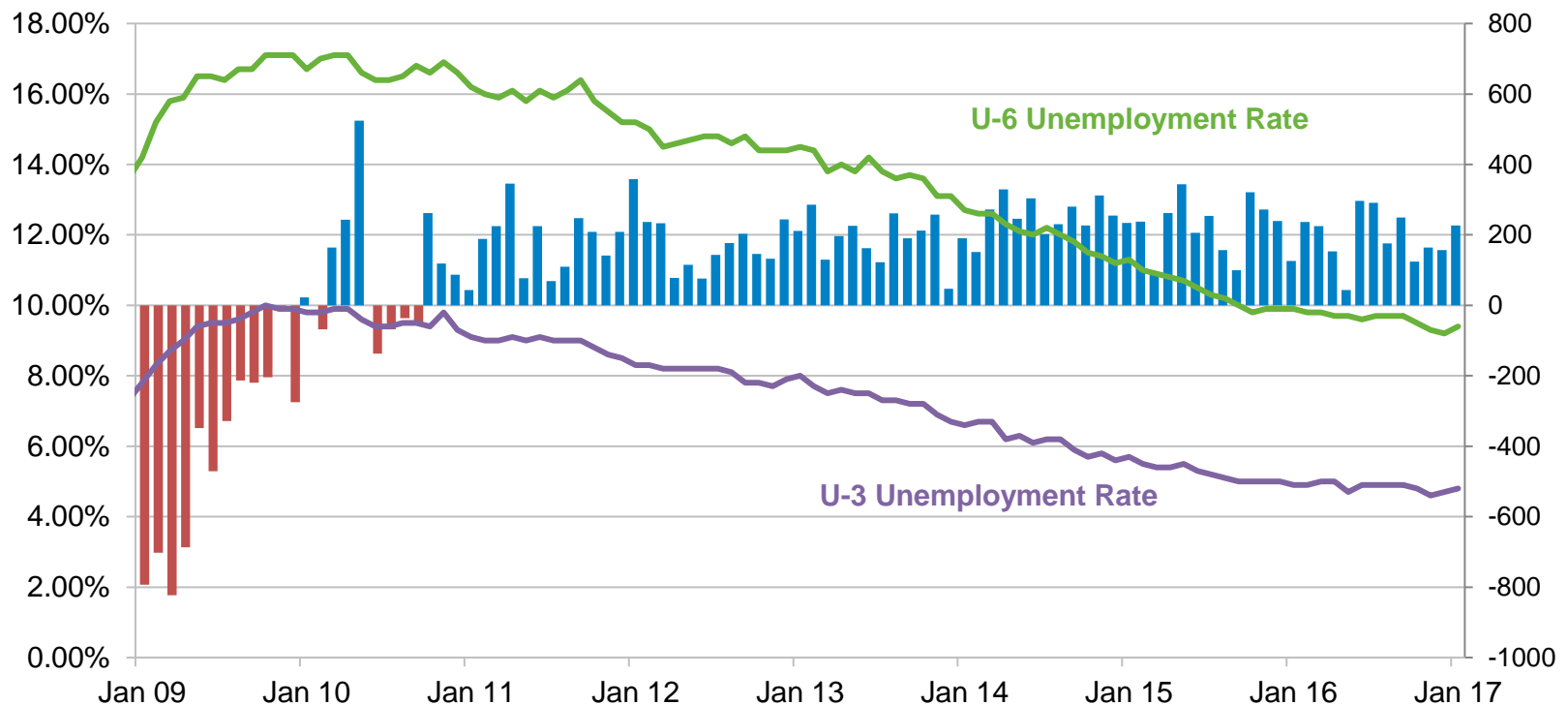
Source: Federal Reserve.



U.S. Labor Market

- The U.S. labor market added 227,000 jobs in January, compared to the average of 180,000 per month in 2016.
- The unemployment rate ticked up to 4.8% as more people returned to the work force. The labor force participation rate rose from 62.7% to 62.9%

Unemployment vs. Non-Farm Payrolls
January 2009 – January 2017

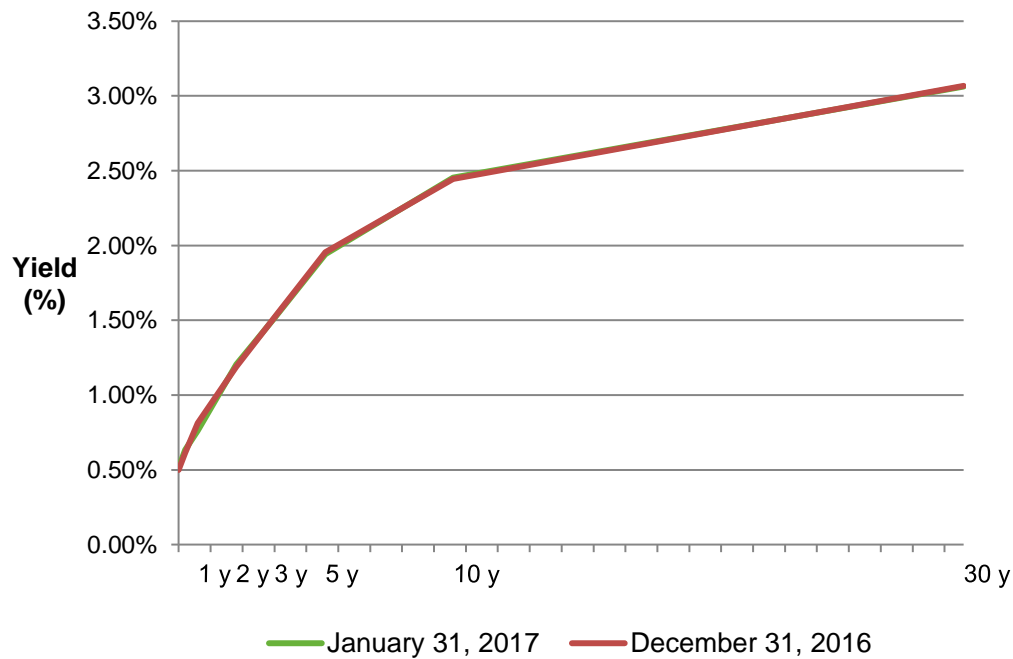


Source: Bloomberg



U.S Treasury Yields

U.S. Treasury Yield Curve
January 31, 2017 vs. December 31, 2016



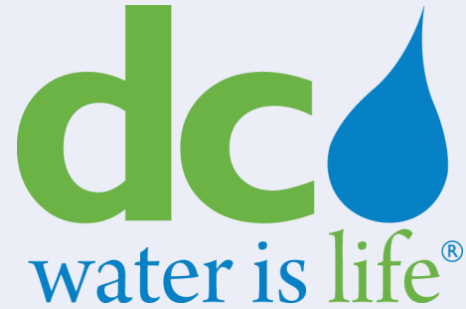
	12/31/2016	1/31/2017	Change
3 month	0.50%	0.52%	0.02%
6 month	0.61%	0.63%	0.02%
1 year	0.81%	0.76%	-0.05%
2 year	1.19%	1.21%	0.02%
3 year	1.52%	1.52%	0.00%
5 year	1.96%	1.94%	-0.02%
10 year	2.45%	2.45%	0.00%
30 year	3.07%	3.06%	-0.01%

Source: Bloomberg



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



Finance & Budget Committee Briefing 2017A/B Bond Issuance Summary

February 23, 2017

PFM Financial Advisors LLC

4350 N. Fairfax Drive
Suite 580
Arlington, VA 22203

703.741.0175
pfm.com



Series 2017A/B Bond Transaction Highlights

DC Water achieved a number of significant accomplishments with the 2017A/B bonds

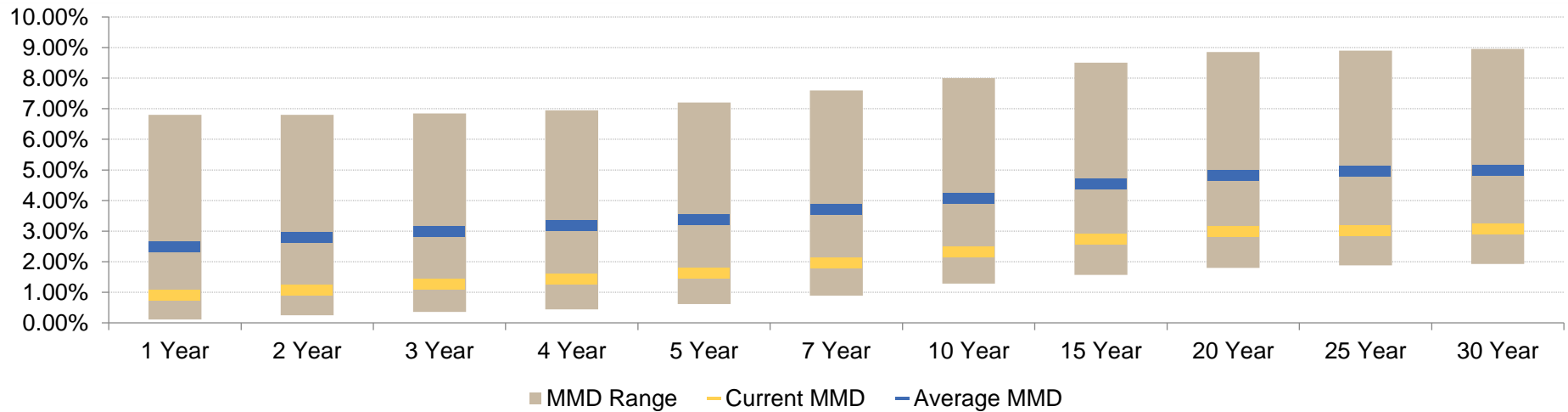
- ◆ Recent ratings upgrades from S&P and Moody’s resulted in DC Water’s highest-rated transaction, and first transaction to carry AAA rating
 - S&P upgraded senior lien rating to AAA in February 2016
 - Moody’s upgraded senior lien rating to Aa1 in April 2016
- ◆ Successfully placed \$300 million in senior lien bonds to fund Clean Rivers and other capital improvements
 - Locked in a borrowing cost of 3.84% for 35-year debt, among the lowest average interest rate for any DC Water new money borrowing
 - Greater than \$425 million in priority orders with key anchor orders from large institutional investors
- ◆ Series 2017A Bonds for Clean Rivers certified as DC Water’s third “Green Bond”
 - Certified by Moody’s through their “Green Bond Assessment” methodology
 - Received positive feedback from investors and other third parties on certification
- ◆ Use of only two credit rating agencies, saving ~\$100,000 in cost with no impact on bond pricing
 - Fitch continues to maintain rating on prior series of bonds



Historical Tax-Exempt Interest Rates - MMD Rate Position

Continued low rate environment allowed DC Water to place Series 2017A/B Bonds at favorable rates below long-term historical averages

MMD Rate Range History (30 years, as of January 31, 2017)



Summary of January 31, 2017 vs. Historical (last 30 years) MMD Rates											
Statistic	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year	15 Year	20 Year	25 Year	30 Year
1/31/2017	0.90%	1.08%	1.26%	1.44%	1.63%	1.96%	2.32%	2.74%	2.98%	3.03%	3.08%
Average	2.49%	2.79%	3.00%	3.19%	3.37%	3.70%	4.08%	4.55%	4.82%	4.96%	4.99%
Spread to Avg.	-1.59%	-1.71%	-1.74%	-1.75%	-1.74%	-1.74%	-1.76%	-1.81%	-1.84%	-1.93%	-1.91%
Minimum	0.11%	0.25%	0.36%	0.44%	0.62%	0.89%	1.29%	1.57%	1.80%	1.88%	1.93%
Spread to Min.	0.79%	0.83%	0.90%	1.00%	1.01%	1.07%	1.03%	1.17%	1.18%	1.15%	1.15%
Maximum	6.80%	6.80%	6.85%	6.95%	7.20%	7.60%	8.00%	8.50%	8.85%	8.90%	8.95%
Spread to Max.	-5.90%	-5.72%	-5.59%	-5.51%	-5.57%	-5.64%	-5.68%	-5.76%	-5.87%	-5.87%	-5.87%
Percent of Market Days Lower	29.47%	28.45%	28.01%	26.31%	24.47%	21.10%	17.55%	15.38%	14.64%	10.98%	10.42%



Series 2017A/B Financing Summary

Series 2017A (Green Bonds)

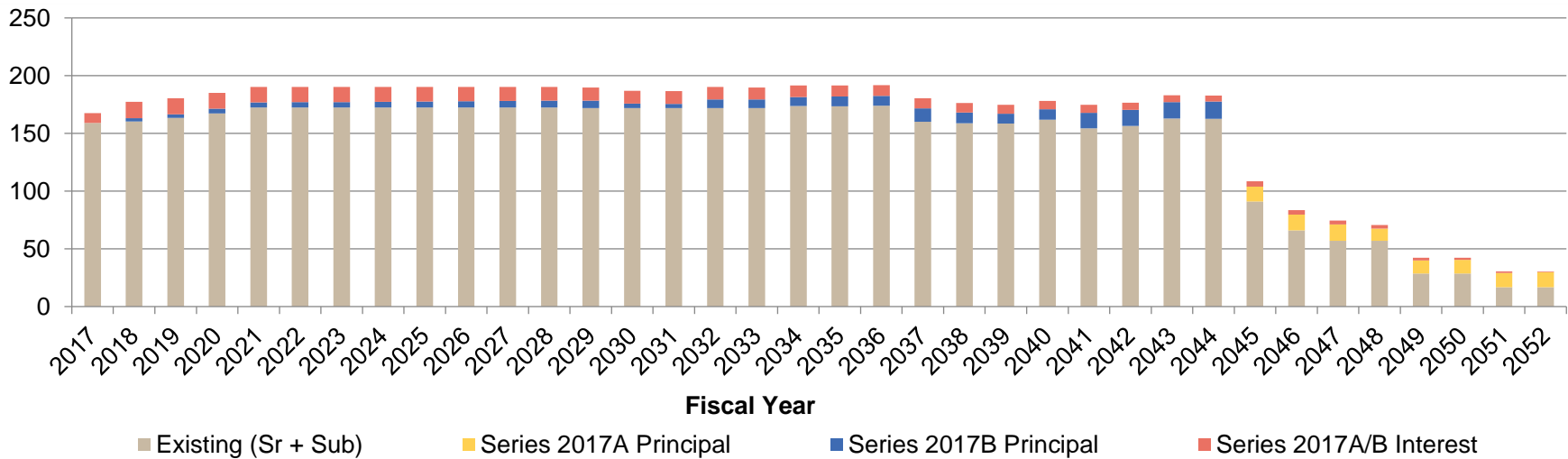
- Sale Date: January 31, 2017
- Par Amount: \$100.0 million
- Purpose: New money for Clean Rivers Project
- Term: 35 years
- Tax Status: Tax-Exempt
- Lien: Senior
- Callable at par on April 1, 2027

Series 2017B

- Sale Date: January 31, 2017
- Par Amount: \$200.0 million
- Purpose: New money for CIP
- Term: 28 years
- Tax Status: Tax-Exempt
- Lien: Senior
- Callable at par on April 1, 2027

Series	2017A	2017B	Total
Par Amount (\$)	100,000,000	200,000,000	300,000,000
Projects Funded (\$)	107,966,236	224,406,331	332,372,567
Avg. Life (years)	32.04	17.89	22.60
Arbitrage Yield	3.25%	3.25%	3.25%
TIC	4.14%	3.63%	3.84%

Annual Debt Service (\$Millions)



District of Columbia Water and Sewer Authority

Capital Improvement Program Report



FY-2017 1st Quarter
October 1st through December 31st, 2016

Board of Directors
Finance and Budget Committee

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

February 2017

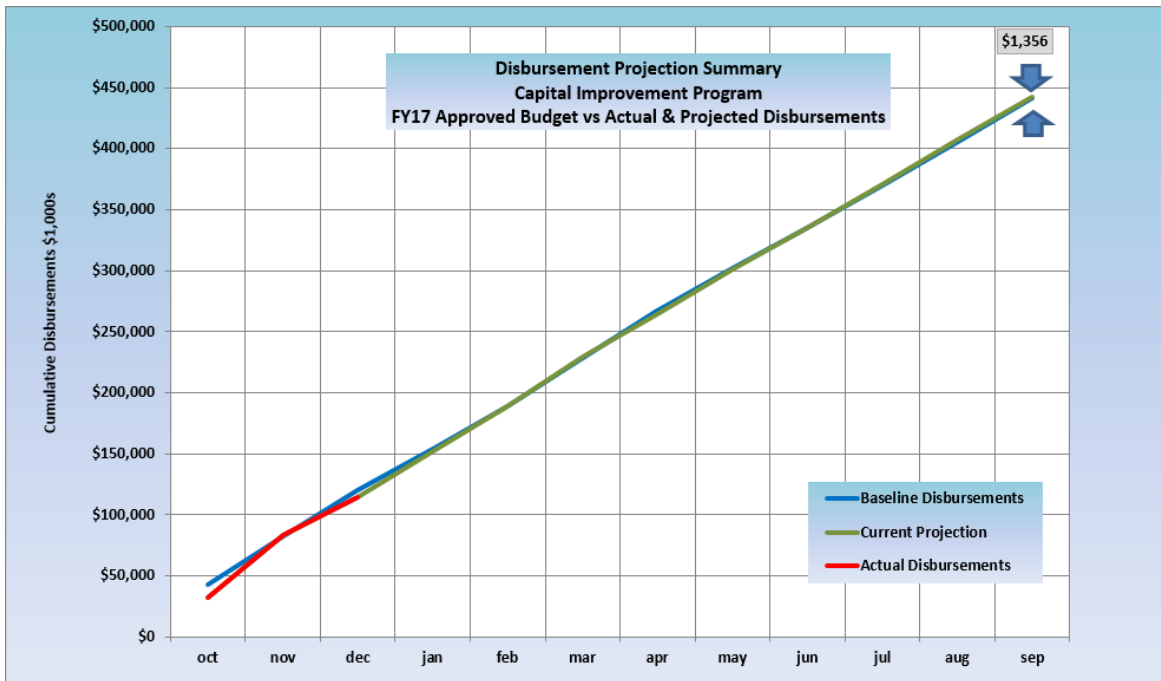


Capital Improvement Program Report 1st Quarter FY2017

CIP Disbursement Performance

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

Disbursement Summary



Current projected fiscal year 2017 CIP disbursements are \$442,510,000 through the end of December 2016, which is slightly (0.3%) above the baseline disbursement projection of \$441,154,000.

Current disbursement projections within the service areas are as follows:

Non Process Facilities

Baseline Disbursements \$34,150,000
 Projected Disbursements \$33,202,000 (\$0.9M below baseline projection)

There are no significant project variances.



Capital Improvement Program Report
1st Quarter FY2017

Wastewater Treatment Service Area

Baseline Disbursements \$123,789,000
 Projected Disbursements \$117,524,000 (\$6.3M below baseline projection)
 Significant project variances are listed below:

- *Enhanced Nitrogen Removal Facilities Program Area – (\$3.7M below baseline)*
 - The disbursements for project EE - Filtrate Treatment Facilities are projected to be \$4.4M below the baseline largely due to greater than anticipated payments that occurred at the end of FY16 after the FY17 disbursement baseline was established.
- *Liquid Processing Program Area - (\$2.1M below baseline)*
 - The projected disbursements for project BV – Raw Wastewater Pump Station No. 2 Upgrades are \$1.1M below baseline partly due to the baseline cost projection not fully taking into account the longer than typical shop drawing submittals period required for the complex mechanical and electrical switchgear upgrades, and partly due to slower than anticipated shop drawing submittal progress by the contractor. The construction is still anticipated to be complete on time.

CSO Service Area

Baseline Disbursements \$184,387,000
 Projected Disbursements \$200,148,000 (\$15.8M above baseline projection)
 Significant project variances are listed below:

- *DC Clean Rivers Program Area – (\$10.1M above baseline)*
 - The projected disbursements for project CY - Anacostia Long Term Control Plan are \$12.2M above baseline largely due to a ramp up in construction activity leading to successfully meeting the Consent Decree date of March 23rd 2018.

Stormwater Service Area

Baseline Disbursements \$1,706,000
 Projected Disbursements \$1,299,000 (\$0.4M below baseline projection)
 There are no significant project variances for this service area.

Sanitary Sewer Service Area

Baseline Disbursements \$38,302,000
 Projected Disbursements \$34,728,000 (\$3.6M below baseline projection)
 There are no significant project variances for this service area:

- There are no significant project variances in the Sewer Service Area, however; the Sanitary Ongoing Sewer Projects and Sanitary Interceptor/Trunk Force Main Programs - had several



Capital Improvement Program Report 1st Quarter FY2017

small individual project variances, which collectively contributed to the projected \$3.6M below baseline disbursements for the Service Area.

Water Service Area

Baseline Disbursements \$58,819,000

Projected Disbursements \$55,608,000 (\$3.2M below baseline projection)

Significant project variances are listed below:

- *Water Distribution Program Area (\$3.0M below baseline)*
 - The projected disbursements for project O3 – Small Diameter Water Main Rehabilitation (SDWMR) 11 are \$2.8M lower than baseline due to later than anticipated issuance of Notice to Proceed (NTP) for SDWMR construction contract 11b, and the later than estimated construction NTP for SDWMR 11c – Cleaning and Lining, which was pushed back due to an extended permitting process.



Capital Improvement Program Report 1st Quarter FY2017

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

All priority 1 projects are on schedule and within budget.

Large Contract Actions Anticipated – 6 Month Look-Ahead

Project	Name	Contract Type	Joint Use?	Cost Range	Committee	BOD
O3	Small Diameter Watermain Rehab 11c	Construction	No	\$5M - \$10M	EQ&Ops Apr	May
DE	Small Diameter Watermain Rehab 12a	Construction	No	\$5M - \$10M	EQ&Ops Feb	Mar



Capital Improvement Program Report 1st Quarter FY2017

Schedule - Key Performance Indicators, Capital Improvement Program



For the 1st Quarter, eight of the Key Performance Indicators (KPIs) were achieved on time; one of the remaining planned KPIs was not achieved, as follows:

1. The construction Notice to Proceed for Small Diameter Water Main Contract 11b, was delayed by 1 month for administrative reasons.

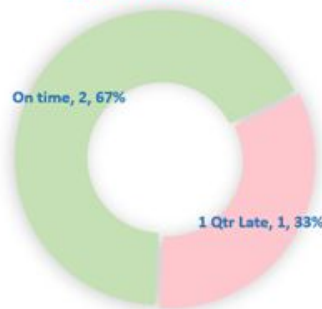
KPI Performance Through End Quarter 1

Design Start



KPI Performance Through End Quarter 1

Construction Start



KPI Performance Through End Quarter 1

Construction Substantial Completion





Capital Improvement Program Report
1st Quarter FY2017

FY2017 - KPI Report

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

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



Capital Improvement Program Report
1st Quarter FY2017

FY2017 - KPI Report

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

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



Capital Improvement Program Report 1st Quarter FY2017

FY2017 - KPI Report

DS	Design Start
CS	Construction Start
CSC	Construction Substantial Completion
CO/PC	Consent Oder/Permit Compliance

Planned	On time
Early	1 Quarter Late
	> 1 Quarter Late

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



Capital Improvement Program Report
1st Quarter FY2017

FY2017 - KPI Report

DS	Design Start
CS	Construction Start
CSC	Construction Substantial Completion
CO/PC	Consent Oder/Permit Compliance

Planned	On time
Early	1 Quarter Late
	> 1 Quarter Late

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

Finance and Budget Committee

EXPAND THE CUSTOMER ASSISTANCE PROGRAM (CAP) BENEFITS TO INCLUDE 50% CREDIT OFF OF THE MONTHLY CLEAN RIVERS IAC

ACTION ITEM B: EXPAND THE CUSTOMER ASSISTANCE PROGRAM BENEFITS

1. Adoption of regulations to expanded Customer Assistance Program (CAP):
 - a. Proposal to expand CAP benefits to eligible customers that are charged the monthly Clean Rivers IAC (CRIAC) by providing a 50 percent credit off of their monthly billed CRIAC.
 - Effective May 1, 2017, Eligible households and tenants shall receive a credit of 50 percent off of the monthly billed CRIAC.



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

**Thursday, March 23, 2017; 11:00 a.m.
Blue Plains Wastewater Treatment Plant
5000 Overlook Avenue, SW, DC
AGENDA**

Call to Order	Chairman
February 2017 Financial Report	Chief Financial Officer
Agenda for April Committee Meeting	Chairman
Adjournment	Chairman

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