



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Finance and Budget Committee

Thursday, July 26, 2018

11:30 a.m.

1. **Call to Order**..... Timothy L. Firestine, Chairperson
2. **June 2018 Financial Report (Attachment 1)**..... Matthew T. Brown
3. **Merchant Credit/Debit Card Process & Contract Extension Review (Attachment 2)** Matthew T. Brown
4. **Insurance Renewal Update (Attachment 3)** Tanya DeLeon
5. **Action Items**..... Matthew T. Brown
 - A. **Approval for Merchant Credit/Debit Card Process/Contract Extension – Bank of America (Attachment 4)**
 - B. **FY 2018 Use of Projected Net Cash Position (Attachment 5)**
6. **Agenda for September Committee Meeting (Attachment 6)** Timothy L. Firestine
7. **Executive Session**
8. **Adjournment**

FOLLOW-UP ITEMS – Follow-up items from the meeting held June 26, 2018.

1. How much of the projected overspending in personnel services is due to the labor contract and how does that number compare to what was shared when the contract was approved? **(Mr. Firestine) Status: See Attachment 7**
2. Provide the breakdown of “Other Revenue” under the category of “Other Revenue Without RSF” in the Operating Revenue Detail **(Mr. Firestine) Status: See Attachment 7**
3. Provide the overspending in the capital program, if this is due to change orders or major storm water projects and how this compares to historical capital spending. **(Mr. Giancola) Status: See Attachment 7**

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



Fiscal Year 2018

Monthly Financial Report

Period Ending June 30, 2018

DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET

Matthew T. Brown, Chief Financial Officer

Ivan Boykin, Director, Finance

Syed Khalil, Director, Rates & Revenue

John Madrid, Controller

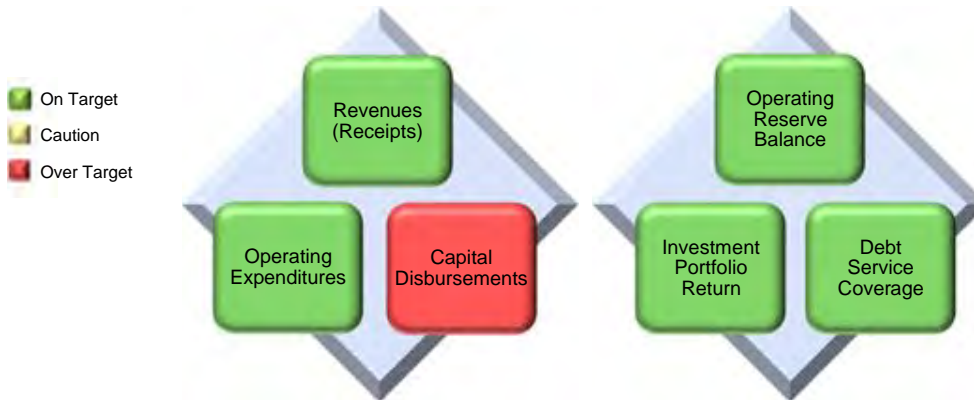
Lola Oyeyemi, Director, Budget

Monthly Financial Report

JUNE 2018

EXECUTIVE SUMMARY

As of the end of the third quarter, with 75 percent of the fiscal year completed, we are on track with budgetary expectations and targeted performance, except for capital disbursements.



(\$ in millions)

	Budget	YTD Budget	Actual	Variance		Actual % Budget	Year-End Projections
				Favorable (Unfavorable)			
Revenues (Receipts)*	\$620.5	\$465.3	\$463.5	(\$1.8)	(0.4%)	74.7%	\$626.4
Expenditures*	\$561.9	\$421.5	\$380.5	\$40.9	9.7%	67.7%	\$556.7
Capital Disbursements	\$449.9	\$365.5	\$400.2	(\$34.7)	(9.5%)	88.9%	\$480.0

* *Straight-lined (9/12 of budget)*

Highlights:

- The current forecast for capital disbursements is \$487.7 million and \$7.7 million higher than previously reported, mainly in the DC Clean Rivers, Sanitary Sewer and Water service areas. Detailed information on the major project cost drivers will be presented to the committees in September
- Proposed FY 2020 budget development process continues with Committee and Board review anticipated in December 2018
- FY 2018 year-end closeout and financial audit processes are underway

Matthew T. Brown, Chief Financial Officer

Monthly Financial Report

Fiscal Year-to-Date
As of June 30, 2018

Operating Revenues (\$000's)

Category	A	B	C	D=C/A	E=C-B	F=E/B	G	H=G/A
	FY 2018 BUDGET	YTD BUDGET*	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)	Year-end Projections	% of Budget
Res. / Comm. / Multi.	\$354,914	266,186	\$258,755	72.9%	(\$7,431)	(2.8%)	\$ 354,505	99.9%
Federal	62,167	46,625	\$46,239	74.4%	(\$386)	(0.8%)	61,653	99.2%
Municipal (DC Govt.)	17,312	12,984	\$13,884	80.2%	\$900	6.9%	19,666	113.6%
DC Housing Authority	8,979	6,734	\$7,086	78.9%	\$352	5.2%	9,187	102.3%
Metering Fee	10,776	8,082	\$8,778	81.5%	\$696	8.6%	11,629	107.9%
Water System Replacement Fee (WSRF)	39,717	29,788	\$30,553	76.9%	\$765	2.6%	39,988	100.7%
Wholesale	76,028	57,021	\$60,605	79.7%	\$3,584	6.3%	79,814	105.0%
PILOT/ROW	21,601	16,201	\$15,443	71.5%	(\$758)	(4.7%)	20,690	95.8%
All Other	28,978	21,734	\$22,202	76.6%	\$468	2.2%	29,302	101.1%
TOTAL	\$620,472	\$465,354	\$463,546	74.7%	(\$1,808)	(0.4%)	\$ 626,433	101.0%

*Straight-lined (9/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of June 2018, cash receipts totaled \$463.5 million, or 74.7 percent of the revised FY 2018 budget. Several categories of customers make payments on a quarterly basis, including the Federal Government (who made their third quarterly payment in April), and wholesale customers (who made their third quarterly payment in May).

Residential, Commercial and Multi-Family – Receipts for this category are lower at \$258.8 million or 72.9 percent of the revised budget. The lower receipts are on account of lower consumption as compared to revised budget.

District Government – Receipts are slightly higher at \$13.9 million or 80.2 percent of the revised budget. The District Government paid the August billed amount of \$2.0 million in October 2017 (FY 2018), which resulted in higher receipts compared to the revised budget. As at June 30, 2018, the DC Government had not paid May billed amount of \$1.8 million. The overdue amount was received in July 2018, and this will be reflected in next month's report.

DC Housing – Receipts are slightly higher at \$7.1 million or 78.9 percent of the revised budget. The higher receipts are on account of slightly higher consumption than what was assumed in the budget.

Wholesale – The Wholesale customers' actual receipts through June 2018 total \$60.6 million or 79.7 percent of the revised FY 2018 budget. The Wholesale customers made their third quarterly payment in the month of May 2018.

Other Revenue – Receipts are slightly higher than the straight-lined budget at \$22.2 million or 76.6 percent of the budgeted category.

Monthly Financial Report

Fiscal Year-to-Date
As of June 30, 2018

Operating Expenditures (\$000's)

Category	A	B	C	D=C/A	E=C-B	F=E/B	G	H=G/A
	FY 2018 BUDGET	YTD BUDGET*	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)	Year-End Projections	% of Budget
Personnel	\$149,193	\$111,895	\$116,253	77.9%	(\$4,358)	(3.9%)	\$159,105	106.6%
Contractual Services	79,353	59,515	52,878	66.6%	6,637	11.2%	74,463	93.8%
Water Purchases	30,156	22,617	20,025	66.4%	2,592	11.5%	29,021	96.2%
Supplies & Chemicals	30,659	22,994	24,365	79.5%	(1,371)	(6.0%)	32,356	105.5%
Utilities	29,399	22,049	20,765	70.6%	1,284	5.8%	27,139	92.3%
Small Equipment	1,071	803	475	44.4%	328	40.8%	922	86.1%
SUBTOTAL O&M	\$319,831	\$239,873	\$234,762	73.4%	\$5,112	2.1%	323,006	101.0%
Debt Service	185,480	139,110	129,721	69.9%	9,389	6.7%	180,716	97.4%
PILOT/ROW	21,376	16,032	16,032	75.0%	0	0.0%	21,376	100.0%
Cash Financed Capital Improvements	35,260	26,445	0	0.0%	26,445	100.0%	31,560	89.5%
TOTAL OPERATING	\$561,947	\$421,460	\$380,516	67.7%	\$40,946	9.7%	556,658	99.1%
Capital Labor	(21,061)	(15,796)	(11,955)	56.8%	(3,841)	24.3%	(17,299)	82.1%
TOTAL NET OPERATING	\$540,886	\$405,665	\$368,561	68.1%	\$37,105	9.1%	539,359	99.7%

*Straight-lined (9/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of June 2018, operating expenditures totaled \$380.5 million, or 67.7 percent of the approved FY 2018 budget of \$561.9 million. These numbers include estimated incurred but unpaid invoices and are subject to revision in subsequent months.

Personnel Services – YTD overspending is consistent with expectations. As previously reported, overspending is due to impact of the Board-ratified union labor contract and other employee salary adjustments, increased hiring efforts, coupled with high overtime spending. YTD overtime spending of \$6.6 million, which is 107.2 percent of the overtime budget, is mainly due to after-hour work performed in response to emergencies and historically high water main breaks experienced during the winter season, and support for the on-going Automated Meter Reader (AMR) Program. Of the 1260 positions authorized, 1153 were filled at the end of June, with a year-to-date vacancy rate of 8.5 percent.

Contractual Services – YTD underspending is in various operational and professional services contracts throughout the Authority. Spending is consistent with historical trends with uptick anticipated during the remainder of the year.

Water Purchases – Expenditures based on approximately 75 percent of the Washington Aqueduct's FY 2018 operating expenditures and expected to increase during the summer months.

Supplies & Chemicals – YTD overspending is due to higher unit prices of some chemicals (methanol and sodium bisulfite) during early part of the fiscal year. However, current rates have stabilized in recent months and will continue to be monitored by staff. The operations team anticipates a decline in the use of methanol following the full commissioning of the Filtrate Treatment Facility in late Summer of 2018.

Utilities – Underspending is primarily due to lower than anticipated unit prices for electricity and higher energy generation from the Combined Heat and Power (CHP) facility, which represents approximately 7.0MW or 21 percent of Authority-wide usage. The electricity underspending is offset in part by higher water usage and rental expenses.

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

Capital Labor – YTD spending is consistent with historical trend. FY 2017 Capital Labor charges were \$17.2 million.

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Fiscal Year-to-Date
As of June 30, 2018

Capital Disbursements (\$000's)

Service Area	A	B	C	D = C/A	E = B-C	F = E/B	G	H = G/A
	FY 2018 BUDGET	YTD BUDGET	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)	Year-End Projections	% of Budget
Non Process Facilities	\$31,678	\$23,966	\$27,911	88.1%	(3,945)	(16.5%)	\$32,703	103.2%
Wastewater Treatment	95,520	73,732	87,222	91.3%	(13,490)	(18.3%)	109,213	114.3%
Combined Sewer Overflow	181,897	161,394	156,940	86.3%	4,455	2.8%	177,889	97.8%
Stormwater	944	620	1,717	181.8%	(1,097)	(177.0%)	1,730	183.2%
Sanitary Sewer	30,191	22,323	37,940	125.7%	(15,617)	(70.0%)	43,569	144.3%
Water	58,055	45,627	56,609	97.5%	(10,982)	(24.1%)	66,523	114.6%
SUBTOTAL: CAPITAL PROJECTS	\$398,285	\$327,662	\$368,339	92.5%	(\$40,677)	(12.4%)	\$431,628	108.4%
Capital Equipment*	39,898	29,923	23,920	60.0%	6,004	20.1%	38,436	96.3%
Washington Aqueduct	11,768	7,952	7,952	67.6%	0	0.0%	9,931	84.4%
SUBTOTAL: ADD'L CAPITAL PROGRAMS	\$51,665	\$37,875	31,872	61.7%	\$6,004	15.9%	48,367	93.6%
TOTAL	\$449,950	\$365,537	\$400,211	88.9%	(\$34,674)	(9.5%)	\$479,995	106.7%

*Straight-lined (9/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of June 2018, capital disbursements are \$400.2 million, or 88.9 percent of the FY 2018 revised budget and higher than planned disbursements through this reporting period.

Capital Projects – YTD overspending in the Wastewater Treatment Service Area is due mainly to projects for the Enhanced Clarification Facility, Tunnel Dewatering Pumping Station, and other Plantwide upgrades. YTD overspending in the Water and Sewer Service Areas are attributable to the Saint Elizabeth Water Tank project, Small Diameter Water Mains, Upper Potomac Interceptor and Creekbed Sewer Rehabilitation, and other city-wide upgrade projects.

The detailed project performance will be reviewed as part of the quarterly CIP update by the Department of Engineering and Technical Services to the Environmental Quality & Operations and Finance & Budget Committees in September 2018.

Capital Equipment – YTD underspending is primarily due to lower than anticipated purchases for vehicles, major equipment and unused funds in the Authority-wide reserves. This is offset by higher disbursements for the new Customer Information System and Automated Meter Reading (AMR) projects, due to timing of invoice payments early in the year. Approximately 85,000 small meters for the AMR project were planned to be replaced over a two-year period through FY 2018. At the end of June 2018, 73,405 meters have been installed.

Monthly Financial Report

Fiscal Year-to-Date
As of June 30, 2018

Cash Investments (\$ in millions)

Cash Balances

Rate Stabilization Fund Balance	\$	61.5
DC Insurance Reserve Balance		1.0

Operating Reserve Accounts	
Renewal & Replacement Balance	35.0
O & M Reserve per Indenture	51.7
Undesignated Reserve Balance	38.8
O & M Reserve per Board Policy	125.5
Excess Liquidity (Cash)	16.0
Operating Reserve Accounts	141.5

Operating Cash Balance Including RSF	\$	204.0
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Debt Service Reserve - Series 1998	23.5
Bond Fund - Construction Fund 2016B	24.8
Bond Fund - Construction Fund 2017A	0.3
Bond Fund - Construction Fund 2018A	115.2
Bond Fund - Construction Fund 2018B	146.5
CSO Appropriations	14.0
Fleet Relocation Fund	4.0

Total All Funds	\$	532.5
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OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$141.5 million as compared to the operating reserve level objective of \$125.5 million for FY 2018
- Average cash balance for the month of June was \$165.0 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for June (on a cash basis) was \$107,562; YTD \$1,403,439
- A detailed investment performance report is attached
- DC Water has \$35 million of undrawn Series B commercial paper in reserves from the 2018 bond issuance

Monthly Financial Report

Monthly Financial Report

Fiscal Year-to-Date
As of June 30, 2018

Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD 75% Cash Budget	YTD Actual Cash Oct. 1, 2017 - Jun 30, 2018	Variance Favorable (Unfavorable)		FY 2018 Year End Projection
OPERATING BUDGET						
Cash Provided						
Retail	\$493,865	\$370,399	\$365,296	(5,103)	-1%	496,626
Wholesale	76,028	57,021	60,605	3,584	6%	79,814
Other	50,240	37,680	37,419	(261)	-1%	49,765
Total Cash Provided	620,133	465,100	463,319	(1,781)	0%	626,206
Operating Cash Used						
Personnel Services	128,132	96,099	101,222	(5,123)	-5%	141,806
Contractual Services	79,353	59,515	55,807	3,708	6%	74,463
Chemicals & Supplies	30,659	22,994	26,080	(3,086)	-13%	32,356
Utilities	29,399	22,049	18,702	3,348	15%	27,139
Water Purchases	30,156	22,617	19,334	3,283	15%	29,021
Small Equipment	1,071	803	480	324	40%	922
Total Operating Cash Used	298,770	224,078	221,624	2,453	1%	305,707
Defeasance D.S./Cash Financed Capital Construction	35,260	26,445	0	26,445	100%	31,560
Other Cash Used						
Debt Service	184,278	138,209	129,721	8,487	6%	180,716
Payment In Lieu of Taxes/Right of Way	21,376	16,032	16,032	()	0%	21,376
Total Other Cash Used	205,654	154,241	145,754	8,487	6%	202,092
Total Cash Used	539,684	404,763	367,378	37,385	9%	539,359
Net Cash Provided (Used) by Operating Act.	80,449	60,337	95,941	35,605		86,846
CAPITAL BUDGET						
Cash Provided						
Debt Proceeds	155,484	116,613	195,704	79,090	68%	346,672
EPA Grants	23,620	17,715	20,600	2,885	16%	22,168
CSO Grants	8,500	6,375	0	(6,375)	-100%	14,000
System Availability Fee	1,925	1,444	0	(1,444)	-100%	0
Transfer from Operations	101,317	75,987	0	(75,987)	-100%	113,120
Interest Income	1,549	1,162	903	(259)	-22%	1,549
Wholesale Capital Contributions	89,575	67,181	78,932	11,750	17%	95,911
Total Cash Provided	381,970	286,478	296,138	9,661	3%	593,419
Cash Used						
DC Water Capital Program	438,184	328,638	392,259	(63,621)	-19%	470,064
Washington Aqueduct Projects	11,768	8,826	7,952	874	10%	9,931
Total Cash Used	449,952	337,464	400,211	(62,747)	-19%	479,995
Net Cash/PAYGO Provided (Used) by Cap. Act.	(\$67,982)	(\$50,986)	(\$104,072)	(\$53,086)		\$113,424
Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected						
Plus (Less) Operating Surplus	\$147,212		\$147,212			\$147,212
Wholesale Customer Refunds from Prior Years	80,449	60,337	95,941			86,846
Interest Earned From Bond Reserve	(7,000)	(5,250)	8,987			4,758
Prior Year Federal Billing Reconciliation	339	254	227			227
Project Billing Refunds	(9,019)	(6,764)	(6,764)			(9,019)
Cash Used for Capital	(4,000)	(3,000)	(4,000)			(4,000)
Balance Attributable to O&M Reserve	(67,981)	(50,986)	(104,072)			(67,982)
	\$140,000		\$141,531			\$158,042
OTHER CASH RESERVES						
Rate Stabilization Fund	\$61,450					
DC Insurance Reserve	1,000					
Fleet Relocation - DC Reimbursement	4,000					

Monthly Financial Report

APPENDIX

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Monthly Financial Report

Fiscal Year-to-Date
As of June 30, 2018

Operating Revenues Detail

(\$ in millions)

Revenue Category	FY 2018 Budget	YTD Budget	Actual	Variance Favorable / (Unfavorable)	Actual % of Budget	Year End Projections	Variance Proj v. Bud	% of Budget	
Residential, Commercial, and Multi-family	\$354.9	\$266.2	\$258.8	(\$7.4)	-2.8%	72.9%	\$354.5	(\$0.4)	99.9%
Federal	\$62.2	46.7	46.2	(0.4)	-0.8%	74.4%	61.7	(0.5)	99.2%
District Government	\$17.3	13.0	13.9	0.9	6.9%	80.2%	19.7	2.4	113.9%
DC Housing Authority	\$9.0	6.7	7.0	0.3	5.2%	78.9%	9.2	0.2	102.2%
Customer Metering Fee	\$10.8	8.1	8.8	0.7	8.6%	81.5%	11.6	0.8	107.4%
Water System Replacement Fee (WSRF)	\$39.7	29.8	30.6	0.8	2.6%	76.9%	40.0	0.3	100.7%
Wholesale	\$76.0	57.0	60.6	3.6	6.3%	79.7%	79.8	3.8	105.0%
Right-of-Way Fee/PILOT	\$21.6	16.2	15.4	(0.8)	-4.7%	71.5%	20.7	(0.9)	95.8%
Subtotal (before Other Revenues)	\$591.5	\$443.6	\$441.3	(\$2.3)	-0.5%	74.6%	\$597.1	\$5.6	101.0%
Other Revenue without RSF									
IMA Indirect Cost Reimb. For Capital Projects	4.5	3.4	3.2	(0.2)	-5.9%	71.1%	4.5	(0.0)	100.0%
DC Fire Protection Fee	10.8	8.1	8.1	0.0	0.0%	75.0%	10.8	0.0	100.0%
Stormwater (MS4)	1.0	0.8	0.9	0.1	12.5%	90.0%	1.2	0.2	120.0%
Interest	2.3	1.7	1.6	(0.1)	-5.9%	69.6%	2.1	(0.2)	91.3%
Developer Fees (Water & Sewer)	6.0	4.5	5.9	1.4	31.1%	98.3%	7.9	1.9	131.7%
System Availability Fee (SAF)	1.9	1.4	0.0	(1.4)	-100.0%	0.0%	0.0	(1.9)	0.0%
Others	2.4	1.8	2.4	0.6	33.3%	100.0%	2.8	0.4	116.7%
Subtotal	\$28.9	\$21.7	\$22.2	\$0.5	2.2%	76.8%	\$29.3	\$0.4	101.4%
Rate Stabilization Fund Transfer	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	0.0%	\$0.0	\$0.0	0.0%
Other Revenue Subtotal	\$28.9	\$21.7	\$22.2	\$0.5	2.2%	76.8%	\$29.3	\$0.4	101.4%
Grand Total	\$620.5	\$465.3	\$463.5	(\$1.8)	-0.4%	74.7%	\$626.4	\$5.9	101.0%

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

Customer Category	Clean Rivers					Total
	Water	Sewer	IAC	Metering Fee	WSRF	
Residential	\$20,975	\$33,084	\$26,207	\$3,924	\$7,038	\$91,228
Commercial	39,252	44,040	32,380	2,649	12,137	130,458
Multi-family	20,281	31,193	11,343	1,199	5,289	69,305
Federal	13,726	15,603	16,911	580	4,239	51,059
District Govt	2,597	3,514	7,774	320	1,468	15,672
DC Housing Authority	2,383	3,531	1,171	106	382	7,574
Total:	\$99,214	\$130,965	\$95,785	\$8,778	\$30,553	\$365,296

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

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

Customer Category	FY 2018 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$32,563	\$24,422	\$26,207	\$1,785	7%	80%
Commercial	39,180	29,385	32,380	2,995	10%	83%
Multi-family	14,702	11,027	11,343	316	3%	77%
Federal	22,548	16,911	16,911	(0)	0%	75%
District Govt	9,190	6,893	7,774	881	13%	85%
DC Housing Authority	1,550	1,163	1,171	9	1%	76%
Total:	\$119,733	\$89,800	\$95,785	\$5,986	7%	80%

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Fiscal Year-to-Date
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Overtime by Department

Department	FY 2018			
	Budget	YTD Actual	YTD Actual % of Budget	% of Regular Pay
Office of the Board Secretary	\$8,000	\$9,555	119.4%	4.3%
General Manager	9,000	3,490	38.8%	0.2%
General Counsel	2,000	1,173	58.7%	0.1%
External Affairs	27,000	317	1.2%	0.0%
Internal Audit	-	-	0.0%	0.0%
Information Technology	15,000	7,034	46.9%	0.3%
Procurement	30,000	10,615	35.4%	0.4%
Customer Service*	260,000	420,486	161.7%	5.7%
Finance, Accounting & Budget	40,000	26,817	67.0%	0.6%
Assistant General Manager - Support Services	-	-	0.0%	0.0%
Human Capital Management	4,000	3,273	81.8%	0.1%
Occupational Safety and Health	1,000	305	30.5%	0.0%
Facilities Management	238,000	147,702	62.1%	5.1%
Department of Security	-	409	0.0%	0.1%
Wastewater Engineering	24,000	5,559	0.0%	0.7%
Water Quality and Technology	30,000	1,254	0.0%	0.1%
Distribution and Conveyance System **	541,000	734,487	135.8%	12.9%
Engineering and Technical Services	1,000,000	693,485	69.3%	5.7%
Water Services***	1,017,000	1,461,315	143.7%	14.4%
Clean Rivers	-	-	0.0%	0.0%
Sewer Services ****	900,000	1,283,930	142.7%	23.3%
Wastewater Treatment - Operations	1,463,300	1,276,860	87.3%	15.4%
Wastewater Treatment - Process Engineering	64,000	15,908	24.9%	0.6%
Maintenance Services	500,000	496,975	99.4%	8.7%
Permit Operations*****	2,000	22,348	1117.4%	1.9%
Fleet Management	3,000	1,033	34.4%	0.2%
Total DC WATER	\$6,178,300	\$6,624,330	107.2%	7.8%

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

** Emergency repairs including shift coverage for operators at the Swirl Facility and PRV (Pressure Relief Valve) Monitoring at Bryant Street for Brentwood Reservoir

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

**** Sewer Services has experienced similar overtime resulting from emergency backups that are also caused by rain events. In addition, shift coverage is also a major contributor, particularly since crews are not regularly assigned to work on rotational shifts or weekends and are deployed on an on-call/emergency basis

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

Fiscal Year-to-Date
As of June 30, 2018

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

Service Areas	Budget		Actual		Variance			Projections*		
	A	B			C	D=C/A	E=B-C	F=E/B		
	ANNUAL	YTD BUDGET	Oct 2017 - May 2018	Jun 2018	YTD ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)	Year-End Projection	% of Budget
NON PROCESS FACILITIES										
Facility Land Use	\$31,678	\$23,966	\$23,447	\$4,464	\$27,911	88.1%	(\$3,945)	(16.5%)	\$32,703	103.2%
Subtotal	31,678	23,966	23,447	4,464	27,911	88.1%	(3,945)	(16.5%)	32,703	103.2%
WASTEWATER TREATMENT										
Liquid Processing	18,561	14,136	15,143	709	15,852	85.4%	(1,716)	(12.1%)	19,480	104.9%
Plantwide	12,069	8,663	12,748	1,632	14,380	119.2%	(5,718)	(66.0%)	15,711	130.2%
Solids Processing	11,261	8,402	7,723	93	7,816	69.4%	586	7.0%	10,929	97.1%
Enhanced Nitrogen Removal Facilities	53,629	42,531	47,781	1,392	49,173	91.7%	(6,642)	(15.6%)	63,093	117.6%
Subtotal	95,520	73,732	83,395	3,827	87,222	91.3%	(13,490)	(18.3%)	109,213	114.3%
COMBINED SEWER OVERFLOW										
D.C. Clean Rivers	168,388	150,287	135,479	11,160	146,639	87.1%	3,648	2.4%	165,357	98.2%
Program Management	1,935	1,460	2,051	379	2,430	125.6%	(969)	(66.4%)	2,494	128.9%
Combined Sewer	11,574	9,647	7,273	598	7,871	68.0%	1,776	18.4%	10,038	86.7%
Subtotal	181,897	161,394	144,803	12,137	156,940	86.3%	4,455	2.8%	177,889	97.8%
STORMWATER										
Local Drainage	92	92	37	0	37	39.9%	55	60.1%	42	46.3%
On-Going	375	168	607	0	607	162.2%	(439)	(260.5%)	600	160.2%
Pumping Facilities	69	53	552	154	707	1029.6%	(653)	(1223.8%)	593	864.2%
DDOT	0	0	0	0	0	0.0%	0	0.0%	0	0.0%
Research and Program Management	315	242	238	48	286	90.7%	(43)	(17.9%)	411	130.5%
Trunk/Force Sewers	94	64	81	0	81	86.1%	(17)	(26.7%)	84	88.9%
Subtotal	944	620	1,516	202	1,717	181.8%	(1,097)	(177.0%)	1,730	183.2%
SANITARY SEWER										
Collection Sewers	4,491	3,967	9,933	363	10,296	229.3%	(6,329)	(159.6%)	11,052	246.1%
On-Going	10,008	6,908	11,380	18	11,398	113.9%	(4,490)	(65.0%)	12,703	126.9%
Pumping Facilities	1,297	1,000	1,190	38	1,228	94.7%	(228)	(22.8%)	1,817	140.1%
Program Management	3,270	2,396	1,693	347	2,040	62.4%	356	14.9%	3,079	94.1%
Interceptor/Trunk Force Sewers	11,126	8,052	11,731	1,247	12,978	116.6%	(4,926)	(61.2%)	14,919	134.1%
Subtotal	30,191	22,323	35,926	2,013	37,940	125.7%	(15,616)	(70.0%)	43,569	144.3%
WATER										
Distribution Systems	28,366	22,707	19,042	5,195	24,237	85.4%	(1,530)	(6.7%)	30,389	107.1%
Lead Program	3,422	2,695	2,456	775	3,231	94.4%	(536)	(19.9%)	3,433	100.3%
On-Going	10,832	8,156	11,991	0	11,991	110.7%	(3,835)	(47.0%)	12,266	113.2%
Pumping Facilities	3,019	2,577	3,014	94	3,109	103.0%	(531)	(20.6%)	3,856	127.7%
DDOT	906	746	901	0	901	99.4%	(155)	(20.7%)	1,463	161.5%
Storage Facilities	7,839	6,009	10,110	123	10,233	130.5%	(4,224)	(70.3%)	11,684	149.1%
Program Management	3,671	2,737	2,884	23	2,907	79.2%	(170)	(6.2%)	3,452	94.0%
Subtotal	58,055	45,627	50,399	6,211	56,609	97.5%	(10,982)	(24.1%)	66,523	114.6%
Capital Projects	\$398,285	\$327,662	\$339,485	\$28,854	\$368,339	92.5%	(40,676)	(12.4%)	\$431,628	108.4%
CAPITAL EQUIPMENT	39,898	29,923	22,860	1,060	23,920	60.0%	6,004	20.1%	38,436	96.3%
WASHINGTON AQUEDUCT	11,768	7,952	7,952	0	7,952	67.6%	0	0.0%	9,931	84.4%
Additional Capital Programs	51,665	37,875	30,812	1,060	31,872	61.7%	6,004	15.9%	48,367	93.6%
Total	\$449,950	\$365,537	\$370,297	\$29,914	\$400,211	88.9%	(34,674)	(9.5%)	\$479,995	106.7%

*Reflects projections reported to the Committee in June. The current forecast for capital disbursements is \$487.7 million and \$7.7 million higher than previously reported, mainly in the DC Clean Rivers, Sanitary Sewer and Water service areas.

Monthly Financial Report

Fiscal Year-to-Date
As of June 30, 2018

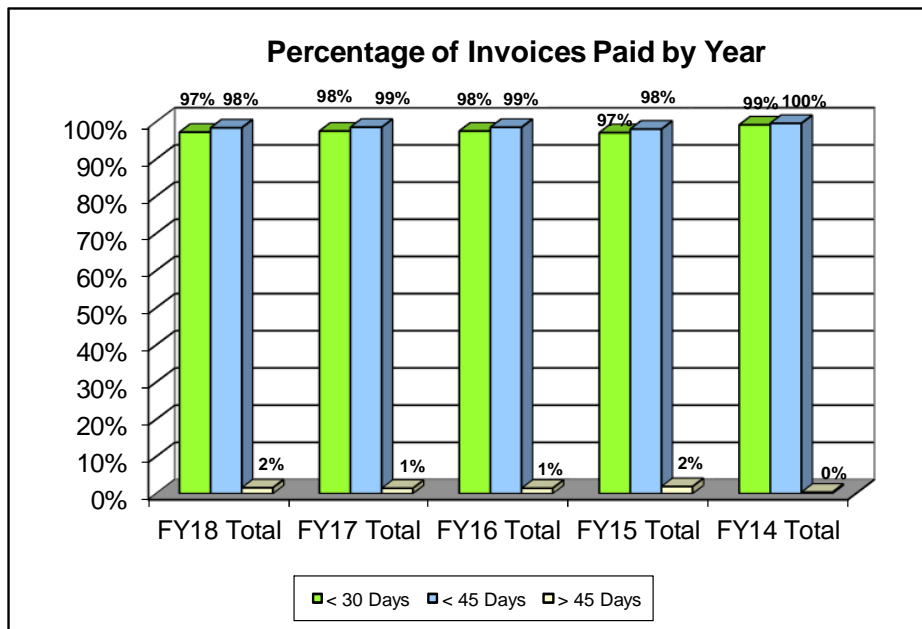
Accounts Payable

Cumulative performance for the nine-month period ending June FY 2018, a total of 15,503 vendor payments were processed and paid within 30 days compared to 14,857 in FY 2017 (as shown in the table below) and with a dollar value of \$554.6 million for FY 2018 compared to \$570.1 million for FY 2017.

For FY 2018, approximately 97.2% of the invoices were paid within 30 days compared to 97.5% for FY 2017. The Authority’s goal is to pay 97% of all undisputed invoices within 30 days.

Accounts Payable Performance				
Days	FY 2018		FY 2017	
	Number	Percent	Number	Percent
Less than 30	15,503	97.2%	14,857	97.5%
Less than 45	15,690	98.4%	15,015	98.6%
Greater than 45	254	1.6%	219	1.4%
Sub-Total	15,944	100%	15,234	100%
Retainage/Dispute	233		155	
Total	16,177		15,389	

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



Monthly Financial Report

Fiscal Year-to-Date
As of June 30, 2018

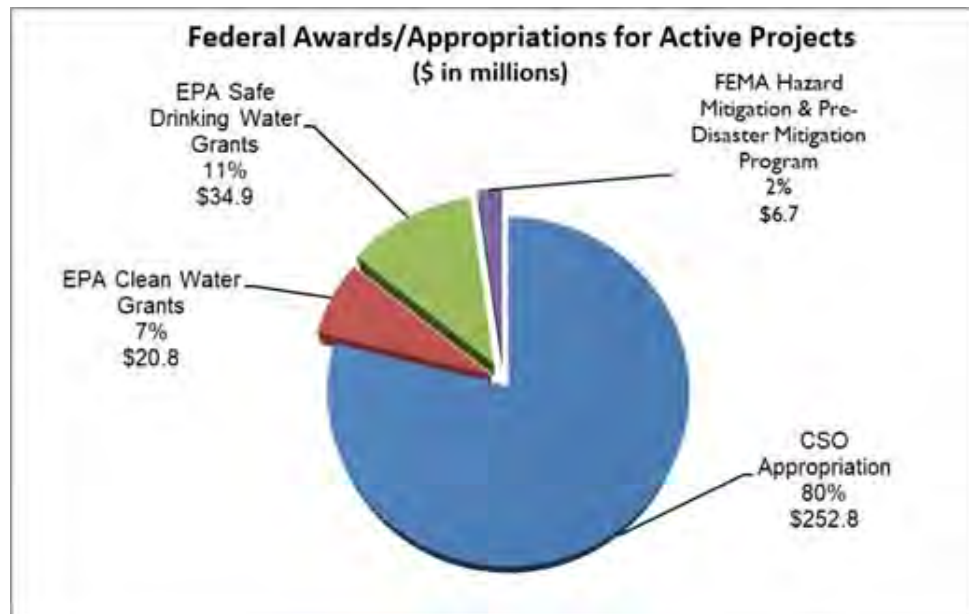
Grants Report

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 June 30, 2018, DC Water has \$315.2 million in total federal funds for active projects, as indicated below:



The remaining balance of the EPA funding as of June 30, 2018 is \$15 million. FEMA grants have a balance of \$6.4 million as of June 30, 2018.

DC Water has received nineteen separate Congressional CSO appropriations totaling \$252.8 million plus accrued interest of \$12.3 million, resulting in total CSO funding of \$265.1 million. Of this amount, \$14.0 million appropriated for FY 2018 under Public Law 115-41 was received from the U.S. Treasury in May 2018. The cumulative CSO appropriation life-to-date cash disbursement is \$251.1 million, based on requested reimbursement through June 30, 2018. The remaining CSO balance as of June 30, 2018 is \$14,032,138 which represents \$14,000,000 appropriation for FY 2018 and \$32,138 interest earned on CSO funds through the month of June.



DC Water
Investment Performance Report – June 2018



dc water is life

**DC Water
Finance Division
Economic Update**

ECONOMIC COMMENTARY

- The final reading of first quarter GDP growth came in slightly under expectations at 2.0% due to inflation heating up and consumer spending.
- The United States labor market topped forecasts in June as the economy added 213,000 jobs during the month, above the expected 190,000 and the unemployment rate rose to 4.0%.
- On June 13, 2018, the Fed raised interest rates for the second time this year, bringing the Federal Funds Target Range to 1.75% to 2.00%. The Fed also increased their forecast to four rate hikes in calendar year 2018.
- In the minutes of the Fed's June meeting, Federal Reserve officials stated that a "very strong" economy warranted continued increases in their benchmark policy rate. Fed officials remain committed to moving toward a slightly restrictive monetary policy, based on their outlook that low unemployment will lift wages and keep inflation near their 2% target.
- As of the beginning of July, the probability implied by market participants suggested a 80% likelihood that a 0.25% rate hike will occur at the Federal Open Market Committee's ("FOMC's") September meeting.
- The U.S. Treasury yield curve flattened slightly during the month of June. Yields at the short-term end of the curve increased modestly, while longer-term yields experienced moderate decreases. Intermediate-term bonds showed the largest jumps as yields on the 2-year Treasury increased 10 basis points (bps) from 2.43% to 2.53%.

PORTFOLIO RECAP

- The portfolio is diversified among Bank Deposits, U.S. Treasuries, Federal Agencies, Supranational Bonds, Commercial Paper, Negotiable CDs, Corporate Notes/Bonds, Municipal Bonds, FDIC Insured CDs, and SEC registered money market funds.
- The overall yield-to-maturity on cost of the portfolio is 1.80%.

Operating Reserve

- PFM purchased \$3.4 million of 2-year to 4-year Corporate Notes from high quality issuers at a weighted average yield of 3.19%. Among these issuers are Walmart, T.D. Bank, and J.P. Morgan.
- PFM also increased the portfolio's allocation to Negotiable CDs from 5.0% to 7.1% by purchasing \$1.6 million of 2-year to 3-year Negotiable CDs at a weighted average yield of 3.15%.

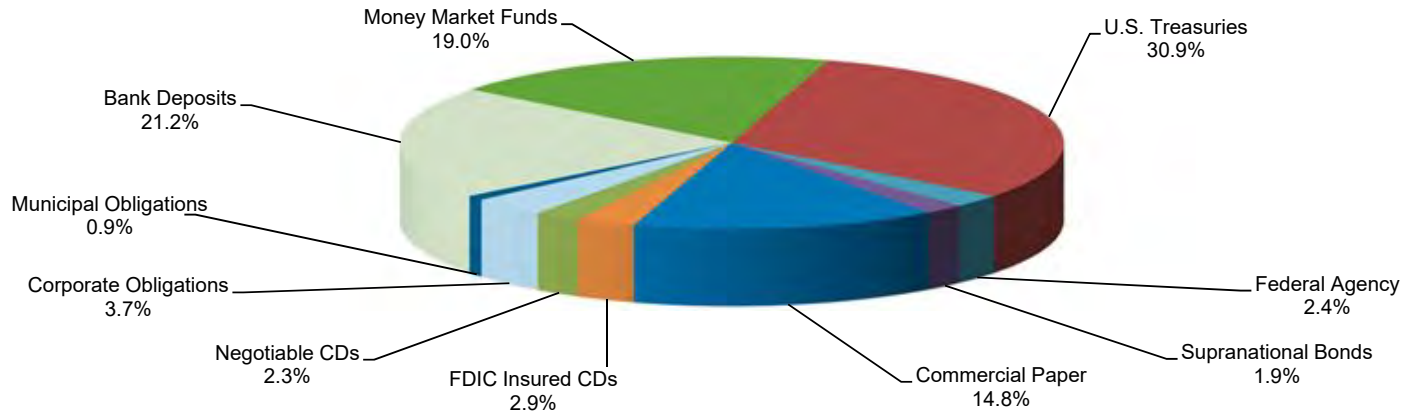
2018 Construction Funds

- During the month of June, bond proceeds from the 2018A and 2018B Bond Series were invested in fixed income securities with maturities occurring in advance of expected draws from the construction funds. The construction funds are currently invested in U.S. Treasuries and Commercial Paper and have an average yield to maturity at cost of 2.08%, above the money market fund's yield to maturity at cost of 1.76%.



Investment Performance Report – June 2018

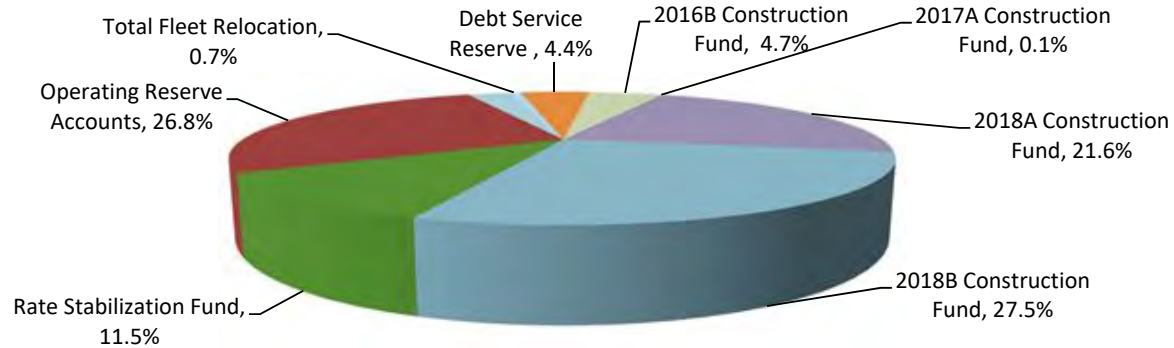
**DC Water
Finance Division
Investments - By Security Type
As of June 30, 2018**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	113,065,036	21.2%	100.0%
Money Market Funds	101,599,764	19.0%	100.0%
U.S. Treasuries	164,934,373	30.9%	100.0%
Federal Agency	12,836,516	2.4%	80.0%
Supranational Bonds	10,196,003	1.9%	30.0%
Commercial Paper	79,188,279	14.8%	35.0%
FDIC Insured CDs	15,367,245	2.9%	30.0%
Negotiable CDs	12,034,861	2.3%	30.0%
Corporate Obligations	19,512,195	3.7%	30.0%
Municipal Obligations	4,773,173	0.9%	20.0%
Total	\$ 533,507,445	100.0%	



**DC Water
Finance Division
Investment Analysis – By Fund
As of June 30, 2018**



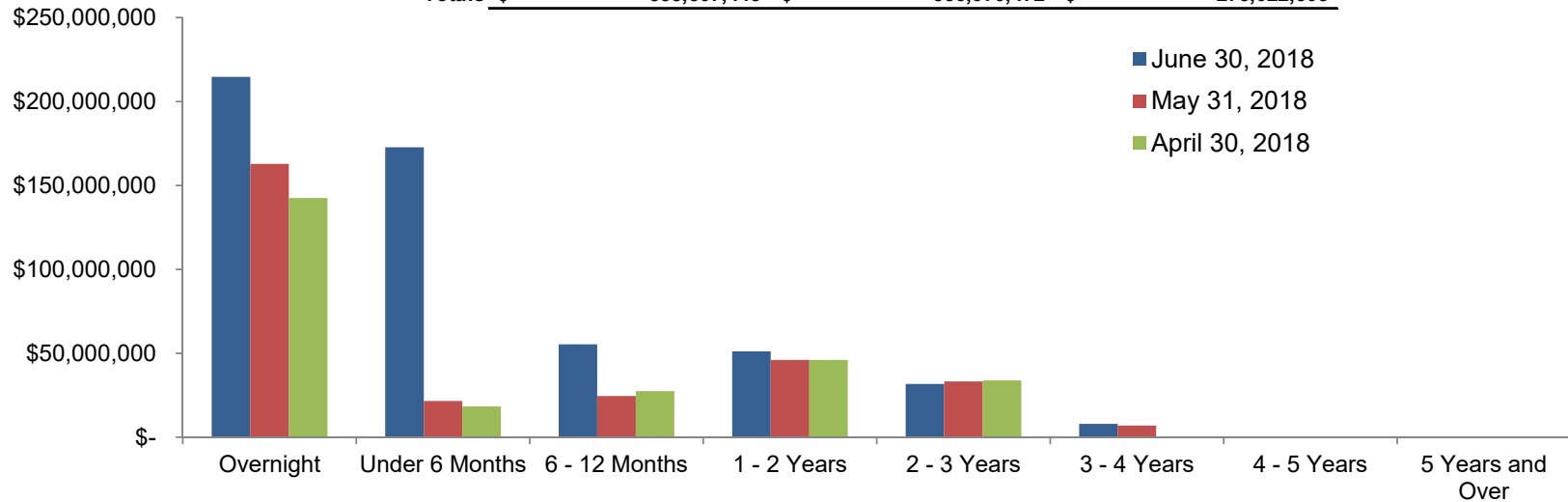
Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Rate Stabilization Fund	\$ 61,450,000	1.60%	0.00	1.0
Operating Reserve Accounts	\$ 142,924,455	1.53%	1.19	455.5
CSO LTCP Appropriations Account	\$ 14,032,138	0.90%	0.00	1.0
Fleet Relocation	\$ 4,000,000	0.90%	0.00	1.0
Debt Service Reserve	\$ 23,636,061	1.59%	1.20	455.7
2015B Construction Fund	\$ 31,643	1.76%	0.00	1.0
2016B Construction Fund	\$ 24,848,205	1.76%	0.00	1.0
2017A Construction Fund	\$ 346,145	1.76%	0.00	1.0
2017B Construction Fund	\$ 11,792	1.76%	0.00	1.0
2018A Construction Fund	\$ 115,339,319	2.13%	0.34	124.6
2018B Construction Fund	\$ 146,887,687	2.04%	0.20	75.2
Total	\$ 533,507,445	1.80%	0.50	190.1



Investment Performance Report – June 2018

DC Water
Finance Division
Investment Analysis – By Maturity

Maturity Distribution	June 30, 2018	May 31, 2018	April 30, 2018
Overnight \$	214,664,800.14 \$	424,538,861.82 \$	142,474,099.79
Under 6 Months	172,771,903.62	21,620,087.56	18,320,259.19
6 - 12 Months	55,298,902.17	24,545,714.45	27,459,880.01
1 - 2 Years	51,186,181.08	46,033,478.92	46,009,763.28
2 - 3 Years	31,675,441.90	33,263,001.54	33,803,799.72
3 - 4 Years	7,910,216.53	6,969,327.41	6,954,702.82
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
Totals \$	533,507,445 \$	556,970,472 \$	275,022,505





Investment Performance Report – June 2018

**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		113,065,035.88	21.2%	100.0%	Yes
Sub-Total Bank Deposits		113,065,035.88	21.2%	100.0%	Yes
Money Market Mutual Funds					
Wells Fargo Treasury Plus MMF	AAAm	101,495,926.87	19.0%	50.0%	Yes
Wells Fargo Government MMF	AAAm	103,837.39	0.0%	50.0%	Yes
Sub-Total Money Market Mutual Funds		101,599,764.26	19.0%	100.0%	Yes
U.S. Treasuries					
Treasury Note	AA+ / Aaa	164,934,372.90	30.9%	100.0%	Yes
Sub-Total Treasuries		164,934,372.90	30.9%	100.0%	Yes
Federal Agencies					
Fannie Mae	AA+ / Aaa	7,773,116.38	1.5%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	2,806,465.19	0.5%	40.0%	Yes
Freddie Mac	AA+ / Aaa	2,256,934.26	0.4%	40.0%	Yes
Sub-Total Federal Agencies		12,836,515.83	2.4%	80.0%	Yes
Supranational Bonds					
African Development Bank	AAA / Aaa	2,546,706.21	0.5%	5.0%	Yes
Asian Development Bank	AAA / Aaa	1,638,859.88	0.3%	5.0%	Yes
Inter-American Development Bank	AAA / Aaa	3,248,327.75	0.6%	5.0%	Yes
International Bank for Reconstruction and Development	AAA / Aaa	1,830,629.71	0.3%	5.0%	Yes
International Finance Corporation Note	AAA / Aaa	931,479.40	0.2%	5.0%	Yes
Sub-Total Supranational Bonds		10,196,002.95	1.9%	30.0%	Yes

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



Investment Performance Report – June 2018

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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
Commercial Paper					
Bank of Montreal Chicago	A-1 / P-1	7,802,520.61	1.5%	5.0%	Yes
BNP Paribas NY Branch	A-1 / P-1	7,789,122.35	1.5%	5.0%	Yes
Canadian Imperial Holding	A-1 / P-1	4,350,633.19	0.8%	5.0%	Yes
Cooperatieve Radobank U.A.	A-1 / P-1	11,667,474.37	2.2%	5.0%	Yes
Credit Agricole CIB NY	A-1 / P-1	7,786,702.78	1.5%	5.0%	Yes
Dexia Credit Local SA NY	A-1+ / P-1	7,769,386.61	1.5%	5.0%	Yes
JP Morgan Securities LLC	A-1 / P-1	12,777,992.51	2.4%	5.0%	Yes
MUFG Bank Ltd. NY	A-1 / P-1	7,768,207.32	1.5%	5.0%	Yes
Toyota Motor Credit Corporation	A-1+ / P-1	11,476,239.18	2.2%	5.0%	Yes
Sub-Total Commercial Paper		79,188,278.92	14.8%	35.0%	Yes
FDIC Insured Certificates of Deposit					
CDARS - Placed by Industrial Bank	NR / NR	15,367,245.17	2.9%	5.0%	Yes
Sub-Total FDIC-Insured Certificates of Deposit		15,367,245.17	2.9%	30.0%	Yes
Negotiable Certificates of Deposit					
Bank of Nova Scotia Houston	A+ / A1	926,559.19	0.2%	5.0%	Yes
Canadian Imperial Bank NY	A+ / A1	1,408,729.46	0.3%	5.0%	Yes
Nordea Bank AB NY	AA- / Aa3	1,868,031.33	0.4%	5.0%	Yes
Royal Bank of Canada NY	AA- / A1	701,449.00	0.1%	5.0%	Yes
Skandinav Enskilda Banken NY	A+ / Aa2	1,863,695.32	0.3%	5.0%	Yes
Svenska Handelsbanken NY	A-1+ / P-1	1,816,254.00	0.3%	5.0%	Yes
Swedbank NY	AA- / Aa2	927,683.01	0.2%	5.0%	Yes
UBS AG Stamford CT	A+ / Aa2	1,615,080.00	0.3%	5.0%	Yes
Westpac Banking Corp NY	AA- / Aa3	907,380.00	0.2%	5.0%	Yes
Sub-Total Negotiable Certificates of Deposit		12,034,861.31	2.3%	30.0%	Yes

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Investment Performance Report – June 2018



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
Corporate Obligations					
Apple Inc.	AA+ / Aa1	527,165.74	0.1%	5.0%	Yes
Bank of Montreal	A+ / A1	1,378,451.55	0.3%	5.0%	Yes
Bank of New York Mellon	A / A1	918,665.91	0.2%	5.0%	Yes
Bank of Nova Scotia	A+ / A1	934,136.80	0.2%	5.0%	Yes
Berkshire Hathaway Inc	AA / Aa2	130,627.04	0.0%	5.0%	Yes
Chevron	AA- / Aa2	901,756.13	0.2%	5.0%	Yes
Coca-Cola	A+ / Aa3	383,218.01	0.1%	5.0%	Yes
Colgate-Palmolive Company	AA- / Aa3	931,072.63	0.2%	5.0%	Yes
Exxon Mobil	AA+ / Aaa	932,772.00	0.2%	5.0%	Yes
General Electric Capital	A / A2	453,675.16	0.1%	5.0%	Yes
Johnson & Johnson	AAA / Aaa	195,373.67	0.0%	5.0%	Yes
JP Morgan	A- / A3	926,736.32	0.2%	5.0%	Yes
Microsoft	AAA / Aaa	1,045,527.27	0.2%	5.0%	Yes
Pfizer Inc.	AA / A1	895,360.03	0.2%	5.0%	Yes
Procter & Gamble	AA- / Aa3	441,309.72	0.1%	5.0%	Yes
Royal Bank of Canada	AA- / A1	874,133.14	0.2%	5.0%	Yes
Toronto Dominion Bank NY	AA- / Aa2	926,177.35	0.2%	5.0%	Yes
Total Capital	A+ / Aa3	889,844.10	0.2%	5.0%	Yes
Toyota	AA- / Aa3	1,847,011.89	0.3%	5.0%	Yes
Wal-Mart Stores Inc.	AA / Aa2	1,931,886.52	0.4%	5.0%	Yes
Wells Fargo & Company Notes	A- / A2	1,116,167.34	0.2%	5.0%	Yes
Westpac Banking	AA- / Aa3	931,127.06	0.2%	5.0%	Yes
Sub-Total Corporate Obligations		19,512,195.38	3.7%	30.0%	Yes
Municipal Obligations					
California State	AA- / Aa3	1,080,554.40	0.2%	5.0%	Yes
Connecticut State	A / A1	990,643.65	0.2%	5.0%	Yes
Florida State	AA / Aa3	1,819,467.00	0.3%	5.0%	Yes
NYC Transitional Finance Authority	AAA / Aa1	541,764.00	0.1%	5.0%	Yes
University of California	AA / Aa2	340,743.79	0.1%	5.0%	Yes
Sub-Total Municipal Obligations		4,773,172.84	0.9%	20.0%	Yes
Grand Total		\$ 533,507,445.44	100.0%		

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



Investment Performance Report – June 2018

**DC Water
Finance Division
Book Value Performance
As of June 30, 2018**

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		
Rate Stabilization Fund	0.13%	1.61%	0.31%	1.25%	0.44%	0.89%	0.73%	0.63%
Operating Reserve Accounts	0.03%	0.40%	0.26%	1.06%	0.60%	1.20%	1.20%	1.24%
Debt Service Reserve	0.13%	1.59%	0.39%	1.59%	0.66%	1.33%	1.16%	1.00%
Short-Term	0.15%	1.86%	0.38%	1.53%	0.67%	1.35%	1.18%	1.00%
Merrill Lynch 3-Month Treasury Index (Book Value) ¹	0.16%	1.91%	0.46%	1.85%	0.85%	1.72%	1.40%	0.98%
Core (1+ Years)	0.17%	2.06%	0.48%	1.94%	0.87%	1.77%	1.60%	1.46%
Merrill Lynch 1-3 Year Treasury Index (Book Value) ²	0.21%	2.55%	0.61%	2.49%	1.17%	2.36%	1.96%	1.58%

(1) The Merrill Lynch 3-Month Treasury Bill is an unmanaged index tracking the on-the-run Treasury Bill. The Index is produced and maintained by Merrill Lynch & Co. Performance for this index is shown on a book value basis.

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

Investment Performance Report – June 2018



DC Water
Finance Division
Portfolio Holdings by Fund

DESCRIPTION	CUSIP	PAR AMOUNT	COUPON RATE	MATURITY DATE	SETTLEMENT DATE	YTM AT COST	ORIGINAL COST	MARKET VALUE + ACCRUED INTEREST	AMORTIZED COST + ACCRUED INTEREST	TOTAL VALUE
Rate Stabilization Fund										
TD BANK BANK DEPOSIT		\$ 61,450,000		7/1/2018		1.60%	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000.00
Operating Reserve Accounts										
TD BANK BANK DEPOSIT		\$ 33,582,898		7/1/2018		0.90%	\$ 33,582,898	\$ 33,582,898	\$ 33,582,898	\$ 33,582,898
WELLS FARGO GOVERNMENT MMF		103,837		7/1/2018		1.78%	103,837	103,837	103,837	103,837
INDUSTRIAL BANK CDARS		5,035,026	0.500	10/11/2018	10/12/2017	0.50%	5,035,026	5,053,185	5,053,185	5,053,185
INDUSTRIAL BANK CDARS		5,085,490	0.500	11/8/2018	11/9/2017	0.50%	5,085,490	5,101,935	5,101,935	5,101,935
SVENSKA HANDELSBANKEN NY LT CD	86958JHB8	1,800,000	1.890	1/10/2019	1/12/2017	1.91%	1,800,000	1,808,437	1,808,437	1,816,254
WELLS FARGO & COMPANY NOTES	94974BFQ8	1,103,000	2.150	1/15/2019	10/7/2015	1.77%	1,116,225	1,110,270	1,116,167	1,116,167
INDUSTRIAL BANK CDARS		2,614,746	1.000	1/17/2019	1/18/2018	1.00%	2,614,746	2,626,658	2,626,658	2,626,658
INDUSTRIAL BANK CDARS		2,573,871	1.000	1/17/2019	1/18/2018	1.00%	2,573,871	2,585,467	2,585,467	2,585,467
BERKSHIRE HATHAWAY INC NOTES	084664CG4	130,000	1.700	3/15/2019	3/15/2016	1.73%	129,901	129,974	130,627	130,627
COLGATE-PALMOLIVE COMPANY CORP NOTES	19416QEF3	925,000	1.750	3/15/2019	5/1/2017	1.55%	928,432	924,792	931,073	931,073
US TREASURY NOTES	912828D23	2,070,000	1.625	4/30/2019	11/14/2016	1.06%	2,098,301	2,063,781	2,085,308	2,085,308
INTER-AMERICAN DEVELOPMENT BANK	458182DX7	1,260,000	1.000	5/13/2019	4/12/2016	1.10%	1,256,220	1,245,332	1,260,605	1,260,605
CHEVRON CORP NOTES	166764BH2	900,000	1.561	5/16/2019	5/16/2016	1.56%	900,000	893,616	901,756	901,756
FHLB GLOBAL NOTE	3130A8DB6	1,840,000	1.125	6/21/2019	6/3/2016	1.14%	1,839,227	1,818,236	1,840,325	1,840,325
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	1,808,325	1,819,467	1,819,467
BANK OF MONTREAL	06367THO6	900,000	1.500	7/18/2019	7/18/2016	1.53%	899,136	893,720	905,806	905,806
FHLMC REFERENCE NOTE	3137EAEB1	2,250,000	0.875	7/19/2019	7/20/2016	0.96%	2,244,555	2,223,316	2,256,934	2,256,934
APPLE INC CORP NOTES	037833CB4	525,000	1.100	8/2/2019	8/4/2016	1.13%	524,475	519,930	527,166	527,166
SKANDINAV ENSKILDA BANKEN NY CD	83050FXT3	1,850,000	1.840	8/2/2019	8/4/2017	1.85%	1,849,279	1,848,129	1,863,695	1,863,695
MICROSOFT CORP NOTES	594918BN3	595,000	1.100	8/8/2019	8/8/2016	1.14%	594,387	588,265	597,372	597,372
CT ST TXBL GO BONDS	20772J3D2	985,000	1.300	8/15/2019	8/17/2016	1.23%	987,128	969,842	990,644	990,644
INTL BANK OF RECON AND DEV SN NOTE	459058FK4	900,000	0.875	8/15/2019	7/13/2016	0.88%	899,811	886,811	902,905	902,905
FNMA NOTES	3135G0P49	1,450,000	1.000	8/28/2019	9/2/2016	1.05%	1,447,738	1,431,239	1,454,069	1,454,069
FNMA NOTES	3135G0P49	1,975,000	1.000	8/28/2019	10/5/2016	1.02%	1,973,815	1,949,447	1,981,271	1,981,271
AFRICAN DEVELOPMENT BANK NOTE	00828EBQ1	700,000	1.125	9/20/2019	9/20/2016	1.16%	699,258	690,127	701,905	701,905
WAL-MART STORES INC CORP NOTE	931142DY6	430,000	1.750	10/9/2019	10/20/2017	1.75%	429,991	427,305	431,708	431,708
THE PROCTER & GAMBLE CO CORP NOTES	742718E28	440,000	1.750	10/25/2019	10/25/2017	1.77%	439,846	436,949	441,310	441,310
US TREASURY NOTES	912828G61	2,325,000	1.500	11/30/2019	12/5/2016	1.45%	2,328,633	2,296,620	2,329,696	2,329,696
PFIZER INC CORP NOTE	717081EB5	595,000	1.700	12/15/2019	11/21/2016	1.72%	594,572	586,835	595,242	595,242
PFIZER INC CORP NOTE	717081EB5	300,000	1.700	12/15/2019	11/21/2016	1.73%	299,775	295,883	300,118	300,118
ASIAN DEVELOPMENT BANK NOTE	045167DT7	925,000	1.750	1/10/2020	1/12/2017	1.77%	924,464	920,830	932,412	932,412
US TREASURY NOTES	912828H52	3,475,000	1.250	1/31/2020	1/5/2017	1.52%	3,447,309	3,426,604	3,478,692	3,478,692
MICROSOFT CORP NOTES	594918BV5	445,000	1.850	2/6/2020	2/6/2017	1.87%	444,702	442,630	448,155	448,155
NORDEA BANK AB NY CD	65590ASN7	1,850,000	2.720	2/20/2020	2/22/2018	2.72%	1,850,000	1,858,273	1,868,031	1,868,031
FNMA NOTES	3135G0T29	1,150,000	1.500	2/28/2020	2/28/2017	1.52%	1,149,264	1,136,459	1,155,483	1,155,483
US TREASURY NOTES	912828J50	725,000	1.375	2/29/2020	2/3/2017	1.58%	720,610	714,936	725,925	725,925
US TREASURY NOTES	912828J50	2,900,000	1.375	2/29/2020	9/1/2017	1.38%	2,899,887	2,859,744	2,913,252	2,913,252
UBS AG STAMFORD CT LT CD	90275DHG8	1,600,000	2.900	3/2/2020	3/6/2018	2.93%	1,600,000	1,620,341	1,615,080	1,615,080
EXXON MOBIL (CALLABLE) CORP NOTE	30231GAG7	925,000	1.912	3/6/2020	4/28/2017	1.77%	928,635	917,649	932,772	932,772
WESTPAC BANKING CORP NOTES	961214DJ9	925,000	2.150	3/6/2020	3/6/2017	2.16%	924,602	916,433	931,127	931,127
AFRICAN DEVELOPMENT BANK NOTE	00828ECA5	1,035,000	1.875	3/16/2020	3/16/2017	1.93%	1,033,468	1,026,934	1,039,777	1,039,777
CANADIAN IMP BK COMM NY FLT CERT DEPOS	13606BVF0	1,400,000	2.737	4/10/2020	4/10/2018	2.78%	1,400,000	1,408,727	1,408,729	1,408,729
TOYOTA MOTOR CREDIT CORP	89236TDU6	630,000	1.950	4/17/2020	4/17/2017	1.97%	629,710	621,687	632,350	632,350
TOYOTA MOTOR CREDIT CORP	89236TDU6	295,000	1.950	4/17/2020	4/17/2017	1.94%	295,089	291,108	296,236	296,236
US TREASURY NOTES	912828K58	2,750,000	1.375	4/30/2020	4/5/2017	1.53%	2,737,646	2,700,081	2,748,936	2,748,936

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DC Water
Finance Division
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Operating Reserve Accounts										
US TREASURY NOTES	912828K58	1,575,000	1.375	4/30/2020	4/10/2017	1.55%	1,566,879	1,546,410	1,573,738	
NYC TRANS FIN AUTH, NY TXBL REV BONDS	64971W5W6	540,000	1.960	5/1/2020	6/29/2017	1.96%	540,000	533,594	541,764	
US TREASURY NOTES	912828V4	1,650,000	1.375	5/31/2020	5/23/2018	2.58%	1,611,070	1,616,278	1,615,007	
BANK OF NOVA SCOTIA HOUSTON CD	06417GU22	925,000	3.080	6/5/2020	6/7/2018	3.10%	924,649	932,032	926,559	
WAL-MART STORES INC CORP NOTES	931142EG4	925,000	2.850	6/23/2020	6/27/2018	2.87%	924,713	927,726	925,008	
TOTAL CAPITAL SA CORP NOTES	89152UAD4	850,000	4.450	6/24/2020	4/10/2017	2.07%	912,492	874,936	889,844	
US TREASURY NOTES	912828X48	1,825,000	1.625	6/30/2020	6/16/2017	1.51%	1,830,988	1,792,645	1,829,050	
US TREASURY NOTES	912828X48	3,650,000	1.625	6/30/2020	6/28/2017	1.50%	3,663,117	3,585,290	3,658,944	
BANK OF NOVA SCOTIA HOUSTON CORP BOND	064159JX5	925,000	2.150	7/14/2020	7/14/2017	2.15%	924,871	916,197	934,137	
FNMA NOTES	3135G0T60	1,850,000	1.500	7/30/2020	9/1/2017	1.49%	1,850,481	1,819,615	1,861,990	
US TREASURY NOTES	912828XM7	825,000	1.625	7/31/2020	7/7/2017	1.60%	825,516	815,059	830,947	
WESTPAC BANKING CORP NY CD	96121T4A3	900,000	2.050	8/3/2020	8/7/2017	2.05%	900,000	893,137	907,380	
INTL BANK OF RECONSTRUCTION AND DEV NOTE	45905UP32	925,000	1.561	9/12/2020	9/19/2017	1.64%	922,780	906,386	927,724	
GENERAL ELECTRIC CAPITAL CORP CORP NOTE	36962G4R2	425,000	4.375	9/16/2020	8/31/2017	1.84%	456,790	440,722	453,675	
FHLB NOTES	3130ACE26	965,000	1.375	9/28/2020	9/8/2017	1.48%	961,902	941,649	966,140	
US TREASURY NOTES	912828L99	250,000	1.375	10/31/2020	10/17/2017	1.71%	247,539	243,782	248,680	
INTER-AMERICAN DEVELOPMENT BANK	4581X0CD8	915,000	2.125	11/9/2020	10/10/2017	1.81%	923,481	905,502	924,339	
JOHNSON & JOHNSON CORP NOTE	478160CH5	195,000	1.950	11/10/2020	11/10/2017	1.99%	194,791	192,333	195,374	
COCA-COLA CO/THE GLOBAL NOTES	191216AR1	370,000	3.150	11/15/2020	9/12/2017	1.78%	385,584	373,794	383,218	
SWEDBANK (NEW YORK) CERT DEPOS	87019U6D6	925,000	2.270	11/16/2020	11/17/2017	2.30%	925,000	908,367	927,683	
US TREASURY NOTES	912828M98	3,000,000	1.625	11/30/2020	11/3/2017	1.77%	2,986,992	2,936,863	2,993,861	
US TREASURY NOTES	912828N48	1,975,000	1.750	12/31/2020	12/5/2017	1.91%	1,965,588	1,935,055	1,967,406	
US TREASURY NOTES	912828N48	975,000	1.750	12/31/2020	12/6/2017	1.96%	968,830	955,280	970,000	
ASIAN DEVELOPMENT BANK NOTE	045167EF6	700,000	2.250	1/20/2021	1/19/2018	2.29%	699,251	698,384	706,448	
US TREASURY NOTES	912828N89	1,750,000	1.375	1/31/2021	1/4/2018	2.05%	1,715,000	1,706,648	1,730,487	
US TREASURY NOTES	912828N89	800,000	1.375	1/31/2021	1/4/2018	2.08%	783,188	780,182	790,393	
US TREASURY N/B	912828P87	1,100,000	1.125	2/28/2021	2/16/2018	2.42%	1,058,707	1,062,499	1,067,697	
INTERNATIONAL FINANCE CORPORATION NOTE	45950VLQ7	925,000	2.635	3/9/2021	3/16/2018	2.66%	924,306	924,084	931,479	
AFRICAN DEVELOPMENT BANK NOTE	00828ECZ0	800,000	2.625	3/22/2021	3/22/2018	2.66%	799,176	802,456	805,024	
CA ST TXBL GO BONDS	13063DGA0	1,075,000	2.800	4/1/2021	4/25/2018	2.80%	1,075,043	1,077,960	1,080,554	
TOYOTA MOTOR CREDIT CORP	89236TC26	475,000	1.900	4/8/2021	3/6/2018	2.82%	462,223	462,231	465,582	
BANK OF MONTREAL CHICAGO CORP NOTES	06367T4W7	470,000	3.100	4/13/2021	4/13/2018	3.14%	469,450	471,280	472,645	
TOYOTA MOTOR CREDIT CORP CORP NOTES	89236TEU5	290,000	2.950	4/13/2021	4/13/2018	2.96%	289,884	290,359	291,746	
TOYOTA MOTOR CREDIT CORP CORP NOTES	89236TEU5	160,000	2.950	4/13/2021	4/13/2018	2.93%	160,082	160,198	161,099	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406FAA1	515,000	2.500	4/15/2021	2/16/2018	2.93%	508,300	508,241	511,791	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406FAA1	410,000	2.500	4/15/2021	2/16/2018	2.99%	404,022	404,619	406,875	
INTER-AMERICAN DEVELOPMENT BANK NOTE	4581X0DB1	1,060,000	2.625	4/19/2021	4/19/2018	2.70%	1,057,668	1,060,476	1,063,383	
ROYAL BANK OF CANADA CORP NOTES	78013XKG2	870,000	3.200	4/30/2021	4/30/2018	3.23%	869,382	874,341	874,133	
UNIV OF CAL TXBL REV BONDS	91412HBH5	340,000	3.029	5/15/2021	6/5/2018	3.03%	340,000	341,114	340,744	
US TREASURY NOTES	912828WN6	975,000	2.000	5/31/2021	6/6/2018	2.62%	957,671	959,779	959,779	
ROYAL BANK OF CANADA NY CD	78012UEE1	700,000	3.240	6/7/2021	6/8/2018	3.24%	700,000	706,376	701,449	
TORONTO DOMINION BANK CORP NOTES	89114QBZ0	925,000	3.250	6/11/2021	6/12/2018	3.27%	924,584	926,311	926,177	
FANNIE MAE NOTES	3135G0U35	1,320,000	2.750	6/22/2021	6/25/2018	2.76%	1,319,696	1,321,777	1,320,303	
WAL-MART STORES INC CORP NOTES	931142EJ8	575,000	3.125	6/23/2021	6/27/2018	3.13%	574,971	578,052	575,171	
JPMORGAN CHASE & CO CORP NOTES	46647PAS5	925,000	3.514	6/18/2022	6/26/2018	3.50%	925,564	926,886	926,736	

\$ 142,924,455.08

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Debt Service Reserve										
WELLS FARGO TREASURY PLUS MMF		\$ 6,949		7/1/2018		1.76%	\$ 6,949	\$ 6,949	\$ 6,949	
US TREASURY NOTES	912828RH5	4,975,000	1.375	9/30/2018	11/15/2016	1.00%	5,009,786	4,984,633	4,996,845	
US TREASURY NOTES	912828T42	6,460,000	0.750	9/30/2018	5/19/2017	1.19%	6,421,644	6,452,514	6,465,165	
US TREASURY N/B	912828W97	5,175,000	1.250	3/31/2019	10/10/2017	1.45%	5,160,041	5,152,044	5,183,623	
US TREASURY NOTES	912828F21	7,025,000	2.125	9/30/2021	4/2/2018	2.49%	6,940,206	6,948,368	6,983,480	
										\$ 23,636,061.24
CSO LTCP Appropriations Account										
TD BANK BANK DEPOSIT		\$ 14,032,138		7/1/2018		1.74%	\$ 14,032,138	\$ 14,032,138	\$ 14,032,138	
										\$ 14,032,138.27
Fleet Relocation Account										
TD BANK BANK DEPOSIT		\$ 4,000,000		7/1/2018		1.74%	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	
										\$ 4,000,000.00
2015B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 31,643		7/1/2018		1.76%	\$ 31,643	\$ 31,643	\$ 31,643	
										\$ 31,643.01
2016B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 24,848,205		7/1/2018		1.76%	\$ 24,848,205	\$ 24,848,205	\$ 24,848,205	
										\$ 24,848,204.95
2017A Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 346,145		7/1/2018		1.76%	\$ 346,145	\$ 346,145	\$ 346,145	
										\$ 346,145.16
2017B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 11,792		7/1/2018		1.76%	\$ 11,792	\$ 11,792	\$ 11,792	
										\$ 11,791.54
2018A Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 29,132,870		7/1/2018		1.76%	\$ 29,132,870	\$ 29,132,870	\$ 29,132,870	
BANK OF MONTREAL CHICAGO COMM PAPER	06366HK48	3,450,000	-	10/4/2018	6/6/2018	2.31%	3,423,642	3,428,972	3,429,133	
US TREASURY NOTES	912828T83	29,380,000	0.750	10/31/2018	6/7/2018	2.09%	29,225,066	29,295,462	29,287,659	
CREDIT AGRICOLE CIB NY COMM PAPER	22533UL19	3,450,000	-	11/1/2018	6/7/2018	2.38%	3,416,754	3,422,003	3,422,181	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233HL10	3,450,000	-	11/1/2018	6/7/2018	2.35%	3,417,176	3,422,148	3,422,535	
COOPERATIVE RABOBANK U.A. COMM PAPER	21687BLW9	3,375,000	-	11/30/2018	6/8/2018	2.34%	3,337,102	3,340,538	3,342,082	
US TREASURY N/B	912828U40	18,065,000	1.000	11/30/2018	6/7/2018	2.13%	17,967,618	17,999,858	17,996,199	
MUFG BANK LTD/NY COMM PAPER	62479MM34	3,450,000	-	12/3/2018	6/7/2018	2.45%	3,408,487	3,414,161	3,414,053	
DEXIA CREDIT LOCAL SA NY COMM PAPER	25214PHP1	3,500,000	-	2/26/2019	6/7/2018	2.53%	3,436,347	3,441,109	3,442,133	
JP MORGAN SECURITIES LLC COMM PAPER	46640QQ12	5,750,000	-	3/1/2019	6/7/2018	2.58%	5,642,106	5,649,628	5,651,804	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233HQ15	2,300,000	-	3/1/2019	6/7/2018	2.52%	2,257,866	2,261,572	2,261,653	
BNP PARIBAS NY BRANCH COMM PAPER	09659CQ19	3,500,000	-	3/1/2019	6/7/2018	2.48%	3,436,662	3,439,951	3,442,355	
COOPERATIVE RABOBANK U.A. COMM PAPER	21687BQ12	2,380,000	-	3/1/2019	6/8/2018	2.44%	2,337,795	2,338,988	2,341,444	
UNITED STATES TREASURY NOTES	912828XS4	4,795,000	1.250	5/31/2019	6/7/2018	2.34%	4,744,802	4,752,875	4,753,216	
										\$ 115,339,319.05

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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
2018B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 47,118,323		7/1/2018		1.76%	\$ 47,118,323	\$ 47,118,323	\$ 47,118,323	
US TREASURY N/B	912828S68	9,920,000	0.750	7/31/2018	6/7/2018	1.87%	9,903,338	9,942,572	9,941,777	
US TREASURY NOTES	912828RE2	44,620,000	1.500	8/31/2018	6/7/2018	1.97%	44,571,197	44,813,365	44,808,683	
BANK OF MONTREAL CHICAGO COMM PAPER	06366HK48	4,400,000	-	10/4/2018	6/6/2018	2.31%	4,366,384	4,373,182	4,373,387	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233HKS2	4,350,000	-	10/26/2018	6/7/2018	2.35%	4,310,303	4,316,696	4,317,060	
CREDIT AGRICOLE CIB NY COMM PAPER	22533UL19	4,400,000	-	11/1/2018	6/7/2018	2.38%	4,357,599	4,364,294	4,364,521	
MUFG BANK LTD/NY COMM PAPER	62479MM34	4,400,000	-	12/3/2018	6/7/2018	2.45%	4,347,056	4,354,293	4,354,154	
CANADIAN IMPERIAL HOLDING COMM PAPER	13607FMH6	4,400,000	-	12/17/2018	6/7/2018	2.42%	4,343,623	4,348,920	4,350,633	
COOPERATIEVE RABOBANK U.A. COMM PAPER	21687BMT5	6,055,000	-	12/27/2018	6/8/2018	2.39%	5,974,818	5,980,959	5,983,948	
BNP PARIBAS NY BRANCH COMM PAPER	09659CMX3	4,400,000	-	12/31/2018	6/7/2018	2.41%	4,339,786	4,345,101	4,346,767	
DEXIA CREDIT LOCAL SA NY COMM PAPER	25214PHP1	4,400,000	-	2/26/2019	6/7/2018	2.53%	4,319,979	4,325,966	4,327,253	
JP MORGAN SECURITIES LLC COMM PAPER	46640QQ12	7,250,000	-	3/1/2019	6/7/2018	2.58%	7,113,960	7,123,444	7,126,188	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233HQ15	1,500,000	-	3/1/2019	6/7/2018	2.52%	1,472,521	1,474,938	1,474,991	
									\$	146,887,687.14
							\$ 532,475,906.15	\$ 532,287,117.94	\$ 533,507,445.44	\$ 533,507,445.44

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

Investment Performance Report – June 2018



DC Water
Finance Division
Security Purchases
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts							
912828N89	US TREASURY NOTES	1,750,000.00	1.38	1/31/2021	1/4/2018	2.05	1,725,265.79
912828N89	US TREASURY NOTES	800,000.00	1.38	1/31/2021	1/4/2018	2.08	787,880.43
RE0959859	INDUSTRIAL BANK CDARS	2,614,746.18	1.00	1/17/2019	1/18/2018	1.01	2,614,746.18
RE0959867	INDUSTRIAL BANK CDARS	2,573,870.75	1.00	1/17/2019	1/18/2018	1.01	2,573,870.75
045167EF6	ASIAN DEVELOPMENT BANK NOTE	700,000.00	2.25	1/20/2021	1/19/2018	2.29	699,251.00
06406FAA1	BANK OF NEW YORK MELLON CORP (CALLABLE)	515,000.00	2.50	4/15/2021	2/16/2018	2.93	512,627.28
06406FAA1	BANK OF NEW YORK MELLON CORP (CALLABLE)	410,000.00	2.50	4/15/2021	2/16/2018	2.99	407,467.34
912828P87	US TREASURY N/B	1,100,000.00	1.13	2/28/2021	2/16/2018	2.42	1,064,484.31
65590ASN7	NORDEA BANK AB NY CD	1,850,000.00	2.72	2/20/2020	2/22/2018	2.72	1,850,000.00
90275DHG8	UBS AG STAMFORD CT LT CD	1,600,000.00	2.90	3/2/2020	3/6/2018	2.93	1,600,000.00
89236TCZ6	TOYOTA MOTOR CREDIT CORP	475,000.00	1.90	4/8/2021	3/6/2018	2.82	465,932.78
45950VLQ7	INTERNATIONAL FINANCE CORPORATION NOTE	925,000.00	2.64	3/9/2021	3/18/2018	2.66	924,306.25
00828ECZ0	AFRICAN DEVELOPMENT BANK NOTE	800,000.00	2.63	3/22/2021	3/22/2018	2.66	799,176.00
13606BVF0	CANADIAN IMP BK COMM NY FLT CERT DEPOS	1,400,000.00	2.74	4/10/2020	4/10/2018	2.82	1,400,000.00
06367T4W7	BANK OF MONTREAL CHICAGO CORP NOTES	470,000.00	3.10	4/13/2021	4/13/2018	3.14	469,450.10
89236TEU5	TOYOTA MOTOR CREDIT CORP CORP NOTES	290,000.00	2.95	4/13/2021	4/13/2018	2.96	289,884.00
89236TEU5	TOYOTA MOTOR CREDIT CORP CORP NOTES	160,000.00	2.95	4/13/2021	4/13/2018	2.93	160,081.60
4581X0DB1	INTER-AMERICAN DEVELOPMENT BANK NOTE	1,060,000.00	2.63	4/19/2021	4/19/2018	2.70	1,057,668.00
13063DGA0	CA ST TXBL GO BONDS	1,075,000.00	2.80	4/1/2021	4/25/2018	2.80	1,075,043.00
78013XG2	ROYAL BANK OF CANADA CORP NOTES	870,000.00	3.20	4/30/2021	4/30/2018	3.23	869,382.30
912828VF4	US TREASURY NOTES	1,650,000.00	1.38	5/31/2020	5/23/2018	2.58	1,621,915.43
91412HBH5	UNIV OF CAL TXBL REV BONDS	340,000.00	3.03	5/15/2021	6/5/2018	3.03	340,000.00
912828WN6	US TREASURY NOTES	3,250,000.00	2.00	5/31/2021	6/6/2018	2.62	3,193,301.90
06417GU22	BANK OF NOVA SCOTIA HOUSTON CD	925,000.00	3.08	6/5/2020	6/7/2018	3.10	924,648.50
78012UEE1	ROYAL BANK OF CANADA NY CD	700,000.00	3.24	6/7/2021	6/8/2018	3.24	700,000.00
89114QBZ0	TORONTO DOMINION BANK CORP NOTES	925,000.00	3.25	6/11/2021	6/12/2018	3.27	924,583.75
3135G0U35	FANNIE MAE NOTES	1,320,000.00	2.75	6/22/2021	6/25/2018	2.76	1,319,696.40
46647PAS5	JPMORGAN CHASE & CO CORP NOTES	925,000.00	3.51	6/18/2022	6/26/2018	3.50	926,286.57
931142EG4	WAL-MART STORES INC CORP NOTES	925,000.00	2.85	6/23/2020	6/27/2018	2.87	924,713.25
931142EJ8	WAL-MART STORES INC CORP NOTES	575,000.00	3.13	6/23/2021	6/27/2018	3.13	574,971.25
Total Debt Service Reserve							
912828F21	US TREASURY NOTES	7,025,000.00	2.125	9/30/2021	4/2/2018	2.488	6,941,021.79
2018A Construction Fund							
06366HK48	BANK OF MONTREAL CHICAGO COMM PAPER	3,450,000.00	0.000	10/4/2018	6/6/2018	2.342	3,423,642.00
912828T83	US TREASURY NOTES	29,380,000.00	0.750	10/31/2018	6/7/2018	2.089	29,247,819.94
912828U40	US TREASURY N/B	18,065,000.00	1.000	11/30/2018	6/7/2018	2.132	17,971,073.41
912828XS4	UNITED STATES TREASURY NOTES	4,795,000.00	1.250	5/31/2019	6/7/2018	2.336	4,745,948.69
22533UL19	CREDIT AGRICOLE CIB NY COMM PAPER	3,450,000.00	0.000	11/1/2018	6/7/2018	2.416	3,416,753.50
25214PHP1	DEXIA CREDIT LOCAL SA NY COMM PAPER	3,500,000.00	0.000	2/26/2019	6/7/2018	2.551	3,436,346.67
46640QQ12	JP MORGAN SECURITIES LLC COMM PAPER	5,750,000.00	0.000	3/1/2019	6/7/2018	2.604	5,642,106.04

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

Investment Performance Report – June 2018



DC Water
Finance Division
Security Purchases
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
2018A Construction Fund							
62479MM34	MUFG BANK LTD/NY COMM PAPER	3,450,000.00	0.000	12/3/2018	6/7/2018	2.484	3,408,486.92
89233HL10	TOYOTA MOTOR CREDIT CORP COMM PAPER	3,450,000.00	0.000	11/1/2018	6/7/2018	2.385	3,417,176.13
89233HQ15	TOYOTA MOTOR CREDIT CORP COMM PAPER	2,300,000.00	0.000	3/1/2019	6/7/2018	2.541	2,257,865.92
09659CQ19	BNP PARIBAS NY BRANCH COMM PAPER	3,500,000.00	0.000	3/1/2019	6/7/2018	2.510	3,436,661.67
21687BLW9	COOPERATIEVE RABOBANK U.A. COMM PAPER	3,375,000.00	0.000	11/30/2018	6/8/2018	2.369	3,337,101.56
21687BQ12	COOPERATIEVE RABOBANK U.A. COMM PAPER	2,380,000.00	0.000	3/1/2019	6/8/2018	2.468	2,337,794.67
2018B Construction Fund							
06366HK48	BANK OF MONTREAL CHICAGO COMM PAPER	4,400,000.00	0.000	10/4/2018	6/6/2018	2.342	4,366,384.00
912828S68	US TREASURY N/B	9,920,000.00	0.750	7/31/2018	6/7/2018	1.874	9,929,439.16
912828RE2	US TREASURY NOTES	44,620,000.00	1.500	8/31/2018	6/7/2018	1.968	44,751,253.13
13607FMH6	CANADIAN IMPERIAL HOLDING COMM PAPER	4,400,000.00	0.000	12/17/2018	6/7/2018	2.453	4,343,622.56
22533UL19	CREDIT AGRICOLE CIB NY COMM PAPER	4,400,000.00	0.000	11/1/2018	6/7/2018	2.416	4,357,598.67
25214PHP1	DEXIA CREDIT LOCAL SA NY COMM PAPER	4,400,000.00	0.000	2/26/2019	6/7/2018	2.551	4,319,978.67
46640QQ12	JP MORGAN SECURITIES LLC COMM PAPER	7,250,000.00	0.000	3/1/2019	6/7/2018	2.604	7,113,959.79
62479MM34	MUFG BANK LTD/NY COMM PAPER	4,400,000.00	0.000	12/3/2018	6/7/2018	2.484	4,347,055.78
89233HKS2	TOYOTA MOTOR CREDIT CORP COMM PAPER	4,350,000.00	0.000	10/26/2018	6/7/2018	2.384	4,310,302.63
89233HQ15	TOYOTA MOTOR CREDIT CORP COMM PAPER	1,500,000.00	0.000	3/1/2019	6/7/2018	2.541	1,472,521.25
09659CMX3	BNP PARIBAS NY BRANCH COMM PAPER	4,400,000.00	0.000	12/31/2018	6/7/2018	2.443	4,339,786.00
21687BMT5	COOPERATIEVE RABOBANK U.A. COMM PAPER	6,055,000.00	0.000	12/27/2018	6/8/2018	2.422	5,974,818.34

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

Investment Performance Report – June 2018



DC Water
Finance Division
Security Sales
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
Operating Reserve Accounts							
912828A75	US TREASURY NOTES	1,500,000.00	1.50	12/31/2018	1/4/2018	1.83	1,495,443.93
064159GM2	BANK OF NOVA SCOTIA CORP NOTE (CALLABLE)	875,000.00	1.70	6/11/2018	1/4/2018	1.87	875,311.60
912828N48	US TREASURY NOTES	700,000.00	1.75	12/31/2020	1/19/2018	2.10	693,697.65
7599112M1	REGIONAL TRANS AUTH, IL TXBL REV BONDS	725,000.00	1.25	5/4/2018	2/16/2018	1.80	727,542.94
7599112M1	REGIONAL TRANS AUTH, IL TXBL REV BONDS	1,075,000.00	1.25	5/4/2018	2/16/2018	1.80	1,078,770.56
65558LWA6	NORDEA BANK FINLAND NY CD	1,800,000.00	1.76	11/30/2018	2/22/2018	2.16	1,801,506.00
912828A75	US TREASURY NOTES	50,000.00	1.50	12/31/2018	2/22/2018	2.04	49,883.25
912828A75	US TREASURY NOTES	1,450,000.00	1.50	12/31/2018	3/6/2018	2.03	1,447,618.28
3135G0J53	FNMA BENCHMARK NOTE	475,000.00	1.00	2/26/2019	3/6/2018	2.11	470,077.94
3130AAE46	FHLB NOTES	925,000.00	1.25	1/16/2019	3/16/2018	2.11	920,405.83
3130AAE46	FHLB NOTES	875,000.00	1.25	1/16/2019	3/21/2018	2.12	870,797.33
13606A5Z7	CANADIAN IMPERIAL BANK NY CD	1,800,000.00	1.76	11/30/2018	4/10/2018	2.58	1,801,331.20
3135G0J53	FNMA BENCHMARK NOTE	300,000.00	1.00	2/26/2019	4/13/2018	2.16	297,403.67
3135G0J53	FNMA BENCHMARK NOTE	150,000.00	1.00	2/26/2019	4/13/2018	2.18	148,676.33
3135G0J53	FNMA BENCHMARK NOTE	1,050,000.00	1.00	2/26/2019	4/19/2018	2.19	1,041,056.33
3135G0J53	FNMA BENCHMARK NOTE	275,000.00	1.00	2/26/2019	4/25/2018	2.20	272,733.69
3135G0J53	FNMA BENCHMARK NOTE	810,000.00	1.00	2/26/2019	4/25/2018	2.20	803,324.70
78012KRK5	ROYAL BANK OF CANADA CORP NOTES	900,000.00	1.50	7/29/2019	4/30/2018	2.78	889,408.50
3135G0J53	FNMA BENCHMARK NOTE	15,000.00	1.00	2/26/2019	6/6/2018	2.26	14,907.42
3135G0J53	FNMA BENCHMARK NOTE	1,425,000.00	1.00	2/26/2019	6/6/2018	2.26	1,416,204.58
3137EAD29	FREDDIE MAC NOTES	1,700,000.00	1.13	4/15/2019	6/6/2018	2.29	1,685,964.38
037833BQ2	APPLE INC CORP NOTES	545,000.00	1.70	2/22/2019	6/7/2018	2.42	544,935.21
037833CB4	APPLE INC CORP NOTES	375,000.00	1.10	8/2/2019	6/7/2018	2.54	370,319.38
912828D23	US TREASURY NOTES	700,000.00	1.63	4/30/2019	6/8/2018	2.31	696,994.56
89114QBJ6	TORONTO DOMINION BANK NY CORP NOTES	900,000.00	1.45	8/13/2019	6/12/2018	2.76	890,858.75
912828D23	US TREASURY NOTES	15,000.00	1.63	4/30/2019	6/12/2018	2.31	14,938.83
912828WN6	US TREASURY NOTES	1,340,000.00	2.00	5/31/2021	6/25/2018	2.66	1,316,862.63
912828WN6	US TREASURY NOTES	935,000.00	2.00	5/31/2021	6/26/2018	2.65	919,198.93
912828D23	US TREASURY NOTES	750,000.00	1.63	4/30/2019	6/27/2018	2.32	747,584.91
912828D23	US TREASURY NOTES	225,000.00	1.63	4/30/2019	6/27/2018	2.32	224,275.48
912828D23	US TREASURY NOTES	525,000.00	1.63	4/30/2019	6/27/2018	2.32	523,309.44
2017B Construction Fund							
912828K25	US TREASURY NOTES	11,555,000.00	0.75	4/15/2018	1/16/2018	1.37	11,559,538.47

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
<u>Operating Reserve Accounts</u>							
RE0959529	INDUSTRIAL BANK CDARS	2,563,284.34	0.60	1/18/2018	1/18/2018	0.00	2,594,001.96
RE0959685	INDUSTRIAL BANK CDARS	2,562,345.78	0.45	1/18/2018	1/18/2018	0.00	2,573,876.34
06406HDB2	BANK OF NEW YORK MELLON CORP (CALLABLE)	1,800,000.00	1.60	5/22/2018	5/22/2018	0.00	1,800,000.00
<u>Total Debt Service Reserve</u>							
912828Q45	US TREASURY NOTES	6,820,000.00	0.88	3/31/2018	3/31/2018	0.00	6,820,000.00
<u>2017B Construction Fund</u>							
912828H37	US TREASURY N/B	17,485,000.00	0.88	1/15/2018	1/15/2018	0.00	17,485,000.00

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
07/01/18	INTEREST	341271AA2	FL ST BOARD ADMIN FIN CORP TXBL REV BD	2.163	07/01/19	1,800,000.00	0.00	19,467.00	19,467.00
07/10/18	INTEREST	045167DT7	ASIAN DEVELOPMENT BANK NOTE	1.750	01/10/20	925,000.00	0.00	8,093.75	8,093.75
07/10/18	INTEREST	13606BVF0	CANADIAN IMP BK COMM NY FLT CERT DEPOS	2.737	04/10/20	1,400,000.00	0.00	9,687.57	9,687.57
07/10/18	INTEREST	86958JHB8	SVENSKA HANDELSBANKEN NY LT CD	1.890	01/10/19	1,800,000.00	0.00	17,104.50	17,104.50
07/14/18	INTEREST	064159JX5	BANK OF NOVA SCOTIA HOUSTON CORP BOND	2.150	07/14/20	925,000.00	0.00	9,943.75	9,943.75
07/15/18	INTEREST	94974BFQ8	WELLS FARGO & COMPANY NOTES	2.150	01/15/19	1,103,000.00	0.00	11,857.25	11,857.25
07/18/18	INTEREST	06367THQ6	BANK OF MONTREAL	1.500	07/18/19	900,000.00	0.00	6,750.00	6,750.00
07/19/18	INTEREST	3137EAEB1	FHLMC REFERENCE NOTE	0.875	07/19/19	2,250,000.00	0.00	9,843.75	9,843.75
07/20/18	INTEREST	045167EF6	ASIAN DEVELOPMENT BANK NOTE	2.250	01/20/21	700,000.00	0.00	7,918.75	7,918.75
07/30/18	INTEREST	3135G0T60	FNMA NOTES	1.500	07/30/20	1,850,000.00	0.00	13,875.00	13,875.00
07/31/18	INTEREST	912828H52	US TREASURY NOTES	1.250	01/31/20	3,475,000.00	0.00	21,718.75	21,718.75
07/31/18	INTEREST	912828N89	US TREASURY NOTES	1.375	01/31/21	800,000.00	0.00	5,500.00	5,500.00
07/31/18	INTEREST	912828N89	US TREASURY NOTES	1.375	01/31/21	1,750,000.00	0.00	12,031.25	12,031.25
07/31/18	INTEREST	912828XM7	US TREASURY NOTES	1.625	07/31/20	825,000.00	0.00	6,703.13	6,703.13

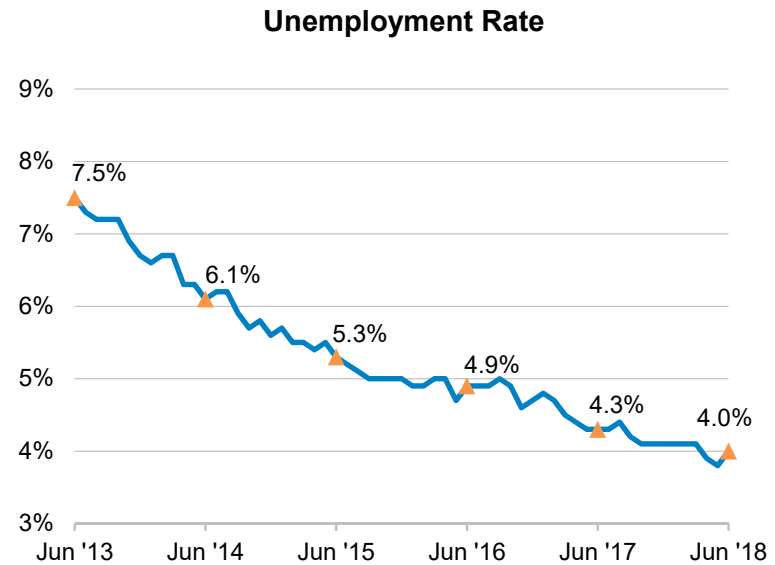
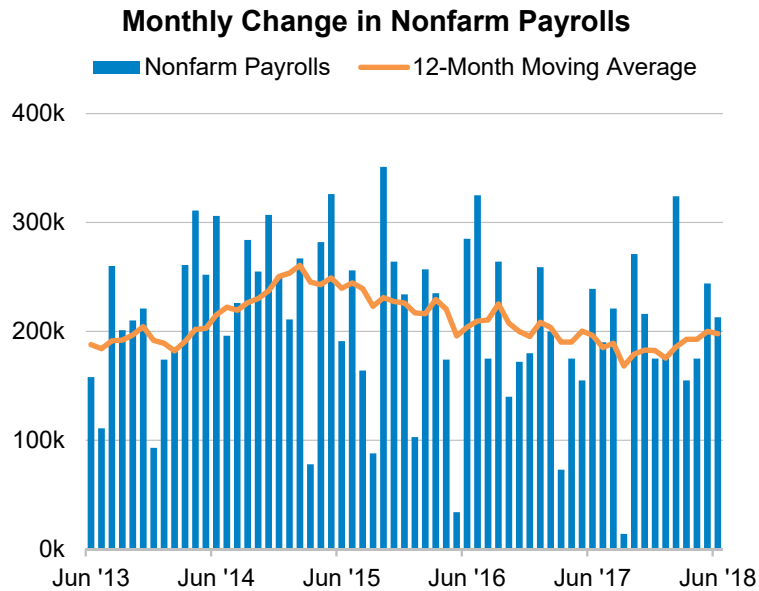


Appendix: Economic Update



Labor Market Strengthened Further in June

- The U.S. labor market added 213,000 jobs in June, well above the expected 195,000 jobs.
 - The headline unemployment rate rose slightly to 4.0%, but remained near historic lows.
 - Wage growth remained modest, with average hourly earnings – a key measure of wage growth – matching May’s level of 2.7% year-over-year.

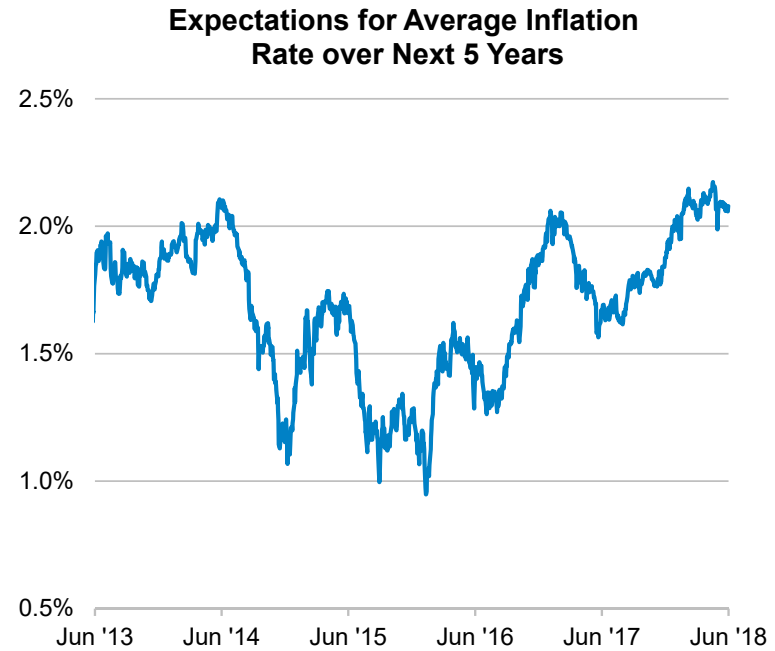
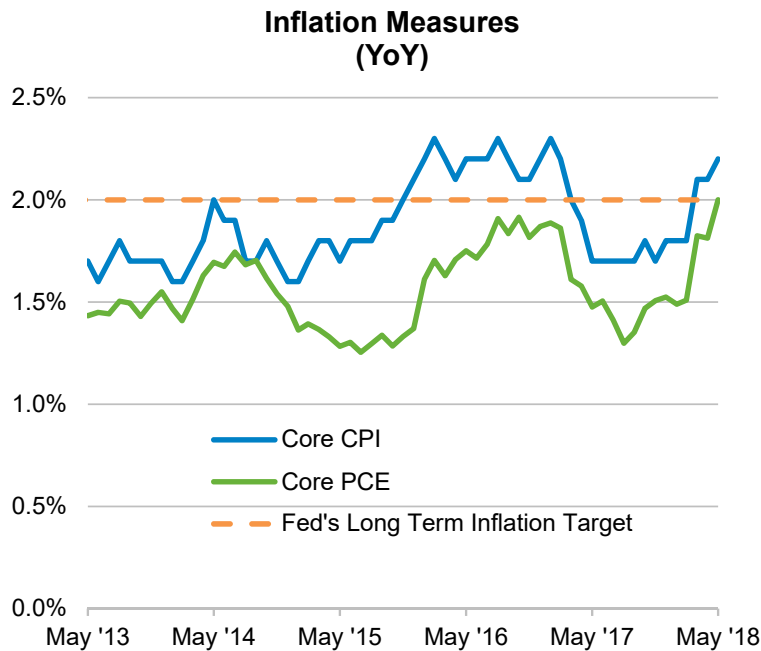


Source: Bloomberg, as of June 2018.



Inflation Reaches Fed's 2% Target

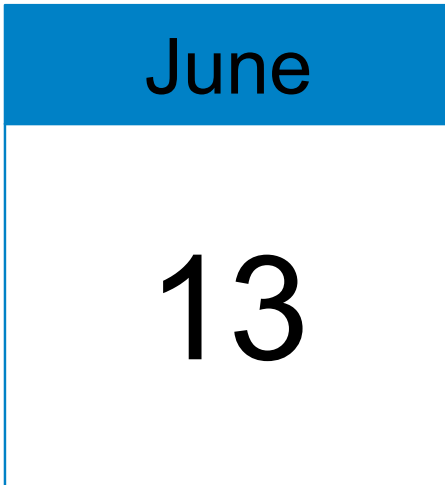
- The core personal consumption expenditures (PCE) price index, the Fed's preferred measure of inflation, rose to 2.0% year-over-year in May, right at the Fed's 2% target.
- Forward-looking inflation expectations remain anchored around the 2% level.



Source: Bloomberg, latest data available as of June 2018. Inflation expectations based on yield difference between 5-year Treasury note and 5-year Treasury Inflation Protected Securities (TIPS).



FOMC Statement Highlights



- Information received since the FOMC met in May indicates that the labor market has continued to strengthen and that **economic activity has been rising at a solid rate**. Job gains have been strong in recent months, and the unemployment rate has **declined**. Recent data suggest that growth of household spending **has picked up**, and business fixed investment **has** continued to grow strongly.
- In view of realized and expected labor market conditions and inflation, the Committee decided to **raise the target range for the federal funds rate ¼ percent to 1¾ to 2 percent**.
- The committee noted that **further gradual increases in the target range for the federal funds rate will be consistent with sustained expansion** of labor market conditions **and inflation** near the Committee's symmetric 2 percent objective over the medium term.

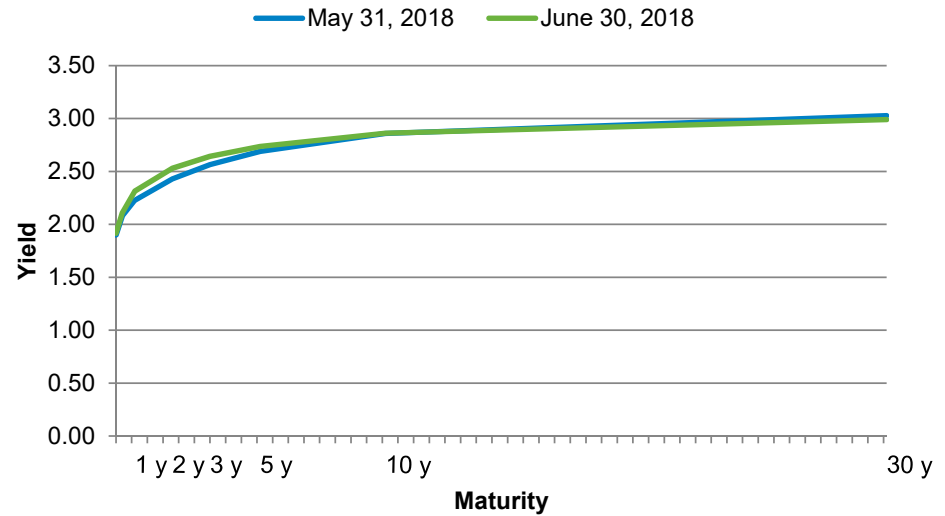
Source: Federal Reserve



U.S. Treasury Yields

	<u>5/31/2018</u>	<u>6/30/2018</u>	<u>Change</u>
3 month	1.90%	1.92%	0.02%
6 month	2.08%	2.11%	0.03%
1 year	2.22%	2.31%	0.09%
2 year	2.43%	2.53%	0.10%
3 year	2.55%	2.64%	0.09%
5 year	2.70%	2.74%	0.04%
10 year	2.86%	2.86%	0.00%
30 year	3.03%	2.99%	-0.04%

U.S. Treasury Yield Curve

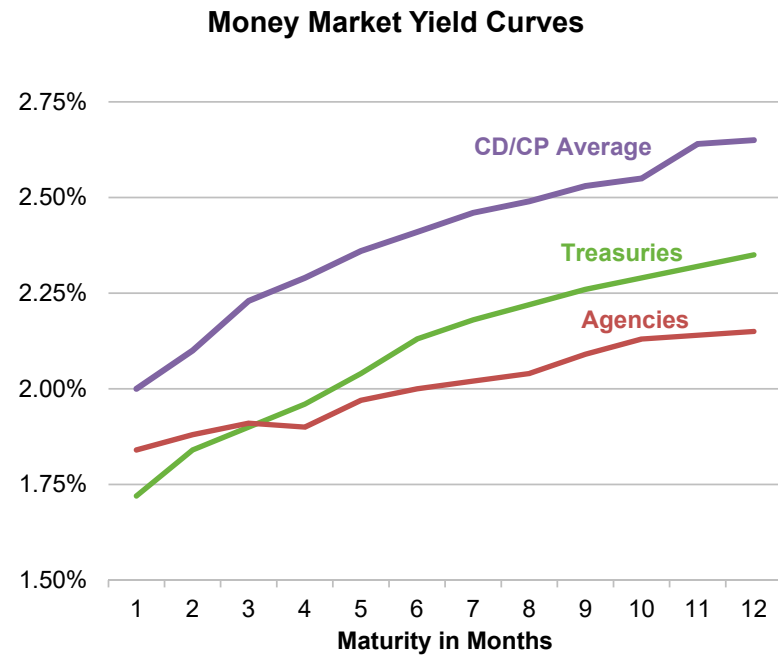
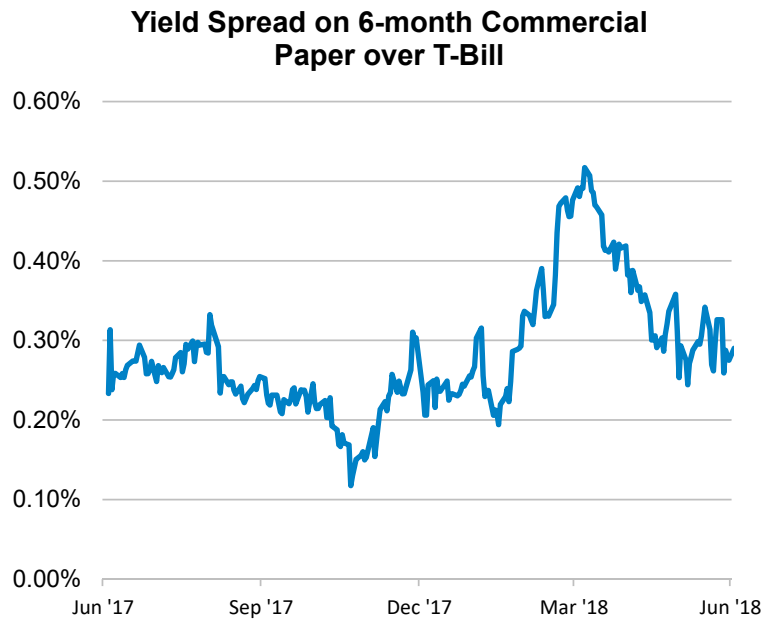


Source: Bloomberg



Current Short-Term Credit Environment

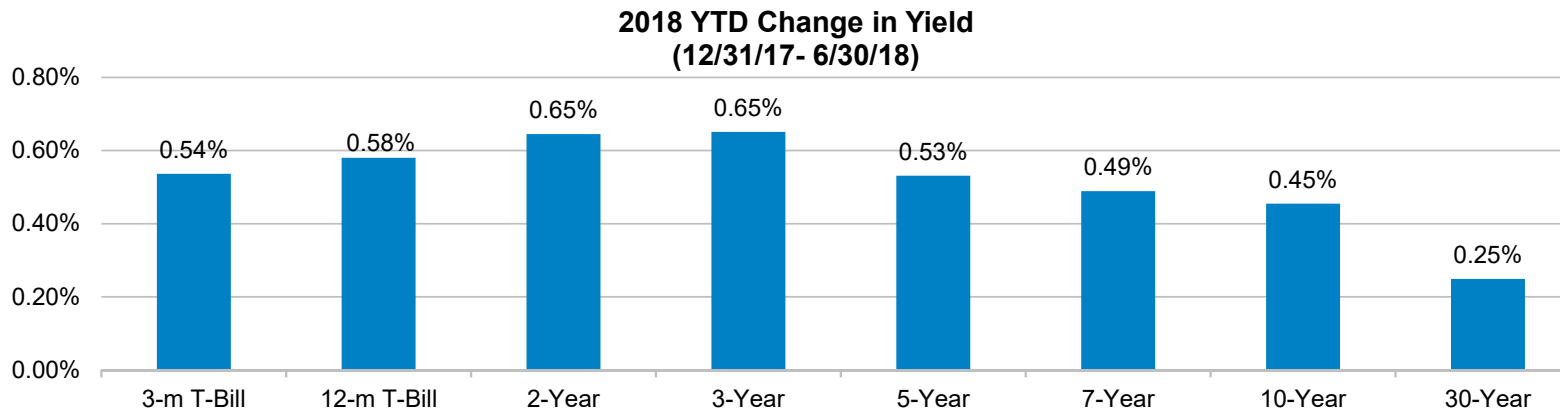
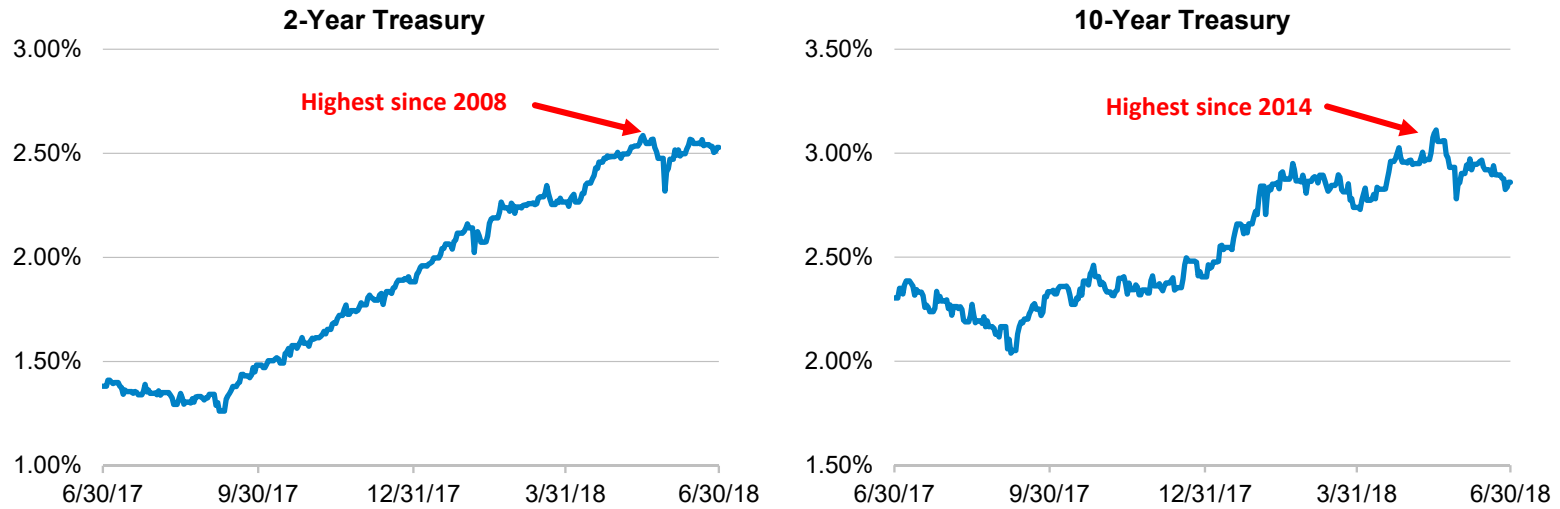
- Commercial paper and negotiable bank CDs remain attractive alternatives to short-term Treasuries, agencies, bank deposits, and government money market funds.



Source: Bloomberg, PFMAM Trading Desk, as of 6/30/18. Not a specific recommendation. 6-mo CP yield spread based on A1/P1 rated CP index



Rates Up Strongly Year-to-Date



Source: Bloomberg, as of 6/30/18.



Disclosure

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



Overview of DC Water's Merchant Card Services Contract Modification

Presentation to Finance and Budget Committee
July 26, 2018



Purpose

- Provide background on merchant card services contract
- Explain the merchant card fee structure
- Update the committee on the new merchant card Request for Proposal (RFP)
- Seek committee's recommendation of a six month extension to merchant card services contract and **\$777,247**



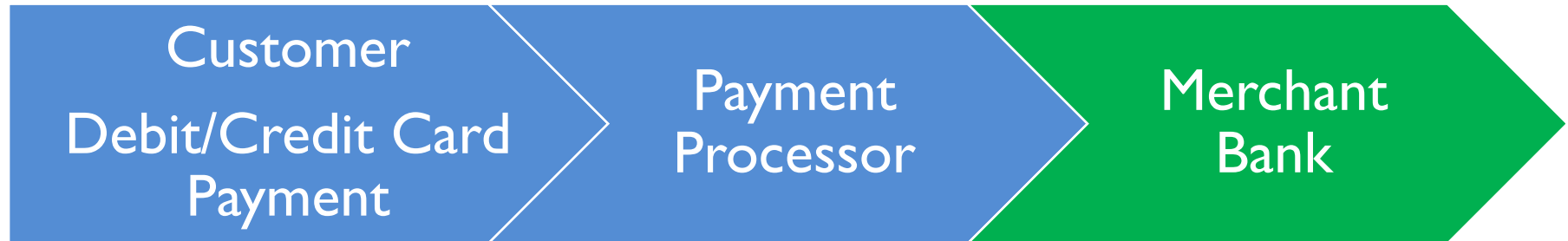
Background

- DC Water selected Bank of America in June 2011, as the merchant card services provider (current vendor)
- Merchant card services includes credit and debit card transactions
- DC Water accepts several merchant card payment methods to include:
 - Credit Card - Online/Internet/Website (WEB)
 - Credit Card - Interactive Voice Response/Phone (IVR)
 - Credit Card - Recurring Credit Card (RCC)
 - Credit Card - Manual Swipe at Terminal/Point of Sale (POS)
 - Debit Card - One Time ACH WEB
 - Debit Card - One Time ACH IVR



Merchant Card Processing

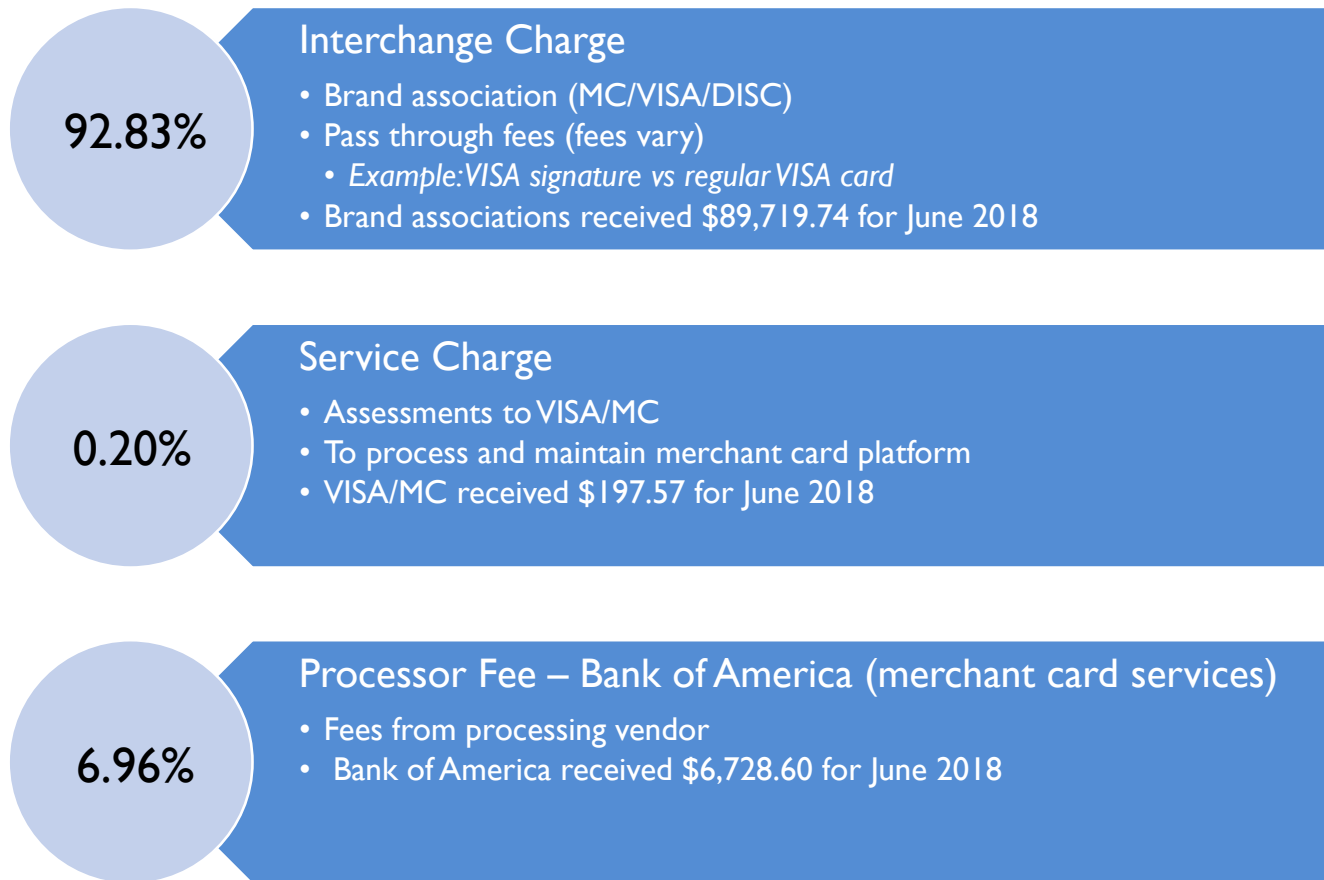
- Customer makes a debit or credit card payment
- Payment processor receives the customer's payment, verifies funds, and passes confirmed funds to merchant's bank
- Merchant receives funds and passes to DC Water's depository bank





Merchant Card Fee Structure

- There are three parts of the merchant card fee structure
- The average fee per transaction to date is \$2.88
- The total merchant fee amount for June 2018 was \$96,645.91





Merchant Card Statistics as of June 2018

- Year-to-date, DC Water has paid an average of \$2.88 per merchant card transaction
- In 2018, we project 312,177 transactions totaling \$899,763.12 – a 3% increase in transactions and a 28% increase in fees over FY2017

	FY2015	FY2016	FY2017	FY2018 YTD
Retail Merchant Card Transactions	238,668	272,742	302,273	234,133
Average Fee per Transaction	\$1.63	\$2.04	\$2.33	\$2.88



FY2018 Year to Date Merchant Card Processing

- 💧 FY2018 detail of merchant card transactions per merchant identification (MID) through June 2018
- 💧 The average merchant fee varies by the MID for the account

Account	FY2018 YTD		
	Credit Card Transactions	Credit Card Fee Amount	Average Fee Per Transaction
Merchant Card Services			
Permits (Construction)	417	\$ 4,401.21	\$ 10.55
IVR (Interactive Voice Response)	60,843	\$ 114,294.95	\$ 1.88
WEB (Internet/Online)	69,207	\$ 378,394.11	\$ 5.47
RCC (Recurring Credit Card)	103,666	\$ 177,732.52	\$ 1.71
Total Merchant Card Services YTD	234,133	\$ 674,822.79	\$ 2.88
Monthly CC Processing	26,015	\$ 74,980.31	\$ 2.88
Quarterly CC Processing	78,044	\$ 224,940.93	\$ 2.88



Original RFP Schedule Plus Extension

- Jan 2018 - DC Water advertised the merchant card services RFP
- Feb 2018 - Proposals were received from seven merchant card service vendors
- Mar 2018 - Scoring panel found that six of the seven vendors were not banks, but payment processors
- Mar 2018 – After consulting with our asset management advisor, Public Financial Management-Asset Management (PFM/AM), DC Water determined the RFP’s scope of work needed to be clarified
- Apr 2018 – PFM/AM recommended DC Water resolicit the RFP to include a SOC-I Report and Unique Transaction IDs
- May 2018 – DC Water amends contract for \$290,000 from and extends from 6/1/2018 – 9/30/2018



Next Steps

💧 DC Water to prepare RFP for Merchant credit/debit card processing services in August 2018

💧 Will include:

- SOC-I Report
- Unique Transaction IDs

💧 Revised RFP Schedule

- Mid August 2018 – Issuance of Request For Proposal
- Mid September 2018 – Vendor Proposals Due
- October 2018 – Evaluation and Scoring
- November 2018 – F&B Committee for Recommendation
- December 2018 – BOD Approval (up to six months for implementation)
- March 2019 – Existing Merchant Contract ends

Up to six month implementation anticipated should a new vendor be selected



Recommendation

- 💧 Recommend a six month extension and modification of \$777,256.54



Update:
**July 1 Property & Casualty
Insurance Renewals**

July 26, 2018

Tanya DeLeon, Risk Manager



Purpose

- Provide an update on the Authority's property and casualty insurance renewal effective July 1, 2018



Background

- The Authority's property and casualty insurance renewed on July 1
- Board approved the not-to-exceed premium levels, equal to the Authority's FY18 insurance budget
- A full re-marketing of the Authority's insurance program was done
 - DC Water worked with three brokers qualified through the May 2017 broker RFP process (Alliant, Aon and Willis) to competitively explore all market alternatives
 - Brokers receive placement fees only for lines they successfully place
- Insurance alternatives for risks remain limited, but the overall insurance market is generally stable
 - **The past year's catastrophes like Hurricane Irma (Florida Keys) and Maria (Puerto Rico)** have not had the worsening effect on the market that was initially feared; most underwriters are seeking flat to single-digit premium rate increases on renewal.



Renewal Results

- Total July 1 insurance renewal premiums are \$2,833,043 (+1.1% YoY)
- **Results are particularly favorable in light of increases in the Authority's underwriting exposures:**
 - 2.8% increase in property values
 - 8% increase in revenues
 - **9.5% increase in estimated workers' compensation payroll; (We are now using a more conservative approach to projecting payrolls to minimize additional cost resulting from premium audit)**
- DC Water made the following insurance carrier (and broker) changes for improved coverage and/or cost savings:
 - Cyber: Beazley (Alliant) to XL (Aon)
 - Crime: Travelers (Aon) to AIG (Alliant)
 - Supplemental property terrorism: Lloyds (Alliant) to Aon Alpha/Hiscox



Appendix I

Insurance Program – Jul 1, 2018-19

Coverage	Main Limit	Main Deductible / Retention	Insurer	Premium
Property incl. Boiler & Machinery	\$1 Bil per occurrence \$100 Mil annual Flood \$25 Mil ann.–100 Yr Flood	\$1 Mil per occurrence \$10,000 mobile equip	Alliant Property Ins. Program (APIP) ^{1, 2}	\$908
Supp. Property Terrorism	\$250 Mil ann. \$10 Mil ann. NBCR	\$1 Mil per occurrence	Aon Alpha / XLC Hiscox (NBCR)	\$104
National Flood Policies (15 total)	Ea. Policy: \$500K bldg., \$500k contents	\$50k bldg., \$50k contents	Hartford / NFIP	\$80
Excess Workers’ Compensation (WC) and Employers’ Liability (EL)	Full benefits due under WC law; \$1 Mil Employers’ Liability	\$1 Mil per accident or disease (The Authority is a qualified self-insurer in DC)	Safety National	\$394
Excess Liability (excess of GL, AL, EL, EPL)	\$100 Mil	\$1 Mil per occurrence	AEGIS and EIM	\$1,206
Public Officials’ Liability (POL)	\$20 Mil ann.	\$250,000 per claim	RSUI and Hiscox	\$104
Cyber/Data Security	\$5 Mil ann.	\$50,000 per loss	XL	\$33
Crime & Fidelity	\$10 Mil	\$25,000 per loss	AIG	\$23
Fiduciary Liability	\$5 Mil ann.	Nil	Travelers	\$14
Professional Liability	\$2 Mil ann.	\$10,000 per claim	Lloyds of London	\$16
TOTAL				\$2,833 (+1.1%)

¹ Group Purchasing program involving public entities throughout the country and a broad syndication of insurers.

² APIP includes \$2M of pollution coverage which is part of a shared \$25M aggregate among all APIP members.



Appendix I (cont.) Insurance Coverages

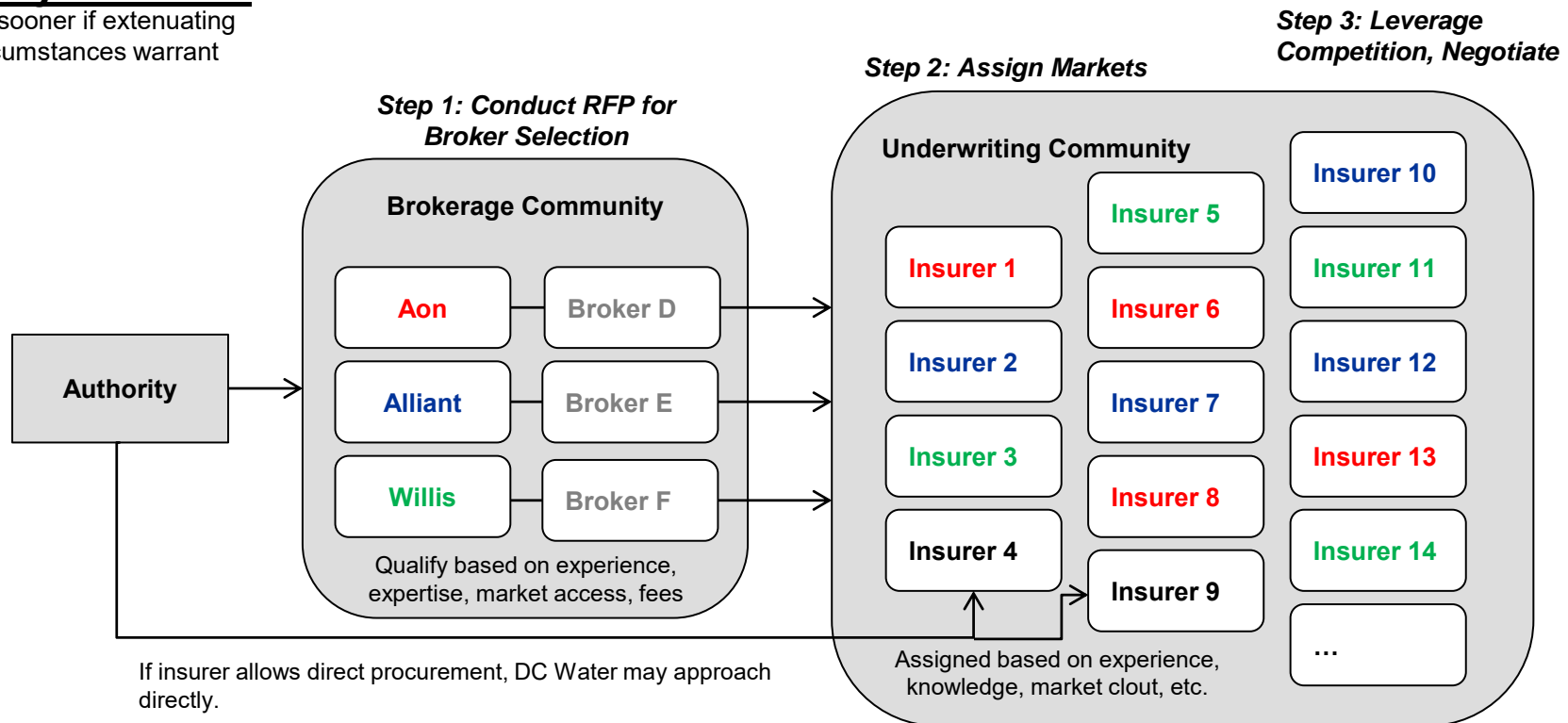
Coverage	Summary Description
Property, incl. Boiler & Machinery	Provides blanket "all risk" coverage for direct physical damage to DC Water structures, buildings and contents.
Supplemental Property Terrorism	Provides coverage for terrorist attacks, whether or not declared as such by the U.S. Govt under TRIA/TRIEA/TRIPRA. A separate policy provides limited coverage for nuclear, biological, chemical and radiological attacks. All property policies require physical damage.
National Flood Insurance	Government-sponsored flood insurance program that provides a modest amount of insurance protection at affordable premium levels.
Excess Workers Compensation (WC) and Employers Liability (EL)	Provides excess statutory workers' compensation benefits over self-funded levels. EL covers liability from employee injuries that are not covered under workers compensation law. Very rare in DC.
Employment Practices Liability (EPL)	Provides protection for claims of discrimination, harassment, or wrongful termination.
Excess Liability	Provides protection for bodily injury, property damage, and personal injuries to third parties arising out of DC Water operations (GL) including use of automobiles (AL) in excess of self-funded levels. The Authority's policy also provides excess EPL coverage over self-insured levels.
Public Officials Liability (POL)	Provides reimbursement protection for wrongful acts (excl. bodily injury and property damage) that are actually or allegedly caused by DC Water directors, officers and employees within the course of their duties.
Cyber/Data Security and Breach Notification	Provides coverage for third party liability and privacy notification expenses resulting from data breaches.
Crime & Fidelity	Employee dishonesty coverage and miscellaneous crime coverages.
Fiduciary Liability	Provides protection for wrongful acts that are actually or allegedly caused by trustees and employees of the DC Water sponsored Employee Benefit Plans.
Professional Liability	Provides protection for errors or omissions arising from engineering, consulting or testing services provided to third parties for a fee.



Appendix II - Procurement Approach

Every 3-6 Years

Or sooner if extenuating circumstances warrant



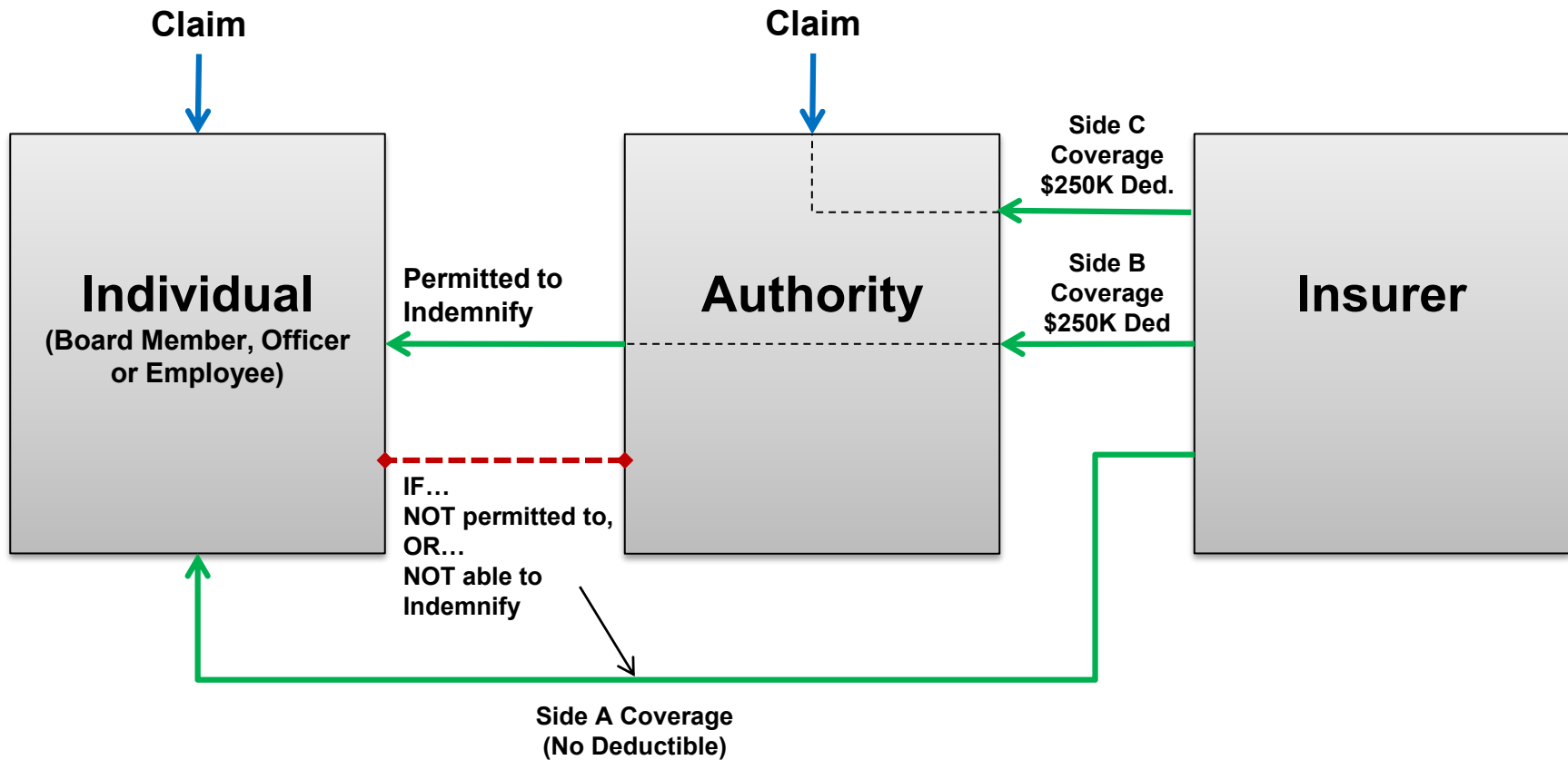
Serves Public Interests: Maximizes Competition with Competent Broker Firms ♦ Requires Demonstration of Marketing Skill ♦ Preserves Options

Interim Years

Multi-year insurance contracts are generally not available in the present insurance market. On each annual policy renewal, a particular line of coverage is typically handled by the incumbent broker. That broker is generally granted full access to the market and asked to recommend a marketing strategy for the year, which the Authority must approve. However, the Authority reserves the right to use a multi-broker, assigned-market competitive process like the above in the interim years if challenging situations warrant. The Authority uses its independent insurance consultant as well as conduct its own due diligence to establish expectations.



Appendix III - How Public Officials' (D&O) Liability Coverage Works



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT EXTENSION
MERCHANT CREDIT/DEBIT CARD PROCESSING SERVICES
(Non-Joint Use – Direct Cost)**

Approval of funding for a six (6) month extension of merchant credit/debit card processing services in the amount of \$777,246.54.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Bank of America, N.A./Banc of America Merchant Services, LLC 5565 Glenridge Connector Atlanta, GA 30342	N/A	N/A

DESCRIPTION AND PURPOSE

Original Contract Value:	\$250,000.00
Original Contract Dates:	06-01-2011—05-31-2012
No. of Option Years in Contract:	4
Option Years One (1) - Four (4) Value	\$1,000,000.00
Options Years One (1) – Four (4) Dates	06-01-2012—05-31-2016
Previous Contract Modifications Value:	\$1,603,284.03
Previous Contract Modifications Dates:	03-01-2016—09-30-2018
This Modification Value:	\$777,246.54
This Modification Dates:	10-01-2018—03-31-2019

Purpose of the Contract:

Contract to provide DC Water merchant credit/debit processing card services.

Scope of the Contract:

The District of Columbia Water and Sewer Authority (DC Water) continues to require Merchant Credit/Debit Card Processing Services as a convenience to its customers and for expediting payment processing. This service currently interfaces with both the VertexOne Customer Information System (eCIS) and Lawson's Financial Management System.

Contract Modification:

This contract modification will extend the contract for six (6) months to allow DC Water sufficient time to receive and evaluate proposals, and make an award.

Spending Previous Year:

Cumulative Contract Value: 06-01-2011 to 09-30-2018: \$2,853,284.03

Cumulative Contract Spending: 06-01-2011 to 05-31-2018: \$3,048,530.57

(The Interactive Voice Recording (IVR) WEB - Internet, and Recurring Credit Card spending surpassed expectations of contract projections after transitioning customers from the closed walk-in location at 810 First Street.)

Contractor's Past Performance:

According to the COTR, the Contractor's quality of services; timeliness of responses; conformance to DC Water's policies, procedures and contract terms; and invoicing all meet expectations.

PROCUREMENT INFORMATION

Contract Type:	Fixed Unit Price Requirements Contract	Award Based On:	Competitive Proposals
Commodity:	Good and Services	Contract Number:	WAS-10-042-AA-SC
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Operating	Department:	Finance, Accounting and Budget
Service Area:	DC Water wide	Department Head:	Ivan Boykin

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$777,246.54
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$777,246.54

 / 9/20/2018
 Ivan Boykin Date
 Director of Finance

 / 7/20/18
 Dan Bae Date
 Director of Procurement

 / 7/20/18
 Matthew T. Brown Date
 Chief Financial Officer

_____/_____
 David L. Gadis Date
 CEO and General Manager

ATTACHMENT 5

**FINANCE & BUDGET COMMITTEE
PROPOSED TRANSFER OF FY 2018
PROJECTED NET CASH SURPLUS**

ACTION ITEM A: Approval of Resolution Authorizing the Transfer of the Projected FY 2018 Net Cash Surplus to the PAYGO.

The Board will be asked to approve a resolution to authorize the use of the Projected FY 2018 net cash surplus as follows:

Projected FY 2018 Net Cash Surplus	\$18,042,227
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Use of Surplus Funds:

Additional transfer to PAYGO	\$18,042,227
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FY2018 PROJECTED NET CASH SURPLUS (\$000'S)

	Financial Plan	Year-End Projection	Variance	Change Since Previous Forecast
Revenues	\$620,472	\$626,433	\$5,961	Slightly improved
Expenditures	504,424	507,799	(3,375)	Mid-range of previous forecast
CFCI	35,260	31,560	3,700	Slight decrease to offset forecasted expenditures
County Refunds	(\$7,000)	\$4,758	\$11,758	Increased due to MJUF, settlement and less WSSC flows
Project Billing Refunds	(4,000)	(4,000)	-	
Federal Billing Reconciliation	(9,019)	(9,019)	-	
Net Operating Cash Provided	\$60,770	\$78,812	\$18,042	Above \$140M reserve target
Capital Program	\$449,952	\$487,705	(\$37,753)	Capital projection



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

Thursday, September 27, 2018; 11:00 a.m.
Blue Plains Wastewater Treatment Plant
5000 Overlook Avenue, SW, DC

AGENDA

Call to Order	Chairman
August 2018 Financial Report	Chief Financial Officer
Agenda for October Committee Meeting	Chairman
Adjournment	Chairman

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