



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Finance and Budget Committee

Tuesday, November 14, 2017

11:00 a.m.

1. **Call to Order**..... Timothy L. Firestine, Chairperson
2. **October 2017 Financial Report (Attachment 1)** Matthew T. Brown
3. **Capital Improvement Program Quarterly Update (Attachment 2)** Paul Guttridge
4. **Environmental Impact Bond and Rock Creek Project A (RC-A)
Construction Progress Update (Attachment 3)** Bethany Bezak
5. **Agenda for December Committee Meeting (Attachment 4)** Timothy L. Firestine
6. **Executive Session**
7. **Adjournment**

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



Fiscal Year 2018

Monthly Financial Report

Period Ending October 31, 2017

DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET

Matthew T. Brown, Chief Financial Officer

Robert Hunt, Director, Finance

Syed Khalil, Director, Rates & Revenue

John Madrid, Controller

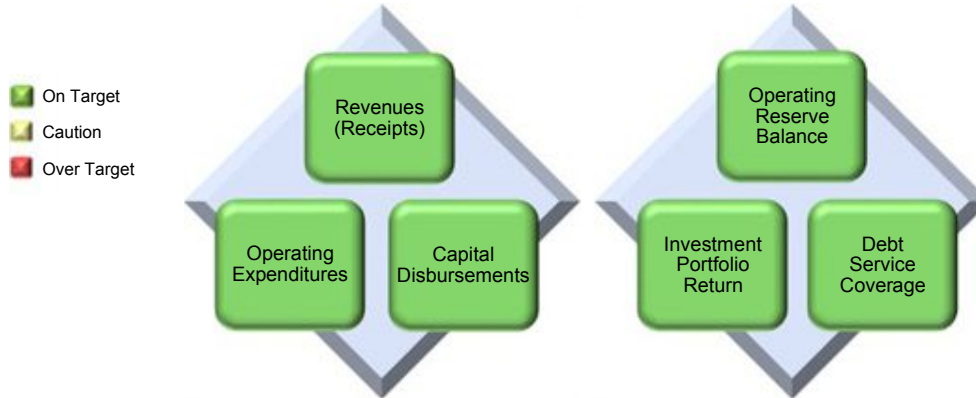
Lola Oyeyemi, Director, Budget

Monthly Financial Report

OCTOBER 2017

EXECUTIVE SUMMARY

The table below summarizes the first month of FY 2018 with approximately 8.3 percent of the fiscal year completed. At this early stage in the fiscal year, we are on track with budgetary expectations and targeted performance metrics.



(\$ in millions)

	Budget	YTD Budget	Actual	Variance		Actual % Budget
				Favorable (Unfavorable)		
Revenues (Receipts)*	\$617.2	\$51.4	\$65.3	\$13.9	27.0%	10.6%
Expenditures*	\$561.9	\$46.8	\$40.7	\$6.2	13.1%	7.2%
Capital Disbursements*	\$387.3	\$32.3	\$42.5	(\$10)	(31.6%)	11.0%

* *Straight-lined (1/12 of budget)*

Highlights:

- On-going management review of Proposed FY 2019 operating budget and ten-year capital budgets. Budget workshop anticipated immediately following the Board meeting in January 2018
- Presentation on DC Water's financial performance at the 2017 D.C. Institutional Investor Conference on December 7 and 8 at the Walter E. Washington Convention Center
- Public Hearing on FY 2018 water rate increase by the D.C. Council Committee on Transportation and the Environment is scheduled for Friday, November 17, 2017

Matthew T. Brown, Chief Financial Officer

Monthly Financial Report

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

Operating Revenues (\$'000's)

Category	A	B	C	D = C/A	E = C - B	F = E/B
	FY 2018 BUDGET	YTD BUDGET*	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Res. / Comm. / Multi.	\$353,039	29,420	\$34,135	9.7%	\$4,715	16.0%
Federal	58,494	4,875	14,940	25.5%	10,065	206.5%
Municipal (DC Govt.)	19,066	1,589	3,685	19.3%	2,096	131.9%
DC Housing Authority	8,825	735	854	9.7%	119	16.2%
Metering Fee	10,776	898	1,143	10.6%	245	27.2%
Water System Replacement Fee (WSRF)	39,717	3,310	4,356	11.0%	1,046	31.6%
Wholesale	76,028	6,336	2	0.0%	(6,333)	(100.0%)
PILOT/ROW	21,511	1,793	2,400	11.2%	607	33.9%
All Other	29,703	2,475	3,819	12.9%	1,344	54.3%
TOTAL	\$617,159	\$51,430	\$65,334	10.6%	\$13,904	27.0%

*Straight-lined (1/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At this early stage of FY 2018, cash receipts are within budget. At the end of October 2017, cash receipts totaled \$65.3 million, or 10.6 percent of the FY 2018 budget. Several categories of customers make payments on a quarterly basis, including the Federal Government (which made their first quarterly payment in October), and wholesale customers (scheduled to make their first quarter payment in November).

Monthly Financial Report

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

Operating Expenditures (\$000's)

Category	A	B	C	D = C/A	E = B - C	F = E/B
	FY 2018	YTD	ACTUAL	ACTUAL %	VARIANCE \$	VARIANCE %
	BUDGET	BUDGET*		BUDGET	Fav/(Unfav)	Fav/(Unfav)
Personnel	\$149,193	\$12,433	\$12,843	8.6%	(\$410)	(3.3%)
Contractual Services	79,353	6,613	4,841	6.1%	1,772	26.8%
Water Purchases	30,156	2,513	2,315	7.7%	198	7.9%
Supplies & Chemicals	30,659	2,555	2,496	8.1%	59	2.3%
Utilities	29,399	2,450	2,112	7.2%	338	13.8%
Small Equipment	1,071	89	12	1.1%	77	86.8%
SUBTOTAL O&M	\$319,831	\$26,653	\$24,618	7.7%	\$2,034	7.6%
Debt Service	185,480	15,457	14,275	7.7%	1,182	7.6%
PILOT/ROW	21,376	1,781	1,781	8.3%	0	0.0%
Cash Financed Capital Improvements	35,260	2,938	0	0.0%	2,938	100.0%
TOTAL OPERATING	\$561,947	\$46,829	\$40,674	7.2%	\$6,155	13.1%
Capital Labor	(21,061)	(1,755)	(1,463)	6.9%	(292)	16.6%
TOTAL NET OPERATING	\$540,886	\$45,074	\$39,211	7.2%	\$5,863	13.0%

*Straight-lined (1/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

Total Operating expenditures for this period are in line with expectations. For this period, operating expenditures (including debt services and the right of way and PILOT fees) totaled \$40.7 million or 7.2 percent of the FY 2018 Board-approved budget of \$561.9 million.

These numbers include estimated incurred but unpaid invoices and are subject to revision in subsequent months. The FY 2017 close-out process continues, which entails finalizing a number of GAAP-related accruals.

Monthly Financial Report

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

Capital Disbursements (\$000's)

Service Area	A	B	C	D = C/A	E = B - C	F = E/B
	FY 2018 BUDGET	YTD BUDGET*	ACTUAL	ACTUAL % BUDGET	VARIANCE \$ Fav/(Unfav)	VARIANCE % Fav/(Unfav)
Non Process Area	\$20,030	\$1,669	\$143	0.7%	1,526	91.4%
Wastewater Treatment	98,423	8,202	11,761	11.9%	(3,559)	(43.4%)
Combined Sewer Overflow	130,475	10,873	12,682	9.7%	(1,809)	(16.6%)
Stormwater	2,682	224	37	1.4%	187	83.6%
Sanitary Sewer	39,294	3,275	3,439	8.8%	(164)	(5.0%)
Water	51,738	4,312	5,152	10.0%	(840)	(19.5%)
SUBTOTAL: CAPITAL PROJECTS	\$342,642	\$28,554	\$33,213	9.7%	(\$4,660)	(16.3%)
Capital Equipment	32,897	2,741	9,263	28.2%	(6,522)	(237.9%)
Washington Aqueduct	11,768	981	0	0.0%	981	100.0%
SUBTOTAL: ADD'L CAPITAL PROGRAMS	\$44,665	\$3,722	9,263	20.7%	(\$5,541)	(148.9%)
TOTAL	\$387,307	\$32,276	\$42,476	11.0%	(\$10,201)	(31.6%)

*Straight-lined (1/12 of budget)

VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

As of the end of October 2017, capital disbursements are \$42.5 million or 11 percent of the FY 2018 Board-approved budget. The higher disbursements for capital projects and additional capital programs is consistent with fiscal year-end/startup process for invoice payments.

Additional project performance will be reviewed in detail as part of the quarterly CIP update by the Department of Engineering & Technical Services to the Environmental Quality & Operations and Finance & Budget Committees this month.

Monthly Financial Report

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

Cash Investments (\$ in millions)

Cash Balances

Rate Stabilization Fund Account (RSF)	\$61.5
DC Insurance Reserve	1.0
Operating Reserve Accounts	<u>159.5</u>

Operating Cash Balance Including RSF **\$222.0**

Debt Service Reserve - Series 1998	23.4
Bond Fund- Construction Fund 2015A	1.0
Bond Fund- Construction Fund 2016B	24.7
Bond Fund- Construction Fund 2017A	18.1
Bond Fund- Construction Fund 2017B	<u>99.6</u>

Total All Funds **\$388.8**

OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$159.5 million as compared to the operating reserve level objective of \$125.5 million for FY 2018
- Average cash balance for the month of October was \$152.0 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Operating funds interest income for October (on a cash basis) was \$131,061
- A detailed investment performance report is attached

Monthly Financial Report

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

Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD 8% Cash Budget	YTD Actual Cash Oct. 1, 2017 - Oct. 31, 2017	Variance Favorable (Unfavorable)	
OPERATING BUDGET					
Cash Provided					
Retail	\$489,917	\$40,826	\$59,113	\$18,286	45%
Wholesale	76,028	6,336	2	(6,333)	-100%
Other	50,762	4,230	6,114	1,884	45%
Total Cash Provided	616,707	51,392	65,229	13,837	27%
Operating Cash Used					
Personnel Services	128,132	10,678	9,416	1,261	12%
Contractual Services	79,353	6,613	6,697	(84)	-1%
Chemicals & Supplies	30,659	2,555	3,238	(683)	-27%
Utilities	29,399	2,450	1,715	735	30%
Water Purchases	30,156	2,513	2,481	32	1%
Small Equipment	1,071	89	64	25	28%
Total Operating Cash Used	298,770	24,898	23,611	1,287	5%
Defeasance D.S./Cash Financed Capital Construction	35,260	2,938	0	2,938	100%
Other Cash Used					
Debt Service	185,480	15,457	14,275	1,182	8%
Payment In Lieu of Taxes/Right of Way	21,376	1,781	0	1,781	100%
Total Other Cash Used	206,856	17,238	14,275	2,963	17%
Total Cash Used	540,886	45,074	37,886	7,188	16%
Net Cash Provided (Used) by Operating Act.	75,821	6,318	27,343	21,025	
CAPITAL BUDGET					
Cash Provided					
Debt Proceeds	119,827	9,986	27,993	18,007	180%
EPA Grants	23,092	1,924	1,614	(311)	-16%
System Availability Fee	1,925	160		(160)	-100%
Transfer from Operations	93,589	7,799		(7,799)	-100%
Interest Income	1,365	114		(114)	-100%
Wholesale Capital Contributions	80,043	6,670		(6,670)	-100%
Total Cash Provided	319,841	26,653	29,607	2,953	11%
Cash Used					
DC Water Capital Program	375,539	31,295	42,476	(11,181)	-36%
Washington Aqueduct Projects	11,768	981	0	981	100%
Total Cash Used	387,307	32,276	42,476	(10,201)	-32%
Net Cash/PAYGO Provided (Used) by Cap. Act.	(\$67,466)	(\$5,622)	(\$12,870)	(\$7,248)	
Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected					
Plus (Less) Operating Surplus	\$147,212		\$147,212		
Wholesale Customer Refunds from Prior Years	75,821	6,318	27,343		
Interest Earned From Bond Reserve	(7,000)	(583)	0		
Transfer to Rate Stabilization Fund	451	38	105		
Prior Year Federal Billing Reconciliation	0	0	0		
Cash Used for Capital	(9,019)	(752)	(2,255)		
Balance Attributable to O&M Reserve	(\$67,466)	(5,622)	(12,870)		
	\$140,000		\$159,536		
OTHER CASH RESERVES					
Rate Stabilization Fund	\$61,450				
DC Insurance Reserve	1,050				

Monthly Financial Report

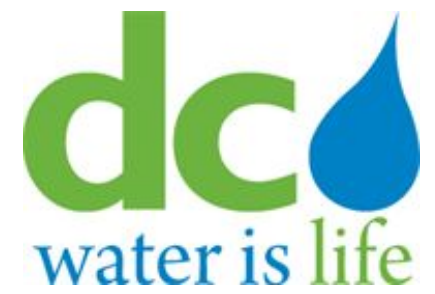
APPENDIX

Investment Report 9



DC Water

Investment Performance Report – October 2017



**DC Water
Finance Division
Economic Update**

ECONOMIC COMMENTARY

- At the FOMC's October meeting, the federal funds target rate was left unchanged. An abundance of speeches made by FOMC members in October demonstrated policy makers' intention to increase the target range at the December meeting. As of October 31, 2017, there is an 83% probability that the Federal Reserve will raise rates a third time in 2017.
- U.S. Treasury yields increased during the month with the yield of the 3-month Treasury bill rising by 0.08% and the 2-year Treasury note rising by 0.11%. As of October 31st, the yield of the 2-year Treasury Note was 1.60%.
- The United States labor market added 261,000 jobs in October, below the 331,000 expectation but well above the prior month's reading. The unemployment rate fell to 4.1% from 4.2%, its lowest level since 2000.

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 1.11%.

Operating Reserve

- PFM purchased \$250,000 of 3-year US Treasury Notes at a yield of 1.71%, \$870,000 of 2-year corporate notes at an average yield of 1.76% and \$915,000 of 3-year supranational bonds with a yield of 1.81%.
- The Authority purchased \$5.04 million of 1-year CDs through CDARS.

2017B Construction Fund

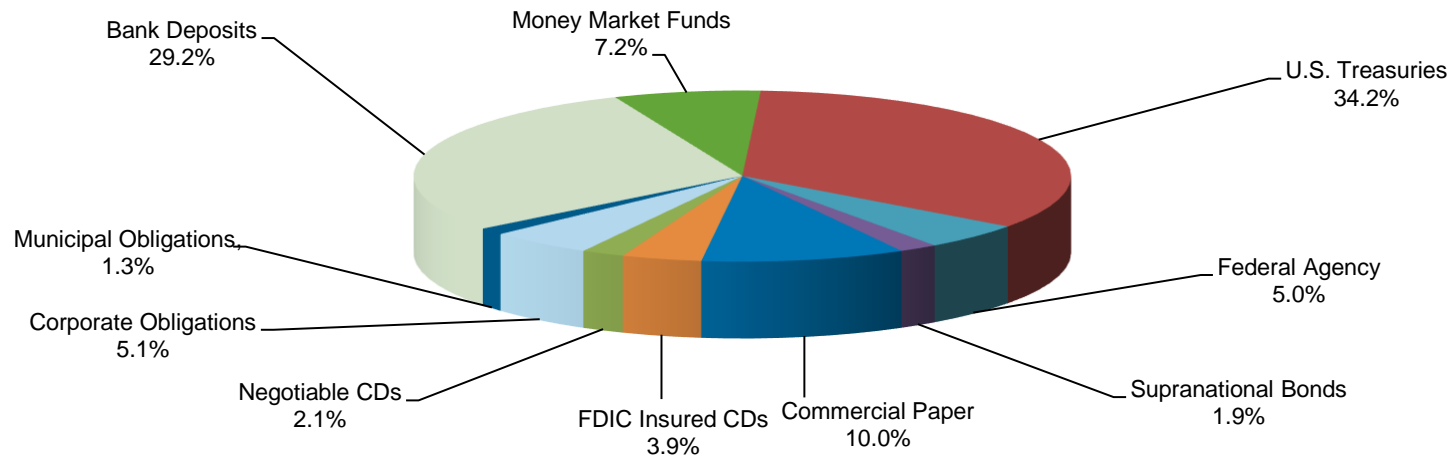
- PFM sold \$12.75 million of 9-month US Treasuries as well as \$10.70 million of 2-month commercial paper.

Debt Service Reserve Fund

- PFM purchased \$5.18 million of 1 ½-year US Treasuries with a yield of 1.45%.



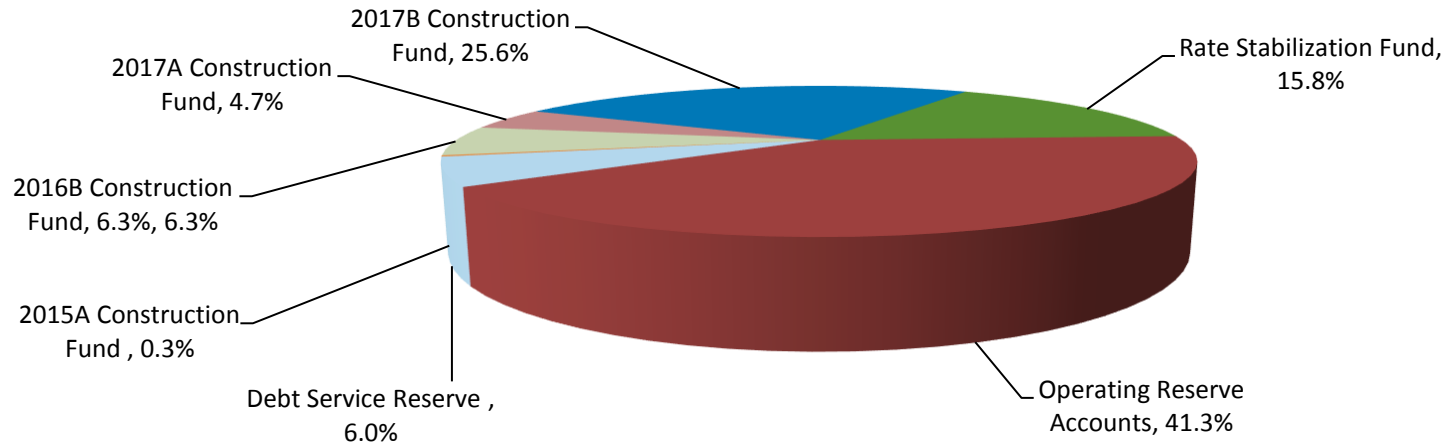
**DC Water
Finance Division
Investments - By Security Type
As of October 31, 2017**



Security Type	Book Value + Accrued Interest	Asset Allocation	Permitted By Policy
Bank Deposits	113,853,690	29.2%	100.0%
Money Market Funds	28,193,402	7.2%	100.0%
U.S. Treasuries	133,128,920	34.2%	100.0%
Federal Agency	19,516,849	5.0%	80.0%
Supranational Bonds	7,393,087	1.9%	30.0%
Commercial Paper	39,027,188	10.0%	35.0%
FDIC Insured CDs	15,283,609	3.9%	30.0%
Negotiable CDs	8,199,025	2.1%	30.0%
Corporate Obligations	19,923,390	5.1%	30.0%
Municipal Obligations	5,145,682	1.3%	20.0%
Total	\$ 389,664,842	100.0%	



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

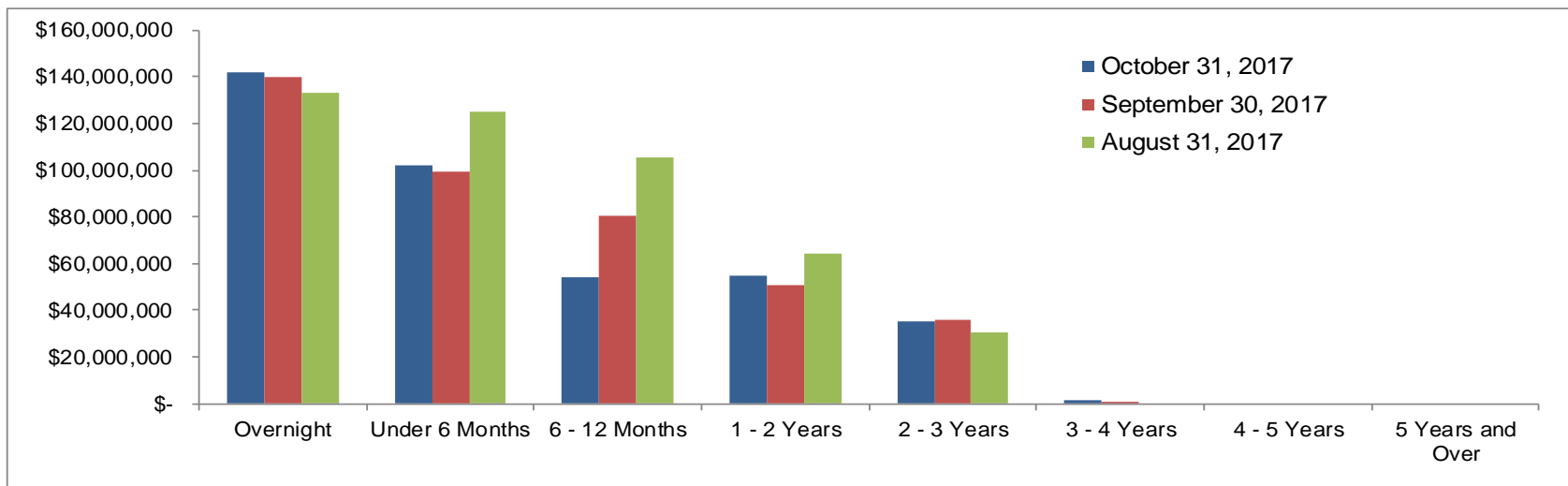


Fund Name	Book Value + Accrued Interest	Yield-to- Maturity at Cost	Effective Duration (years)	Weighted Average Maturity (days)
Rate Stabilization Fund	\$ 61,450,000	1.00%	0.00	1.0
Operating Reserve Accounts	\$ 160,876,293	1.17%	1.06	394.6
CSO LTCP Appropriations Account	\$ 2,733	1.07%	0.00	1.0
Debt Service Reserve	\$ 23,437,815	1.08%	0.87	320.7
2015A Construction Fund	\$ 1,043,532	0.90%	0.00	1.0
2015B Construction Fund	\$ 31,445	0.90%	0.00	1.0
2016B Construction Fund	\$ 24,692,628	0.90%	0.00	1.0
2017A Construction Fund	\$ 18,301,397	1.31%	0.07	23.9
2017B Construction Fund	\$ 99,828,999	1.11%	0.41	152.1
Total	\$ 389,664,842	1.11%	0.60	222.5



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

Maturity Distribution	October 31, 2017	September 30, 2017	August 31, 2017
Overnight \$	142,047,091.75 \$	139,825,195.49 \$	133,056,123.22
Under 6 Months	101,841,618.03	99,122,232.29	124,866,368.71
6 - 12 Months	54,406,076.98	80,546,150.92	105,332,801.28
1 - 2 Years	54,956,709.72	50,802,168.29	63,915,124.34
2 - 3 Years	35,090,413.68	35,757,480.86	30,306,159.82
3 - 4 Years	1,322,931.41	389,736.84	465,285.86
4 - 5 Years	-	-	-
5 Years and Over	-	-	-
Totals \$	389,664,841.57 \$	406,442,964.69 \$	457,941,863.23





**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		113,853,689.92	29.2%	100.0%	Yes
Sub-Total Bank Deposits		113,853,689.92	29.2%	100.0%	Yes
Money Market Mutual Funds					
Wells Fargo Treasury Plus MMF	AAA	28,103,210.33	7.2%	50.0%	Yes
Wells Fargo Government MMF	AAA	90,191.50	0.0%	50.0%	Yes
Sub-Total Money Market Mutual Funds		28,193,401.83	7.2%	100.0%	Yes
U.S. Treasuries					
Treasury Note	AA+ / Aaa	133,128,920.27	34.2%	100.0%	Yes
Sub-Total Treasuries		133,128,920.27	34.2%	100.0%	Yes
Federal Agencies					
Fannie Mae	AA+ / Aaa	10,946,051.66	2.8%	40.0%	Yes
Federal Home Loan Bank	AA+ / Aaa	4,616,835.34	1.2%	40.0%	Yes
Freddie Mac	AA+ / Aaa	3,953,961.88	1.0%	40.0%	Yes
Sub-Total Federal Agencies		19,516,848.88	5.0%	80.0%	Yes
Supranational Bonds					
African Development Bank	AAA / Aaa	2,440,786.38	0.6%	5.0%	Yes
Asian Development Bank	AAA / Aaa	929,595.52	0.2%	5.0%	Yes
Inter-American Development Bank	AAA / Aaa	2,196,603.73	0.6%	5.0%	Yes
International Bank for Reconstruction and Development	AAA / Aaa	1,826,101.19	0.5%	5.0%	Yes
Sub-Total Supranational Bonds		7,393,086.82	1.9%	30.0%	Yes
Commercial Paper					
BNP Paribas	A-1 / P-1	16,486,295.76	4.2%	5.0%	Yes
Bank of Tokyo Mitsubishi	A-1 / P-1	6,950,201.74	1.8%	5.0%	Yes
Canadian Imperial Holding	A-1 / P-1	6,954,740.31	1.8%	5.0%	Yes
JP Morgan Securities LLC	A-1 / P-1	6,937,416.08	1.8%	5.0%	Yes
Toyota Motor Credit	A-1+ / P-1	1,698,533.75	0.4%	5.0%	Yes
Sub-Total Commercial Paper		39,027,187.64	10.0%	35.0%	Yes
FDIC Insured Certificates of Deposit					
CDARS - Placed by Industrial Bank	NR / NR	15,283,608.67	3.9%	5.0%	Yes
Sub-Total FDIC-Insured Certificates of Deposit		15,283,608.67	3.9%	30.0%	Yes

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



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

	Credit Ratings S&P / Moody's	Book Value		Investment Policy Limit	Compliance with Investment Policy
Negotiable Certificates of Deposit					
Canadian Imperial Bank NY	A+ / A1	1,812,525.00	0.5%	5.0%	Yes
Nordea Bank Finland NY	AA- / Aa3	1,813,640.00	0.5%	5.0%	Yes
Skandinav Enskilda Banken NY	A+ / Aa3	1,857,782.15	0.5%	5.0%	Yes
Svenska Handelsbanken NY	AA- / Aa2	1,810,773.00	0.5%	5.0%	Yes
Westpac Banking Corp NY	AA- / Aa3	904,305.00	0.2%	5.0%	Yes
Sub-Total Negotiable Certificates of Deposit		8,199,025.15	2.1%	30.0%	Yes
Corporate Obligations					
Apple Inc.	AA+ / Aa1	1,448,571.28	0.4%	5.0%	Yes
Bank of Montreal	A+ / A1	903,364.20	0.2%	5.0%	Yes
Bank of New York Mellon	A / A1	1,812,688.66	0.5%	5.0%	Yes
Bank of Nova Scotia	A+ / A1	1,811,493.28	0.5%	5.0%	Yes
Berkshire Hathaway Inc	AA / Aa2	130,236.58	0.0%	5.0%	Yes
Cisco Systems Inc.	AA- / A1	362,231.01	0.1%	5.0%	Yes
Chevron	AA- / Aa2	906,439.13	0.2%	5.0%	Yes
Coca-Cola	AA- / Aa3	390,312.48	0.1%	5.0%	Yes
Colgate-Palmolive Company	AA- / Aa3	929,597.03	0.2%	5.0%	Yes
Exxon Mobil	AA+ / Aaa	930,690.81	0.2%	5.0%	Yes
General Electric Capital	AA- / A1	457,416.37	0.1%	5.0%	Yes
Merck & Co.	AA / A1	735,243.76	0.2%	5.0%	Yes
Microsoft	AAA / Aaa	1,042,862.39	0.3%	5.0%	Yes
Pfizer Inc.	AA / A1	900,289.52	0.2%	5.0%	Yes
Procter & Gamble	AA- / Aa3	439,975.60	0.1%	5.0%	Yes
Royal Bank of Canada	AA- / A1	902,847.83	0.2%	5.0%	Yes
Toronto Dominion Bank NY	AA- / Aa2	902,778.32	0.2%	5.0%	Yes
Total Capital	A+ / Aa3	915,254.66	0.2%	5.0%	Yes
Toyota Motor Credit Corp	AA- / Aa3	1,528,204.38	0.4%	5.0%	Yes
Wal-Mart Stores Inc.	AA / Aa2	430,221.42	0.1%	5.0%	Yes
Wells Fargo & Company Notes	A / A2	1,114,946.63	0.3%	5.0%	Yes
Westpac Banking	AA- / Aa3	927,725.07	0.2%	5.0%	Yes
Sub-Total Corporate Obligations		19,923,390.41	5.1%	30.0%	Yes
Municipal Obligations					
Connecticut State	A+ / A1	988,983.28	0.3%	5.0%	Yes
Florida State	AA / Aa3	1,812,978.00	0.5%	5.0%	Yes
New York City	AAA / Aa1	543,586.80	0.1%	5.0%	Yes
Regional Transportation Authority, IL	AA / NR	1,800,133.90	0.5%	5.0%	Yes
Sub-Total Municipal Obligations		5,145,681.98	1.3%	20.0%	Yes
Grand Total		\$ 389,664,841.57	100.0%		



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

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

	Trailing 1 Months		Trailing 3 Months		Trailing 6 Months		Trailing 12 Months	Trailing 24 Months
	Periodic	Annualized	Periodic	Annualized	Periodic	Annualized		
Total Rate Stabilization Fund	0.04%	0.50%	0.17%	0.66%	0.29%	0.58%	0.53%	0.58%
Operating Reserve Accounts	0.09%	1.06%	0.30%	1.21%	0.59%	1.18%	1.15%	1.19%
Total Debt Service Reserve	0.08%	0.99%	0.24%	0.94%	0.44%	0.87%	0.85%	0.75%
2016B Construction Fund	0.05%	0.59%	0.45%	1.79%	0.53%	1.04%	0.79%	n/a
2017A Construction Fund	0.11%	1.33%	0.38%	1.50%	0.63%	1.26%	n/a	n/a
2017B Construction Fund	0.09%	1.01%	0.24%	0.97%	0.52%	1.03%	n/a	n/a
Short-Term	0.09%	1.02%	0.25%	1.00%	0.49%	0.97%	0.84%	0.74%
Merrill Lynch 3-Month Treasury Index (Book Value) ¹	0.09%	1.05%	0.26%	1.03%	0.49%	0.98%	0.76%	0.50%
Core (1+ Years)	0.12%	1.44%	0.36%	1.42%	0.68%	1.36%	1.28%	1.21%
Merrill Lynch 1-3 Year Treasury Index (Book Value) ²	0.13%	1.60%	0.37%	1.47%	0.71%	1.40%	1.30%	1.09%

- (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		\$ 61,450,000		11/1/2017		1.00%	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000	\$ 61,450,000.00
Operating Reserve Accounts										
TD BANK BANK DEPOSIT		\$ 52,400,957		11/1/2017		0.90%	\$ 52,400,957	\$ 52,400,957	\$ 52,400,957	
WELLS FARGO GOVERNMENT MMF		90,192		11/1/2017		0.90%	90,192	90,192	90,192	
INDUSTRIAL BANK CDARS		5,065,244	0.400	11/9/2017	11/10/2016	0.40%	5,065,244	5,085,010	5,085,010	
INDUSTRIAL BANK CDARS		2,563,284	0.600	1/18/2018	1/21/2016	0.60%	2,563,284	2,590,742	2,590,742	
INDUSTRIAL BANK CDARS		2,562,346	0.450	1/18/2018	1/19/2017	0.45%	2,562,346	2,571,432	2,571,432	
REGIONAL TRANS AUTH, IL TXBL REV BONDS	7599112M1	1,800,000	1.250	5/4/2018	5/20/2016	1.44%	1,793,358	1,799,859	1,800,134	
MERCK & CO GLOBAL NOTES	58933YAG0	731,000	1.300	5/18/2018	3/27/2015	1.31%	730,664	734,632	735,244	
BANK OF NEW YORK MELLON CORP (CALLABLE)	06406HDB2	1,800,000	1.600	5/22/2018	5/29/2015	1.60%	1,799,838	1,813,226	1,812,689	
BANK OF NOVA SCOTIA CORP NOTE (CALLABLE)	064159GM2	875,000	1.700	6/11/2018	6/11/2015	1.72%	874,589	881,154	880,699	
CISCO SYSTEMS INC CORP NOTE	17275RAU6	360,000	1.650	6/15/2018	6/17/2015	1.66%	359,939	362,728	362,231	
TOYOTA MOTOR CREDIT CORP	89236TCP8	600,000	1.550	7/13/2018	7/13/2015	1.58%	599,490	602,794	602,669	
AFRICAN DEVELOPMENT BANK NOTE	00828EBB4	700,000	1.625	10/2/2018	11/3/2016	1.12%	706,699	700,993	704,153	
INDUSTRIAL BANK CDARS	XXXXX	5,035,026	0.500	10/11/2018	10/11/2017	0.50%	5,035,026	5,036,424	5,036,424	
US TREASURY NOTES	912828A34	955,000	1.250	11/30/2018	11/9/2015	1.18%	956,940	957,299	960,716	
US TREASURY NOTES	912828A34	3,000,000	1.250	11/30/2018	5/6/2016	0.83%	3,031,641	3,007,223	3,029,157	
CANADIAN IMPERIAL BANK NY CD	13606A5Z7	1,800,000	1.760	11/30/2018	12/5/2016	1.78%	1,798,596	1,817,738	1,812,525	
NORDEA BANK FINLAND NY CD	65558LWA6	1,800,000	1.760	11/30/2018	12/5/2016	1.74%	1,800,000	1,818,090	1,813,640	
US TREASURY NOTES	912828A75	4,225,000	1.500	12/31/2018	12/4/2015	1.22%	4,260,813	4,245,696	4,260,066	
SVENSKA HANDELSBANKEN NY LT CD	86958JHB8	1,800,000	1.890	1/10/2019	1/12/2017	1.91%	1,800,000	1,805,643	1,810,773	
WELLS FARGO & COMPANY NOTES	94974BFQ8	1,103,000	2.150	1/15/2019	10/7/2015	1.77%	1,116,225	1,113,613	1,114,947	
FHLB NOTES	3130AAE46	1,800,000	1.250	1/16/2019	12/8/2016	1.25%	1,799,928	1,800,032	1,806,518	
APPLE INC CORP NOTES	037833BQ2	545,000	1.700	2/22/2019	2/23/2016	1.71%	544,907	547,049	546,709	
FNMA BENCHMARK NOTE	3135G0J53	2,250,000	1.000	2/26/2019	2/23/2016	1.08%	2,244,690	2,237,858	2,251,713	
FNMA BENCHMARK NOTE	3135G0J53	825,000	1.000	2/26/2019	8/8/2016	0.90%	827,087	820,548	827,576	
FNMA BENCHMARK NOTE	3135G0J53	1,425,000	1.000	2/26/2019	9/2/2016	0.97%	1,425,926	1,417,310	1,428,068	
BERKSHIRE HATHAWAY INC NOTES	084664CG4	130,000	1.700	3/15/2019	3/15/2016	1.73%	129,901	130,337	130,237	
COLGATE-PALMOLIVE COMPANY CORP NOTES	19416QEF3	925,000	1.750	3/15/2019	5/1/2017	1.55%	928,432	928,360	929,597	
FREDDIE MAC NOTES	3137EADZ9	1,700,000	1.125	4/15/2019	5/31/2016	1.10%	1,701,309	1,689,815	1,701,521	
US TREASURY NOTES	912828D23	1,465,000	1.625	4/30/2019	6/29/2016	0.70%	1,502,998	1,466,954	1,485,216	
US TREASURY NOTES	912828D23	2,820,000	1.625	4/30/2019	11/14/2016	1.06%	2,858,555	2,823,762	2,843,702	
INTER-AMERICAN DEVELOPMENT BANK	458182DX7	1,260,000	1.000	5/13/2019	4/12/2016	1.10%	1,256,220	1,253,009	1,263,985	
CHEVRON CORP NOTES	166764BH2	900,000	1.561	5/16/2019	5/16/2016	1.56%	900,000	904,083	906,439	
FHLB GLOBAL NOTE	3130A8DB6	1,840,000	1.125	6/21/2019	6/3/2016	1.14%	1,839,227	1,833,701	1,847,055	
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	1,817,550	1,812,978	
BANK OF MONTREAL	06367THQ6	900,000	1.500	7/18/2019	7/18/2016	1.53%	899,136	898,055	903,364	
FHLMC REFERENCE NOTE	3137EAE1	2,250,000	0.875	7/19/2019	7/20/2016	0.96%	2,244,555	2,227,665	2,252,441	
ROYAL BANK OF CANADA CORP NOTES	78012KRR5	900,000	1.500	7/29/2019	7/29/2016	1.54%	898,974	897,438	902,848	
SKANDINAV ENSKILDA BANKEN NY CD	83050FXT3	1,850,000	1.840	8/2/2019	8/4/2017	1.85%	1,849,279	1,856,982	1,857,782	
APPLE INC CORP NOTES	037833CB4	900,000	1.100	8/2/2019	8/4/2016	1.13%	899,100	893,469	901,862	
MICROSOFT CORP NOTES	594918BN3	595,000	1.100	8/8/2019	8/8/2016	1.14%	594,387	590,341	596,145	
TORONTO DOMINION BANK NY CORP NOTES	89114QBJ6	900,000	1.450	8/13/2019	7/13/2016	1.45%	899,919	895,887	902,778	
CT ST TXBL GO BONDS	20772J3D2	985,000	1.300	8/15/2019	8/17/2016	1.23%	987,128	977,115	988,983	
INTL BANK OF RECON AND DEV SN NOTE	459058FK4	900,000	0.875	8/15/2019	7/13/2016	0.88%	899,811	888,532	901,552	
FNMA NOTES	3135G0P49	1,450,000	1.000	8/28/2019	9/2/2016	1.05%	1,447,738	1,436,369	1,451,148	

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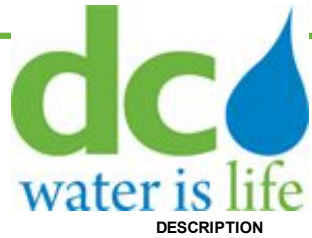


**DC Water
Finance Division
Portfolio Holdings by Fund**

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										
FNMA NOTES	3135G0P49	1,975,000	1.000	8/28/2019	10/5/2016	1.02%	1,973,815	1,956,433	1,977,708	
AFRICAN DEVELOPMENT BANK NOTE	00828EBQ1	700,000	1.125	9/20/2019	9/20/2016	1.16%	699,258	692,749	700,427	
WAL-MART STORES INC CORP NOTE	931142DY6	430,000	1.750	10/9/2019	10/20/2017	1.75%	429,991	430,116	430,221	
THE PROCTER & GAMBLE CO CORP NOTES	742718EZ8	440,000	1.750	10/25/2019	10/25/2017	1.77%	439,846	440,350	439,976	
US TREASURY NOTES	912828G61	2,325,000	1.500	11/30/2019	12/5/2016	1.45%	2,328,633	2,334,043	2,342,221	
PFIZER INC CORP NOTE	717081EB5	595,000	1.700	12/15/2019	11/21/2016	1.72%	594,572	598,254	598,521	
PFIZER INC CORP NOTE	717081EB5	300,000	1.700	12/15/2019	11/21/2016	1.73%	299,775	301,641	301,769	
ASIAN DEVELOPMENT BANK NOTE	045167DT7	925,000	1.750	1/10/2020	1/12/2017	1.77%	924,464	929,688	929,596	
US TREASURY NOTES	912828H52	3,475,000	1.250	1/31/2020	1/5/2017	1.52%	3,447,309	3,456,249	3,465,597	
MICROSOFT CORP	594918BV5	445,000	1.850	2/6/2020	2/6/2017	1.87%	444,702	447,209	446,717	
FNMA NOTES	3135G0T29	1,150,000	1.500	2/28/2020	2/28/2017	1.52%	1,149,264	1,147,533	1,152,446	
US TREASURY NOTES	912828J50	725,000	1.375	2/29/2020	2/3/2017	1.58%	720,610	721,978	723,360	
US TREASURY NOTES	912828J50	2,900,000	1.375	2/29/2020	9/1/2017	1.38%	2,899,887	2,887,913	2,906,724	
EXXON MOBIL (CALLABLE) CORP NOTE	30231GAG7	925,000	1.912	3/6/2020	4/28/2017	1.77%	928,635	929,070	930,691	
WESTPAC BANKING CORP NOTES	961214DU9	925,000	2.150	3/6/2020	3/6/2017	2.16%	924,602	930,066	927,725	
AFRICAN DEVELOPMENT BANK NOTE	00828ECA5	1,035,000	1.875	3/16/2020	3/16/2017	1.93%	1,033,468	1,038,728	1,036,206	
TOYOTA MOTOR CREDIT CORP (CALLABLE)	89236TDU6	630,000	1.950	4/17/2020	4/17/2017	1.97%	629,710	630,728	630,239	
TOYOTA MOTOR CREDIT CORP (CALLABLE)	89236TDU6	295,000	1.950	4/17/2020	4/17/2017	1.94%	295,089	295,341	295,297	
US TREASURY NOTES	912828K58	2,750,000	1.375	4/30/2020	4/5/2017	1.53%	2,737,646	2,729,587	2,740,016	
US TREASURY NOTES	912828K58	1,575,000	1.375	4/30/2020	4/10/2017	1.55%	1,566,879	1,563,309	1,568,397	
NYC TRANS FIN AUTH, NY TXBL REV BONDS	64971W5W6	540,000	1.960	5/1/2020	6/29/2017	1.96%	540,000	544,121	543,587	
TOTAL CAPITAL SA CORP NOTES	89152UAD4	850,000	4.450	6/24/2020	4/10/2017	2.07%	912,492	918,709	915,255	
US TREASURY NOTES	912828XH8	1,825,000	1.625	6/30/2020	6/16/2017	1.51%	1,830,988	1,831,357	1,840,258	
US TREASURY NOTES	912828XH8	3,650,000	1.625	6/30/2020	6/28/2017	1.50%	3,663,117	3,662,715	3,681,637	
BANK OF NOVA SCOTIA HOUSTON BKNT	064159JX5	925,000	2.150	7/14/2020	7/14/2017	2.15%	924,871	931,922	930,794	
FNMA NOTES	3135G0T60	1,850,000	1.500	7/30/2020	9/1/2017	1.49%	1,850,481	1,844,624	1,857,394	
US TREASURY NOTES	912828XM7	825,000	1.625	7/31/2020	7/7/2017	1.60%	825,516	828,551	828,854	
WESTPAC BANKING CORP NY CD	96121TA3	900,000	2.050	8/3/2020	8/7/2017	2.05%	900,000	907,878	904,305	
INTL BANK OF RECONSTRUCTION AND DEV NOTE	45905UP32	925,000	1.561	9/12/2020	9/19/2017	1.64%	922,780	916,523	924,549	
GENERAL ELECTRIC CAPITAL CORP CORP NOTE	36962G4R2	425,000	4.375	9/16/2020	8/31/2017	1.84%	456,790	455,031	457,416	
FHLB NOTES	3130ACE26	965,000	1.375	9/28/2020	9/8/2017	1.48%	961,902	954,475	963,263	
US TREASURY NOTES	912828L99	250,000	1.375	10/31/2020	10/17/2017	1.71%	247,539	247,324	247,581	
INTER-AMERICAN DEVELOPMENT BANK	4581X0CD8	915,000	2.125	11/9/2020	10/10/2017	1.81%	923,481	931,104	932,619	
COCA-COLA CO/THE GLOBAL NOTES	191216AR1	370,000	3.150	11/15/2020	9/12/2017	1.78%	385,584	388,998	390,312	
										\$ 160,876,292.68
Debt Service Reserve										
WELLS FARGO TREASURY PLUS MMF		\$ 6,315		11/1/2017		0.90%	\$ 6,315	\$ 6,315	\$ 6,315	
US TREASURY NOTES	912828Q45	6,820,000	0.875	3/31/2018	11/2/2016	0.76%	6,831,189	6,814,593	6,828,532	
US TREASURY NOTES	912828RH5	4,975,000	1.375	9/30/2018	11/15/2016	1.00%	5,009,786	4,975,571	4,998,033	
US TREASURY NOTES	912828T42	6,460,000	0.750	9/30/2018	5/19/2017	1.19%	6,421,644	6,422,121	6,438,597	
US TREASURY N/B	912828W97	5,175,000	1.250	3/31/2019	10/10/2017	1.45%	5,160,041	5,160,271	5,166,338	
										\$ 23,437,815.03
CSO LTCP Appropriations Account										
TD BANK BANK DEPOSIT		2,733		11/1/2017		1.07%	2,733	2,733	2,733	
										\$ 2,732.66

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Investment Performance Report – October 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
2015A Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 1,043,532		11/1/2017		0.90%	\$ 1,043,532	\$ 1,043,532	\$ 1,043,532	\$ 1,043,531.52
2015B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 31,445		11/1/2017		0.90%	\$ 31,445	\$ 31,445	\$ 31,445	\$ 31,444.87
2016B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 24,692,628		11/1/2017		0.90%	\$ 24,692,628	\$ 24,692,628	\$ 24,692,628	\$ 24,692,628.48
2017A Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 116,568		11/1/2017		0.90%	\$ 116,568	\$ 116,568	\$ 116,568	
BNP PARIBAS NY BRANCH COMM PAPER	09659BYQ7	16,500,000	-	11/24/2017	3/1/2017	1.31%	16,340,317	16,487,048	16,486,296	
TOYOTA MOTOR CREDIT CORP COMM PAPER	89233GYQ3	1,700,000	-	11/24/2017	3/1/2017	1.36%	1,682,915	1,698,740	1,698,534	\$ 18,301,397.43
2017B Construction Fund										
WELLS FARGO TREASURY PLUS MMF		\$ 2,212,723		11/1/2017		0.90%	\$ 2,212,723	\$ 2,212,723	\$ 2,212,723	
BANK OF TOKYO MITSUBISHI COMM PAPER	06538BZ48	1,650,000	-	12/4/2017	9/1/2017	1.30%	1,644,399	1,648,071	1,648,034	
US TREASURY N/B	912828H37	17,485,000	0.875	1/15/2018	3/2/2017	0.92%	17,477,487	17,519,003	17,528,567	
US TREASURY N/B	912828J68	28,870,000	1.000	3/15/2018	3/2/2017	1.02%	28,865,489	28,878,065	28,905,876	
CANADIAN IMPERIAL HOLDING COMM PAPER	13607FDD5	7,000,000	-	4/13/2018	9/14/2017	1.44%	6,941,412	6,953,891	6,954,740	
US TREASURY NOTES	912828K25	11,555,000	0.750	4/15/2018	3/2/2017	1.04%	11,517,537	11,531,963	11,543,856	
BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA	06538CEV9	5,350,000	-	5/29/2018	9/1/2017	1.56%	5,288,208	5,301,315	5,302,168	
JP MORGAN SECURITIES LLC COMM PAPER	46640QEV9	7,000,000	-	5/29/2018	9/1/2017	1.56%	6,919,150	6,935,894	6,937,416	
US TREASURY NOTES	912828XF2	18,710,000	1.125	6/15/2018	3/2/2017	1.08%	18,721,694	18,763,614	18,795,619	\$ 99,828,998.90
							\$ 388,915,953.68	\$ 389,136,084.00	\$ 389,664,841.57	\$ 389,664,841.57

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Investment Performance Report – October 2017



DC Water
Finance Division
Security Purchases
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<u>Operating Reserve Accounts</u>							
19416QEF3	COLGATE-PALMOLIVE COMPANY CORP NOTES	925,000.00	1.75	3/15/2019	5/1/2017	1.55	930,500.15
912828XH8	US TREASURY NOTES	1,825,000.00	1.63	6/30/2020	6/16/2017	1.51	1,844,669.48
912828XH8	US TREASURY NOTES	3,650,000.00	1.63	6/30/2020	6/28/2017	1.50	3,692,445.75
64971W5W6	NYC TRANS FIN AUTH, NY TXBL REV BONDS	540,000.00	1.96	5/1/2020	6/29/2017	1.96	540,000.00
912828XM7	US TREASURY NOTES	2,700,000.00	1.63	7/31/2020	7/7/2017	1.60	2,720,716.16
064159JX5	BANK OF NOVA SCOTIA HOUSTON BKNT	925,000.00	2.15	7/14/2020	7/14/2017	2.15	924,870.50
83050FXT3	SKANDINAV ENSKILDA BANKEN NY CD	1,850,000.00	1.84	8/2/2019	8/4/2017	1.88	1,849,278.50
96121T4A3	WESTPAC BANKING CORP NY CD	900,000.00	2.05	8/3/2020	8/7/2017	2.05	900,000.00
36962G4R2	GENERAL ELECTRIC CAPITAL CORP CORP NOTE	425,000.00	4.38	9/16/2020	8/31/2017	1.84	465,312.14
3135G0T60	FNMA NOTES	1,850,000.00	1.50	7/30/2020	9/1/2017	1.49	1,852,793.50
912828J50	US TREASURY NOTES	2,900,000.00	1.38	2/29/2020	9/1/2017	1.38	2,899,996.87
3130ACE26	FHLB NOTES	965,000.00	1.38	9/28/2020	9/8/2017	1.48	961,902.35
191216AR1	COCA-COLA CO/THE GLOBAL NOTES	370,000.00	3.15	11/15/2020	9/12/2017	1.78	389,372.28
45905UP32	INTL BANK OF RECONSTRUCTION AND DEV NOTE	925,000.00	1.56	9/12/2020	9/19/2017	1.64	922,780.00
4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	915,000.00	2.13	11/9/2020	10/10/2017	1.81	931,636.80
xxxxxx	INDUSTRIAL BANK CDARS	5,035,025.80	0.50	10/11/2018	10/11/2017	0.50	5,035,025.80
912828L99	US TREASURY NOTES	250,000.00	1.38	10/31/2020	10/17/2017	1.71	249,127.04
931142DY6	WAL-MART STORES INC CORP NOTE	430,000.00	1.75	10/9/2019	10/20/2017	1.75	429,991.40
742718EZ8	THE PROCTER & GAMBLE CO CORP NOTES	440,000.00	1.75	10/25/2019	10/25/2017	1.77	439,846.00
<u>Total Debt Service Reserve</u>							
912828T42	US TREASURY NOTES	6,460,000.00	0.750	9/30/2018	5/19/2017	1.189	6,428,130.23
912828W97	US TREASURY N/B	5,175,000.00	1.250	3/31/2019	10/10/2017	1.449	5,161,818.15
<u>2017B Construction Fund</u>							
06538BZ48	BANK OF TOKYO MITSUBISHI COMM PAPER	1,650,000.00	0.000	12/4/2017	9/1/2017	1.323	1,644,399.17
22533TZ58	CREDIT AGRICOLE CIB NY COMM PAPER	7,000,000.00	0.000	12/5/2017	9/1/2017	1.302	6,976,355.56
46640QEV9	JP MORGAN SECURITIES LLC COMM PAPER	7,000,000.00	0.000	5/29/2018	9/1/2017	1.576	6,919,150.00
89233GZ41	TOYOTA MOTOR CREDIT CORP COMM PAPER	5,700,000.00	0.000	12/4/2017	9/1/2017	1.231	5,681,991.17
06538CEV9	BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA	5,350,000.00	0.000	5/29/2018	9/1/2017	1.576	5,288,207.50
13607FDD5	CANADIAN IMPERIAL HOLDING COMM PAPER	7,000,000.00	0.000	4/13/2018	9/14/2017	1.459	6,941,412.33

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

Investment Performance Report – October 2017



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	925,000.00	1.50	12/31/2018	5/1/2017	1.25	933,467.86
459200HZ7	IBM CORP NOTES	1,825,000.00	1.13	2/6/2018	6/16/2017	1.31	1,830,315.31
3130A8PK3	FHLB NOTES	3,675,000.00	0.63	8/7/2018	6/28/2017	1.29	3,656,984.84
30231GAL6	EXXON MOBIL CORP NOTES	300,000.00	1.31	3/6/2018	6/29/2017	1.39	301,063.88
90333VPF1	US BANK NA CINCIN CD(CALLED OMD 9/11/17)	1,200,000.00	1.38	8/11/2017	7/7/2017	1.20	1,205,580.67
30231GAL6	EXXON MOBIL CORP NOTES	575,000.00	1.31	3/6/2018	7/7/2017	1.39	577,200.09
459058FE8	INTL BANK OF RECON AND DEV SN NOTES	900,000.00	0.88	7/19/2018	7/7/2017	1.40	898,819.20
064159GM2	BANK OF NOVA SCOTIA CORP NOTE (CALLABLE)	925,000.00	1.70	6/11/2018	7/14/2017	1.56	927,625.46
83050FBG5	SKANDINAVISKA ENSKILDA BANKEN NY CD	1,800,000.00	1.48	11/16/2017	8/4/2017	1.27	1,820,226.62
961214BZ5	WESTPAC BANKING CORP NOTES	475,000.00	1.60	1/12/2018	8/7/2017	1.41	475,903.03
40428AR41	HSBC BANK USA NA FLOATING CERT DEPOS	275,000.00	1.90	11/17/2017	8/7/2017	1.29	276,514.99
17275RAU6	CISCO SYSTEMS INC CORP NOTE	375,000.00	1.65	6/15/2018	8/31/2017	1.48	376,808.75
3137EAED7	FHLMC REFERENCE NOTE	2,375,000.00	0.88	10/12/2018	9/1/2017	1.30	2,371,932.62
78010U4A2	ROYAL BANK OF CANADA CORP NOTES	850,000.00	1.40	10/13/2017	9/1/2017	1.36	854,595.67
40428AR41	HSBC BANK USA NA FLOATING CERT DEPOS	1,525,000.00	1.90	11/17/2017	9/1/2017	1.33	1,527,976.26
912828XM7	US TREASURY NOTES	950,000.00	1.63	7/31/2020	9/8/2017	1.37	958,389.95
17275RAU6	CISCO SYSTEMS INC CORP NOTE	390,000.00	1.65	6/15/2018	9/12/2017	1.45	392,147.93
912828XM7	US TREASURY NOTES	925,000.00	1.63	7/31/2020	9/19/2017	1.45	931,522.76
912828A34	US TREASURY NOTES	925,000.00	1.25	11/30/2018	10/10/2017	1.39	927,724.77
084670BX5	BERKSHIRE HATHAWAY INC GLOBAL NOTES	220,000.00	1.15	8/15/2018	10/17/2017	1.44	219,905.52
912828A34	US TREASURY NOTES	250,000.00	1.25	11/30/2018	10/20/2017	1.44	250,685.09
17275RAU6	CISCO SYSTEMS INC CORP NOTE	425,000.00	1.65	6/15/2018	10/25/2017	1.46	428,050.79
Total Debt Service Reserve							
912828PA2	US TREASURY NOTES	6,257,000.00	1.88	9/30/2017	5/19/2017	1.02	6,292,259.74
2017A Construction Fund							
313589GH0	FNMA DISC NOTE	8,500,000.00	-	6/1/2017	5/2/2017	0.76	8,494,687.50
89233GX27	TOYOTA MOTOR CREDIT CORP COMM PAPER	2,015,000.00	-	10/2/2017	8/8/2017	1.19	2,011,398.19
89233GYQ3	TOYOTA MOTOR CREDIT CORP COMM PAPER	2,350,000.00	-	11/24/2017	8/8/2017	1.26	2,341,258.00
89233GYQ3	TOYOTA MOTOR CREDIT CORP COMM PAPER	4,200,000.00	-	11/24/2017	8/9/2017	1.24	4,184,770.33

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Investment Performance Report – October 2017



DC Water
Finance Division
Security Sales
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
2017B Construction Fund							
313385HN9	FED HOME LN DISCOUNT NT	885,000.00	-	6/30/2017	6/6/2017	0.90	884,474.90
36164JW18	GE CAPITAL TREASURY LLC COMM PAPER	16,500,000.00	-	9/1/2017	6/6/2017	1.07	16,458,131.25
89233GW51	TOYOTA MOTOR CREDIT CORP	6,250,000.00	-	9/5/2017	6/6/2017	1.10	6,232,937.50
912796LR8	US TREASURY BILL	1,400,000.00	-	8/31/2017	6/6/2017	0.96	1,396,832.81
912828XF2	US TREASURY NOTES	12,195,000.00	1.13	6/15/2018	9/1/2017	1.24	12,213,281.56
912828K25	US TREASURY NOTES	6,950,000.00	0.75	4/15/2018	9/14/2017	1.19	6,954,001.06
89233GZ41	TOYOTA MOTOR CREDIT CORP COMM PAPER	2,000,000.00	-	12/4/2017	9/27/2017	1.22	1,995,466.67
912828XK1	US TREASURY NOTES	12,750,000.00	0.88	7/15/2018	10/23/2017	1.35	12,736,985.82
22533TZ58	CREDIT AGRICOLE CIB NY COMM PAPER	7,000,000.00	-	12/5/2017	10/23/2017	1.27	6,989,548.61
89233GZ41	TOYOTA MOTOR CREDIT CORP COMM PAPER	3,700,000.00	-	12/4/2017	10/23/2017	1.21	3,694,863.17

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

Investment Performance Report – October 2017



DC Water
Finance Division
Security Maturities
Last 6 Months

CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	SETTLE DATE	YTM	TRANSACTION AMOUNT
<u>Operating Reserve Accounts</u>							
605581FX0	MS ST TXBL GO BONDS	120,000.00	1.09	10/1/2017	10/1/2017	0.00	120,000.00
RE0959594	INDUSTRIAL BANK CDARS	5,035,025.80	0.35	10/12/2017	10/12/2017	0.00	5,052,600.24
<u>Total Debt Service Reserve</u>							
912828TS9	US TREASURY NOTES	5,415,000.00	0.63	9/30/2017	9/30/2017	0.00	5,415,000.00
<u>2016B Construction Fund</u>							
912796KU2	US TREASURY BILL	24,564,000.00	-	5/4/2017	5/4/2017	0.00	24,564,000.00
<u>2017A Construction Fund</u>							
313589GH0	FNMA DISC NOTE	41,500,000.00	-	6/1/2017	6/1/2017	0.00	41,500,000.00
313589GH0	FNMA DISC NOTE	40,000.00	-	6/1/2017	6/1/2017	0.00	40,000.00
<u>2017B Construction Fund</u>							
912796LR8	US TREASURY BILL	11,135,000.00	-	8/31/2017	8/31/2017	0.00	11,135,000.00
06538BW17	BANK TOKYO MITSUBISHI UFJ LTD COMM PAPER	16,500,000.00	-	9/1/2017	9/1/2017	0.00	16,500,000.00
21687AW17	COOPERATIEVE RABOBANK U.A. COMM PAPER	16,500,000.00	-	9/1/2017	9/1/2017	0.00	16,500,000.00
22533TW10	CREDIT AGRICOLE CIB NY COMM PAPER	16,500,000.00	-	9/1/2017	9/1/2017	0.00	16,500,000.00
46640PW17	JP MORGAN SECURITIES LLC COMM PAPER	16,500,000.00	-	9/1/2017	9/1/2017	0.00	16,500,000.00

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



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

DATE	TRANSACTION	CUSIP	DESCRIPTION	COUPON	MATURITY DATE	PAR VALUE/SHARES	PRINCIPAL	INTEREST	TOTAL
11/01/17	INTEREST	64971W5W6	NYC TRANS FIN AUTH, NY TXBL REV BONDS	1.960	05/01/20	540,000.00	0.00	3,586.80	3,586.80
11/03/17	SELL	00828EBB4	AFRICAN DEVELOPMENT BANK NOTE	1.625	10/02/18	700,000.00	0.00	1,099.12	701,099.12
11/03/17	SELL	912828A34	US TREASURY NOTES	1.250	11/30/18	955,000.00	0.00	2,476.78	957,476.78
11/03/17	SELL	912828A34	US TREASURY NOTES	1.250	11/30/18	1,705,000.00	0.00	(406,641.42)	1,298,358.58
11/03/17	BUY	912828M98	US TREASURY NOTES	1.625	11/30/20	3,000,000.00	3,000,000.00	7,770.88	(3,007,770.88)
11/09/17	MATURITY	RE0959610	INDUSTRIAL BANK CDARS	0.400	11/09/17	5,065,244.00	5,065,244.30	20,205.92	5,085,450.22
11/09/17	INTEREST	4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	2.125	11/09/20	915,000.00	0.00	9,721.88	9,721.88
11/13/17	INTEREST	458182DX7	INTER-AMERICAN DEVELOPMENT BANK	1.000	05/13/19	1,260,000.00	0.00	6,300.00	6,300.00
11/15/17	INTEREST	191216AR1	COCA-COLA CO/THE GLOBAL NOTES	3.150	11/15/20	370,000.00	0.00	5,827.50	5,827.50
11/16/17	INTEREST	166764BH2	CHEVRON CORP NOTES	1.561	05/16/19	900,000.00	0.00	7,024.50	7,024.50
11/18/17	INTEREST	58933YAG0	MERCK & CO GLOBAL NOTES	1.300	05/18/18	731,000.00	0.00	4,751.50	4,751.50
11/22/17	INTEREST	06406HDB2	BANK OF NEW YORK MELLON CORP (CALLABLE)	1.600	05/22/18	1,800,000.00	0.00	14,400.00	14,400.00
11/24/17	MATURITY	09659BYQ7	BNP PARIBAS NY BRANCH COMM PAPER	1.760	11/24/17	16,500,000.00	16,340,316.63	159,683.37	16,500,000.00
11/24/17	MATURITY	89233GYQ3	TOYOTA MOTOR CREDIT CORP COMM PAPER	1.760	11/24/17	1,700,000.00	1,682,915.00	17,085.00	1,700,000.00
11/30/17	INTEREST	13606A5Z7	CANADIAN IMPERIAL BANK NY CD	1.250	11/30/18	1,800,000.00	0.00	31,240.00	31,240.00
11/30/17	INTEREST	65558LWA6	NORDEA BANK FINLAND NY CD	1.500	11/30/18	1,800,000.00	0.00	16,192.00	16,192.00
11/30/17	INTEREST	912828A34	US TREASURY NOTES	1.625	11/30/18	1,705,000.00	0.00	10,656.25	10,656.25
11/30/17	INTEREST	912828G61	US TREASURY NOTES	1.300	11/30/19	2,325,000.00	0.00	17,437.50	17,437.50
11/30/17	INTEREST	912828M98	US TREASURY NOTES		11/30/20	3,000,000.00	0.00	24,375.00	24,375.00



Appendix: Economic Update

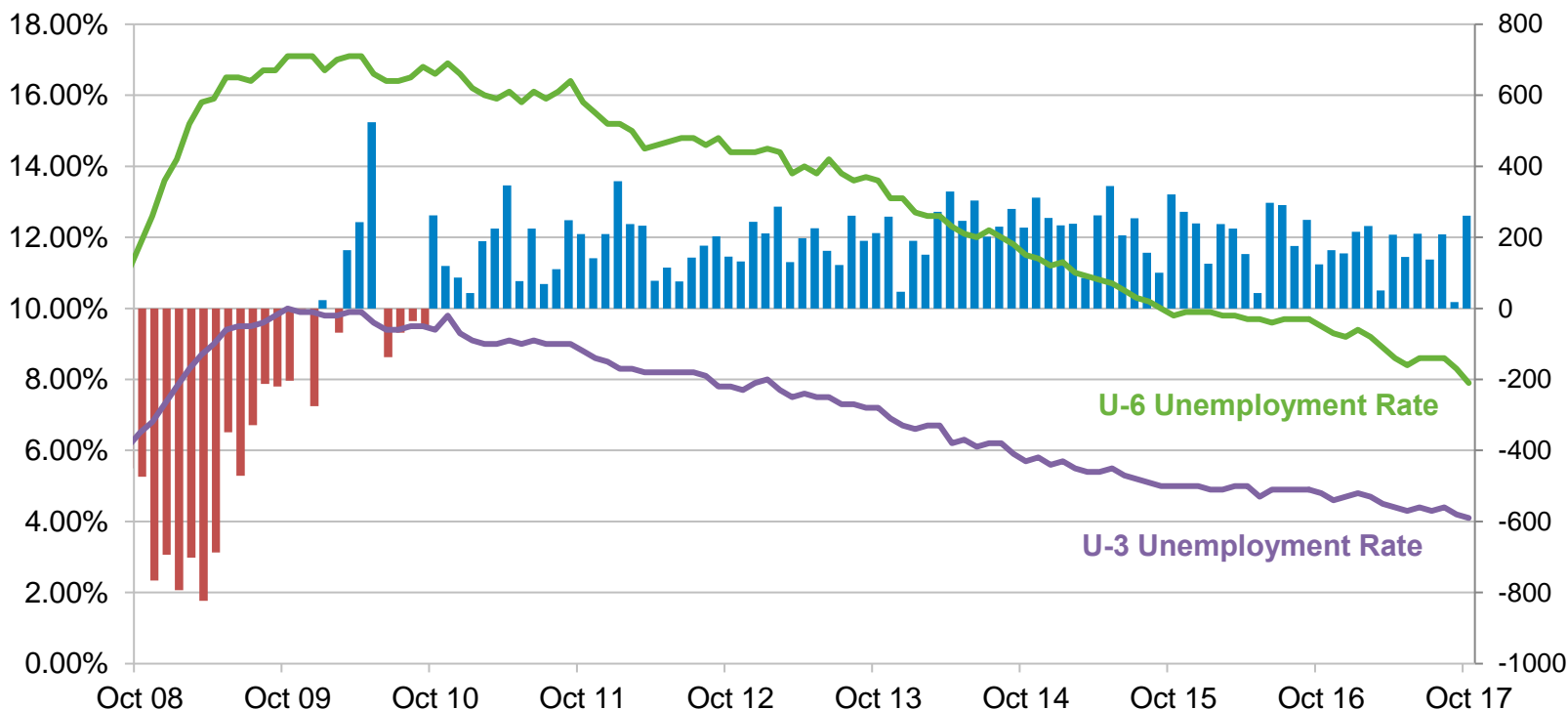


U.S. Labor Market

- The U.S. labor market added 261,000 jobs in October, below the 331,000 expectation, but well above September's reading.
- The unemployment rate fell from 4.2% to 4.1%, the lowest level since 2000.

Unemployment vs. Non-Farm Payrolls

October 2008 – October 2017

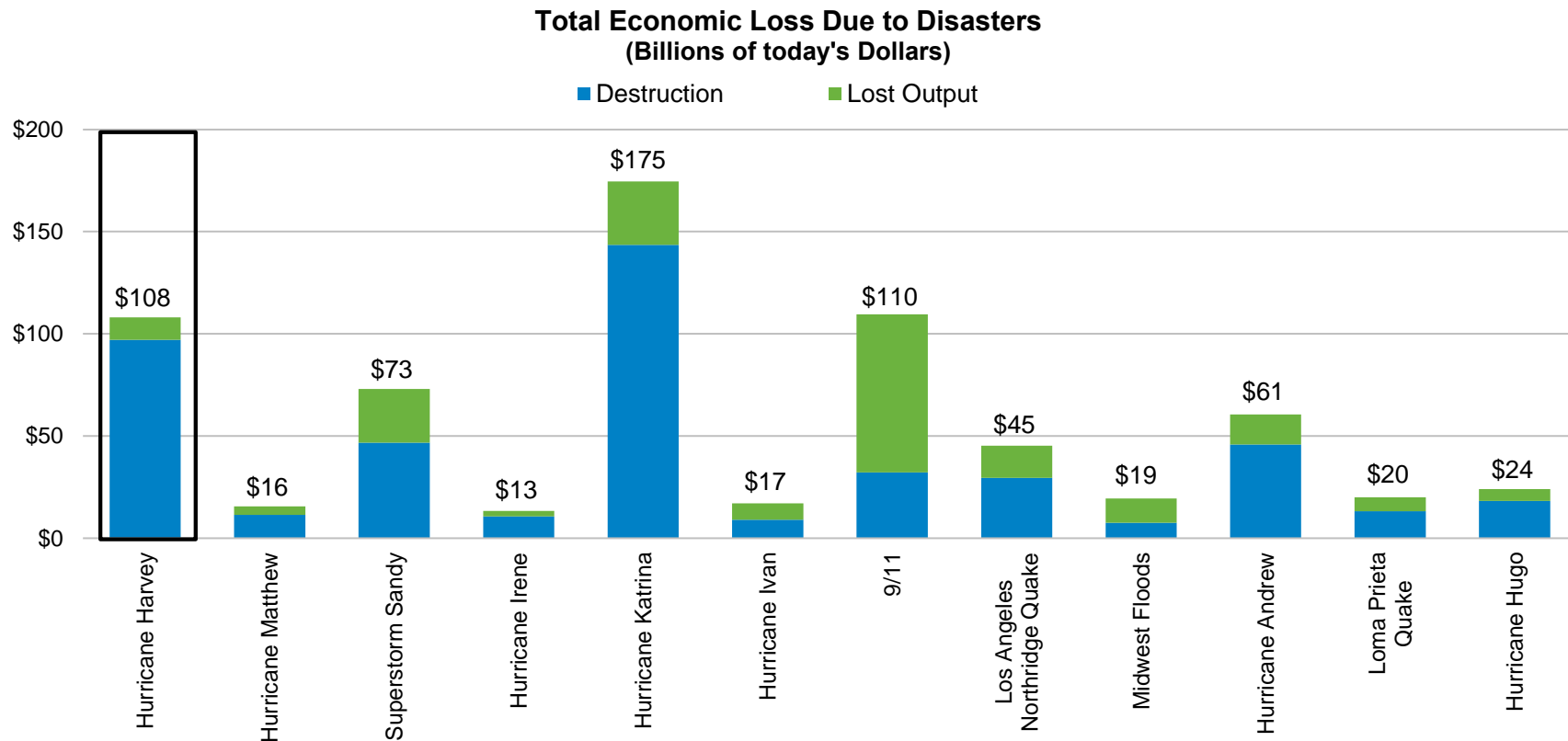


Source: Bloomberg



Economic Impact of Disasters

- Hurricane Harvey is expected to be the second most destructive natural disaster over the last three decades.
- Destruction to property caused by Hurricane Harvey is estimated to range from \$77 - \$97 billion. The lost economic output is forecasted to be between \$9 - \$11 billion.



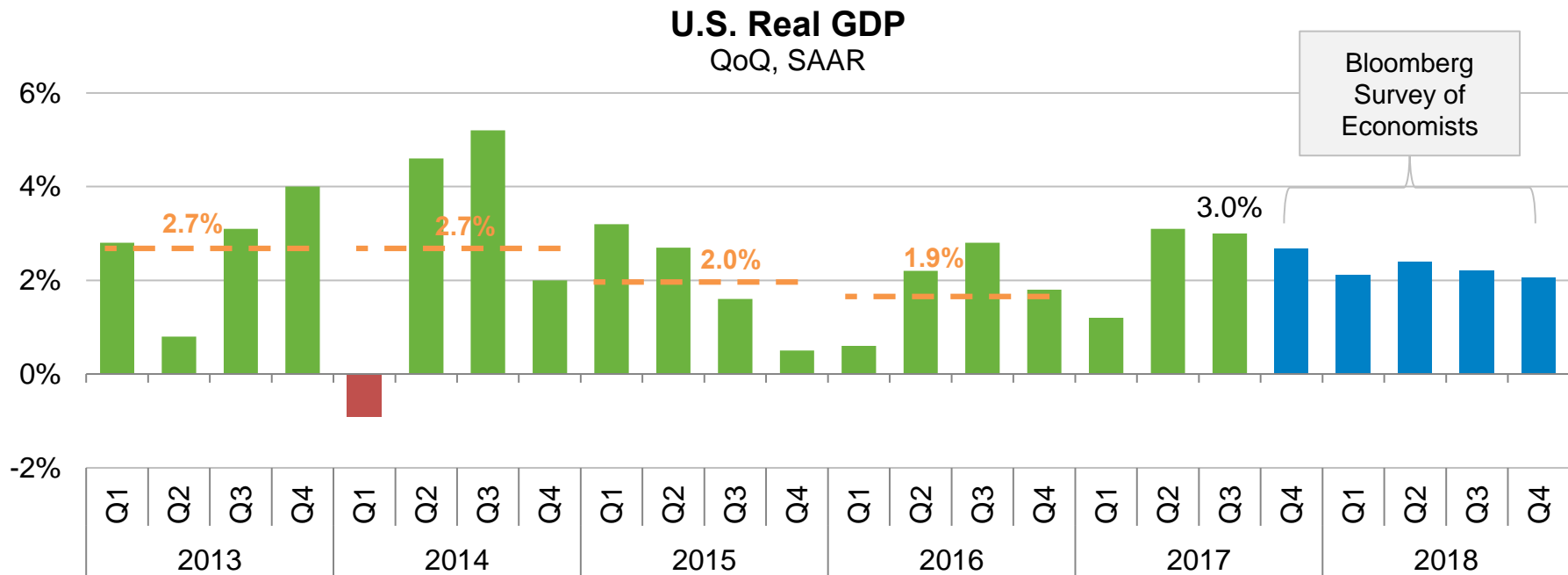
Hurricane Harvey estimates are preliminary and shown in the chart at the high end of the estimated range.

Source: The Economic Impact of Hurricane Harvey. Moody's Analytics, September 5, 2017.



Economic Growth Picked up in 3rd Quarter

- According to the “advance” estimate, gross domestic product increased at an annualized rate of 3.0% in the third quarter of 2017. Growth has averaged 2.3% over the last four quarters.
- Third quarter GDP reflected positive contributions from personal consumption, nonresidential private investments, and exports, offset by negative contributions from residential fixed investment and state and local government spending.



Source: Bloomberg, as of October 2017. SAAR is seasonally adjusted annualized rate. Orange denotes rolling four-quarter averages.



Future Leadership at the Federal Reserve

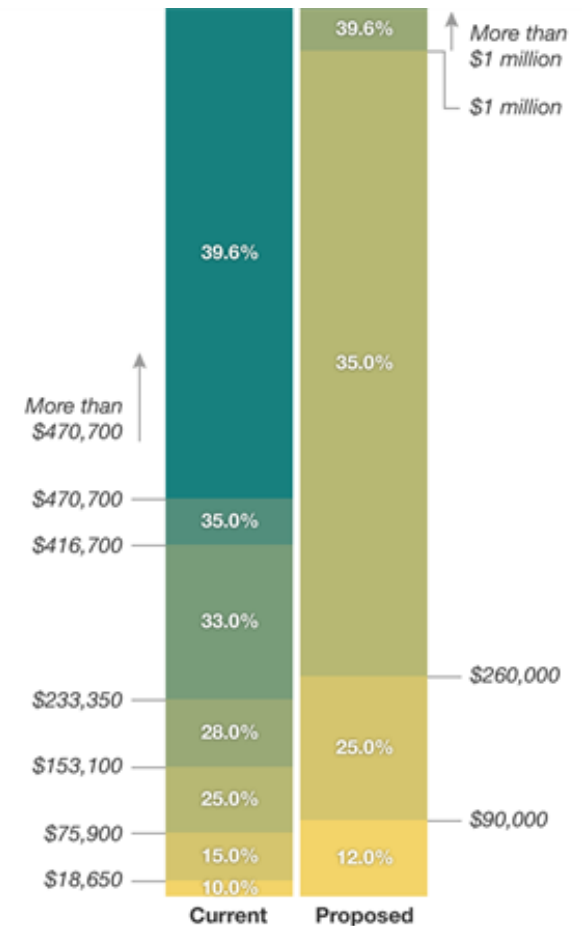
- Janet Yellen’s term as Fed Chair ends in February 2018. On November 2nd, Jerome Powell was officially tapped to be the next Fed Chairman, subject to Senate approval. He is expected to continue policies in line with those of Janet Yellen.

	Short Resume	Track Record on Monetary Policy
<p>Jerome Powell</p> 	<ul style="list-style-type: none"> • Current member of Federal Reserve Board of Governors (member since 2012) • Appointed by former President Barack Obama • Former Assistant Secretary of Treasury • Bachelor’s degree in politics from Princeton University • Law degree from Georgetown University 	<ul style="list-style-type: none"> • Ally to Chair Yellen • Also favors gradual approach to rate hikes • Powell is expected to be more in favor of financial deregulation than Yellen



House GOP Tax Plan

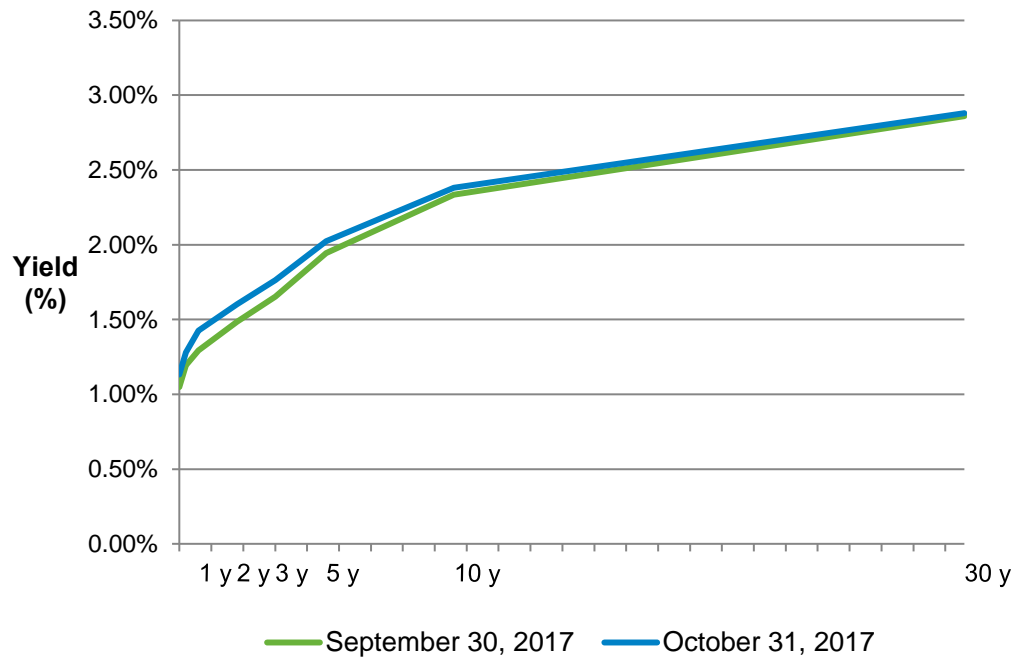
- The House GOP Tax Plan, “The Tax Cuts and Jobs Act” was released on November 2nd. Highlights from the tax bill are as follows:
 - Lower corporate tax rate to 20%, down from 35%. This would be the largest reduction in the U.S. corporate tax rate in American history.
 - Mortgage interest deduction for newly purchased homes capped at \$500,000, a reduction from the current cap of \$1 million for couples filing jointly. The home mortgage interest deduction for existing mortgages will be unchanged.
 - No changes to retirement savings options including 401(k)s and IRAs.
 - Among the provisions that would affect state and local bonds, the bill would eliminate exemption for private activity bonds (sec. 3601), advance refundings (sec. 3602), and tax credit bonds (sec. 3603) beginning with bonds issued after December 31, 2017. The draft bill would also eliminate tax-exemption for bonds issued for professional stadiums for bonds issued after today, November 2, 2017 (sec. 3604). The bill would also terminate the New Markets Tax Credit (sec. 3406).





U.S Treasury Yields

U.S. Treasury Yield Curve
September 30, 2017 vs. October 31, 2017



	<u>9/30/2017</u>	<u>10/31/2017</u>	<u>Change</u>
3 month	1.05%	1.13%	0.08%
6 month	1.19%	1.28%	0.09%
1 year	1.29%	1.43%	0.14%
2 year	1.49%	1.60%	0.11%
3 year	1.65%	1.76%	0.11%
5 year	1.94%	2.02%	0.08%
10 year	2.33%	2.38%	0.05%
30 year	2.86%	2.88%	0.02%

Source: Bloomberg



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**District of Columbia
Water and Sewer Authority
Capital Improvement Program
Report**



**FY-2017 4th Quarter
July 1st through September 30th, 2017**

Board of Directors

Capital Improvement Program and Drinking Water Committee

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

November 2017

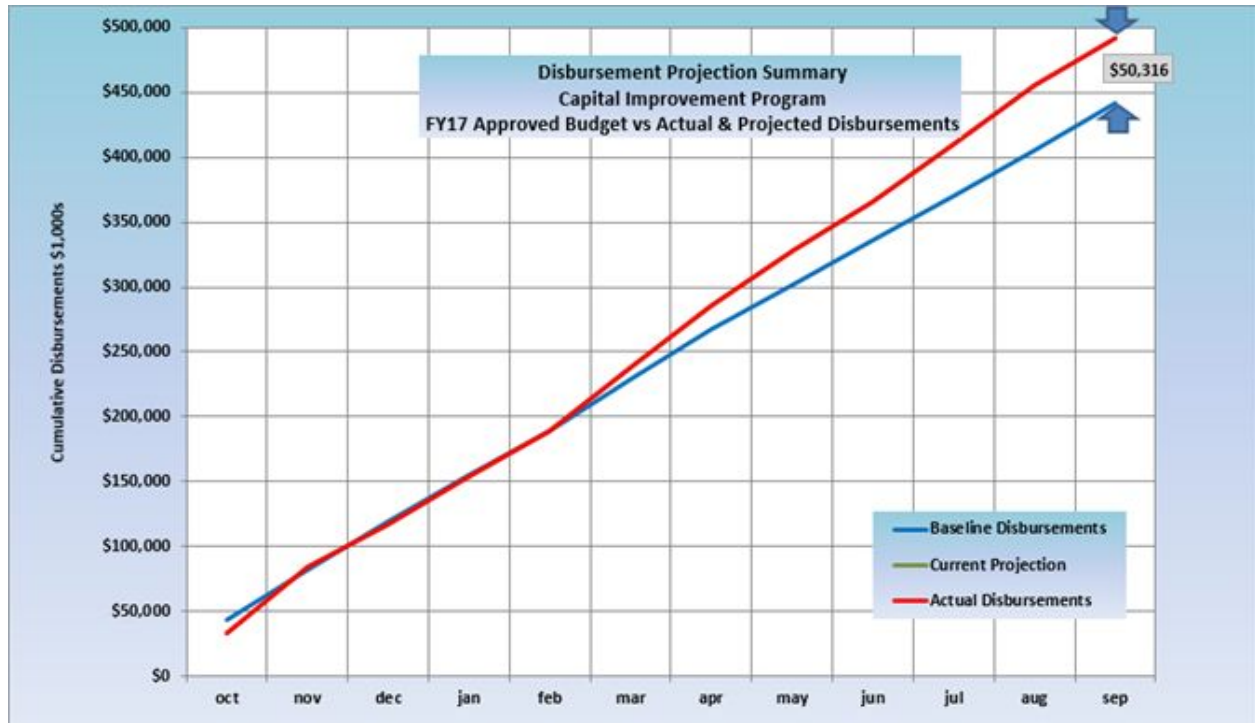


Capital Improvement Program Report 4th Quarter FY2017

CIP Disbursement Performance

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

Disbursement Summary



The fiscal year 2017 CIP disbursements were \$491,470,000 through the end of the fiscal year, which was \$50.3M (11%) above the baseline disbursement projection of \$441,154,000.

Final fiscal year disbursements within the service areas were as follows:

Non Process Facilities

Baseline Disbursements \$34,150,000
 Actual Disbursements \$25,189,000 (\$9.0M below baseline projection)

Significant project variances are listed below:

- *Facility Land Use (\$8.3M below baseline projection)*
 - The fiscal year disbursements for project DS – New HQ Building were lower than anticipated due to initial permitting issues for the piers in January causing delay in



Capital Improvement Program Report 4th Quarter FY2017

completing the auger piles, pile caps and thus delaying the start of steel framing. Project Completion is still expected to be on time and within budget.

Wastewater Treatment Service Area

Baseline Disbursements \$123,789,000
Actual Disbursements \$148,104,000 (\$24.3M above baseline projection)
Significant project variances are listed below:

- *Solids Processing Projects – (\$8.5M above baseline)*
 - The fiscal year disbursements for project XA – New Digestion Facilities were \$7.2M above the baseline largely due to retention release not being included in the baseline projection for FY17.
- *Nitrogen Removal Facilities - (\$15.5M above baseline)*
 - The disbursements for project E8 - Enhanced Clarification Facilities were \$16.2M above the baseline mainly due to greater than anticipated spending caused by contractor's recovery efforts from slower progress and underspending in FY16.

CSO Service Area

Baseline Disbursements \$184,387,000
Actual Disbursements \$229,425,000 (\$45.0M above baseline projection)
Significant project variances are listed below:

- *DC Clean Rivers – (\$45.0M above baseline)*
 - The final fiscal year disbursements for project CY - Anacostia Long Term Control Plan were \$46.5M above the baseline disbursement due to a ramp up in the construction activity in order to meet the Consent Decree date of March 23rd 2018 when all Anacostia controls south of RFK stadium will be placed in operation. In addition, baseline disbursement projections did not include expenditures for risks that have materialized on the Anacostia River Tunnel job (ground inflow incident) and the First Street Tunnel job (cumulative delay impacts); resulting in an increase of spending over the baseline projections. However, risks such as these were contemplated when the contracts were procured and funds are included in the Board-approved contract amounts. As a result, it is projected that both jobs will be completed within the Board-approved contract cost.

Stormwater Service Area

Baseline Disbursements \$1,706,000
Actual Disbursements \$1,384,000 (\$0.3M below baseline projection)
There are no significant project variances for this service area.

Sanitary Sewer Service Area

Baseline Disbursements \$38,302,000
Actual Disbursements \$40,059,000 (\$1.8M above baseline projection)
There are no significant project variances for this service area.



Capital Improvement Program Report 4th Quarter FY2017

Water Service Area

Baseline Disbursements \$58,819,000

Actual Disbursements \$47,309,000 (\$11.5M below baseline projection)

Significant project variances are listed below:

- *Water Distribution Systems (\$13.0M below baseline projection)*
 - The disbursements for project O3 - Small Diameter Water Main Rehab 11 were \$7.0M below the baseline. This was partly due to postponing bids in order to improve the quantity takeoff process, and due to contractor submitting invoices late. Additionally there were some delays in construction progress.
 - The fiscal year disbursements for project DE - Small Diameter Water Main Rehab 12 were \$3.4M below the baseline. This was due to delays in awarding the SDWMR 12A contract as a result of a bid protest.



Capital Improvement Program Report 4th Quarter FY2017

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

All priority 1 projects are on schedule and within budget.

Significant Contract Actions Anticipated – 6 Month Look-Ahead

Project	Name	Contract Type	Joint Use?	Cost Range	Committee	BOD
F1	Small Diameter Watermain Rehab 13a	Construction	No	\$5M - \$10M	EQ&Ops Jan	Feb
J0	B Street/New Jersey Ave. Trunk Sewer Rehab and Cleaning	Construction	Yes	\$10M - \$15M	EQ&Ops Feb	Mar
DR	Low Area Trunk Sewer Rehab	Construction	Yes	\$15M - \$20M	EQ&Ops Mar	Apr
F1	Small Diameter Watermain Rehab 13d	Construction	No	\$5M - \$10M	EQ&Ops Feb	Mar
CZ	Potomac Project 1(GI) PR-A	Design-Build	No	\$5M - \$10M	EQ&Ops Mar	Apr



Capital Improvement Program Report 4th Quarter FY2017

Schedule - Key Performance Indicators, Capital Improvement Program

KPI Performance Through End Quarter 4



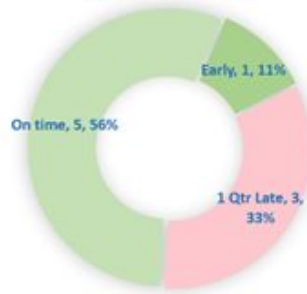
For the 4th Quarter, two of the seven Key Performance Indicators (KPIs) were achieved on time or earlier; the other five remaining planned KPIs were not achieved, as follows:

1. EE01 – *Biosolids Filtrate Treatment Fac. North* Construction Substantial completion was impacted by late receipt of critical equipment and due to owner-requested changes during the commissioning phase.
2. G100 – *Lining & Repair of Local Sewers* Construction Substantial completion was not met due to contractor performing additional emergency work and other work transferred from the Small Local Sewer Rehab 2 contract.
3. I801 – *Large Valve Replacements 11R* Construction Substantial completion was not met due to additional utility coordination and additional valve replacements added to contract.
4. DE02 – *Small Diameter Water Main Repl 12B* Construction start was not met because the design was delayed while new specification standards were being implemented to reduce cost and improve consistency.
5. LZ03 – *PI Phase 1 Pipe Rehab at Clara Barton Pkwy* The design start was moved due to National Park Service requesting that DC Water address several concerns, which required a rethinking of the original approach.

KPI Performance Through End Quarter 4
Design Start



KPI Performance Through End Quarter 4
Construction Start



KPI Performance Through End Quarter 4
Construction Substantial Completion





Capital Improvement Program Report 4th 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
1	CY25	Div P - First Street NW Branch Tunnel (Bloomingdale)	CSC					On time
1	G101	Rehab of Sewers in Georgetown	CS					On time
1	O302	Small Dia Watermain Repl 11b	CS					1 Qtr Late
1	IL10	Creekbed Sewer Rehabilitation Rock Creek Oregon Avenue	CS					On time
1	J001	B Street/New Jersey Ave. Trunk Sewer Rehab	DS					On time
1	F102	Small Diameter Water Main Repl 13B	DS					On time



Capital Improvement Program Report 4th 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					Greater than 1 Qtr Late
2	XA10	Biosolids Combined Heat and Power (CHP)	CSC					1 Qtr Late
2	DE01	Small Diameter Water Main Repl 12A	CS					1 Qtr Late
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					1 Qtr Late



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



Capital Improvement Program Report 4th 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	
4	EE01	Biosolids Filtrate Treatment Facilities	CSC					1 Qtr Late
4	G100	Lining & Repair of Local Sewers	CSC					1 Qtr Late
4	I801	Large Valve Replacements 11R	CSC					1 Qtr Late
4	CY14	Div J - Northeast Boundary Tunnel	CS					On time
4	DE02	Small Diameter Water Main Repl 12B	CS					1 Qtr Late
4	LZ03	PI Phase 1 Pipe Rehab at Clara Barton Pkwy	DS					1 Qtr Late
4	F202	Small Diameter Water Main Repl 14B	DS					On time



District of Columbia Water and Sewer Authority
George S. Hawkins, CEO and General Manager

Briefing on:

***Environmental Impact Bond and
Rock Creek Project A (RC-A)
Construction Progress Update***

Briefing for:

Finance and Budget Committee

November 14, 2017



Agenda

- Environmental Impact Bond
 - Performance Tiers and Payment Structure
 - GI Performance Evaluation
- Rock Creek Project A Progress
- Questions



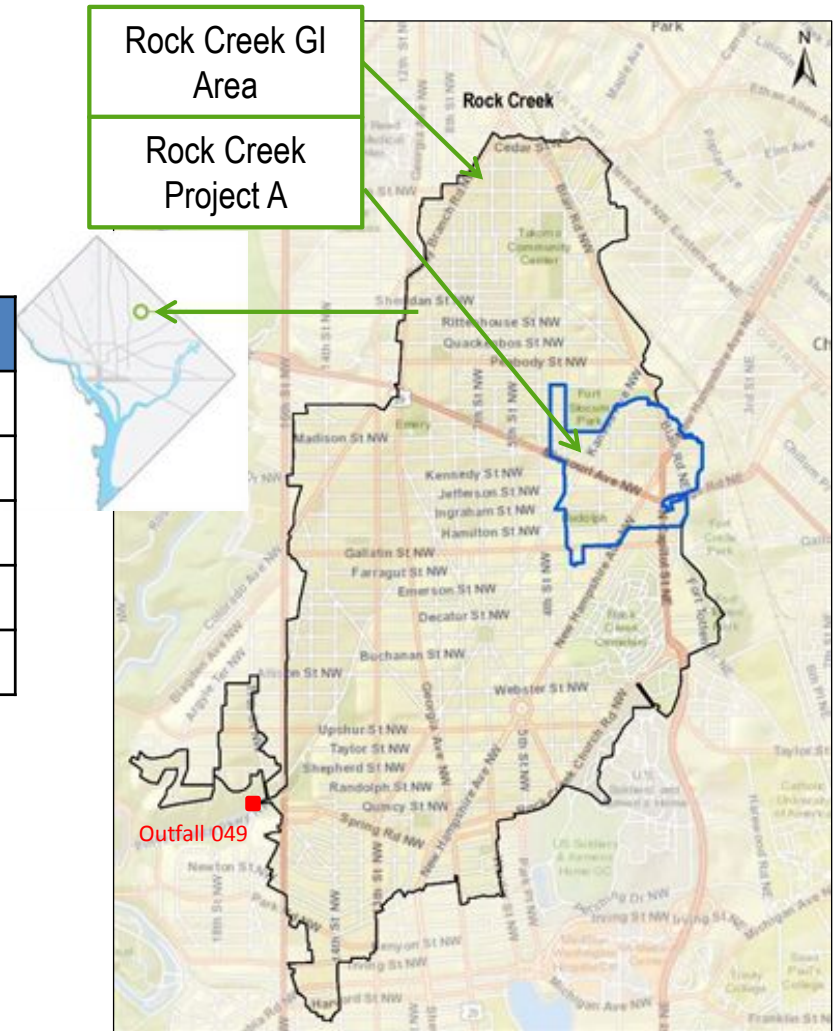
Rock Creek Project A (RC-A) Overview: Requirements, Schedule and Boundary

Rock Creek Project A Requirement:

- Manage 1.2” of stormwater runoff from at least 20 impervious acres

Key Dates and Milestones:

Event	Date	Complete
Contract Award	January 5, 2017	Yes
Notice to Proceed (NTP)	February 16, 2017	Yes
Scheduled Substantial Completion (SSC)	October 9, 2018	
Final Completion	December 8, 2019	
Consent Decree Place-in-Operation Deadline	March 30, 2019	



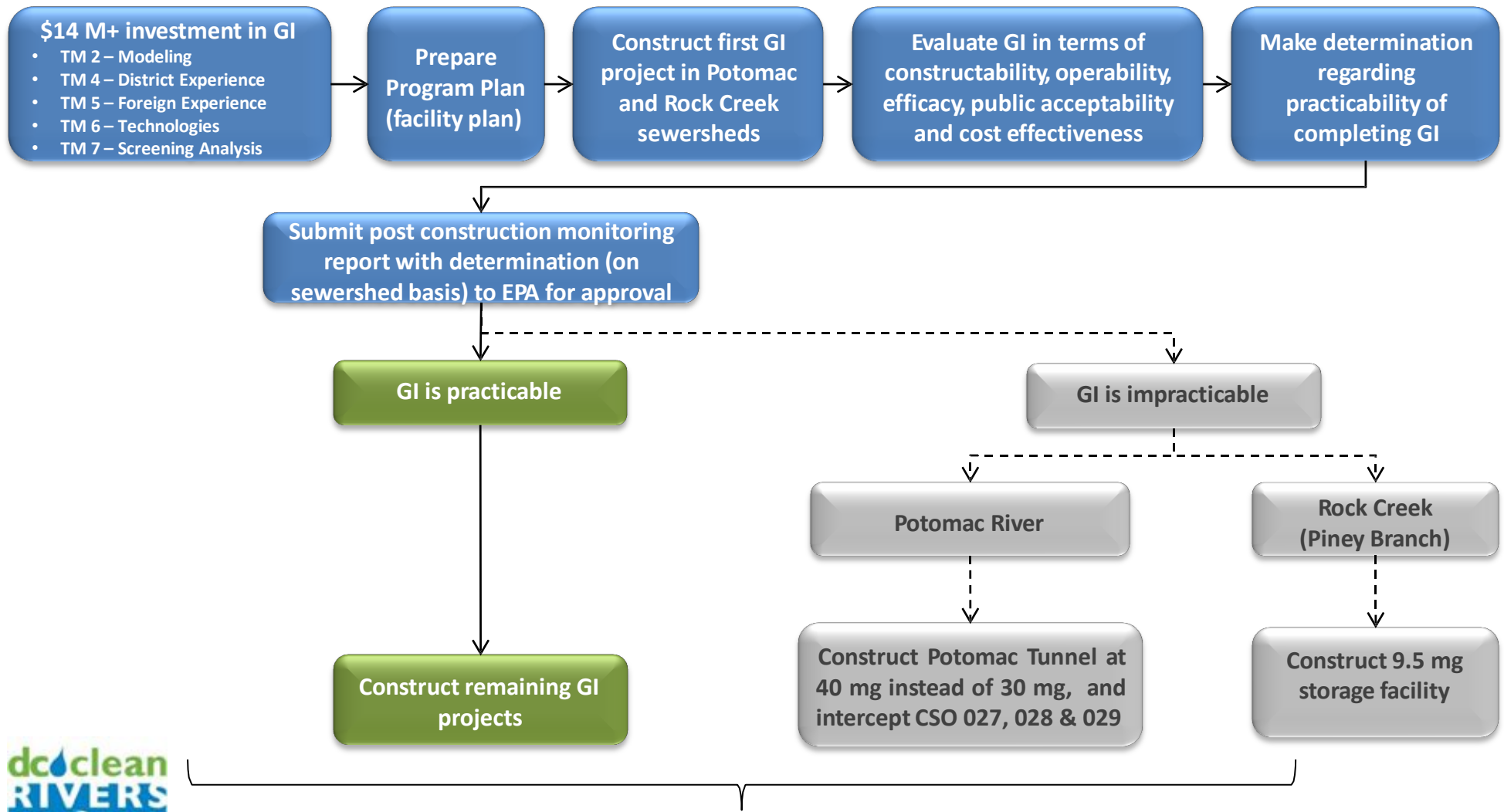
[Rock Creek Project A](#)



RC-A Kickoff Event – October 23, 2017



Rock Creek Project A (RC-A) Overview: GI Feasibility and Effectiveness



**Complete all projects by same end date (3/23/2030)
with performance equivalent to LTCP**

Rock Creek Project A (RC-A) Overview:

Why is the Performance Evaluation after the First Project

- Provides certainty that CSO objectives will be achieved by defined end date
- Manages risks to ratepayers in a responsible manner
- Consistent with approach in other consent decrees addressing GI
- GI built under first project in each sewershed will be retained and maintained by DC Water even if decision is made to revert to gray
- Schedule extension is independently needed for Potomac Tunnel
- Responsive to public comments regarding certainty of achieving CSO objectives

Environmental Impact Bond: Pay for Success and Social Impact Bonds

- **“Pay for Success” (PFS) projects refer to any financing model in which some payments are contingent on the successful delivery of outcomes, based on the premise that government should be willing to pay for outcomes that achieve greater savings or societal benefits**
- **Social Impact Bonds (SIBs) are a type of PFS project that combine a performance contract with a contingent loan in which third-party investors provide the up-front funding for an intervention and are repaid (by the government) from budgetary savings and societal benefits generated by the successful outcomes**
 - Before DC Water’s Environmental Impact Bond (EIB), 11 SIB projects had been launched in the US, with many more in development
 - SIBs previously had focused on social service issues such as recidivism, homelessness, infant and maternal health, and early childhood education
- **DC Water’s EIB is the first SIB to finance environmental outcomes, with a portion of the payments to the investor contingent on the effectiveness of GI in managing stormwater runoff**
 - This innovative, first of its kind, financing advances the field of impact investing and expand the range of PFS projects to include environmental interventions like GI
 - There are hundreds of communities across the US with combined sewer systems that are evaluating GI as a method for controlling CSOs and that may benefit from this novel financing structure



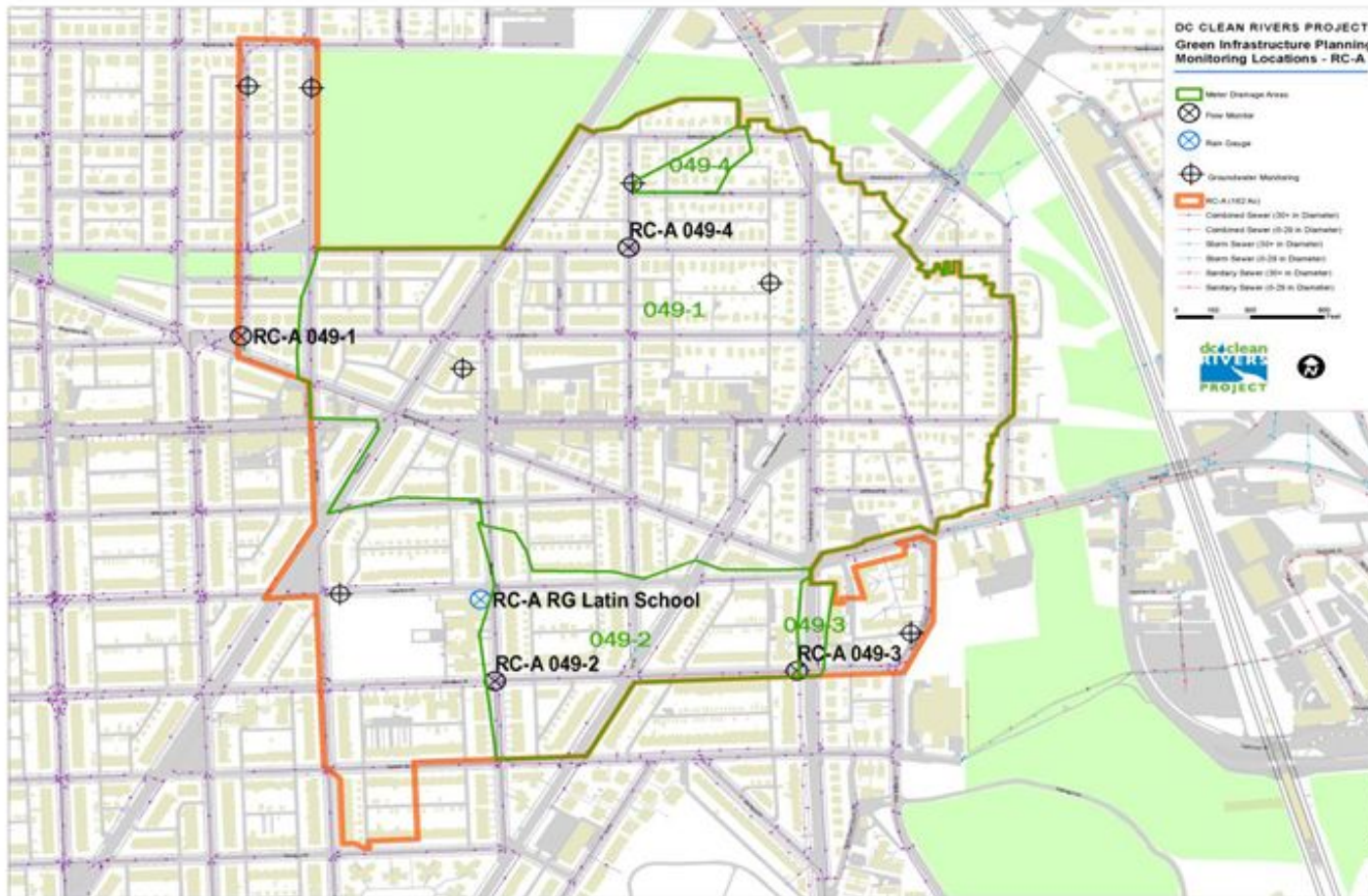
Environmental Impact Bond:

Environmental Impact Bond Financing Overview

- **DC Water structured the EIB to finance the first project in DCCR’s GI Program (Rock Creek Project A or “RC-A”)**
 - Investors will be repaid based upon the effectiveness of GI in managing the volume of stormwater runoff in RC-A
 - Greater volume managed will result in a larger repayment to investors
 - Lower volume managed will result in a smaller repayment to investors
 - Effectiveness of GI in managing stormwater runoff in RC-A will be determined based on a rigorous program evaluation
- **Importantly, the GI Program was structured so that if RC-A is deemed “practicable” (i.e., effective in managing stormwater runoff), then the four remaining GI projects in Rock Creek will be implemented across the entire sewershed**
 - If RC-A is not deemed “practicable” then the remaining GI projects in the Rock Creek sewershed will not be implemented and DCCR will revert to “grey infrastructure” solutions (i.e., tunnels) to achieve the Amended Consent Decree requirements

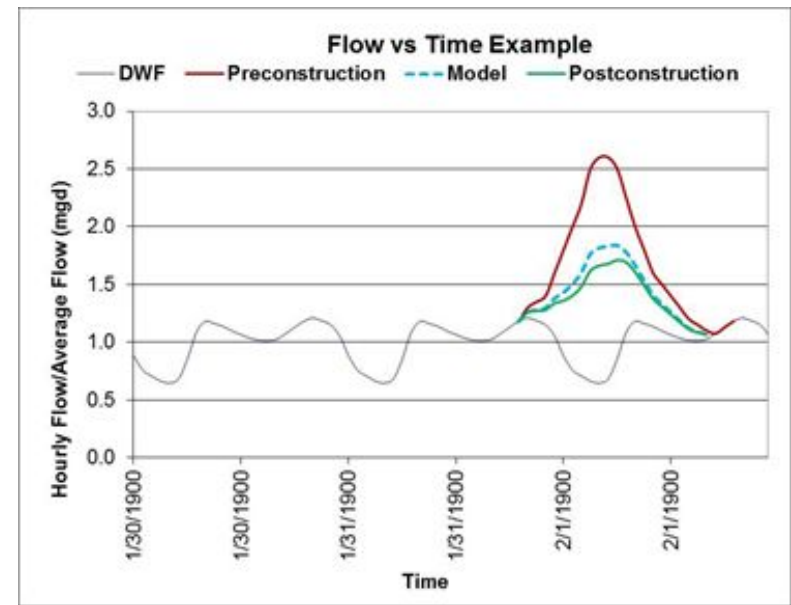
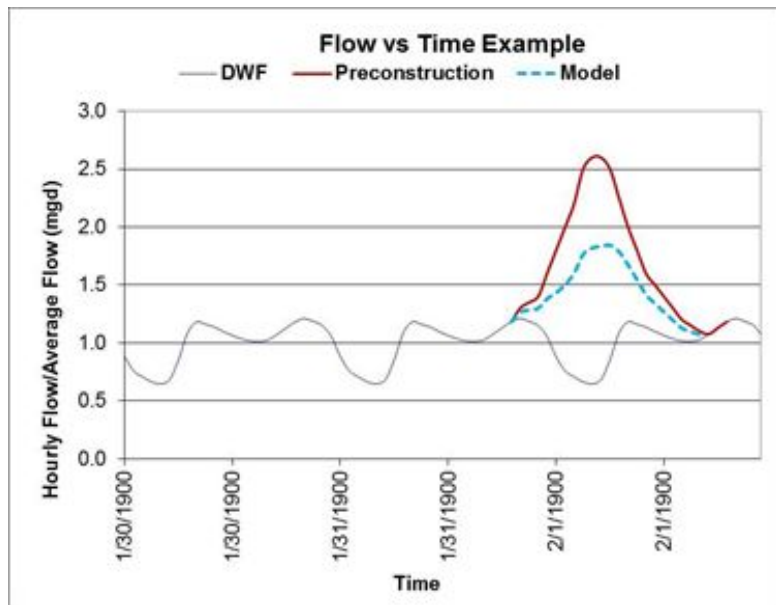
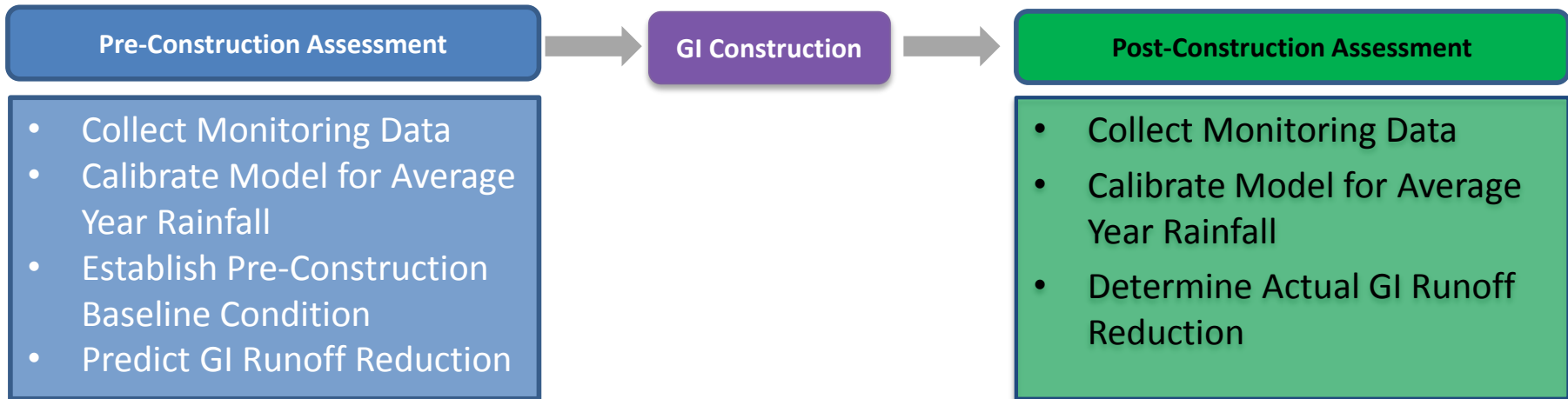


Environmental Impact Bond: Flow and Rainfall Monitoring Locations



- Meters placed to capture majority of RC-A area
- 1 Year of Monitoring Data Required Pre and Post Construction of GI

Environmental Impact Bond: GI Performance Evaluation



Environmental Impact Bond: Performance Tiers and Contingent Payment

Key Terms of Environmental Impact Bond

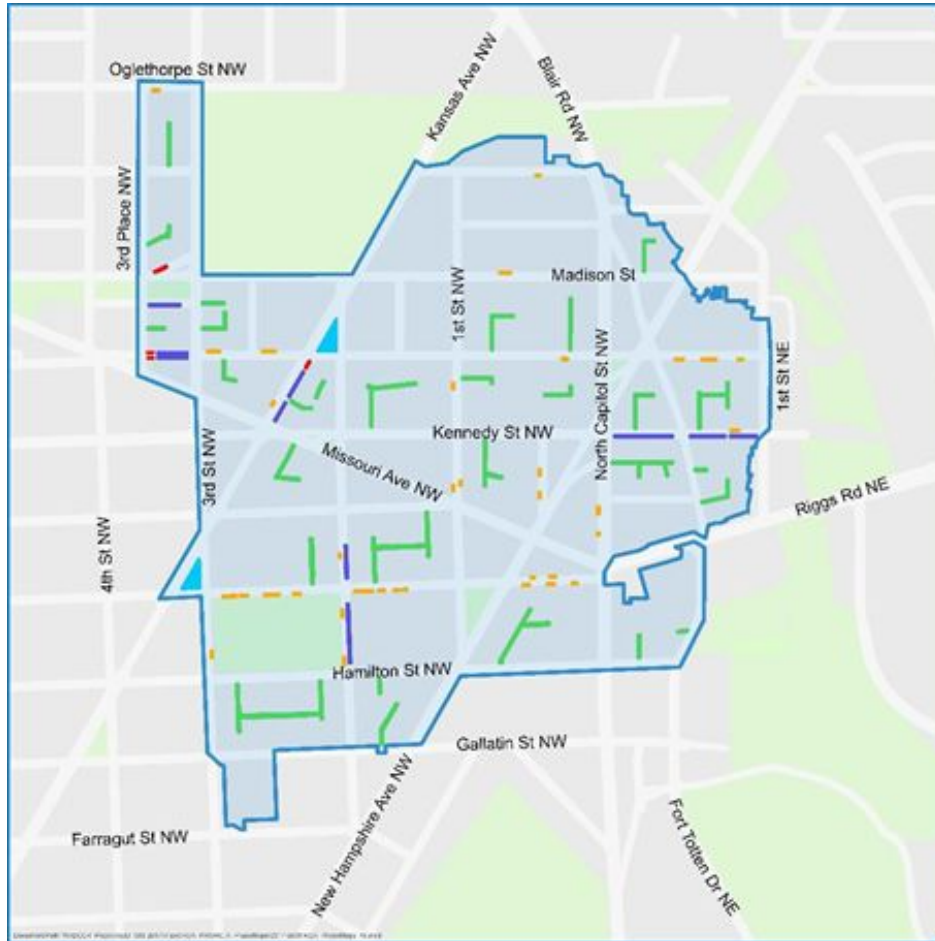
- Principle Amount: \$25M
- Interest Rate: 3.43%
- Mandatory Tender Date: April 21, 2021
- Depending of the effectiveness of GI, a contingent payment may be due at the mandatory tender date:

Tier	Outcome Ranges	Contingent Payment	Outcome Probability
1	Runoff Reduction > 41.3%	DC Water will make an Outcome Payment to Investors of \$3.3M	5%
2	18.6% ≤ Runoff Reduction ≤ 41.3%	No contingent payment is due	90%
3	Runoff Reduction < 18.6%	Investors will make Risk Share Payment to DC Water of \$3.3M	5%



Note: The Outcome Ranges reflect the expectation that a successful project will result in Performance Tier 2 with no contingent payment due to either party

RC-A Project Overview: Phased Design Approach



- The RC-A Design Builder divided the project into 3 phases to improve efficiencies and familiarize stake holders with the design, permitting, and construction process.
- The number of facilities increases with each subsequent phase of the design

Phase	Facilities
1	9
2	28
3	42
Total	79*

* GI Challenge Parks not included



- Alley Permeable Pavement
- Parking Lane Permeable Pavement
- Curb Extension Bioretention
- Planter Bioretention
- GI Challenge Parks

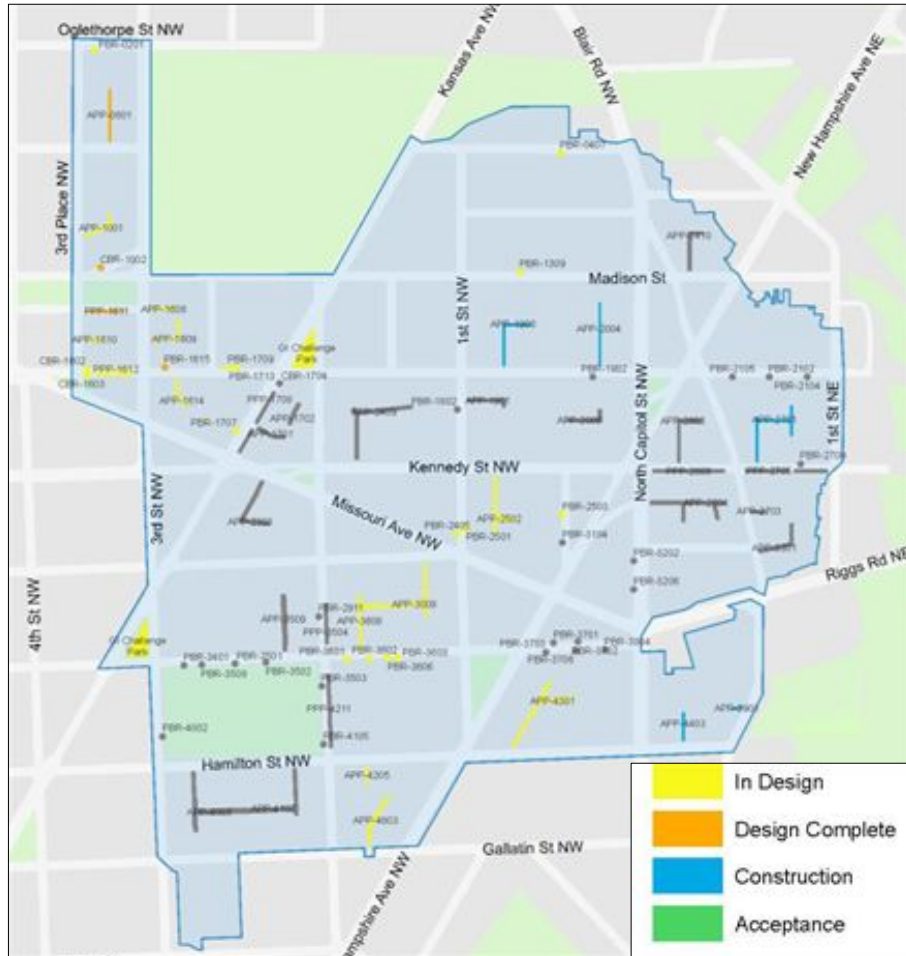
RC-A Project Overview: GI Challenge Parks

- Kansas and 2nd St & Kansas and 3rd St :
 - Acres Managed: 1.90 ac
 - Park Area: 0.2 acres/park
 - Neighborhood: Brightwood Park
 - Existing Site Conditions:
 - Mix of shade and ornamental trees
 - Sidewalks on all sides
 - Surrounded by row houses

Note: The Kansas Avenue GI Parks Project will serve as a pilot for potential future GI parks application throughout the Rock Creek Sewershed.



RC-A Project Overview: Construction Progress



Facility ID: APP-4403



Status	No. of Facilities
In Design	39
Design Complete	9
Construction	5
Acceptance	0



Note: Construction progress reflects the status of GI facilities as of September 30th

RC-A Project Overview: Green Jobs Update

DC Water has established a goal to have 51% of new jobs created by the GI project to be filled by GI Certified District residents

- The RC-A Contractor is meeting this goal by...
 - Hiring 5 National Green Infrastructure Certification Program (NGICP) graduates
 - Participating in Q&A sessions with NGICP candidates
 - Hosting targeted interview sessions with NGICP graduates
- DC Water continues to champion NGICP by facilitating the bi-annual training sessions with, local training partner, University of the District of Columbia
- The 3rd training session will be completed this October followed by the exam on November 14, 2017

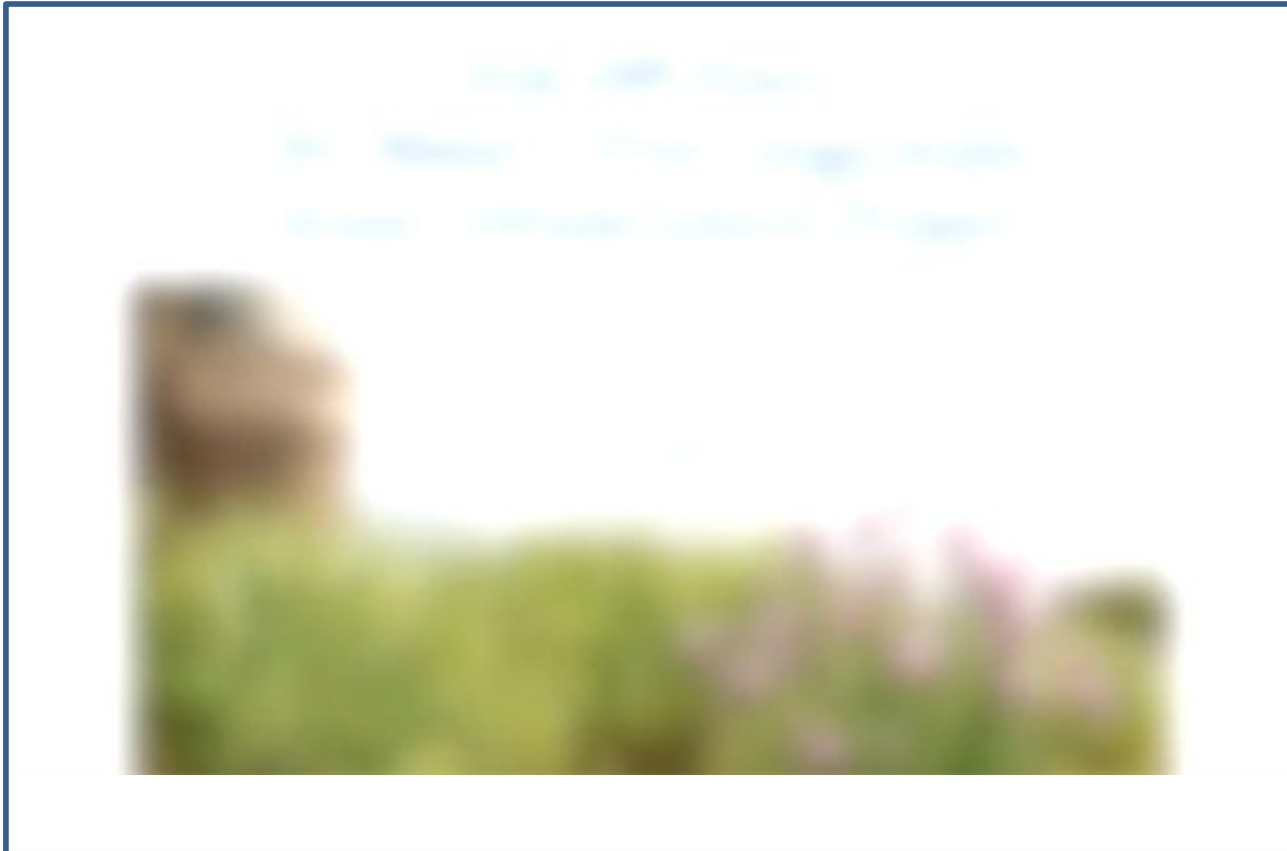
NGICP Training Session – Fall 2017



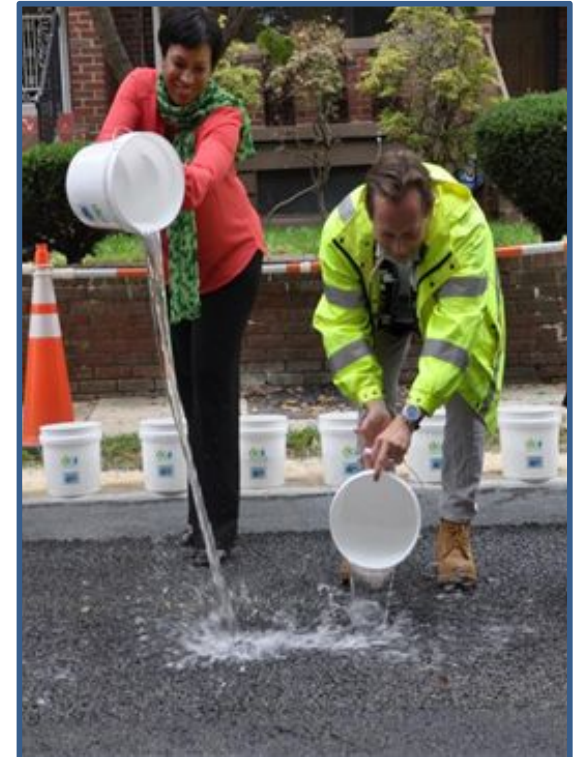
NGICP Train-the-Trainer Session – Fall 2017



Questions



RC-A Kickoff Event – October 23, 2017
Raymond Coates (NGICP Certified, Hired by Anchor Construction)



RC-A Kickoff Event - October 23, 2017
Permeable Parking Lane – It Works!



ATTACHMENT 4

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

**Tuesday, December 19, 2017; 11:00 a.m.
Blue Plains Wastewater Treatment Plant
5000 Overlook Avenue, SW, DC
AGENDA**

Call to Order	Chairman
November 2017 Financial Report	Chief Financial Officer
Agenda for January Committee Meeting	Chairman
Adjournment	Chairman

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