



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
302nd MEETING OF THE BOARD OF DIRECTORS**

**Thursday, November 2, 2023
9:30 am**

This Board Meeting can be viewed via livestream: <https://dcwater.com/watch-board-meetings>

- I. **Call to Order (Chairman Tommy Wells)**
- II. **Roll Call (Michelle Rhodd, Board Secretary)**
- III. **[Approval of the October 5, 2023 Meeting Minutes](#)**
- IV. **Chairman's Overview**
- V. **Committee Reports**
 1. [Environmental Quality and Operations Committee \(Sarah Motsch\)](#)
 2. [DC Retail Water and Sewer Rates Committee \(Rachna Butani-Bhatt\)](#)
 3. [Audit and Risk Committee \(Jed Ross\)](#)
 4. [Finance and Budget Committee \(Anthony Giancola\)](#)
- VI. **Issues of General Interest**
- VII. **[CEO and General Manager's Report \(David L. Gadis\)](#)**
- VIII. **[Summary of Resolutions and Contracts \(FYI\)](#)**
- IX. **Consent Items (Joint Use)**
 1. [Approval to Add Funding to Option Year No. 2 of Contract No. 10068, Supply and Delivery of Calcium Hydroxide, W.K. Merriman, Inc. – Resolution 23-68 \(Recommended by the Environmental Quality and Operations Committee 10-19-23\)](#)
 2. [Approval to Execute Contract No. DCFA #535, Non-Process Facility Design Service Basic Ordering Agreement \(BOA\), Alphatec PC - Resolution No. 23-69 \(Recommended by the Environmental Quality and Operations Committee 10-19-23\)](#)
- X. **Consent Items (Non-Joint Use)**

No Actions
- XI. **Executive Session¹ (Chairman Wells)**
- XII. **Adjournment (Chairman Wells)**

This meeting is governed by the Open Meetings Act. Please address any questions or complaints arising under this meeting to the Office of Open Government at opengovoffice@dc.gov.

Upcoming Committee Meetings | via Microsoft Teams

- November 8th @ 9:00 am Governance Committee
- November 8th @ 11:00 am Human Resources & Labor Relations Committee
- November 9th @ 3:00 pm Executive Committee
- November 14th @ 11:00 am Finance & Budget Committee
- November 16th @ 9:30 am Environmental Quality & Operations Committee

¹The 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 certain matters, including but not limited to: matters prohibited from public disclosure pursuant to a court order or law under DC Official Code § 2-575(b)(1); terms for negotiating a contract, including an employment contract, under DC Official Code § 2-575(b)(2); obtain legal advice and preserve attorney-client privilege or settlement terms under DC Official Code § 2-575(b)(4)(A); collective bargaining negotiations under DC Official Code § 2-575(b)(5); facility security matters under DC Official Code § 2-575(b)(8); disciplinary matters under DC Official Code § 2-575(b)(9); personnel matters under DC Official Code § 2-575(b)(10); third-party proprietary matters under DC Official Code § 2-575(b)(11); train and develop Board members and staff under DC Official Codes § 2-575(b)(12); adjudication action under DC Official Code § 2-575(b)(13); civil or criminal matters or violations of laws or regulations where disclosure to the public may harm the investigation under DC Official Code § 2-575(b)(14); and other matters provided under the Act.



**301ST BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
October 5, 2023**

(via Microsoft Teams)

DIRECTORS PRESENT

District of Columbia Members

1. Tommy Wells, Chairperson
2. Howard Gibbs, Principal
3. Wendell Felder, Principal
4. Rachna Bhatt, Principal
5. Jed Ross, Alternate

Prince George's County Members

1. Tara Jackson, Principal
2. Jared McCarthy, Alternate
3. Andrea Crooms, Alternate

Montgomery County Members

1. Fariba Kassiri, Principal
2. Steven Shofar, Alternate

Fairfax County Members

1. Christopher Herrington, Principal
2. Sarah Motsch, Alternate

DC WATER STAFF

1. David L. Gadis, CEO and General Manager
2. Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance
3. Wayne Griffin, Chief Administration Officer and EVP
4. Jeffrey Thompson, Chief Operating Officer and EVP

5. Michelle Rhodd, Board Secretary
6. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs

The 301st meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Chairperson Tommy Wells at 9:31 a.m. The meeting was held via Microsoft Teams and streamed live at dcwater.com. Board Secretary Michelle Rhodd called the roll, and a quorum was established.

I. APPROVE MINUTES

Board Chairperson Tommy Wells asked for a motion to approve the minutes of the September 7, 2023, meeting.

Upon a motion duly made and seconded, the Board of Directors approved the minutes of the September 7, 2023, meeting as presented.

II. CHAIRPERSON'S OVERVIEW

Chairperson Wells welcomed Jon Monger, the new Board member filling the principal seat for Montgomery County that was vacated by Adam Ortiz. He also welcomed a new member of the Board Secretary Office team, Sophia Gebrehiwot, who will serve as the Board Operations Specialist.

Mr. Wells went on to add that after the meeting, there will be a signing ceremony to commemorate the new contract for CEO and General Manager David Gadis. After the signing ceremony there will be an Enterprise Risk Management training for the Board.

III. COMMITTEE REPORTS

*Human Resources and Labor Relations Committee Report
Reported by Steven Shofar*

Human Resources and Labor Relations Committee Chairperson Steven Shofar reported on the committee meeting held on September 13, 2023.

Barbara Milton, President AFGE, Local 631, on behalf of the unions, presented information in support of a reclassification of the Authority's Wastewater Treatment Operators. Mr. Shofar went on to report that:

- Authority CEO and General Manager David Gadis introduced Joy Dorsey, the new Chief People Officer and Executive Vice President of People and Talent.

- Mr. Gadis stated that work has begun on an organization-wide compensation study to make sure positions are correctly graded with proper compensation and salaries.
- Rather than making a change just for Wastewater Treatment Operators, Mr. Gadis proposed waiting six months to complete the study so that positions across the organization could be addressed. This will also provide time to ensure the budget is not impacted across the organization.

*Environmental Quality and Operations Committee
Reported by Sarah Motsch*

Environmental Quality and Operations Committee Chairperson Sarah Motsch reported on the committee meeting held on July 21, 2023.

Nicholas Passarelli, VP, Wastewater Operations reported that the Blue Plains Advanced Wastewater Treatment and all parameters were within the National Pollutant Discharge Elimination Standard permit limits. The monthly average flow was 277 million gallons per day in July and 266 million gallons per day in August. Due to the commissioning of the Northeast Boundary Tunnel, 213 million gallons of wet weather flow went to overflow in August. The tunnel was in commission and operational and performed well on the rain event from September 15-17. On-site energy generation for combined heat was 23% of average consumption. 3,252 wet tons of biosolids were sold as bloom, exceeding the annual goal for a total of 63,295 wet tons sold to date.

David Parker Vice President Engineering presented the CIP Quarterly Update. The Non-Process Facility Projects were proceeding with 10 phases of work. A decision was made to replace the existing headquarters sea wall. The work for the Political Debris Dock is being split between building and dock work to attract more bidders.

DC Clean Rivers reached a milestone in September when the Northeast Boundary Tunnel reached completion before the deadline. In addition, the Potomac Panel Advanced Utility Relocation Project was also completed before the Potomac Tunnel contract started. The Blue Plains Wastewater Treatment Plant has over 60 tasks underway, with 9 in design. A project spotlight was shown on the Gravity Thickener Phase II project, which restored ten tanks to service and increased by seven tanks since it started. The Filter Influent Pump Replacement Project completion was delayed because of high vibration levels in the pumps. A solution was implemented on one pump and will be applied to the others after confirmation of performance. The Sanitary and Stormwater Linear Programs, with a focus on Potomac interceptor manhole 31, were advancing well to restore badly corroded pipe segments. Emergency repair work was going well on the East West Outfall Relief Sewer, where a recent inspection found complete deterioration of the central wall. Small-diameter water main replacements were progressing ahead of the projected 3 miles, and 10 miles of water mains were now forecasted for replacement as contractor access to materials was better than projected.

Lead Free DC made progress with the draft DOT MOU that would allow full block closures and 7 am to 7 pm work hours to improve productivity and safety. Four construction packages were issued for construction, and three more were in the procurement process for FY 2024 and FY 2025 projections for the program.

Paul Guttridge Director CIP Infrastructure Management provided an update on the budget performance through the third quarter. Actual spending is expected to be 80% of the baseline. Of the 32 KPIs scheduled for 2023, 15 were completed within the threshold, and five were completed outside of the threshold.

Jason Hughes Vice President, Water Operations and Tamrat Bedane Manager, Linear Asset Management provided an update on the Drone Program at DC Water to improve the inspection of assets cheaply and efficiently and enhance safety for employees. DC Water has 3 FAA Certified Drone Pilots and a team that can apply for necessary permits to fly drones within 15 miles of Ronald Reagan National Airport. The team expanded the program to include promotional videos, a disastrous assessment for Homeland Security Emergency Management Agency (HSEMA), and a flight to gather condition assessments for sedimentation tanks. Drones can render digital twin 3D models of facilities that can be used within the ESRI GIS systems.

Mr. Wells emphasized that the Northeast Boundary Tunnel was the largest capital project in the history of DC since the city was first built. The Northeast Boundary Tunnel will fix a legacy problem inherited from the federal government of a combined sewer system that is undersized. This will help fix the overflow problem. It started as a \$2.7 billion project but is just over \$3 billion by the ratepayers of the region. The tunnel helps clean up the river and helps mitigate flooding, so it is more resilient against climate change.

Mr. Wells asked what the impact would be on sewage, trash, and overflows for the Anacostia Rivers. Mr. Gadis stated that the impact is creating a river that is fishable and swimmable. Mr. Wells stated that DC had one of the ten most impaired urban rivers in the United States, but by 2025, people could fish and swim in the river.

On Tuesday, Pepco, one of the major contributors to the pollution in the river, agreed to one of the largest settlements in history to clean up the river for \$57 million and take responsibility for locations in contact with the river.

*DC Retail Water and Sewer Rates Committee
Reported by Rachna Butani-Bhatt*

DC Retail Water and Sewer Rates Committee Chairperson Rachna Butani-Bhatt reported on the meeting that was held on September 26, 2023. Matthew Brown Chief Financial Officer and EVP, Finance, Procurement and Compliance gave the Financial Report and Monthly Report. He mentioned that revenues were in line with earlier projections for the

year. Mr. Brown highlighted areas of variances against budget. He reported that 90-day delinquencies had stabilized following the COVID emergency, and the current delinquency balance stands at \$27.7 million, which is lower than in previous periods.

The Rate Stabilization Fund (RSF) was also reviewed. The policy prioritizes flexibility and takes into account the Committee's feedback. Its objectives are to reduce long-term customer rate growth, maintain a 5% balance in annual retail revenues, and accept transfers allocated in the budget or from RSF-funded project savings. The Trust Indenture established RSF without specific requirements, and the existing policy, which has been in place since 2010, requires a 10-year planned use in the financial plan. Amawalk, an independent consulting firm, reviewed the RSF in 2023 and recommended a 5% retail revenue balance, prioritizing emergencies, cost-cutting technologies, and debt reduction. The name RSF remains unchanged.

Mr. Brown presented the Revised Financial Policies, which are currently under consideration for recommendation to the Finance & Budget Committee. He emphasized the critical role of liquidity in ensuring resilience and the ability to handle revenue shortfalls effectively. The existing Board policy maintains 250 days of cash on hand, equivalent to approximately \$275 million. This level of liquidity has been recognized and acknowledged by credit rating agencies. Amawalk recommended increasing the Authority's days of cash to between 350-400 days. This aligns DC Water with highly rated peers and helps safeguard its strong credit ratings for future borrowing. The increase in cash days could be achieved gradually, in increments of 25 days over several years. Alternatively, it could be accomplished through the allocation of year-end surpluses. Management recommended maintaining a minimum of 250 days of cash on hand. The overarching goal is to reach 350 days by FY2032. This objective can be achieved primarily by prioritizing the building of cash reserves.

Mr. Brown gave the Potomac River Tunnel contract update. The Environmental Quality & Operations Committee recommended advancing the Potomac River Tunnel contract for Board approval. Additionally, the Retail Water and Sewer Rates and the Finance and Budget Committees received updates about the contract due to its retail rates, financial plan, and budget impacts. The contract will be presented to the Board at its October meeting for approval. The contract recommendation is to award the amount of \$819.655 million, requiring an additional \$215 million in budget. Mr. Brown explained that an increase in CRIAC would be required to fund the projects.

Meisha Thomas, Director of Customer Care, presented an update on the DC Water Cares Program. Ms. Thomas requested Committee approval for the Notice of Emergency and Proposed Rulemaking to Extend the Residential Assistance Program (RAP) into 2024 until the remaining funds are expended. Ms. Thomas explained that although customer participation in the Municipal Assistance Program (MAP) had been slow, the funding for it was exhausted, and the administrative workload outweighed program participation. By May 2023, RAP funds were exhausted, and the Board approved transferring \$2.1 million

from MAP to RAP in June 2023. Administrative costs for RAP, MAP, and CAP were lower than expected. As of August 2023, RAP had a balance of \$1.1 million, and MAP had approximately \$200,000. A projected unexpended balance of \$920,000 for FY2023 is anticipated, with a total funding transfer of \$1.07 million from CAP, RAP, and MAP to FY2024 RAP. Management is requested that the Committee recommend that the Board extend RAP into 2024 until funds are exhausted. Additionally, management proposes publishing a Notice of Emergency and Proposed Rulemaking to ensure the continuity of customer benefits.

*Finance and Budget Committee Report
Reported by Matthew Brown*

Mr. Brown reported on the committee meeting held on September 28. The August Financial Report was presented. Year-to-date operating revenues were \$801.2 million or 95 percent of the budget. Operating expenses were \$575.6 million or 83.9 percent of the budget. Capital disbursements were \$378.5 million or 75.5 percent of the budget ending August 30, 2023. Mr. Brown directed board members to the Financial Report for details on revenues and expenditures. The cash balance was \$735 million, including the Rate Stabilization Funds, Operating Reserves, and additional reserve accounts. The third quarter CIP report was also presented.

Tanya DeLeon, Manager Risk presented the benefits of the ROCIP program and recommended purchasing insurance in an amount not to exceed \$36 million. Initial reports were received, terms were reviewed and evaluated, and if approved today, the results will be presented at the next Finance and Budget Committee meeting. ROCIP VI included workers' comp, general liability, excess liability, master builder's risk, and master contractor's liability, and the Potomac River Tunnel separately included worker's comp, general liability, and excess liability. The Potomac River Tunnel Update was expected to result in \$215 million of transfer to award the contract. Rate impact and CRIAC impact were reviewed with the note that CRIAC would be the primary funding method. Rollover of MAP and RAP funds was also presented so that the RAP can be extended for 2024. The Revised Financial Policies were presented and will be presented for approval today to increase reserves from 250 days of cash to 350-400 days of cash. Management recommended setting a goal of 2032 to reach 350 days of cash on hand.

Matt Reiss, Vice President Strategy and Performance, presented the ESG Governance Report. He stated that the structure of governance needs to evolve. The Steering Committee recommended a working group to continue updating governance. Mr. Giancola had previously requested updates on ESG work, which they will do. The five action items discussed in the meeting were the RAP funds, Revised Financial Policies, ROCIP VI and PRT, and an update to the debit card processing services and Oracle services.

IV. CEO AND GENERAL MANAGER'S REPORT

CEO and General Manager David Gadis introduced Joy Dorsey, the Authority's new Chief People Officer and EVP.

Next, he updated the Board on the Northeast Tunnel's recent performance during tropical storm Ophelia. More than three inches of rain fell in Washington during the storm and the newly commissioned Northeast Boundary Tunnel worked as designed and took on more than 137 million gallons of stormwater and sewage to Blue Plains for treatment. There were no sewer overflows to the Anacostia River or reports of flooding from the event. Mr. Gadis thanked those involved in the project. The Northeast Boundary Tunnel and the Anacostia River Tunnel will be the foundation of the long-term strategy of mitigating flooding across the district while improving waterways.

Mr. Gadis went on to report that during the week of September 18, DC Water hosted the 2023 CEO Water and Wastewater Forum at the headquarters building. The Forum was a success, and featured informative presentations, engaging roundtables, and candid discussions about the challenges faced by the attendees.

Mr. Gadis recognized Team Blue Wave members who represented the Authority at the recent Water Environment Federation's 96th Annual Technical Exhibition and Conference (WEFTEC). He reported that Team Blue Wave, the Authority's Operations Challenge team, had a fantastic showing at WEFTEC. The team won the Collections Event competition for Division III.

On September 28, Mr. Gadis attended a press conference with the Washington DC Mayor to celebrate the success of the DC Community Anchor Partnership (DCCAP). DC Water was one of 13 anchor members of DCCAP. Mr. Gadis reviewed the program's impact on equity across the District. DC Water was recognized as a strong supporter of DCCAP initiatives, and in August 2023, DCCAP honored DC Water as Outstanding Advocate for Minority Business Enterprises.

Mr. Gadis went on to report that in FY 2022 \$229 million, 40% of DC Water contractors and subcontractors, was awarded certified firms. Of that money, \$105 million was awarded to district-based, certified DBEs and WBEs. The Authority has increased the number of certified firms getting work with DC Water. Also, during FY 2022, 50 district-certified firms earned the contract opportunity, including six certified prime contracts.

V. CONSENT ITEMS (JOINT USE)

1. Approval of Performance Evaluation, Salary Increase and Bonus for the CEO and General Manager – Resolution 23-53 (Recommended by the Executive Committee of the Board)

2. Approval to Execute Contract No. 200100, Potomac River Tunnel Contract B – Tunnel System Construction, CBNA-Halmar Clean Rivers Joint Venture - Resolution No. 23-54 (Recommended by the Environmental Quality and Operations Committee 09-21-23)
3. Approval to Award Contract No. 10403, Small Construction Services, Eastern Contractors Corporation – Resolution No. 23-55 (Recommended by the Environmental Quality and Operations Committee 09-21-23)
4. Approval to Add Funding to Option Year Two of Contract No. 10079, Ferric Chloride, Carter & Carter Enterprises Inc. – Resolution No. 23-56 (Recommended by the Environmental Quality and Operations Committee 09-21-23)
5. Approval to Award Contract No. 10396, Protective Services, Universal Protection Services – Resolution No. 23-57 (Recommended by the Environmental Quality and Operations Committee 09-21-23)
6. Approval of Revised Statement of Financial Policies – Resolution No. 23-58 (Recommended by the DC Retail Water and Sewer Rates Committee 09-26-23 and the Finance and Budget Committee 09-28-23)
7. Approval to Award Contract No. 10406, Managed Care Services – Oracle Cloud ERP, Application Software Technology (AST) – Resolution No. 23-59 (Recommended by the Finance and Budget Committee 09-28-23)
8. Approval to Fund ROCIP VI and OCIP (Potomac River Tunnel (PRT), Insurance Premiums, Aon Risk Solutions, Inc., of Washington, DC – Resolution No. 23-60 (Recommended by the Finance and Budget Committee 09-28-23)
9. Approval of the Adoption of the Revised Rate Stabilization Fund (RSF) Policy – Resolution No. 23-61 (Recommended by the DC Retail Water and Sewer Rates Committee 09-26-23 and the Finance and Budget Committee 09-28-23)

Upon a motion duly made and seconded, the Board of Directors voted and unanimously approved the resolutions as presented.

VI. **CONSENT ITEMS (NON-JOINT USE)**

1. Approval to Add Funding to Option Year Three and Exercise Option Year Four of Contract No. 19-PR-DWS-29, Utility Locating and Marking Services, Dynamic Concepts, Inc. (DCI) – Resolution No. 23-62 (Recommended by the Environmental Quality and Operations Committee 09-21-23)
2. Approval of Amendment to Contract No. 230030, Lead-Free DC (LFDC) Lead Service Line Replacement (LSLR) Program FY23 – FY26 Block by Block

Construction, Multiple Prime Qualified Vendors – Resolution No. 23-63
(Recommended by the Environmental Quality and Operations Committee 09-21-23)

3. Approval to Execute Supplemental Agreement No. 01 of Contract No. DCFA #455-WSA, Basic Ordering Agreement, Johnson, Mirmiran & Thompson, Inc. – Resolution No. 23-64 (Recommended by the Environmental Quality and Operations Committee 09-21-23)
4. Approval to Execute Option Year Four of Contract No. 18-PR-CFO-55 and Extend Contract to September 30, 2024, Merchant Credit/Debit Card Processing Services, First Data Merchant Services, LLC – Resolution No. 23-65 (Recommended by the Finance and Budget Committee 09-28-23)
5. Approval to Rollover ~\$924,942 from FY 2023 RAP and MAP Remaining Balance to the FY 2024 RAP Program Budget; Rollover ~\$148,422 from FY 2023 RAP, MAP and CAP Programs Administrative Fund Remaining Balance to the FY 2024 RAP Program Budget; and Rollover \$20,000 from FY 2023 RAP, MAP and CAP Programs Administrative Fund Remaining Balance to FY 2024 Administrative Fund Budget for the RAP and CAP Programs – Resolution No. 23-66 (Recommended by the DC Retail Water and Sewer Rates Committee 09-26-23)
6. Approval to Publish Notice of Emergency and Proposed Rulemaking to Extend the DC Water Cares Emergency Relief Program for Low-Income Customers (Residential Assistance Program "RAP") for Fiscal Year 2024 – Resolution No. 23-67 (Recommended by the DC Retail Water and Sewer Rates Committee 09-26-23)

Upon a motion duly made and seconded, the Board of Directors voted and unanimously approved the resolutions as presented.

VII. SAFETY DIFFERENTLY PRESENTATION

Wayne Griffith, Chief Administration Officer and EVP, and David Gill, Safety Director, reviewed a Doing Safety Differently presentation for the Board.

Mr. Gill informed the Board that key performance indicators (KPIs) were developed across the organization in relation to safety. DC Water is continually improving with its incident rate. Mr. Gill went on to explain the Occupational Safety Health Administration's (OSHA) definition of an incident.

Mr. Gill explained that traditionally safety training programs focused on employees as the problem based on their behavior; he noted that such frameworks don't encourage employees to participate in safety programs. Under the Safety Differently approach employees are seen as the number one asset. The model seeks to increase trust

between the organization and its employees so that employees are comfortable speaking up.

At the Leadership Retreat in May, the Five Principles of Human and Operational Performance were presented. The Five Principles included the concepts that (1) people make mistakes, (2) blame fixes nothing, (3) learning and improving is vital, (4) context drives behavior, and (5) how leaders respond to matters. More effective controls need to be managed in order to prevent incidents. Discussions like these will help DC transfer accountability into adoption and action moving forward.

Mr. Gill presented a scenario comparing belt instructions to what work actually looks like in the field. He noted that the work needed to fix the belts was complicated and potentially dangerous. With the help of staff, a Job Safety Analysis was created to control risk. In the process, the Safety team developed a prototype platform, with the help of employees, that made the belt work safer. This was one example of how the Safety team worked with staff to make the workplace safer and more efficient.

Mr. Gill stated he and his team were preparing an upgrade to the Safety Risk System. Data control and data management were being compiled to assess risks across the entire organization. This upgrade will provide a repository for the documents across multiple departments, all with a mobile presence. Some documentation that will be included was lock-out tag-out, confined space information, excavation checklists, job safety analyses, safety data sheets, safety training, and safety meetings.

Rachna Bhatt asked about the establishment of trust and how it was done. Mr. Gill responded that building trust required an organizational shift away from the previous safety mentality of focusing on when things go wrong to a posture of engaging staff and discussing how to do things better. This change in approach has resulted in employees reaching out to the Safety team to report potential issues. Board member Howard Gibbs voiced his support for the new approach.

Board member Jed Ross asked how management planned to implement the change and if it would be systematically implemented on a department-by-department basis. Mr. Gill stated that since it was new, management was using the new approach on a case-by-case basis. The rollout is slow to create the best buy-in from employees. Mr. Ross suggested that management reach out to the workers' union to identify issues and assess where there is the most risk from a workers' compensation prospective.

Board member Sarah Motsch asked if the Safety team had set goals for these initiatives. Mr. Gill stated there were goals in making sure that all the employees had completed their mandatory safety trainings, aligning risk assessments with SOPs, adding KPIs such as every department doing two risk assessments every month, and benchmarking on lagging indicators at DC Water.

Mr. Griffith stated the Safety team is outperforming the industry. He thanked Mr. Gill for leading the team in the right direction and establishing trust to improve safety overall.

Following the Safety presentation, Mr. Wells reviewed the list of upcoming meetings. These include:

- Environmental Quality and Operations Committee – October 19 at 9:30 am
- DC Retail Water and Sewer Rates Committee – October 24 at 9:30 am
- Audit and Risk Committee - October 26 at 9:30
- Finance and Budget Committee – October 26 at 11:00

VIII. ADJOURN

There being no further business to come before the Board, Chairman Wells adjourned the meeting at 10:42 a.m.

Michelle Rhodd
Secretary to the Board of Directors



**MINUTES OF THE MEETING
ENVIRONMENTAL QUALITY AND OPERATIONS COMMITTEE
OCTOBER 19, 2023
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Sarah Motsch
2. Howard Gibbs
3. Chris Herrington
4. Jared McCarthy

DC WATER STAFF

1. David L. Gadis, CEO and General Manager
2. Matthew T. Brown, CFO & Executive Vice President, Finance, Procurement and Compliance
3. Jeffrey Thompson, Chief Operating Officer and EVP
4. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
5. Michelle Rhodd, Board Secretary

The Environmental Quality and Operations Committee meeting was called to order by Sarah Motsch, Chairperson, at 9:30 AM. Board Secretary Michelle Rhodd called the roll.

I. BPAWTP PERFORMANCE UPDATE

Nick Passorelli, Vice President of Wastewater Operations, DC Water, presented the Blue Plains Advanced Wastewater Treatment Plant (BPAWTP) monthly performance report. The average flow through complete treatment for September was 284 MGD. The Northeast Boundary Tunnel (NEBT) was in full operation for the month of September.

There were a number of rain events with a total of 3.67 inches and a 100% capture of 235 million gallons. Energy use included 23% of the power produced on-site. The Combined Heat and Power (CHP) facility produced an average of 7.1 megawatts (MW),

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with 5.8 MW net to the Blue Plains grid. The solar panels produced 0.7 MW on average. The total energy consumption at the BPAWTP averaged 28 MW. For Biosolids production, sales of Blue Drop continued to add to the annual total achievement over the FY23 goal. In June, they sold over 1,500 tons, bringing them to about 65,000 tons for FY23. Total production for the plant was just under 12,000 tons of biosolids.

II. CLEAN RIVERS PROJECT STATUS UPDATE

Moussa Wone, Vice President, DC Clean Rivers, DC Water, presented the quarterly update for the Clean Rivers project. The Anacostia Tunnel System Performance for 2023 was affected by the Northeast Boundary Tunnel (NEBT) commissioning in July and August. Since the NEBT went into service, they were able to retain 137 million gallons. Total capture for the Anacostia Tunnel System since inception in 2018 was 15.5 billion gallons, and over 9,961 tons of trash for a total trash capture rate of 91%.

Mr. Wone stated that with the commissioning of the NEBT, the Combined Sewer Overflows (CSOs) controls for the Anacostia River Tunnel system are now complete. CSO 025 and 026 Separation projects were completed for the Potomac River Tunnel. The Potomac River Tunnel Advanced Utility Construction was 75% complete. The Board approved the Potomac River Tunnel Construction contract on October 5, 2023, and notice to proceed is pending. The Green Infrastructure Project B on the Rock Creek Tunnel was on track to meet the substantial completion date of October 21, 2023. Final completion was projected to be December 29, 2023, ahead of their consent decree date of January 23, 2024.

Mr. Wone reported that ongoing work related to the NEBT contract includes restoration and installation of green infrastructure, along with final restoration. The notice to proceed for the Potomac River Tunnel is anticipated to be sent out in November 2023 with the place-in-operation date projected for February 2030. Mr. Wone went on to report that there would be a celebration for Clean Rivers on October 21, 2023.

III. RISK-BASED PRIORITIZATION OF LINEAR ASSETS

Getachew Melsew, Senior Planning Manager for Engineering, DC Water, presented the risk-based prioritization of linear assets.

Mr. Melsew stated that DC Water follows a risk-based Asset Management approach. This is a data driven process in which such data as inspection of linear water and sewer assets, information obtained from field crews and customers are used to calculate risk of failure of linear assets.

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Mr. Melsew explained how the risk of assets calculated using software is plotted on a scatter diagram and on GIS to show the size and spatial distribution of high risk and other assets. With this data, Operations and Engineering staff come together to evaluate if the result of the analysis agrees with what they know of the system and consider other information that was not captured in the analysis. These maps and risk-based prioritization results are then compared to equity maps to identify areas in need and adjust prioritization accordingly. Once projects are created and prioritized, an implementation plan is developed with considerations for prioritization with other DC Water and third-party projects and availability of funds within the Capital Improvement Program. Once the implementation plan is approved, capital projects go to the design and construction phase.

Mr. Melsew used a chart to explain how the risk of the water system goes down as DC Water continues to invest in its infrastructure. The more investments are made, the faster the risks are reduced.

Mr. Melsew continued to provide a more detailed explanation about how equity was calculated. Aspects of the equity lens considered included racial demographics, socioeconomic demographics, and household characteristics. This approach allows DC Water to prioritize certain projects that benefit vulnerable communities over other projects. He noted that this approach won't impact the priority of high-risk assets as these assets that are important are given higher priority due to the consequences of their failure. In addition, the distributed nature of linear assets would make their failure impact larger communities and same failure is known to impact the vulnerable communities more than others.

Mr. Melsew stated that consideration of equity in the planning of capital projects is developed based on lessons learned from several utilities and counties in the nation. One of the most important aspects of equity is the involvement of the communities. Understanding the community needs and giving the opportunity or platform to share their priorities and needs are a critical addition to this initiative. To help achieve that goal, we are developing a dashboard to connect with our customers. The DC Water Equity Dashboard is being created in partnership with several DC Water stakeholders. The Equity Dashboard is intended to become an outward-facing platform in the future so customers can see the impact they are making and interact with the dashboard by sharing additional information.

Mr. Melsew concluded his presentation by stating the risk-based asset prioritization process considering equity will continue to evolve through improved data management and dash boards, community engagement, and use of technologies and analysis tools.

IV. STYRENE COST IMPACTS TO CIP

William Elledge, Director of Engineering & Technical Services, DC Water, presented the cost impacts to the Capital Improvement Program due to Cured In-Place Piping (CIPP) changes. The Soapstone Sewer Rehabilitation Project is in Northwest D.C. and includes over a mile of sewer rehabilitation. This stream valley was significantly eroded, and much of the sewer was exposed. The project included stream restoration to protect the sewer assets from erosion and CIPP to rehabilitate the sewer pipe defects. The curing process and resin for the CIPP lining changed after construction began to minimize the air emissions and had been requested by the public and the air quality permitting group with the District Department of Energy and the Environment (DOEE). Air quality sampling is also being done in partnership with a research project by the Water Research Foundation (WRF) to monitor Volatile Organic Carbon (VOC) emissions.

Committee member Howard Gibbs asked about the cost impacts. Mr. Elledge stated the cost impacts, including the change in curing method, resin type, and additional air quality monitoring, have been about a 30% cost increase. On current bid packages, the schedule of prices is configured in such a way to monitor the specific impacts. The next project is showing an increase of 35% due to the changes in resin type, curing method, and air monitoring.

Mr. Gibbs asked why air monitoring and testing was necessary with the new curing and resin types since the risk of emissions should be eliminated. Mr. Elledge stated that the testing is necessary for regulatory compliance per DOEE. To date, all air monitoring is in compliance with the permit requirements and DOEE regulations.

Mr. Elledge showed pictures of the monitoring equipment being used on Soapstone. DC Water will continue to use the equipment to demonstrate to DOEE that the curing process and resin are safe or until it is determined that DC Water needs to make a policy change. Financially, the impact of water curing is between 30% to 35%. If this trend continues and is applied to the 10-year CIP, this could add up to between \$200 million and \$300 million on future projects. The second study being done with WRF will provide data necessary to assess this potential cost risk. The study is being partially paid for by WRF through a cost-sharing program. In the meantime, DC Water will no longer allow CIPP using the previous curing or resin types, which will create cost impacts in current projects and delays that DC Water will monitor closely.

Committee Chair Sarah Motsch asked if there was a difference in the time it takes to use the different curing processes or if the delays were due to material changes. Mr. Elledge stated the industry prefers the standard model of steam cure with styrene resins used by DC Water because it is the fastest, least expensive, and better for safety on steep slopes.

When using a styrene-free resin, the resin is stiffer, which creates operational slowdowns, thus decreasing production.

Mr. Gibbs stated that DC Water was using CIPP as an alternative to replacing pipes, and he asked if the new process was still cheaper than relaying new pipes. Mr. Elledge stated that it was still much cheaper and still much faster compared to the traditional open cut replacement.

David Parker, Vice President of Engineering, DC Water, commented on the impact of the two previous presentations on DC Water's CIP planning. Regarding linear asset replacement rates, the goal is to reach the "sweet-spot" in average age of assets such that the average age of the installed piping is approximately equal the remaining useful life. Previous CIP plans highlighted how the Authority had implemented the prioritization approach in ramping up their replacement rates. At the currently planned replacement rate, it will take decades to reduce the average age of the infrastructure to the noted sweet-spot, and a higher rate of replacement would be ideal. There is a desire to get the average age down faster which will increase the required capital investment, and now there are also cost pressures from the curing process and resin type that will have to be considered.

V. ACTION ITEMS

JOINT USE

1. Contract No. 10068 – Supply and Delivery of Calcium Hydroxide – W.K. Merriman, Inc.
2. Agreement No. DCFA #535 – Non-Process Facility Design Services Basic Ordering Agreement – Alphatec PC

The Committee recommended moving all action items to the full Board for approval.

VI. ADJOURNMENT

The meeting was adjourned at 11:13 AM.



**MINUTES OF THE MEETING
RETAIL WATER AND SEWER RATES COMMITTEE
OCTOBER 24, 2023
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Rachna Bhatt, Chairperson
2. Tommy Wells, Chairman of the Board
3. Anthony Giancola, Principal
4. Howard Gibbs, Principal
5. Jed Ross, Principal

DC WATER STAFF

1. David L. Gadis, CEO and General Manager
2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Wayne Griffin, Chief Administration Officer and EVP
4. Michelle Rhodd, Board Secretary
5. Syed Khalil, Vice President, Rates & Revenue
6. Ivan Boykin, Vice President, Finance
7. Meisha Thomas, Director, Customer Care
8. Ogechi Okpechi, Director, DCW Permits Operations

CONSULTANT

1. John Davis, Raftelis

The DC Retail Water and Sewer Rates Committee meeting was called to order by Rachna Bhatt, Chairperson, at 9:32 AM. Board Secretary Michelle Rhodd called the roll.

I. MONTHLY REPORT TO THE DC RETAIL WATER AND SEWER RATES COMMITTEE

Syed Khalil, Vice President of Rates & Revenue, presented the Monthly Report as of September 30, 2023. The total cash received was \$853.3 million, or 101.3% of the Revised Budget. He noted that the total receipts were very close to the mid-year projection at 100.4 percent. Federal receipts were \$83.8 million or 98.9 percent of the budget and were lower by about \$0.9 million due to disputed accounts of Soldiers Home. DC Government receipts were slightly under budget at \$21.5 million, or 92.6%, mainly due to lower consumption as compared to the budget. Other Revenue was lower than expected at \$45.9 million, or 87.6% of the budget, due to lower receipts for interest earnings, System Availability Fee and Washington Aqueduct Backwash. Residential, Commercial, and Multi-family receipts were higher at \$490.8 million, or 103% of the revised budget. The DC Housing Authority was slightly higher at \$15.8 million, or 111.2% of the budget. Wholesale customers were at \$105.3 million, or 100.7% of the budget. PILOT/ROW was at \$23.8 million, or 103% of the budget due to higher consumption than budget.

Mr. Khalil stated that the delinquencies greater than 90-days increased by approximately \$0.3 million in September as compared to the previous month, whereas it decreased by approximately \$0.5 million in August. The current delinquencies balance of \$28.0 million is lower than \$31.0 million in December 2022. Delinquent accounts as a percentage of total accounts was 8.0%.

Mr. Khalil reported that since October 1, 2022 DC Water has issued refunds for 95 accounts for approximately \$1.19 million of which 46 accounts for \$0.5 million were processed from June 2023 to September 2023. The Developer deposit updates will be presented in further detail at a later date.

Board Chairperson Tommy Wells asked what triggered a refund. Ogechi Okpechi Director, DCW Permits Operations stated refunds were triggered when it was confirmed that the contractor made no damages. Unexpended fees from inspections would also be refunded.

Committee member, Anthony Giancola stated that he was disappointed in the slow process with the developer deposits. Each month, the Board is told that it is being worked on, but there is little progress. He stated he will watch this closely in the future.

Mr. Giancola stated the overtime trends show that, except for one month, costs exceed budget. He asked if enough had been budgeted for overtime and if there is sufficient staff to avoid overtime. He hopes the organization can become more efficient. Mr. Khalil stated

while the information was not included in this revenue report, and that he will communicate the concern to the budget staff so that the information can be provided at the F&B Committee Meeting. Mr. Giancola suggested including overtime information in the appendix of the report.

II. AFFIRMATION OF DC WATER'S HIGH BOND RATINGS

Ivan Boykin, Vice President of Finance, presented the Affirmation of DC Water's High Bond Ratings. Both Standard and Poor's (S&P) and Moody's re-affirmed DC Water's ratings. DC Water is projected to borrow \$2.7 billion over the next ten years to implement \$7 billion in capital programs.

Committee member Howard Gibbs asked if DC Water's ratings were at the highest level. Mr. Boykin stated DC Water was given the highest rating by S&P (AAA), and the Moody's rating was one notch below the highest (Aa1). Mr. Gibbs also asked which rating was more valuable. Mr. Boykin stated that both are important.

Mr. Boykin presented the overview of Moody's report. Some of the challenges noted by the agencies were DC Water's above-average leverage and planned capital investments that require continued rate increases. S&P met with DC Water in person and was able to meet the new senior executive management team. S&P reported that DC Water had healthy financial margins, good liquidity and reserves, and high leverage. Additional report highlights included DC Water's robust customer assistance program, willingness to make rate adjustments as necessary, elevated environmental risks, and absence of unfunded benefits.

III. STORM WATER COST RECOVERY PRESENTATION

Jon Davis, from Raftelis, presented the DC Water Stormwater Risk Analysis & Cost of Service (COS) Recovery. The Stormwater Study Objectives were to establish which responsibilities belong to the District and which belong to DC Water. It could impact maintenance, costs, and ratepayers. There are two stormwater systems in the District: stormwater and sanitary waste are combined and processed through Blue Plains and separated sewers that are discharged to surface waters without treatment. The cost for the combined system is recovered through CRIAC and the Sewer Volumetric Rate, while the cost for the separate system is recovered only through the Sewer Volumetric Rate. The study was to review these responsibilities and funding sources.

Mr. Davis stated that Raftelis used data points from the Sewer System Asset Management Plan (SSAMP 2017), DC Water O&M data (2016-2023), FY2024 Adopted Operating and Capital Budget, MS4 permits, DC Water enabling legislation, Stormwater MOU, and the US EPA Settlement Agreement. In the MS4 permit, the District is the

permittee, and it is specified that certain responsibilities were granted to DC Water via the MOU between the District and DC Water. Combined sewer cost recovery is addressed through CRIAC, therefore Raftelis focused on the separated sewer costs.

Mr. Davis stated many entities were involved in sharing responsibility for these costs, including DC Water and the District of Columbia. He presented responsibilities allocated to DC Water along with responsibilities for various government organizations. Responsibilities that fell to DC Water included a majority of the Catch Basins and Inlets in the ROW; a majority of the stormwater pipes, manholes, junction structures, outfall structures, inlet structures, outlet structures, and appurtenances exclusive of culverts in the ROW; open channels/ditches that are primarily stormwater conveyances in the ROW; laterals from properties to stormwater conveyances or open channels in the public ROW; and drain invert storm sewers belonging to DC Water.

Mr. Davis stated DC Water classifies the aforementioned responsibilities into the following categories: catch basins and inlets, pump stations, piping, outfalls, and other stormwater programs. It was noted that sewer and stormwater under Operations and Management were not tracked separately, and there were sizeable differences between data sources. Raftelis calculated contingencies to capture these variations and additional needs. Capital Improvement costs were tied closely to assets but could either reflect needs assessments or renewals. Raftelis calculated contingencies to capture these variations and future renewals. The annual capital outlay was projected to be between \$12.2 million and \$20.3 million.

Mr. Davis presented conclusions and recommendations from this report. The first recommendation was that impervious area was a best practice for apportioning stormwater costs; therefore, it was recommended to switch from volumetric rates to an impervious area-based methodology for stormwater cost recovery through customer billing, district billing or Clean Rivers charges in order to reduce the volumetric rates.

Mr. Wells asked what the motivation would be to make a change for items that were revenue-neutral. Mr. Davis stated the Board Rate Setting Policy promotes cost of service and industry best practices. Mr. Wells asked if the cost adjustment would shift away from individuals to commercial properties. Mr. Davis stated that proportional use and responsibility would establish that people using less would pay less for these services.

Mr. Wells stated customers could decrease their costs by using less water and asked if increasing the CRIAC charge would remove the customer's ability to control their bill. Mr. Davis stated that was correct.

Committee Chairperson Rachna Bhatt stated that she felt it was important that customers take action in order to control their bills. She acknowledged a that the Board has a

responsibility to follow the rate setting policy to allocate costs but felt that a new stormwater fee might be very frustrating for their consumers. She recommended that rather than creating a new line item in the billing, it should be included in the CRIAC or District stormwater fee. The MOU with the District was 23 years old, and she suggested reviewing it to determine if it reflects what DC Water is currently working on.

Mr. Wells agreed that how the line items were perceived was important. He stated that by the Anacostia River, customers have an almost completely separate system so that those individuals may pay less. DC Water needs to review if this change in fees would be best rather than making this change just for best practice.

Mr. Davis stated the second recommendation was to have better cost data that would facilitate more accurate cost of service calculations; therefore, it was recommended to modify accounting practices to capture better the breakdown between sewer and stormwater costs, which could be done via a placeholder charge during the FY25-26 COS Study to begin stormwater cost recovery.

Ms. Bhatt stated more data was always good.

Mr. Davis stated the third recommendation was to make the cost impacts of assuming additional responsibilities measurable; therefore, it was recommended to develop a methodology to collect their costs and review how that cost is passed on to customers.

Mr. Davis stated the next steps would, therefore, include identifying stormwater costs to be recovered through impervious area-based charges, calculating rates and charges in the Cost of Service Study, and updating stormwater need assessments and cost accounting.

Ms. Bhatt stated she would like to hear feedback from management about rate changes. She was hesitant to add a new line item to the bill. Mr. Gibbs stated he was also leery of adding another line item to the bill.

Mr. Wells asked if this change would alter how county customers are charged. Mr. Davis stated the majority of the revenue would be from DC ratepayers, and it would have no impact on suburban customers.

IV. DC RETAIL WATER AND SEWER RATES COMMITTEE WORKPLAN

Mr. Khalil presented the FY 2024 Proposed RRC Committee Workplan. He noted that the final report for the Engineering Inspection Study was posted on the website and forwarded to the Board members. He stated that two new cost of service studies (COS) are included for FY2024; (i) COS for water, sewer & CRIAC to establish rates for FY2025 and FY2026, and (ii) COS for Fire Protection Service Fee for FY2025-FY2027. The details and timeline for rate, charges and fee increases are included in the FY 2024 Workplan.

V. ADJOURNMENT

The meeting adjourned at 10:28 am.



**MINUTES OF THE MEETING
AUDIT AND RISK COMMITTEE**

OCTOBER 26, 2023
(via Microsoft Teams)

COMMITTEE MEMBERS

1. Floyd Holt, Chairperson
2. Jed Ross, Vice Chairperson
3. Anthony Giancola, Principal
4. Howard Gibbs, Principal
5. Steven Shofar, Alternate

DC WATER STAFF

1. David L. Gadis, CEO and General Manager
2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Matt Brown, Chief Financial Officer and EVP Finance and Procurement
4. Wayne Griffin, Chief Administration Officer and EVP, Strategy and Performance
5. Jeffrey Thompson, Chief Operating Officer and EVP
6. Michelle Rhodd, Board Secretary
7. Francis Cooper, Director Enterprise Program Management Office

INTERNAL AUDIT STAFF

1. Jill Reyes, RSM US LLP
2. Sophie Tomeo, RSM US LLP
3. Stephanie McKee, RSM US LLP
4. Samantha Bement, RSM US LLP
5. Emily Lowien, RSM US LLP

The Audit and Risk Committee meeting was called to order by Floyd Holt, Chairperson, at 9:30 AM. The meeting was held via Microsoft Teams and streamed live at dcwater.com. Board Secretary Michelle Rhodd called the roll.

I. ENTERPRISE RISK MANAGEMENT BRIEFING

Francis Cooper, Director of EPMO, presented the briefing. The objective of this presentation was to review the value of advancing Enterprise Risk Management (ERM) and Policy Management, highlight outcomes and accomplishments from Phase 2, and discuss what is ahead for the ERM program. In Phase 1, the ERM framework was established. Phase 2 looks to operationalize the framework with appropriate levels of training, risk deep dive pilots, and the Origami risk and policy tool.

Mr. Cooper stated that four types of training were advanced: 1. ERM 101, 2.201, 3. 202, and 4. Board training. ERM 101 was a mandatory compliance training that was integrated into the mandatory compliance suite. ERM 201& 202 were facilitated to Senior Leaders - Grades 17 and above. On October 5, Board training was delivered to the full board highlighting the Board's oversight role.

Risk deep dives were conducted for two enterprise risks: 1. Revenue Erosion and Expenditure Increase and 2. New and Changing Regulations. The deep dive process provokes and facilitates conversations among management to allow for better understanding, awareness, and communication around the risk topic and supports the development of risk responses. Seven key risk drivers to address were found: non-revenue water loss, asset prioritization, O&M spending and capital costs, resources and competencies, third-party management, stakeholder relationships, and imposed regulations (e.g., PFAs).

Committee member Anthony Giancola stated the Internal Audit Contractor does a concurrent evaluation of the Board members' priorities. He asked if those findings were consistent with ERM pilot findings. He stated he was not sure what stakeholders had given input. Mr. Cooper stated they would talk about the FY24 risk assessment with the internal auditors. ERM may not consider controls that are in place, and it is not at the operational and tactical level that the auditors are focused on. Through Internal Audit's process, there is a mapped exercise performed to align with enterprise risks identified through the ERM process. In aggregate, there is continued communication and integration between both processes.

Mr. Giancola requested a comparison between the analyses to see the consistencies. Mr. Cooper stated as a part of their ongoing briefing, they will provide the results of the risk assessment and the FY24 internal audit plan.

Mr. Giancola stated the goal is that the Board is focused on a similar direction, and they can get a consensus on what to budget. Mr. Cooper stated they will continue to update and mature the enterprise risk management process.

Mr. Cooper stated the Origami Risk and Policy modules were rolled out. The frameworks and processes were reviewed to align with the risk policy modules. The goal of ERM is to bring efforts together and report to the different levels of the organization. Risk dashboards will also be created to provide meaningful visualizations that can be socialized across the Authority. The risk identification process and risk response activities will also be further advanced through management action plans. The Policy module is intended to centrally manage Authority policies and serve as a repository for Board resolutions. For the next steps, the tool will be promoted through active communication and training to expand the use of the tool.

Mr. Cooper thanked the Board for their support of the ERM program. He spoke about what's ahead of the ERM program. The next steps include continuing to build a risk-aware culture, assigning ownership for the piloted deep dives, aligning existing risk processes with the enterprise risk framework to prepare for a bottom-up risk approach, expanding Origami's functionality, and integrating risk discussions into the Strategic Planning process.

Mr. Giancola stated while these items were ongoing and evolving, a defined timeline would be helpful. He asked if there was an opportunity to develop KPIs that the Board could monitor. While management can likely take care of most KPIs, it is good to know what is going on, and larger items may need to be brought to the Board. Mr. Cooper stated this would be part of the process of developing a workplan in FY24 that will provide a timeline and milestones. The work plan will be presented at the next briefing with the committee. He stated there is interest in working across departments across the Authority to develop KPIs. As part of the internal audit process, they create KPIs in order to identify operational key risks better. In order to successfully integrate ERM into the organization, they are taking a slow path so the organization can gradually transition to advanced maturity levels. Reporting mechanisms are being reviewed, and an annual audit report with a quarterly update is being considered. Over time, the capabilities of monitoring, detecting, and reporting will be adjusted and improved.

Committee member Jed Ross stated that via the Origami system, automated reports were created. He recommended that a reporting mechanism be prepared to provide data points on the committee's or Board's areas of interest. Mr. Ross agreed there is a benefit to having clear goals and timelines. He felt it was important to understand expenses related to these efforts as well. Mr. Cooper stated that Origami is a web-based tool and are

working on how to provide information to the Board best. It was possible to create heat maps and other risk visualizations. Creating this would be a part of their efforts for FY24.

Committee member Anthony Giancola asked if DC Water had seen how the District of Columbia works with Origami. Mr. Cooper stated they consulted with Mr. Ross early on, which led to consideration of the tool. The contractor was also consulted. So far, there has been no visit to see the system elsewhere. The system just went live on September 30, 2023.

Mr. Cooper expressed interest in seeing Mr. Ross's information. Mr. Ross stated everything is web-based, so it would be fairly easy to present. He noted that they have used Origami extensively since 2018, and they would be happy to provide that information.

Mr. Cooper encouraged the Board to review the Appendix. General information around ERM governance structure enterprise risk assessment results with associated risk ratings and deep dive outputs.

2. INTERNAL AUDIT UPDATE

Dan Whelan, RSM Partner, presented the final update for the FY 2023 Internal Audit Plan status and other completed Audits. He noted that they had met with the management team and received input on the Risk Assessment results and FY24 Audit Plan. September 30, 2023, was the end of FY23. All audits presented in the FY23 Internal Audit Plan were completed within the fiscal year.

Emily Lowien RSM Partner stated there was only one high-risk prior audit finding related to the DWO Work Order Management Audit for a failure to capture work order labor and materials. This item is on track to be resolved by August 31, 2024. Prior to FY22 findings, the only open finding was from the FY21 Contract Compliance Audit for the Vendor Score Cards. The Vendor Score Cards were updated, so the final steps involved creating a policy and training for the vendor scorecards. The remaining findings under pending testing were related to policies for the Comprehensive Safety Plan, which needed legal review, and Entity Level Policies, which needed to be reviewed by the union. There were no open audit findings for FY22, but there were two items pending and testing for missing and incomplete data and timely review of the 515 Report, which will be resolved at the staff meeting at the end of November.

Sophie Tomeo, RSM Partner presented a follow-up summary. At the beginning of FY23, there were 22 open audit items, but as of this meeting, there was only one open audit item, meaning 98% of findings were closed. Sixteen audit items were closed in FY23.

Mr. Giancola commended the members of DC Water who helped with the progress in tackling the audit items. He stated he was confident they would address the items remaining as soon as possible.

Ms. Tomeo presented the average audit item time to closure. Due to the prioritization of remediation, the number of open audit findings has gone down over the last several fiscal years.

Ms. Tomeo then presented the business continuity management assessment that was completed in Q4 of FY23. She detailed that this was not a full Audit but rather a management assessment, meaning that strategic recommendations would be given to management, but an official audit was not prepared. The purpose of this assessment was to analyze telework procedures, identify telework best practices, and identify areas of improvement. Plans have not been updated since permission was granted for the Customer Care team to work fully remotely. Still, a review of the Continuity of Operations (COOP) planning was conducted. DC Water has a robust formal COOP plan in place. DC Water's COOP was one of the most mature plans that RSM had reviewed. The RSM team provided recommendations to make policies more robust to capture remote work.

Stephanie McKee RSM Partner presented the Fleet Management Audit. The audit period was July 1, 2022, through June 30, 2023. This Audit assessed the vehicle acquisition and disposal processes, the permitting and insurance documentation processes, and the training and licensing of personnel using those vehicles. There was also a review of the contract oversight services on the contract that Fleet recently entered with First Vehicles Services, Inc. General analysis of KPI reporting and repair and maintenance costs were also included in the report. The Authority's fleet has 560 vehicles and 800 pieces of utility equipment as of September 27, 2023. The fleet headquarters was relocated during FY23, and maintenance and repairs were outsourced in FY23. The fleet department was commended for navigating the changes they experienced in FY23. The only high-risk finding was the lack of current policies and procedures. A management action plan was prepared, and a maturity process was conducted to inform updated policies. The fleet team stated policies and procedures will be focused on alignment with the Blueprint 2.0 imperatives and the goals of the fleet department. The target date for these updated policies and procedures is September 1, 2024. Milestones will be tracked with management. Additionally, there was one moderate and four low-risk findings that were included in the Appendix.

Committee member Howard Gibbs asked who was taking care to address the management action plan for the high risk finding. Ms. Tomeo stated the Fleet Director, Fleet Data Management Analyst, and Executive Assistant were taking care of this

together with assistance from their teams. She added that the five additional findings in the report came from the teams not having formal guidance, processes or responsibilities, which led to tasks not being carried out consistently. The most recent policy updates were from 2005.

Mr. Ross asked if the fleet vehicles had GPS, video, or telematics. Maureen Holman, Vice President Shared Services stated the Authority uses Geotab in vehicles and equipment. Telematics is used extensively. It will be reviewed how they can leverage those things to increase their response times and efficiency. More robust findings will come out of addressing this audit item.

Mr. Ross suggested using video telematics fleet-wide, as it enables cameras inside and outside of the cab if there was ever an accident. Rather than spending money on litigation, they can spend the money to set up this system. Video systems also encourage workers to drive better, which could lower accidents or fatalities. Ms. Holman stated they can capture hard stops and speeding in their telematics, but this would be a very valuable tool to reinforce their efforts.

CEO and General Manager David Gadis stated it was a good idea to add video to the process, but they may need to run it by the union before initiating it. Mr. Ross stated they should work with the union, but it may not need to be negotiated. This was not for punishment but for identifying safer driving practices. At the end of the day, the fleet was DC Water's property, and it would be in their best interest and their employee's best interest. Mr. Gadis stated he wanted to establish that they want to work with the unions on this item. Mr. Ross stated that if any unsafe driving practices are seen, then they could follow up, but input from the union and financial considerations would be important.

Samantha Bement RSM Partner presented the Hotline Update. There was only one hotline call since the last meeting, which was related to time theft. Allegations were being investigated. Year-to-date activity for FY23 was very comparable to FY22.

Ms. Bement presented the Risk Assessment & Audit Plan for FY24. Inputs that were factored into the Risk Assessment included interviews, management surveys, anonymous Board member surveys, risks from prior years, changes in the DC Water environment, strategic initiatives, and industry trends. These inputs are then prioritized into a risk register. They are prioritized based on the impact and likelihood of each risk. The risks identified in this Risk Assessment were granular and are included in full committee materials, but high-level trends were shared live with the Board.

Ms. Tomeo presented the risk themes found from the Risk Assessment, noting that these were not official audit results but could be used to inform the Authority. Asset

management and aging infrastructure continue to be a top risk. It ties into the capital program funding and execution, which also continues to be a top risk. Internal and external threat detection and endpoint security relate to cyber security concerns that could pose a risk to DC Water. Recruiting top talent and training and development were related items. There is currently a backlog of vacancies, and training needed to be refined. Data strategy and governance was a new item due to data requirements not being met. Data is being collected, but governance and data strategy for what is collected need to be clarified across different departments in the Authority. Spend management and affordability remain top items, given that DC Water operates off of rate-payer dollars. Climate change and safeguarding assets was a new item as the external environment continued to pose a threat to the Authority. Each of these items was matched to enterprise risk management themes in the Appendix.

Ms. Tomeo presented high-level Risk Assessment survey results. Board participation was 67%, and management was 73%. The top 5 Blueprint 2.0 strategic plan themes for the Board were funding and financing, affordable and equitable rates, world-class, healthy water services, resiliency of the water supply, and securing assets through value-driven asset management and proactive maintenance. The top 4 Blueprint 2.0 plan themes for management were world-class, healthy water services, engagement and alignment with DC Water, safe workplaces, and high-performing networks of systems and assets. Management was more focused on customer service and exposure, while the Board was focused on longer-term goals.

Mr. Giancola suggested there needs to be consistent terminology for multiple-choice options across the ERM and Risk Assessment surveys. He also asked if they needed two surveys or if they could use the same survey for both groups. Ms. Tomeo stated that the Risk Assessment survey was sent to the ERM team for review and additions prior to distributing the survey. Mr. Cooper Mr. Whelan stated that the ERM surveys will go out on a 3-to-5-year cycle, with efforts to ensure that the nomenclature is consistent.

Ms. Tomeo stated there were three project types that RSM did with DC Water: cycle audits that occur every 2-3 years, ad hoc audits informed by risk assessment in areas where there wasn't prior audit exposure, and management assessments where audit expertise was leveraged to identify improvements without conducting a full audit. The Internal Audit team uses data analytics, data mining, and informed data from across the Authority to review daily processes. Management is given supplemental reports with deeper dives on their work so visibility can be applied to their practices.

Ms. Tomeo presented the Proposed FY24 Internal Audit Plan. The cycle audits, based on the pre-determined schedule, would include the Purchasing Card Audit, the Contract Compliance Audit, the Physical Security Penetration Testing for the Fleet Facility, the

Physical Security Penetration Testing for the HQO Facility, the Work Order Management Audit for Pumping Operations, the Training and Recruiting Audit, and the Mobile Application Penetration Testing. The ad hoc audits would include the Genesys Information Technology General Controls Review for the call center and the Internal and External Network Penetration Testing. The management assessment would include the Permit Operations Assessment.

Mr. Ross asked if there was physical penetration in relation to the Washington aqueduct. Ms. Tomeo stated it was not a DC Water facility, so it was not on their cycle audit schedule. Ms. Holman stated there was a conversation with the aqueduct about their procedures, but some of their information was classified, so they did not have access to it at this time.

Mr. Giancola asked why they did not have that information, as it was vital to providing water to their citizens. He asked if there was a way to get that information when the audits were done. Ms. Holman stated it was an issue of classified information. The Authority follows a different structure than other groups due to its position with the Department of Defense.

Ms. Tomeo stated there were additional details in the Appendix, which was available to the committee. Recommendation of approval of the FY24 Internal Audit Plan was needed prior to concluding.

3. ADJOURNMENT

There being no other matters to come before the Committee, the meeting was adjourned at 11:00 AM.



**FINANCE AND BUDGET COMMITTEE MEETING
MINUTES OF THE MEETING
October 26, 2023
Via Microsoft Teams**

BOARD OF DIRECTORS PRESENT

District of Columbia Members

1. Anthony Giancola, Principal (Committee Chairperson)
2. Tommy Wells, Chairman of the Board
3. David Franco, Principal

Prince George's County Members

1. Jared McCarthy, Alternate

Fairfax County Members

1. Sarah Motsch, Alternate

DC WATER STAFF

1. David Gadis, CEO and General Manager
2. Marc Battle, Chief Legal Officer and Executive Vice President Government & Legal Affairs
3. Wayne Griffith, Chief Administration Officer and Executive Vice President
4. Michelle Rhodd, Board Secretary
5. Lola Oyeyemi, Vice President, Budget
6. Ivan Boykin, Vice President, Finance
7. Ogechi Okpechi, Director, Permit Operations

The Finance and Budget Committee meeting of the District of Columbia Water and Sewer Authority was called to order at 11:00 a.m. by Chairperson Anthony Giancola. The meeting was held via Microsoft Teams and streamed live at dcwater.com. Board Secretary Michelle Rhodd called the roll.

I. SEPTEMBER 2023 FINANCIAL REPORT

Lola Oyeyemi, Vice President of Budget, presented the September 2023 Financial Report. DC Water ended fiscal year 2023 favorably compared to budget. Revenues were slightly above budget at \$853.3 million or 101.3 percent of the budget. Expenditures were below budget at \$675.2 million, or 98.4 percent and capital disbursements were below budget at \$435.1 million, or 86.6 percent of the budget. She reported that there were no significant deviations from the mid-year forecasts for the respective budgets.

Ms. Oyeyemi reported that Standard & Poor's and Moody's reaffirmed DC Water's high bond ratings. DC Water seamlessly transitioned to the new fiscal year 2024 on October 1, 2023, with ongoing preparation activities for the year-end financial statement audit and green bond attestation. She informed the Committee that the team is reviewing departmental requests for the Proposed 2025 operating, two-year rates, and ten-year capital budget which will be delivered to the Board in January.

Total operating revenues for the year were slightly above budget. Higher receipts from the Residential, Commercial, and Multi-Family customers were due to higher water consumption than the budget. The lower collection from the Federal Government was due to the disputed accounts for Soldiers Home, and from the District Government due to decreased consumption. Wholesale customers made all their payments for the year, and there was a slight positive variance to budget due to a payment from a Potomac Interceptor customer. Other revenues were less than the budget due to lower System Availability Fees and interest earnings, and the delay of the Washington Aqueduct's backwash to sewer project, which is now operational.

Total operating expenditure for the year was slightly below budget. Ms. Oyeyemi reported that the areas of underspending were in personnel services due to vacancies offset by higher overtime costs, contractual services, water purchase and debt service. She reported that there were 1144 filled positions with a vacancy rate of 11.6 percent by the end of FY 2023. She noted that this was a significant improvement compared to 17 percent at the beginning of the fiscal year mainly due to the intensified recruitment efforts to lower the vacancy rate. The Cash Financed Capital Improvements (CFCI) was higher than budget and reflects the projected underspending from water purchase and debt service. She reminded the Committee that during the revision of the budget earlier in the year, DC Water had reprogrammed about \$20 million from CFCI to cover the cost pressures in chemicals and energy and committed to reinstate any unused funds by the

end of the year. Ms. Oyeyemi stated that these expenses are preliminary estimates and subject to revision until the completion of the financial audit activities.

Chairperson Giancola asked for an estimate of the carryover funds at the end of the year. Ms. Oyeyemi stated that there was no significant deviation to the estimated \$11 million reported during the mid-year review which was carried forward as cash into FY 2024 consistent with the action taken by the Board.

Chairperson Giancola asked what percentage would be used for vacancies in the 2025 budget. Ms. Oyeyemi stated that historically, DC Water accounted for five percent, and it had been increased to seven percent in the FY 2024 budget. She explained that reasonable vacancy rate assumptions will be used for the budget consistent with the increased number of filled positions and management's efforts to lower the vacancy rate.

David Franco stated that DC Water had issues with vacancies over the last few years and asked if there was a KPI that could track vacancies. Chairperson Giancola stated there was no KPI, but the vacancy rates are reported every month. Ms. Oyeyemi stated that the People and Talent department tracks the number of positions hired during the year and will be informed of the request for future reports to the Board.

Mr. Franco asked if DC Water needed to make any structural changes to recruit more people if the high vacancy trends continue. Ms. Oyeyemi responded that DC Water is working with a consultant on Human Capital Management Strategy with ongoing meetings with the Senior Executive Team and management. These discussions include the assessment of current skills, capabilities, and competencies of existing employees, consider future workforce needs and training opportunities, and leveraging Artificial Intelligence (AI) or technology to help with workload distribution, refine recruitment and lower overtime costs. CEO David Gadis stated that when reviewing other utilities across the country, DC Water's performance is in the highest quartile for vacancies. Some utilities have much higher vacancy rates. He stated that DC Water would continue to work towards the goal of achieving a lower vacancy rate and this will be included in future budgets.

Ms. Oyeyemi reported that capital disbursements were below budget with variances across the service areas consistent with previous reports. The spending for capital projects exceeded the 85 percent mark at 86.4 percent. The underspending in capital equipment was due to a lag in the delivery of vehicles, lower spending on the metering program, and lower use of authority-wide reserves. Chairperson Giancola suggested that ninety percent should be the goal for FY 2024.

Ms. Oyeyemi reported that cash investments at the end of the year were \$719.3 million, including the Rate Stabilization Fund balance of \$35.6 million, operating reserves, and other reserves. Total operating interest income was \$6.2 million, which is higher than historical trends due to higher short-term rates. Retail account receivables balance was

\$28 million and the number of accounts reduced to 10,420. The delinquent accounts as a percentage of total accounts was eight percent and delinquent impervious only accounts remained at one percent. DC Water achieved its Accounts Payable Performance goal of paying 97 percent of all undisputed invoices within 30 days for FY 2023, which was the first time of meeting this target in recent years.

Ms. Oyeyemi went on to review the overtime spending which exceeded the budget for the year. She explained that there were four primary reasons for the use of overtime outside regular work hours. The first was planned work and built-in overtime for preventative and predictive maintenance work that was included in the budget. The second was emergency work during the winter season for high water line or pipe breakage, HVAC system repair, support provided to the Washington Aqueduct for the Van Ness reservoir that was out of service. The third was seasonal or peak workloads such as in Finance department for year-end close activities, W2 and W2C reconciliations to avoid discrepancies or errors in employee's paychecks, and 1099s for vendors. Other seasonal peak needs for overtime include office renovations, and relocating staff and equipment to the new buildings, amongst other things. The fourth reason will be unplanned absences for illness or aging workforce, assistance on DDOT projects, water bottle distribution events, amongst various needs. Ms. Oyeyemi explained that overall, with over 70 new positions added through FY 2024, DC Water has the right number of people to provide services to its customers and respond to emergencies outside regular work. Management will continue to monitor the overtime budget, implement changes from the ongoing HCM Strategy and include reasonable vacancy rate assumptions and right-size overtime in future budgets.

Chairperson Giancola stated that management should revisit the need to budget higher overtime costs, review if departments are adequately staffed or revise the vacancy rate. Finance and Procurement departments have the highest percentage rates for overtime which should be reviewed and addressed accordingly. Ms. Oyeyemi responded that FY 2023 was an anomaly as overtime was used earlier in the fiscal year to learn and stabilize the new ERP system for payroll functions in addition to year-end audit and inventory count activities.

Ms. Oyeyemi reported that the credit liability balance for developer deposits was \$45.4 million and debit balances were \$11 million at the end of September 2023. Chairperson Giancola noted there was not much change in developer deposit balances and number of refund requests processed even though DC Water had hired contract workers to help with the backlog. Ogechi Okpechi, Director of Permit Operations, stated that 95 accounts had been processed from October 1, 2022, through September 30, 2023. From June through September the team processed 46 requests, which was more than half of the requests for the whole year. Ms. Okpechi explained that efforts are ramping up to quickly process these requests. She noted that over 150 accounts have been processed, which the team is waiting for information or confirmation from developers about address verification, proof of payments, or as-builts before checks can be issued. Chairperson

Giancola suggested adding a paragraph about the accounts being processed and efforts being made by the team in future reports.

II. FY 2024 COMMITTEE WORKPLAN

Ms. Oyeyemi presented the FY 2024 Committee Workplan. She highlighted various accomplishments by DC Water including strong financial performance such as the recent affirmation of its bond ratings and unqualified audit opinion on financial statements, development of the revised FY 2023 and approved FY 2024 budgets. Management leveraged funding from Cash Financed Capital Improvements (CFCI) to cover the significant cost pressures in chemicals and energy without increasing the FY 2023 budget. Additionally, the budget was successfully linked to DC Water's strategic plan, the vacancy rate is being addressed to close the staffing gaps and DC Water received awards for its financial reporting and FY 2024 budget.

Ms. Oyeyemi reviewed the workplan for the standard agenda items, such as the monthly financial and quarterly capital reports, mid-year projections, cash position recommendations, investment market and portfolio update, ROCIP updates, and contract award actions. She mentioned that the FY 2025 budget cycle will include the two-year rate proposal for the review and recommendation of the Committee and related rate making process engagement activities with customers. She went on to review the upcoming contracts for the underwriting services pool, investment advisory services, banking services, and payment processing services. Ms. Oyeyemi reported that management will be proceeding with the planned work and welcome any items of interest from the Committee members to include in the workplan.

III. AFFIRMATION OF DC WATER'S HIGH BOND RATINGS

Ivan Boykin, Vice President of Finance, reported on the affirmation of DC Water's high bond ratings. Standard and Poor's (S&P) and Moody's Investor's Service (Moody's) both affirmed DC Water's high bond ratings. Mr. Boykin thanked the Board and Senior Executive Team that met with S&P, which provided insight into DC Water's governance and management structure. The annual surveillance results were AAA from S&P, which was the highest rating, and Aa1 for Senior Lien from Moody's which was the second highest rating. This high rating helps keep borrowing costs low for ratepayers, which is important as DC Water plans to borrow \$2.7 billion in the coming years.

The Moody's report highlighted strong financial metrics and a large service area for DC Water. The report included challenges such as above average leverage compared to revenue and financing capital investments that may require rate increases. Mr. Boykin highlighted the factors that could lead to a rating upgrade such as continued revenue growth and the risks for a downgrade such as weakened debt service coverage or liquidity

and substantial growth in capital improvement needs and related debt burden on DC Water.

S&P's report highlighted healthy financial margins at an average of 1.9x. DC Water was rated as best in class for financial and operational management. S&P acknowledged that DC Water was thoughtful in maintaining liquidity and reserves and that DC Water maintains a large service area and high leverage.

Mr. Boykin provided an overview of the additional highlights from the report. These include DC Water's robust customer assistance program, the Rates and Capital Plan with rate adjustments needed for capital investments, and the Environmental, Social, and Governance (ESG) with the note that the management mitigates their environmental risks, which may be higher than peer utilities. Other highlights are DC Water's lack of pension and Other Post-Employment Benefits (OPEB) liabilities and the Board having the ultimate authority to set rates and no additional approval needed.

Chairman Tommy Wells asked if DC has higher environmental risk compared to peers. Mr. Boykin stated that S&P had reported as such but had stated that the management could offset it. Mr. Wells stated he wanted to know if the environmental risk identified in the report was a regional issue or specific to DC Water. Mr. Giancola stated he believed the flood plan would be on that list. Mr. Wells stated that was true for the entire East Coast and was curious about why DC Water was singled out from peer utilities, as there was a risk of drought, flood, heat, etc., everywhere in the region.

Chairman Wells requested an update on the cost of the Clean Rivers Project due to the impact of inflation, supply chain, and other things. He also asked if it was, therefore, recalculated in the budget. Ms. Oyeyemi stated that the increased cost for the award of the Potomac River Tunnel contract recently approved by the Board was funded by deferring other capital projects and that the revised cost estimates will be included in the upcoming budget for consideration by the Board in January.

IV. ADJOURN

There being no further business to come before the meeting, the meeting adjourned at 11:42 a.m.

V. Follow-up items

- 1) Provide Key Performance Indicators (KPIs) for vacancies in future reports (David Franco)
- 2) Provide the specific environmental risks identified by the rating agencies (Tommy Wells)
- 3) Review assumptions for vacancies and overtime for reasonableness in future budgets (Anthony Giancola)



CEO's Report

NOVEMBER
2023



ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING

Inside

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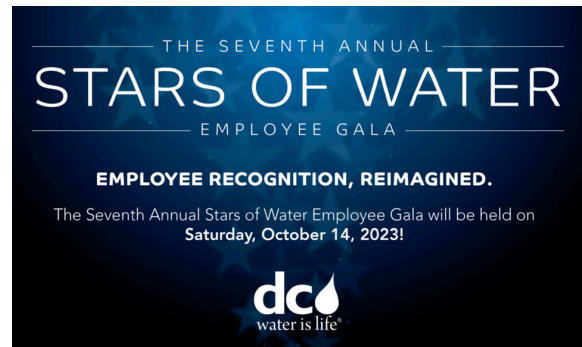
dc Highlights

Chairman Wells, and members of the Board, it is my pleasure to present you with the CEO's Monthly Report for November 2023. This report captures the highlights of the team's efforts over the past month, across the five cascading imperatives of the Blueprint 2.0 strategic plan: **Equitable, Sustainable, Resilient, Reliable, and Healthy, Safe and Well**. There are also individual reports from Finance and Procurement; Shared Services; Customer Experience; Information Technology; and Operations and Engineering, as well as the monthly update from Internal Audit.



Stars of Water Celebrated at Employee Recognition Gala

DC Water held the Seventh Annual Stars of Water Employee Recognition Gala, at the Authority's headquarters, on Saturday, October 14, 2023. Nearly 450 employees attended the event. Our emcees for the evening were WUSA-9 reporter Ellen Bryan, and her husband, Reese Waters, a comedian, and broadcaster.



Each year, the event provides a forum for public recognition of the best and brightest Authority employees, recognizing both employees who have completed more than 20 years of service and/or employees who have been nominated by their peers in one of several merit award categories.

The full list of honorees from this year's event is as follows:

• Longevity Awards

20 Years of Service

Michael Addison (General Foreman / Wastewater Operations)
Tarsha Anderson (Supervisor, GIS Billing / Customer Care)
Ray Beattie (Civil Engineering Technician 11 / Engineering and Technical Services)
Sterling Clark (General Foreman / Wastewater Operations)
Tanya DeLeon (Manager, Risk / Finance and Procurement)
Mary Dunn (Communications Agent / Customer Care)
Denise Edwards (Supervisor, Electrical and Mechanical Design / Engineering and Technical Services)
James Harris (Utility Services Worker III-CDL / Sewer Services)
Tyrone Johnson (Sewer Inspection and Maintenance Worker-CDL-11/Sewer Services)
Salil Kharkar (Vice President and Senior Technical Advisor to the COO / Office of the COO)
Silas Obasi (Specialist, Water Quality / Water Quality and Technology)
Karen Taylor (Customer Care Associate / Customer Care)
Vincent Thomas (Technician III, CC Engineering / Water Services)
Lei Walker-Marshall (Supervisor, Call Center / Customer Care)

30 Years of Service

Tyrone Parker (Water Services Worker 10-CDL / Water Services)

35 Years of Service

Tammy Banks (Customer Care Associate / Customer Care)
Tsedale Berhanu (Senior Manager, CC&O / Water Services)
Patricia Carter (Technician III, Construction Civil Engineering / Engineering and Technical Services)
Louis Couvillon (Industrial Electrician, Journeyman 11 / Maintenance Services)
Kim Harrison (Customer Care Associate / Customer Care)
Shawn Island (Foreman, Industrial Equipment, Mechanical / Maintenance Services)
Eric Kelly (Foreman, Utility Services / Sewer Services)

dc Highlights



Equitable - continued

Reginald Little (Utility Services Worker II-CDL / Sewer Services)
Gary McPhaul (Utility Services Worker Leader / Sewer Services)
James Neal (Industrial Electrician, Journeyman 11 / Maintenance Services)
Jeanetta Nelson (Office Assistant III / Engineering and Technical Services)
Michael Omosun (Engineer II, Civil Design / Permit Operations)
Arthur Smith (Foreman, Water Services / Water Services)
Robert Stewart (Carpenter / Facilities)
Erwin Sutton (Technician II / Instrumentation)

40 Years of Service

Barbara Milton (Civil Engineering Tech 11 / Engineering and Technical Services)
 Deidre Saunders (Senior Manager, Construction / Engineering and Technical Services)

45 Years of Service

Duane Price (Wastewater Plant Operator 09 / Wastewater Treatment)

• Merit Awards

Administrative Professional of the Year

Deborah Cole (Executive Assistant II / Finance and Procurement)
Mary Dunn (Communications Agent / Customer Care)

Community Service Award

Rickie Banks (Utility Services Worker II-CDL / Sewer Services)
James Dawson (Utility Services Worker III-CDL / Sewer Services)
Anjuman Islam (Manager, Water Quality / Water Services, Quality)

Ambassador of the Year

Michelle Blanchard (Specialist, Payroll / Finance and Procurement)
Quintin Wilkinson (Facilities Management Assistant / Facilities)

Team Blue Safety Award

SAM 101 / 102 Team

Teamwork Award

Evacuation Drills Task Force
Solids Department

Team Blue Creativity / Innovation Award

OMAC Production Team
Pathway to Business Equity Team
Sewer Services' Lining Crew

'We are DC Water' Star of the Year

Ivelisse Cassas (Director, Security / Shared Services)
Sharon Talley (Contract Compliance Specialist / Finance and Procurement)

CEO / General Manager's Award

Joe Edwards (Acting Vice President / Information Technology)
Michelle Johnson (Specialist, Accounts Payable / Finance and Procurement)
Jermaine Quattlebaum (Technician III, Construction Civil Engineering / Engineering & Technical Services)
Daryl Tate (Senior Paralegal / Government and Legal Affairs)

This year's Gala was well organized and executed by our Stars of Water Planning Committee, led by **Toymeika Dingle** (Senior Program Manager, Business Analysis / Office of the CEO). I would like to recognize Ms. Dingle, and the entire Committee, for delivering another outstanding event celebrating the best and brightest of Team Blue.

dc Highlights



Equitable - continued

Lead Service Lines Replacement Collaborative Site Visit

On Thursday, October 5, DC Water hosted the Lead Service Line Replacement Collaborative at an LSR work site in the 1300 block of Trinidad Avenue, NE.

The collaborative is a national group of non-profit and utilities that shares information about best practices, funding, and outreach around lead service line replacements.

The participants were extremely appreciative of the visit and their new understanding of the complexities of replacing lead service lines.

Our contractors explained the process, experiences, and details of each task clearly and conveyed the patience and level of customer service we strive to provide.

I would like to thank **Maureen Schmelling** (Director, Water Quality / Water Quality and Technology) for engaging the collaborative and organizing an informative tour for our visitors.



Sustainable

Greater Washington Region Clean Cities Coalition Conference



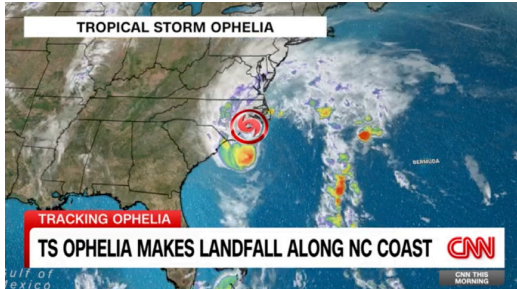
On Wednesday, October 4, **Maureen Holman** (Vice President / Shared Services) will be speaking on a panel entitled 'Biodiesel for your Fleet, DC Did It, You Can Too!' at the Greater Washington Region Clean Cities Coalition (GWRCCC) in-person Annual Conference, Expo, & Awards Luncheon. The District of Columbia has received several national and regional awards for its efforts to reduce emissions by using biodiesel in its trash trucks, water trucks, street cleaners, and other medium and heavy-duty vehicles. The panel will review how this technology has assisted in cutting emissions, improving air quality, and providing a national model for the deployment of biodiesel in public fleets.

DC Water has received nearly \$100,000 under a USEPA Diesel Emissions Reduction Act (DERA) grant reimbursements to date - converting our heavy vehicle diesel fleet to B100 biodiesel technology. We will continue under two separate DERA grants to convert more than two dozen vehicles over the next two years with DERA grant support.

The Greater Washington Region Clean Cities Coalition (GWRCCC) is a public-private partnership that promotes the use of clean, and alternative American transportation fuels for homeland security and improved air quality. This coalition is one of nearly 100 coalitions around the country. DOE created Clean Cities in 1993 to provide informational, technical, and financial resources to EPA-regulated fleets and voluntary adopters of alternative fuels and vehicles. Since its inception in 1993, Clean Cities and its stakeholders have displaced more than two billion gallons of petroleum.


Resilient

Anacostia River Tunnel System Passes First Test



The remnants of Tropical Storm Ophelia passed through the Washington metropolitan region on Saturday, September 23, bringing heavy rains and wind gusts of up to 55 miles per hour. Although the steady rain that fell from Friday night into Sunday morning dropped close to four inches of rain, our newly commissioned Anacostia River Tunnel system performed as designed, taking 137 million gallons of stormwater and sewage to Blue Plains for treatment. I am very pleased to report that there were no measured combined sewer overflows to the Anacostia River or reports of flooding from this weather event.

As the Authority shifts its focus from the Anacostia River Tunnel System to the Potomac River Tunnel, recent news headlines have underscored the urgency of addressing the impacts of climate change. One news story this week claimed that by 2050, we could see 100-year floods on a yearly basis by 2050.

I would like to congratulate **Moussa Wone** (Vice President / Clean Rivers Project) and his entire team for delivering that largest underground construction project since the installation of the Metro system in the late 1970s. This work will be a foundational piece of our long-term strategy to mitigate flooding across the District.

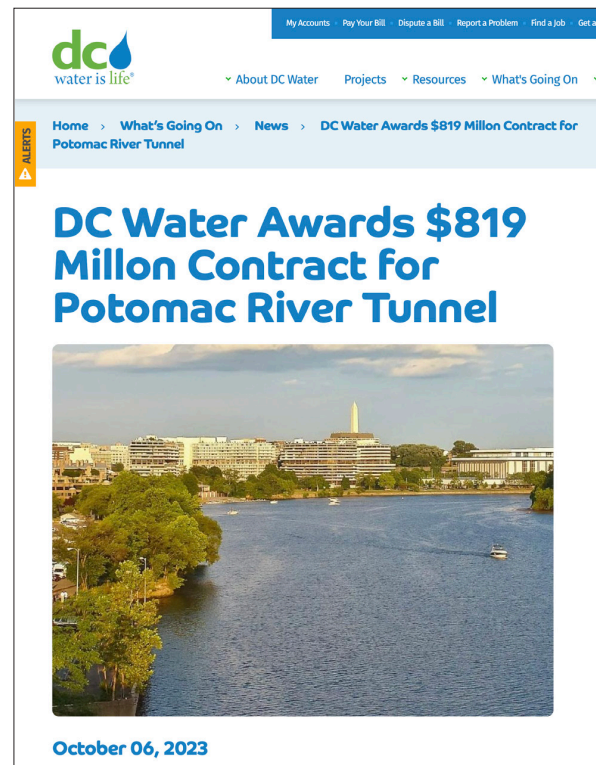
Authority Awards \$819 Million Contract for Potomac River Tunnel

On Friday, October 6, following Board approval, DC Water announced, through a press release, the approval of a design-build contract for the construction of the Potomac River Tunnel (PRT). The planned 5.5-mile tunnel will control combined sewer overflows to the Potomac, improving water quality and protecting local waterways and aquatic wildlife.

The 18-foot-diameter tunnel is planned to run deep underground beneath the Georgetown waterfront, along the edge of the National Mall and East Potomac Park, past Hains Point, and will connect by gravity to the existing Anacostia River Tunnel. Construction of the tunnel will require the use of two tunnel boring machines to complete the PRT.

Once operational, the PRT is expected to reduce combined sewer overflows to the Potomac by 93% in an average year of rainfall. The PRT, along with the recently completed Anacostia River Tunnel system, will be a foundational piece of the Authority's long-term strategy to mitigate flooding and the related impacts of climate change.

I would like to thank the Board for their support of this important project, as well as **Moussa Wone** (Vice President / Clean Rivers Project), for leading our efforts and overseeing progress.





Authority, Team Blue Wave Feature Prominently at WEFTEC



I am very pleased to report that DC Water had a very visible and successful presence at the Water Environment Federation's 96th Annual Technical Exhibition and Conference (WEFTEC).

Team Blue Wave, the Authority's Operations Challenge team, had a fantastic showing at WEFTEC. The team won the Collections Event competition for Division III, and I am very proud of their preparation, performance, and how they have re-established themselves as one of the top competition teams nationally.

Congratulations to **Gregory Stephens** (Head Coach), **Wendell Smith** (Assistant Coach), **Donavan Midkiff** (Captain), **Antoine Wroten**, **Micheal Templeton**, **Ronald Sims**, **Danyle Jackson** (Alternate), **Louie Sun** (Alternate), **Monique Mirabeau** (Administrator), **Deyonka Lewis** (Administrator), and **Lisa Barton** (Administrator) on a tremendous win.

DC Water's technical and subject matter experts participated in or led 11 different panel presentations, including **Dr. Robert Bornhofen** (Director, Innovation / Strategy and Performance), **Eyasu Yilma** (Manager, Potomac Interceptor / Pumping and Sewer Operations), **Elkin Hernandez** (Director / Maintenance Services), **Dusti Lowndes** (Director, Emergency Management / Administrative), **Salil Kharkar** (Vice-President and Senior Technical Advisor / OCOO), **Nam Ngo** (Program Manager, Research / Clean Water and Technology), **Bipin Pathak** (Specialist, Research and Development / Clean Water and Technology), **Rudy Gonzalez** (Director of Procurement, Capital Programs / Procurement – Engineering Services), and **Nelson Sims** (Director, Cyber Security Services / Information Technology).

Moody's Re-affirms Aa1 Bond Rating

On Friday, October 6, **Matt Brown** (Chief Financial Officer and EVP, Finance and Procurement) informed me that Moody's Investors Service has affirmed the Authority's Aa1 and Aa2 ratings on the senior and subordinate lien revenue bonds, respectively.

In a press release explaining the decision, Moody's states, "The Aa1 rating on senior lien revenue bonds reflects the strengths of the Authority's service area and revenue base, consistently sound coverage of debt service, and healthy liquidity. The authority's strong rate setting record demonstrates a willingness to adjust charges in order to maintain healthy financial metrics and flexibility. The rating balances these strong credit features with a debt burden that is higher than that of most highly rated utility revenue pledges."

Please join me in congratulating Matt and his entire team for their tremendous stewardship of DC Water's finances, which continues to be reflected in the strong assessments by the rating agencies.

dc Highlights



Standard and Poor's Confirms Authority's AAA Rating

I am pleased to share that on October 10, 2023, Standard and Poor's (S&P) affirmed the Authority's AAA rating. S&P places significant importance on strong management, and our collective involvement from the entire Senior Executive Team demonstrated the Authority's outstanding leadership and management capabilities.

I would like to recognize the contributions of **Matt Brown** (Chief Financial Officer and EVP / Finance and Procurement), **Dr. Matt Ries** (Vice President / Strategy and Performance), **Ivan Boykin** (Vice President, Finance / Finance and Procurement), **Syed Khalil** (Vice President, Rates and Revenue / Finance and Procurement), **Joe Edwards** (Acting Vice President / Information Technology) and the entire Finance team for their efforts supporting the Authority's rating.

I must also recognize the insights from our Board members, including Chair Tommy Wells, Rachna Bhatt, and Anthony Giancola during the rating agency meeting. Their perspectives underscore our robust governance structure, and I am highly appreciative of their participation and contributions to the meeting.



Healthy, Safe and Well

Think Pink Tea Party

The People and Talent team provided support to the Women of Water (WoW) business resource group to host a 'Think Pink' Tea Party on breast cancer awareness and education. The event, which was held in the COF Boardroom on the Blue Plains campus, featured guest speaker, Jill Robinson, of Virginia Hospital. Ms. Robinson led a discussion on the importance of self-exams, professional care, and early detection.





Divisions

The CEO report includes service level based key performance indicators. These are indicators for which the teams have established or confirmed response and resolution times in which to perform the related work. This is assisting us in identifying productivity and resource needs as well as benchmarking ourselves against other utilities. It is important to note that where teams may not meet the Service Level Targets set for a specific metric, it does not mean the work is not getting accomplished. The teams are doing a tremendous job and continue to strive to meet high performance expectations.

The data in the CEOs Monthly Report reflects the most recent information available at the time of production and printing.

Financial Metrics

Metric	Target	June-23	July-23	Aug-23	Sept-23
Operating Cash Balance (millions \$)	\$274.6	\$295.0	\$298.0	\$300.8	\$287.7
Delinquent Account Receivables (%)†	3.3%	4.0%	4.0%	4.0%	4.0%
On-time Vendor Payments (%)††	97%	96%	96%	97%	97%
Investment Earnings Data (Thousands \$)	\$7,028.2	\$4,447.3	\$5,072.0	\$5,703.6	\$6,243.9
Core Investment Yield Data (%) - Merrill Lynch 1-3 Year Treasury Index *		5.0%	5.0%	4.9%	5.1%
Core Investment Yield Data (%) - Actual Monthly Yield †††	0.2%	3.9%	3.9%	4.1%	4.3%
Short Term Investment Yield Data (%) - Merrill Lynch 3-Month Treasury Index *		5.1%	5.3%	5.4%	5.3%
Short Term Investment Yield Data (%) - Actual Monthly Yield †††	0.1%	2.9%	3.0%	3.0%	3.1%
Days of Cash on Hand** and ***	250**	331	320	295	319***

* Represent annual Treasury Index targets developed and provided by the Authority's investment advisor.

** 250 days of cash is the Board policy requirement for annual days of operating reserves excluding the Rate Stabilization Fund.

*** 319 days of cash is made up of 35 days in the Rate Stabilization Fund and 284 days in the operating cash balance.

Metrics Explanations:

† Delinquent account receivables as a percentage of 12-month rolling average revenue. The delinquent account receivables increased due to the impact of COVID-19.

†† The vendor payments goal may fluctuate slightly as we continue to research and resolve payments.

††† Investment earnings lag the benchmarks. We are in a rising interest rate environment. As lower yielding investments are sold and reinvested, performance is expected to improve.

Finance Highlights

FY 2023 Financial Performance

The information presented here are preliminary estimates that could change based on year-end financial transactions and the annual financial statement audit. The FY 2023 year-end closeout activities, including preparation for the financial statements audit in accordance with United States Generally Accepted Principles, is currently underway and are expected to be completed in late December 2023.

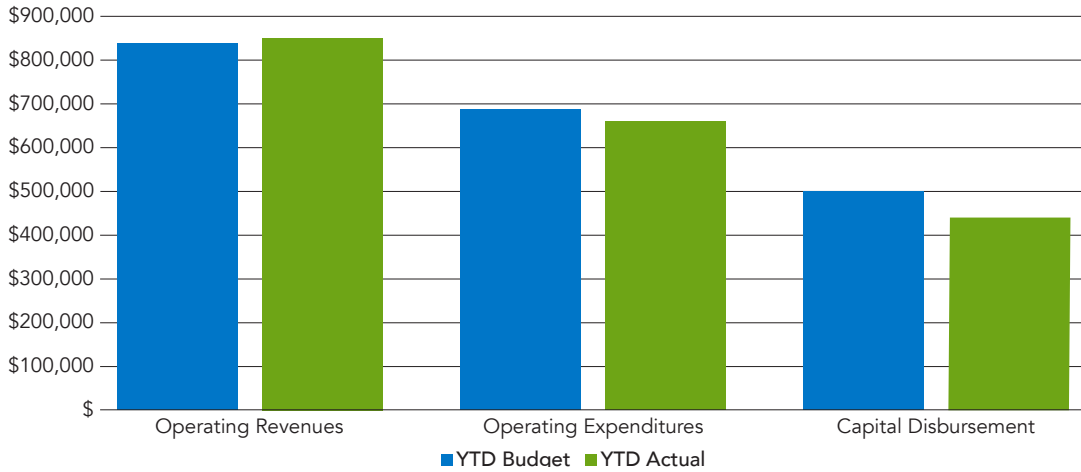
DC Water ended FY 2023 favorably with estimated revenues above budget and estimated operating expenditures and capital disbursements below budget. Total operating expenditures were \$675.2 million, or 98.4 percent and capital disbursements were \$435.1 million or 86.8 percent of the respective revised budgets.

Total operating revenues were \$853.3 million or 101.3 percent of the FY 2023 revised budget. The higher receipts were mainly due to higher consumption in Commercial, Multi-family and DC Housing Authority as compared to the budget. The slightly lower receipts for the District Government were due to lower consumption than budget. The lower receipts in the Other Revenue category were mainly from lower Interest Earnings, System Availability Fee and Washington Aqueduct Backwash as compared to the budget.



Finance, Procurement, and Compliance

FY 2023 Year to Date Performance Budget vs. Actuals (\$000's)



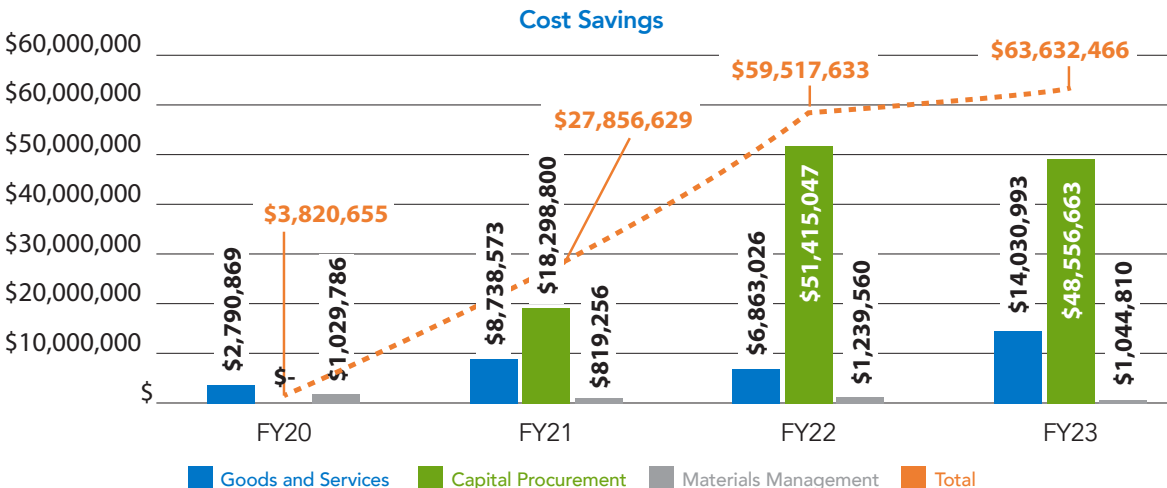
Rating Agency Affirmations

DC Water's management held a meeting with Standard and Poor's (S&P) in late September, which included the participation of Board members Tommy Wells, Rachna Bhatt, and Tony Giancola. The session was led by **Matt Brown** (Chief Financial Officer and EVP / Finance and Procurement) and attended by the Senior Executive Team (SET). During the meeting, the SET had the opportunity to discuss DC Water's financial and management strengths in detail. We highlighted DC Water's commitment to maintaining strong finances, robust management, and our commitment to our customers. It was an excellent opportunity to showcase our ongoing efforts to identify and mitigate risk while maintaining financial stability and investing in our infrastructure. Overall, the meeting was productive, and the engagement with S&P was positive. S&P released their ratings report providing an assessment of DC Water's creditworthiness. We remain dedicated to maintaining our strong financial position and continued commitment to excellence.

Procurement

Cost Savings (negotiated savings and cost avoidance):

The chart shows the cost savings from FY 2020 to FY 2023 achieved by Procurement through the competitive solicitation process in the Capital Project and Goods/Service solicitations and the cost avoidance achieved in the Materials Management through the inventory optimization. Procurement achieved the total saving of \$63,632,466 in FY23 exceeding FY22 saving of \$59,517,633.





Finance, Procurement, and Compliance

Procurement continued

Upcoming Business Opportunities: All current and planned solicitations are available at dcwater.com/procurement. Those upcoming in the next two months are shown below:

Capital Procurement

Planned Solicitation	Project Title	Solicitation Type	Estimated Total Contract Value	Delivery Type	Eligible Inclusion Program
Oct, 2023	SDWMR / LFDC Qualifications	RFO	\$10M-\$30M	Bid Build	DBE/WBE
Oct, 2023	Construction Management BOA (Multiple Awards)	RFP	\$10M-\$30M	Professional Service	DBE/WBE
Oct, 2023	Service Life Restoration Program (SLRP) - 4	IFB	\$10M-\$30M	Bid Build	DBE/WBE
Nov, 2023	Soldiers' Home Transmission Main	IFB	\$1-\$10M	Bid Build	DBE/WBE
Nov, 2023	Headworks Influent Structures	RFP	\$10M-\$30M	Bid Build	DBE/WBE
Nov, 2023	Ft. Stanton Reservoir No. 1 Rehabilitation	TBD	\$1-\$10M	Bid Build	DBE/WBE
Nov, 2023	Local Inspection Services	RFP	TBD	Professional Service	DBE/WBE
Nov, 2023	Spring Place Water Main and Sewer Rehab	IFB	\$1-\$10M	Bid Build	DBE/WBE
Dec, 2023	COF/IT Electrical System Upgrade	IFB	\$10M-\$30M	Bid Build	DBE/WBE
Dec, 2023	Sanitary Sewer Rehabilitation 10	IFB	\$10M-\$30M	Bid Build	DBE/WBE
Dec, 2023	Construction of Flood Seawall Segment A, B, D	RFP	\$10M-\$30M	Design Build	DBE/WBE
Dec, 2023	Large Diameter Water Main Project	IFB	\$1-\$10M	Bid Build	DBE/WBE
Dec, 2023	Normanstone Sewer Rehab	IFB	\$1-\$10M	Bid Build	DBE/WBE
Jan, 2024	Rehabilitation of Dewatered Sludge Loading Facility	RFP	\$1-\$10M	Professional Service	DBE/WBE

Procurement - continued

Goods and Services Procurement:

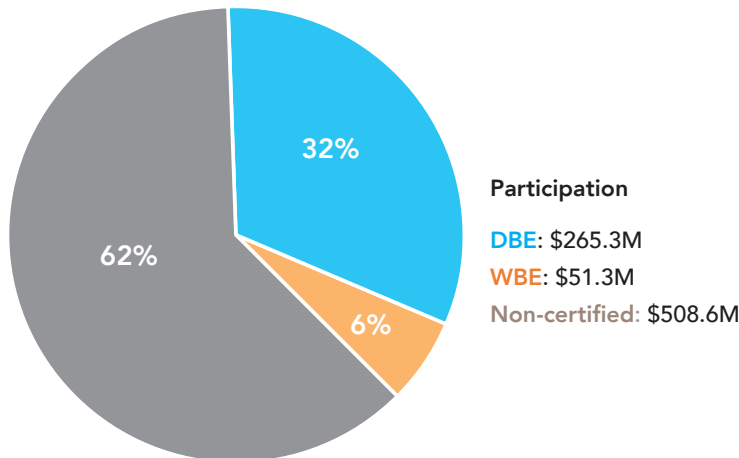
Planned Solicitation	Project Title	Solicitation Type	Estimated Total Contract Value	Eligible Inclusion Program
Oct, 2023	Annual Maintenance, Repair and Calibration of Instrumentation Control and Electrical Equipment	RFP	>\$1M	LSBE
Oct, 2023	Gas Monitoring Services	RFI	>1M	LSBE
Oct, 2023	Underwriter (Senior and Co-Managing) services	RFP	>\$1M	N/A
Nov, 2023	Potomac Interceptor Media Replacement	RFP	<\$1 M	LSBE
Dec, 2023	Banking & P-card Services	RFP	<\$1M	N/A
Dec, 2023	Investment Advisory Services	RFP	<\$1M	LSBE
Jan, 2024	Electricity	RFP	>131M	TBD
Feb, 2024	Internal Audit Services	RFP	>\$1M	DBE/WBE
Feb, 2024	Ferric Chloride	RFx	>\$10M	DBE/WBE
Mar, 2024	Third Party Administrator	RFP	<\$1M	LSBE

Contract Compliance

During this reporting period, DC Water’s Board approved ten (10) different procurement actions, including six (6) new awards, and four (4) extensions/ option years. The value of the procurement actions for this period totaled \$825.4 million. Of this total, the planned certified firm participation is \$316.7 million (in prime and subcontracting opportunities).

The following graph summarizes the certified firm participation:

**Certified Firm Participation
September 2023 Awards**



- Four new firms were welcomed to DC Water during this reporting period, including the prime contractor for the Potomac River Tunnel Project, as well as three new certified firms.
- Certified firms are prime contractors for two awards in this reporting period. Both are for Goods and Service projects.

Contract Compliance - continued

As of this report, DC Water Contractors filled 125 new positions. Of those, 104 (83 percent) were filled with residents from the user jurisdiction – including 61 District residents. Additionally, as per a new effort this year to expand gender equity thru DC Water Works, 24 positions were filled by women.

DC Water Works New Hires (as of October 2023)

DC Water's User Jurisdiction	Number of New Hires
District of Columbia	61
Prince George's County	32
Montgomery County	4
Fairfax County	6
Loudoun County	1
Total	125 (83 percent)
Outside the User Jurisdiction	21 (17 percent)

Apprenticeship Program Cohort 2 Update

On September 25, ten apprentices successfully completed their first year of training. Congratulations on achieving this milestone!

Outreach and Engagement

DC Water participated in the following events:

- Apprenticeship Best Practices – Panelist
- Congressional Black Caucus Business Expo – Panelist
- DC Anchor Partnership Business Summit – Panelist
- MARYLAND – DISTRICT OF COLUMBIA UTILITIES ASSOCIATION Annual Conference – Panelist
- National Utilities Diversity Council – Advisor
- Mr. Gadis also spoke at the DC Anchor Partnership Mayoral Press Release

Fleet, Facilities, Safety, Security and Emergency Management

Shared Services Highlight – Facilities Management

The Facilities team in true One Band, One Sound fashion marches toward improved performance. September 2023 was Facilities' best month since the recording of Key Performance Indicators (KPI) began in FY21. The years have seen obstacles, successes, setbacks and profound losses. Through it all, the Facilities team has maintained focus on supporting Blueprint 2.0 Imperatives and KPI improvement. The Facilities team mission is closely aligned with the Health, Safe and Well imperative but supports the entire strategy helping us become more Resilient, Sustainable, Equitable and Reliable. Providing comfortable and functional work environments for DC Water employees and visitors alike requires coordination of all aspects of facilities management.

Facilities HVAC Shop

In support of Healthy, Safe and Well and comfortable work environment, HVAC temperature maintenance is consistently most noticeable. The Facilities HVAC shop sprang into action to support air filtration improvements and maintenance in response to the COVID-19 pandemic. Unfortunately, during the pandemic years there were 3 retirements from the HVAC shop including an AC Mechanic 10, HVAC Mechanic 11 and the HVAC Foreman. This strained the remaining HVAC shop team members, as well as the People and Talent team, to fill the gaps in the near-term as well as filling the positions for the future. Journeyman trade positions are in high demand and very difficult to fill. The AC Mechanic 10, HVAC Mechanic 11 and HVAC Foreman positions were all filled in mid to



Angela Orozco, Buildings & Grounds Worker



L-R: **Harold Jusse**, New AC Mechanic 10 (Started August 2023)
William Shackelford, New HVAC Foreman (September 2023, Internal Recruit)
Matthias Frazier, AC Mechanic 10 (DC Water Apprentice Program, Round 1 Graduate, July 2023)
 – Flanked by two new chillers for CMF Building, Blue Plains.

late FY23. Harold Jusse, AC Mechanic 10, Bernard "BJ" Hodges, HVAC Mechanic 11 and William Shackelford, HVAC Foreman respectively started as new employees in FY23 with many thanks to the P&T team.

Tragically, Bernard Hodges was killed on Saturday August 5, 2023 in a senseless act of gun violence in the Anacostia neighborhood where Bernard grew up and returned often to support at-risk youth.

The HVAC Foreman position was filled through internal recruitment by William Shackelford (formerly AC Mechanic 10) in August of 2023. Mr. Shackelford stepped up, taking responsibility for many months in the Acting HVAC Foreman role. The confirmation of Mr. Shackelford in this permanent position role has seen improved morale in the HVAC shop, as well as across the Facilities team.

Fleet, Facilities, Safety, Security and Emergency Management

Facilities KPI performance is heavily dependent upon HVAC Shop KPI performance, with 60 percent to 85 percent of monthly PMs being HVAC Shop PMs, depending on the month.

In addition to PM work, the HVAC shop is greatly involved in corrective maintenance tasks that tend to flare up during extreme hot and cold months. At times, corrective maintenance tasks reach the level of major projects. A recent HVAC shop project success was the completion of the replacement of two massive chillers at the Blue Plains Central Maintenance Facility (CMF) building supporting an approximately \$570,000+ CIP funded project managed by the Facilities team. Supply chain issues added 18 months to this project and ramped up the need for intense care/focus on keeping the existing chillers functional well beyond their expected useful life. This project included DC Sustainable Energy Utility (DCSEU) sponsorship in the amount of \$15,400 based on the estimated savings generated by replacement of the old chillers with new, efficient Trane RTAC air cooled chillers.



Tielonzo Simms, Maintenance Mechanic

Facilities Carpentry Shop and Space Planning

The Facilities Carpentry shop and Space Planning team provide essential support for employee and visitor environments as well. After the rush of expanded employee locations to provide separation during the COVID-19 pandemic, the Carpentry shop and Space Planning team started right into the personnel consolidation in support of DC Water critical operations.

During the pandemic years one of the Carpentry Foreman became ill and left DC Water. This created a void in leadership that was filled by Coy Jefferies, Maintenance Mechanic 09. Mr. Jefferies stepped up, taking on additional responsibility as the Acting Foreman and was successfully recruited to the full-time position in August of 2023. He has had a positive impact on carpentry shop production as well as on morale. Mr. Jefferies has worked closely with space planning

manager, RoDonna Brewster in FY23 to successfully complete a staggering number of projects for the Department of Wastewater Treatment, Department of Engineering Services, Department of Water Services, Department of Water Quality, Department of Procurement, Department of Legal Services, Department of Pumping and Sewer Operations, Department of Finance, Department of Customer Service and Department of Permits.

Buildings & Grounds

The Buildings & Grounds (B&G) shop supported the major moves for the 10 Departments that either moved or had major office renovations in FY23. In support of the Sustainability, Equitable and Resilient Imperatives, the B&G shop is participating in FY23 Round two of the Apprentice program. Shannae Gordon and Tavone Ruth have just completed their first year of a two-year apprenticeship as Apprentice Buildings & Grounds workers.

In addition to the Apprentices, the B&G shop successfully collaborated with P&T to fill two Buildings and Grounds Maintenance Worker 07 positions in FY23. Cawayne Hyde and Michael Reijersen are the newest members to the Facilities B&G shop team. Thanks to the combined efforts of Facilities and P&T, the B&G shop is now fully staffed with 12 employees, two apprentices, one Foreman (Randy Harris).

Fleet, Facilities, Safety, Security and Emergency Management



Left Photo L-R: Michael Burns, David Heath, Lawrence Young, Buildings & Grounds Maintenance Workers.

Center Photo: Shawn Epps, Facilities Equipment Operator

Right Photo L-R: Shanae Gordon, Buildings & Grounds Apprentice Round 2, Angela Orozco, Cawayne Hyde, Buildings & Grounds Maintenance Workers, Tavone Ruth, Buildings & Grounds Apprentice Round two.

Plumbing Shop

The Facilities Plumbing shop onboarded a new Foreman early in FY23. Mr. Wendall Crawley, Foreman Plumbing, Master Plumber led the plumbing shop to steady preventive and corrective maintenance performance in FY23 in support of Imperatives Healthy, Safe and Well, Equitable, Resilient, Reliable and Sustainable. The plumbing shop has consistently completed their 80+ monthly PM's throughout FY23 and has successfully responded to many corrective maintenance calls, keeping the water properly flowing for DC Water employees and visitors. In addition to this steady performance, the Plumbing Shop has supported Round 1 Apprentice, Domitrick Lyles, through the 4 year apprenticeship program to graduate to Journeyman Plumber in the summer of 2023.



L-R: Eber Fuentes, Andre Mackall, Facilities Painters

Paint Shop

The Facilities Paint Shop has been fully engaged in support of Imperatives Healthy, Safe and Well, Equitable, Resilient and Sustainable through FY23. In addition to painting and drywall upgrades and repairs, the paint shop supports deployment of all signage at DC Water facilities. The paint shop provided drywall repair and painting services for each of the ten+ Departmental moves and many individual new employee location preparations and corrective maintenance work orders. In collaboration with the Compliance Team and in support of the Sustainability, Equitable and Resilient Imperatives, the Paint shop is participating in FY23 Round 2 of the Apprentice program. Brandon Gardener has just completed his first year of a two-year apprenticeship as Apprentice Painter. The Facilities Paint Shop has maintained full staffing with no vacancies throughout FY23.



Fleet, Facilities, Safety, Security and Emergency Management

Shared Services Metrics

Metric	Target	June-23	July-23	Aug-23	Sept-23
Security: Camera operational uptime	90%	97%	96%	96%	95%
Security: Smart card readers operational uptime	90%	97%	97%	96%	95%
Security: Percent of security investigations completed within 21 days	95%	100%	100%	100%	100%
Facilities: Preventive Maintenance Completion Rate	90%	27%	76%	48%	82%
Facilities: Service Request Completion Rate	90%	50%	58%	67%	61%
Fleet: Preventive Maintenance (PM) on Schedule	96%	93%	95%	69%	74%
Fleet: Priority Vehicles/Equipment (In-Service)	96%	73%	72%	68%	72%
Safety: DC Water Employee Recordable Incident Rate (RIR) (FY)	< 4.9	2.9	2.8	2.7	3
Safety: DC Water Employee Lost Time Incident (LTI) (FY)	< 1.7	1.9	1.7	2	2.2
Safety: Contractor/ROCIP Recordable Incident Rate (RIR) (FY)	< 2.5	1.9	1.7	1.5	1.5
Safety: Contractor/ROCIP Lost Time Incident (LTI) (FY)	< 1.1	0.2	0.2	0.2	0.2

Facilities:

Facilities finished FY23 strong with completion rates for September 2023: 82 percent for Preventive Maintenance (PM) work orders and 61% for Service Request (SR) work orders. Preventive maintenance work order completions rose sharply in both percentage (82 percent) and number completed (346). September was the most productive month for recorded PM completions in FY23. This is attributed to the Facilities shops management pulling together, the HVAC shop Foreman position being officially filled by William Shackelford (promoted from within, formerly AC Mech 10) and the addition of more subcontracted HVAC PM as part of the Facilities Surge (original subcontract amount: 103 pieces of equipment + additional 107 pieces of equipment = new subcontracted PM total 210 pieces of equipment). Foreman Shackelford has learned proper use of the Maximo work order system and to effectively manage communications with the PM subcontractor. Mr. Shackelford has also helped other Facilities Foreman to properly use the Maximo work order system which has help to improve Facilities PM and SR completion reporting. Service request work orders completion number was above average for FY23 with 143 service requests being completed (FY23 average 124 SR completions). Facilities appreciates the efforts of the P&T team for all FY23 recruitment effort, for the completion of the hiring for Foreman for the HVAC shop and the continued efforts for on-going recruitment (currently recruiting 6 vacant positions).

Fleet:

Preventative Maintenance completion rate is 74.07 percent. Of the 27 units scheduled for preventative maintenance, 20 units were brought in on time for service and returned to the operation.

Priority One Vehicle Availability is 72.34 percent. 167 of 230 priority one vehicles remain operational and in service.

Transdev, the Fleet contractor is very close to having a full complement of light and heavy-duty technicians. There have been some challenges with establishing a cadence at the management level with reporting, status updates, and familiarity with the information management systems. The performance metrics, including penalties, were established and took effect October 1. Nearly half of the Fleet is older than ten years, we are working on an aggressive replacement plan to update and right size our Fleet.



Customer Assistance Programs (CAP)

In FY23, the team worked to connect eligible customers with applicable funding. Our partnership with DOEE has successfully assisted 5,313 customers this year. This year we strategically communicated assistance plans to our customers through the following:

- 23k outbound calls for assistance and payment term campaigns.
- Shared assistance opportunities through the IVR queue and incoming calls to the Contact Center.
- Bill Messages and emails.
- Through UDP marketing.
- Catch-up Offer notice.
- Customer Assistance Survey.

The department came very close to meeting the CAP, CAP2, and CAP3 assistance participation levels of FY21 (5182). We missed the target by .01 percent (5131).

In FY24, the department plans to offer RAP until the funds are exhausted. This decision is going through the emergency rule-making process.

Customer Assistance Programs (CAP)

Program	FY2022 Enrolled	FY2022 Dollars	Sept. Enrolled	Sept. Dollars	# FY23 Enrolled	FY2023 Dollars	FY2023 Budget
CAP I	6,949	\$4,871,357	121	\$338,602	4,744	\$2,399,001	\$2,500,000
CAP II	679	\$338,362	0	\$17,641	351	\$139,714	\$400,000
CAP III	204	\$33,026	0	\$-	36	\$6,342	\$50,000
Non-Profit CRIAC Relief	186	\$866,375	34	\$122,902	182	\$875,585	\$905,608
DC Water Cares Residential	1,690	\$1,318,242	236	\$266,230	2,816	\$2,930,302	\$3,779,649
DC Water Cares Multifamily (number of units)	4,313	\$1,880,830	-2	\$131,414	3,038	\$2,137,750	\$2,245,115
Homeowners Assistance Fund	-	\$0	37	\$25,394	293	\$256,835	-



Customer Experience

Customer Care

In FY23, the Department of Customer Care worked to achieve goals by maintaining productivity in a field and telework environment. Some of our significant accomplishments this year are:

- Processing and submitting the Federal Cost of Service bill timely and accurately.
- Successfully activated the 311 MOU for emergency call overflow.
- Offering a one-time Catch-Up Offer to all eligible customers, providing an equitable opportunity for customers to receive financial relief towards their outstanding bills.
- Resuming normal disconnect processes and thresholds.
- Aclara One Usage Transmission Upgrade from the STAR platform to the new Aclara Platform.
- Restarted the multifamily Receivership strategy for collection.
- Participated in the 2023 Tax Sale through the Office of Tax and Revenue.
- Designed and implemented the online bill investigation/dispute form.
- 50 percent of department hires were internal promotions.
- Created DEI Lunch & Learn meetings with monthly special guest speakers.
- Exceeded Large Meter Replacement target.

In September 2023, the department met most of the metric targets. We missed the percent Account Unbilled by 0.1 percent and Estimated bills as a percentage of meters read by 0.2 percent. We missed these targets by a minimal number of accounts due to scheduling conflicts and absences.

In FY24, the AMI Transmission metric will be transferred to IT to manage and monitor. The AMI Transmission target was missed by 3 percent.

Key Performance Indicators

Metric	Target/ Service Level	July 23	Aug 23	Sept 23
% of bills issued on time (w/in 5 days)	97%	97%	97%	97%
% unbilled	2%	1.9%	1.5%	2.1%
Estimated bills as a percent of meters read	4%	4.2%	4.5%	4.2%
% AMI Transmission	95%	93%	93.2%	92%
# of bill investigations (Disputes)	trend only	120	107	231
% of OPC inquiries resolved within 14 days	98%	98%	100%	100%
% of calls answered in 40 Seconds (Call Center)	85%	93%	90%	94%
Monthly call volume served (Call Center)	trend only	11,590	9,628	9,048
Abandon rate	3%	1%	2%	1%
Emergency dispatch <= 10 Min (ECC)	92%	100%	100%	100%

Non-revenue water:

IT is partnering with the Director of Innovation, Robert Bornhofen and Subeca to connect to hard-to-reach meters throughout the city. Subeca is an end-to-end water management platform that provides a cost-effective and scalable technology to empower utilities and their customers in the management of water resources. This low cost solution will aid DC water to reclaim water loss due to low coverage or blocked signals due to development.



IT Monthly Report

SR/WO Type	SL Target / SLA	July 23	Aug 23	Sept 23
Number of tickets submitted	Trend only	919	1163	965
Number of open tickets	Trend only	64	75	35
Helpdesk SLA	96%	99.3	98.7	99.19
Number of active projects	Trend only	18	17	18
Number of completed projects	Trend only	9	10	11
On schedule performance	90%	93.62	93.62	93.62
On budget performance	90%	97.92	97.92	97.92


Operations and Engineering

Water Services, Sewer and Pumping Operations, Wastewater Treatment, Engineering, DC Clean Rivers

Key Performance Indicators

Metric	Target/Service Level	June-23	July-23	Aug-23	Sept-23
Wastewater Operations					
NPDES Permit Compliance , percent number of days	100%	100%	100%	100%	100%
Air Permit Compliance, percent number of days	100%	100%	100%	100%	100%
Biosolids Class A Exceptional Quality (EQ) Compliance, percent number of days	100%	100%	100%	100%	100%
Tunnel Dewatering Compliance, percent of events tunnel dewatered within 59 hours of end of rainfall	100%	100%	100%	100%	100%
Renewable Electrical Energy Generated On Site, percent of total use at Blue Plains AWTP	>20%	29%	26%	23%	23%
Reactive Maintenance , percent of total maintenance hours	<20%	32%	32%	32%	32%
Critical Asset Availability , percent of total critical assets at the Blue Plains AWTP	>95%	96%	97%	97%	97%
Sewer Operations					
Combined Sewer System (CSS) structures (all outfalls, regulators, tide gates) inspections	100%	100%	100%	100%	100%
* Municipal Separate Stormwater System (MS4) requirement to clean all catch basins in the MS4 Permit Area at least once annually (Jul 01- Jun 30)	14,700	14717	22	142	168
** Inspection of catch basins in the CSO Anacostia tributary area at least twice per year (Jan 1- Dec 31)	11,400	1219	1356	1438	2381
** NPDES Permit to Clean and Inspect 85% of 10,700 CSS Area C/B (Jan 1- Dec 31)	9,095	220	973	1994	2651
Miles per month Sewer Cleaning and Inspection to meet 1,400 Miles of Small Diameter (<12 inches) in 10Yr Cycle	>12	16.43	10.63	15.84	10.33
Sewer Backup (Investigation to Resolution) Within 24 Hours Excluding Line Breaks	>95%	100%	100%	100%	100%
Number of SSO's	Report	3	4	3	3
SSO's to Body of Water	Report	0	1	1	1
SSO's per 100 miles of pipe (YTD) (AWWA 2021 Utility Benchmarking Report)	2	2.51	2.83	3.04	3.27
SSO's per 100 miles of pipe (Water Body) (YTD)	Information Only	.23	.31	.38	.46
Combined Sewer System Overflows	0	0	1	0	1

Key Performance Indicators continued –


Operations and Engineering

Water Services, Sewer and Pumping Operations, Wastewater Treatment, Engineering, DC Clean Rivers

Key Performance Indicators continued

Metric	Target/Service Level	June-23	July-23	Aug-23	Sept-23
Pumping Operations					
Firm Pumping Capacity Maintained	100%	100%	100%	100%	100%
Reactive Maintenance	<20%	12%	15%	19%	15%
Critical Asset Availability	>95%	98%	98%	98%	98%
Water Operations					
Safe Drinking Water Compliance	100%	100%	100%	100%	100%
Total Fire Hydrants Replaced	>21/Month	12	18	28	15
Hydrant Flow Tests (Non-Winter Months)	>180	32	63	84	68
Fire Hydrant Operational Rate	99%	99.78%	99.78	99.83%	99.8%
Priority 5 Emergency Water Service work orders completed w/in 24 hrs	>90%	100%	100%	100%	100%
Water Quality Complaint Resolution (within 48 hours)	>90%	93%	92%	84%	84.4%
Water Main Breaks	<28/Month	21	27	25	11
Water Main Break Rate /100 Miles (National Average is 25)	25	26.84	27.50	27.2	25.52
% of Hydrant Leaks in inventory that are not leaking	>90%	99%	99%	99%	99%
Permit Operations					
Overall On-time completion of Permit Reviews	90%	92%	91%	94%	93%

* Month-to-Month Cumulative Total for Catch Basin Inspection and Cleaning

** Catch basin cleaning has been impacted by out of service Stetco Vehicles. With the reduced production, Sewer Operations has started utilizing a contractor and working overtime to catch up on backlog to ensure permit obligations are met by December 31. DC Water Fleet has informed TransDev, our maintenance partner, that DPSO heavy vehicles (specifically Stetcos) are a clear priority to ensure the prompt repair and return to service given the important role in meeting our compliance requirements. There have been supply chain issues with getting parts for our older vehicles and challenges with ensuring a full-staff of heavy equipment techs to do the work, but as we continue with a robust replacement plan and close monitoring of our maintenance and repair contract Fleet expects to see continued improvements in the coming fiscal year. Fleet has two Stetcos on order for FY2024, which should make a significant impact on the availability of these critical vehicles.

Explanation of Missed Targets

Wastewater Operations Reactive Maintenance (<20 percent)

DC Water has adopted a manufacturing industry best practice benchmark of less than 20 percent reactive maintenance hours as percent of total maintenance hours. To our knowledge, there is no similar benchmark used in the public water utility sector. Blue Plains manages around 45,000 assets within our asset management/maintenance management system, and this stringent industrial benchmark is tracked as a marker for continuous improvement. We observe a descending trend of percent of total reactive maintenance hours, measured as annual average the last four fiscal years for assets at the Blue Plains Advanced Wastewater Treatment Plant. The goal is to remain on the reduction path towards a benchmark that is applicable for Blue Plains.

Total Fire Hydrants Replaced

During the month of September hydrant replacements missed our targeted goals due to a few reasons. Early in the month, we lost a few days due to heat advisory following the labor day weekend. We also continued to work with one crew due to equipment troubles and staffing issues. Additionally, team members took more time off in the month of September.

This KPI is achievable and can be accomplished if the right large equipment is available. To meet this KPI in the upcoming months, the department will rent the necessary equipment to ensure the KPI target is met.

Hydrant Flow Test >180

The Department missed the target due to resources availability. In addition, several staff members took leave in September, limiting support for this activity.

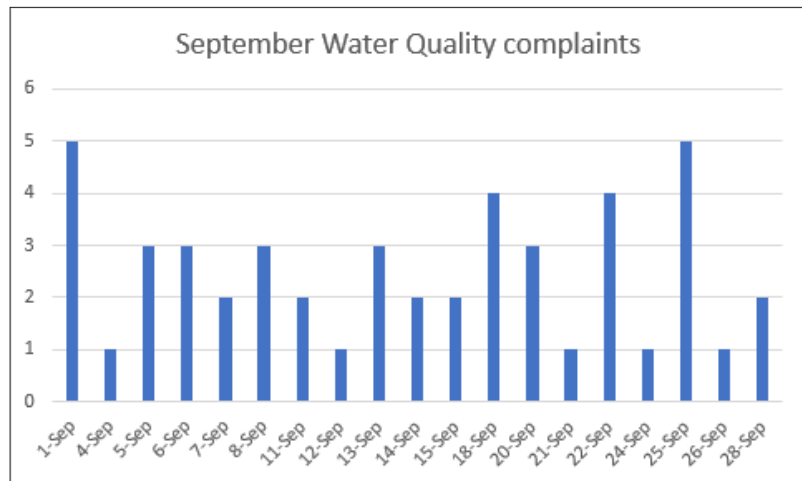
This KPI was added under the direction of the previous COO to justify the resources needed to meet the established MOU. The department is in the process of hiring personnel to support this effort but please be advised this KPI does not reflect the actual flow tests conducted by field staff. It only represents what was approved but the department plans to restructure this metric to be a more realistic KPI.

Water Quality Complaint Resolution (Within 48 Hours)

We received 45 water quality complaints in September 2023 and resolved 38 by phone, email, water testing/investigations and/or flushing hydrants. Field technicians return to the unresolved complaint hydrant 7-14 days after hydrant flushing to ensure water quality meets target levels and/or we identify the problem causing water quality issues. The unresolved 7 complaints from September did not meet water quality target levels during hydrant rechecks.

A 90 percent target for the established metric was provided as an acceptable service level for Water Quality Complaints. However, the challenge causing the longer resolution time is noted below.

- 600+ miles of unlined cast iron pipe
- Fire Department started testing hydrants this summer and their activity stirred up sediment, increasing the discolored water complaints
- DCB's shuts and DETS Small Diameter Water Main construction increased this past year, causing shuts and construction to generate water complaints
- In past years, low staffing also contributed to delayed flushing and follow up on water testing
- July-Sept are the warmest water temperature months, which causes chlorine reduction and increased iron release.



Internal audit plan FY2023 timeline

This timeline represents the FY 2023 audit plan and the status of each project. Annually the Internal Audit team, RSM, conducts a risk assessment and presents the results and the audit plan to the Audit & Risk Committee in October.

	Oct - 22	Nov - 22	Dec - 22	Jan - 23	Feb - 23	Mar - 23	Apr - 23	May - 23	Jun - 23	Jul - 23	Aug - 23	Sep - 23	Oct - 23	Status
▶ Contract Compliance Audit														Report Complete
▶ Procurement Audit														Report Complete
▶ Payroll & Timekeeping Audit														Report Complete
▶ Metering, Billing and Collections Audit														Report Complete
▶ Penetration Testing Audit – External Network														Report Complete
▶ Oracle IT General Controls Assessment														Report Complete
▶ Oracle Identity & Access Mgmt Assessment														Report Complete
▶ Work Order Management Audit – DWO														Report Complete
▶ Business Continuity Assessment														Report Complete
▶ Fleet Management Audit														Reporting in Progress
▶ FY 2024 Risk Assessment														Reporting in Progress
▶ Ongoing Follow-up Procedures														Ongoing
▶ Ongoing Hotline Monitoring														Ongoing

Audit FY	Issue Date	Audit Report	High Risk Open Finding	Original Target Date	New Target Date	# Extensions	
1	2023	7/27/2023	DWO Work Order Management Audit	Failure to capture work order labor and materials data	8/31/24	N/A	0
<i>In Q4 FY23 DWO is evaluating work activities that require material data capturing, developing business processes for labor hour data capture, and developing business processes for material data capture. After establishing the business processes, DWO will begin monitoring data integrity biweekly to monitor effectiveness of new process adoption. Specific milestone dates have been provided to Internal Audit.</i>							

***Open Prior Audit Findings**

Audit Report / Subject	Issue Date	Open
Fleet Management Review	1/24/2019	1
Contract Compliance Audit	7/22/2021	1
total		2

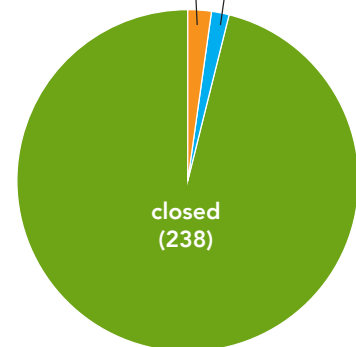
At least one original remediation target date has been extended

In total, 97 percent of all prior audit findings from FY16 – FY22 are closed. Management’s target closure rate is 90 percent.

*Note that the audit findings reported above represent open findings through the FY22 Audit Plan year.

FY16 – FY22 prior audit findings status

pending testing (5) open (2)



“Pending Testing” indicates that Management represents that the Action Plan is completed, but Internal Audit has not yet performed testing to validate the status.







**Summary of Resolutions and Contracts
302nd Meeting of the DC Water Board of Directors
Thursday, November 2, 2023**

Joint-Use Contracts

Resolution No. 23-68 Approval to Add Funding to Option Year 2 of Contract No. 10068, Supply and Delivery of Calcium Hydroxide, **W.K. Merriman, Inc.** The purpose of this contract is to provide supply and delivery of calcium hydroxide used in the Nitrification facility to adjust pH. The amount of the additional funding is \$1,200,000.00. (Recommended by the Environmental Quality and Operations Committee 10-19-23)

Resolution No. 23-69 Approval to Execute Contract No. DCFA #535, Non-Process Facility Design Service Basic Ordering Agreement (BOA), **Alphatec, PC.** The purpose of this agreement is to provide project design services for DC Water non-process facilities program, which supports DC Water's portfolio of non-process facilities and assets including but not limited to buildings, mechanical systems, electrical systems, solar energy system, interior office spaces, seawall shoring systems, ground shoring systems, hardscape, and landscape. The contract value is not-to-exceed \$5,000,000.00. (Recommended by the Environmental Quality and Operations Committee 10-19-23)

Non-Joint Use Contracts

No Actions for Consideration

Presented and Approved: November 2, 2023

SUBJECT: Approval to Add Funding to Option Year No. 2 of Contract No. 10068, Supply and Delivery of Calcium Hydroxide, W.K. Merriman, Inc.

**#23-68
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“the Authority”) at its meeting on November 2, 2023 upon consideration of a joint use matter, decided by a vote of ___ () in favor and ___ () opposed to approve additional funding for Option Year No. 2 of Contract No. 10068, W.K. Merriman, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute additional funding for Option Year No. 2 of Contract No. 10068, Supply and Delivery of Calcium Hydroxide, W.K. Merriman, Inc. The purpose of this contract is to provide supply and delivery of calcium hydroxide used in the Nitrification facility to adjust pH. The amount of the additional funding is \$1,200,000.00.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT OPTION YEAR

**Supply and Delivery of Calcium Hydroxide
(Joint Use)**

Approval to add funding to option year 2 in the amount of \$1,200,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: W.K. Merriman, Inc. 8038 Front River Road Pittsburgh, PA 15225 WBE	SUBS: N/A	PARTICIPATION: WBE – 100%
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DESCRIPTION AND PURPOSE

Base Period – Option Year 2 Value:	\$2,285,000.00
Base Period – Option Year 2 Dates:	12-01-2021 – 11-30-2024
No. of Option Years in Contract:	2
Option Year 2 Additional Value:	\$1,200,000.00
Option Year 2 Dates:	12-01-2023 – 11-30-2024

Purpose of the Contract:

To supply and deliver calcium hydroxide. The calcium hydroxide is used in the Nitrification Facility to adjust pH.

Contract Scope:

This contract is to provide calcium hydroxide to the Blue Plains Advanced Wastewater Treatment Facility for DC Water’s Department of Wastewater Treatment (DWT). DWT has an ongoing need for calcium hydroxide in slurry form to feed the Nitrification Facility at the Blue Plains Wastewater Treatment Plant. The product is used in the Biological Nutrient Removal process for pH control.

The DC Water Board approved the total contract value of \$2,285,000.00 is depleted sooner than expected due to rise of unit cost during option year 1 and 2.

Spending Previous Year:

Cumulative Contract Value:	12-01-2021 to 11-30-2024: \$2,285,000.00
Cumulative Contract Spending:	12-01-2021 to 09-01-2023: \$1,840,782.00

Contractor’s Past Performance:

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

PROCUREMENT INFORMATION


Contract Type:	Good and Services	Award Based On:	Best Value
Commodity:	Calcium Hydroxide	Contract Number:	10068
Contractor Market:	Open Market with goals for DBE and WBE participation		


BUDGET INFORMATION

Funding:	Operating	Department:	Wastewater Treatment
Project Area:	Blue Plains	Department Head:	Nicholas Passarelli


ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	43.08%	\$516,960.00
Washington Suburban Sanitary Commission	41.90%	\$502,800.00
Fairfax County	9.60%	\$115,200.00
Loudoun Water	4.71%	\$56,520.00
Potomac Interceptor	0.71%	\$8,520.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,200,000.00


 Digitally signed by Jeffrey F. Thompson
 DN: cn=US, Date: 2023.09.26 14:51:45 -04'00'
 _____ / 09/26/23
 Date
 Jeffrey F. Thompson
 Chief Operating Officer, EVP


 Digitally signed by Dan Bae
 DN: cn=US, E=dan.bae@dowater.com, O=District of Columbia Water and Sewer Authority, OU=VP of Procurement & Compliance, CN=Dan Bae
 Date: 2023.09.26 15:04:14-04'00'

 Dan Bae
 VP of Procurement
 Date


 Digitally signed by Matthew T. Brown
 Date: 2023.10.03 12:25:11 -04'00'

 Matthew T. Brown
 CFO and EVP of Finance, Procurement and Compliance
 Date


 _____ / 10/26/2023
 Date
 David L. Gadis
 CEO and General Manager

Presented and Approved: November 2, 2023

SUBJECT: Approval to Execute Contract No. DCFA #535, Non-Process Facility Design Service Basic Ordering Agreement (BOA), Alphatec, PC

**#23-69
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“the Authority”) at its meeting on November 2, 2023 upon consideration of a joint use matter, decided by a vote of ___ () in favor and ___ () opposed to approve the execution of Contract No. DCFA #535, Alphatec, PC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. DCFA #535, Alphatec, PC. The purpose of this agreement is to provide project design services for DC Water non-process facilities program, which supports DC Water's portfolio of non-process facilities and assets including but not limited to buildings, mechanical systems, electrical systems, solar energy system, interior office spaces, seawall shoring systems, ground shoring systems, hardscape, and landscape. The contract value is not-to-exceed \$5,000,000.00.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

ENGINEERING SERVICES:

**Non-Process Facility Design Service Basic Ordering Agreement (BOA)
(Joint Use)**

Approval to execute an architectural and engineering services contract not to exceed \$5,000,000.00

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Alphatec PC 1525 18 th Street, NW Washington, DC 20036 (DBE)	Hayat Brown LLC Washington, DC WBE 5.0% SZ PM Consultants, Inc. Washington, DC WBE 5.0%	DBE – 90% WBE – 10%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed: \$5,000,000
 Contract Time: 1827 Days (5 Years, 0 Months)
 Anticipated Contract Start Date: 11-15-2023
 Anticipated Contract Completion Date: 11-14-2028

Other firms submitting proposals/qualification statements:

- Arup US, Inc.*
- Bell Architects*
- Remington & Vernick Engineers*
- Samaha Associates, PC*

* Asterisk indicates short listed Firms

Purpose of the Contract:

This basic ordering agreement (BOA) is to provide project design services for DC Water non-process facilities program. These projects support DC Water’s portfolio of non-process facilities and assets including but not limited to buildings, mechanical systems, electrical systems, solar energy systems, interior office spaces, seawall shoring systems, ground shoring systems, hardscape, and landscape. Projects design may include interfacing and coordinating with permitting agencies.

Contract Scope:

Work will be accomplished under a series of definitive Task Orders. Each Task Order will identify the scope of work, deliverables, compensation, and schedule for performing the task and may include:

- Concept and Schematic Design
- Final Design
- Permitting Services
- Construction Procurement Support
- Design Services During Construction
- As-built Drawings

Federal Grant Status:

- This contract is not eligible for Federal grant funding assistance.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Highest Ranking Score
Commodity:	Engineering Design Services	Contract Number:	DCFA #535
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Facilities
Service Area:	Non-Process Facilities	Department Head:	Brent Christ
Project:	SA, SB, RV, SD		


****ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 5,000,000.00
Federal Funds	0.00%	\$ 0
Washington Suburban Sanitary Commission	0.00%	\$ 0
Fairfax County	0.00%	\$ 0
Loudoun County & Potomac Interceptor	0.00%	\$ 0
Total Estimated Dollar Amount	100.00%	\$ 5,000,000.00

** As individual projects are developed, DC Water will determine joint-use share information for each task order. Individual joint-use organizations will be notified and billed accordingly as tasks are developed and work is assigned during the contract performance period.

 Digitally signed by Wayne W. Griffith
Date: 2023.10.05 09:01:14 -04'00'

Wayne Griffith _____ Date
Chief Administration Officer, EVP

 Digitally signed by Dan Bae
DN: C=US, E=dan.bae@dcwater.com,
O=District of Columbia Water and Sewer
Authority, OU=VP of Procurement &
Compliance, CN=Dan Bae
Date: 2023.10.05 09:07:51 -04'00'

Dan Bae _____ Date
VP of Procurement

 Digitally signed by Matthew T. Brown
Date: 2023.10.11 13:03:40 -04'00'

Matthew T. Brown _____ Date
CFO and EVP
Finance, Procurement and Compliance Cluster

 Digitally signed by David Gadis
Date: 2023.10.26 12:39:09
-04'00'

David L. Gadis _____ Date
CEO and General Manager