



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
301st MEETING OF THE BOARD OF DIRECTORS
Thursday, October 5, 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 September 7, 2023 Meeting Minutes**
- IV. **Chairman's Overview**
- V. **Committee Reports**
 1. Human Resources and Labor Relations Committee with Unions (**Steven Shofar**)
 2. Environmental Quality and Operations Committee (**Sarah Motsch**)
 3. DC Retail Water and Sewer Rates Committee (**Rachna Butani-Bhatt**)
 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 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)

X. 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)

XI. Safety Differently Presentation (Wayne Griffith and David Gill)

XII. Executive Session¹ (Chairman Wells)

XIII. 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

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



**MINUTES OF THE MEETING OF THE
300TH BOARD OF DIRECTORS MEETING
SEPTEMBER 7, 2023**

(via Microsoft Teams)

DIRECTORS PRESENT

District of Columbia Members

1. Tommy Wells, Chairperson
2. David Franco, Principal
3. Anthony Giancola, Principal
4. Howard Gibbs, Principal
5. Wendell Felder, Principal
6. Jed Ross, Alternate

Prince George's County Members

1. Jared McCarthy, 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 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

7. Kirsten Williams, Chief Communications and Stakeholders Engagement Officer and Executive Vice President

The 300th 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 AM. Board Secretary Michelle Rhodd called the roll, and a quorum was established.

I. APPROVE MINUTES

Chairperson Wells asked for a motion to approve the minutes of the July 6, 2023, meeting.

Upon a motion duly made and seconded, the Board of Directors approved the minutes of the July 6, 2023, meeting as presented.

II. CHAIRPERSON'S OVERVIEW

Chairperson Wells reviewed the agenda, noting that the Board would meet in executive session later to discuss the CEO's performance evaluation.

III. CEO AND GENERAL MANAGER'S REPORT

CEO and General Manager David Gadis thanked current and past Board members for their commitment to the communities they have served over the last 300 meetings and will continue to serve. He thanked Mr. Gibbs, the longest-tenured member, for his commitment to the organization and the community.

Mr. Gadis provided four updates on the Authority's resilient, health, safety, and wellness imperatives. On July 29, 2023, the DC Water Basketball League Championship held a competitive match. The Knicks defeated the Lakers 26-14 to capture the title. Titles were also given to DC Water employees, including:

- Michael Mitchell, a Physical science technician in the Clean Water and Technology Department, was crowned the 3-point champion.
- Travon Battle, a Wastewater Services employee, was crowned the Offensive Player of the Year.
- Anthony Edmonds, Sewer Services Department, was crowned the Defensive Player of the Year.
- Dustin Rolls, Executive Assistant in the Facilities Department, was crowned Lead MVP.
- Jeff Campbell, Senior Utilities Services Worker, was crowned Worker of the Year.

Mr. Gadis stated the basketball team had brought DC workers together and provided a place for them to take their families. He thanked staff members for volunteering with the league and making events like these, run smoothly.

September is Preparedness Month, so the remaining updates centered on resilience and preparedness. The summer presented several challenges related to climate change, and DC Water is committed to improving organizational resilience to meet those changes. One change will be public messaging and ensuring that customers understand the range of challenges they face, and the steps DC Water has taken to mitigate climate change.

On August 25, the Washington Post published an opinion piece calling for improved performance from the District Office of Unified Communications. The article highlighted the substantial completion of the Northeast Bound Tunnel and its related community benefits. Mr. Gadis thanked John Lyle, Vice President Marketing and Communications, for making that information available to the Post and explaining the benefits of catching and retaining stormwater.

On August 23, the Authority hosted a delegation representing FEMA and HCMA to highlight the ongoing work supporting disaster resilience, emergency management and hazard mitigation and an overview of hazard mitigation grants. The visit was a success, and Mr. Gadis thanked the staff who assisted. Two weeks ago, HCMA facilitated an extensive tabletop exercise with seminars and briefings to evaluate the collaborative strategies of response teams in the hypothetical situation of recovering from a hurricane. The goal was to identify capabilities and gaps in their approach. The District announced they will reinstate the DC Emergency Preparedness Council in September to facilitate further discussion and planning. DC Water helped to further knowledge-sharing and generated additional discussion of supporting roles and responsibilities among the Emergency Management Team. Mr. Gadis stated he will continue communicating regularly with their internal team on contingency plans if the Aqueduct cannot provide DC Water with its services.

In response to Director Anthony Giancola expression of concern that Customer Assistance Programs (CAPs) were not achieving budgetary needs and his remarks urging that clients must be made aware of the programs in order to address the issue, the management team reviewed Authority wide resources and tools that are being utilized to address his concerns.

Mr. Giancola noted that the facility's preventative maintenance increased to where it should be, while other areas could use further improvement. Mr. Giancola went on to note that under Goods and Services, there is a mass communication systems contract with Ever Bridge for a 1-year extension of the original contract from 2013. He suggested that the contract be rebid rather than adding extensions with over ten amendments. Mr. Gadis could follow up with information about the procurement contract. Mr. Giancola stated he only hoped they would rebid the contract next cycle.

IV. COMMITTEE REPORTS

Executive Committee

Reported by Chairman Wells

Executive Committee Chairperson Tommy Wells reported that the Committee met on July 14, August 1, and August 31, 2023 to review and discuss the CEO's performance evaluation. The Board will meet in executive session later in the meeting to review the Executive Committee's recommendations.

Environment Quality and Operations Committee Report

Reported by Sarah Motsch

Nicholas Passarelli, VP, Wastewater Operations, briefed the Committee on the performance of the Blue Plains Advanced Wastewater Treatment Plant (BPAWTP). All parameters were within the National Pollution Discharge Elimination Standard (NPDES) permit limits. The monthly average flow to complete treatment was 247 million gallons per day (MGD) for June. Onsite energy generation from the Combined Heat and Power (CHP) facility and solar panels for the month was 29% of the average consumption at BPAWTP. 5,527 wet tons of biosolids were sold as Bloom, which was 197% above the target for the month. The FY23 cumulative sales have met 119% of the goal. All wet weather flows were diverted to complete treatment with no flow through Outfall 001.

Maureen Schmelling Director, Water Quality Water reported water quality monitoring to be in compliance with the total coliform rule for the past month. The lead and copper rule testing for the first semester 2023 was completed and demonstrated compliance. A few homes were over the 90th percentile limit from the first sample but demonstrated compliance with the second draw samples. The next semester's testing begins in July.

Sylvia Okogi, Operations Program Manager Utility Services, Water Distribution reported that 41 hydrants were marked out of service in June. Out of the 41, 22 were defective and required repair. The other 19 were out of service due to regular work. The map providing the location of the out-of-service hydrants was presented. Eight hydrants that needed replacement have been out of service for more than 120 days. Conversations are ongoing with DDOT and FEMS for wall mount hydrants in the third street tunnel. Ms. Okogi confirmed that regular hydrants also serve the third street tunnel and there is protection.

William Elledge, Director Engineering and Technical Services reported that the three keys to the success of the Lead-Free DC Program were to secure funding, implement a mandate requiring homeowners to participate in replacing lead service lines and collaborate with DDOT for road permits. action items. Efforts are ongoing to achieve these three critical items. The graph of funding was presented. The implementation of the mandate was moving forward through Council. Work has continued with DDOT including

a recent meeting with a Deputy Director. Progress to date was reported. There were 4,400 service line replacements completed since FY 2020, with a total savings to customers of nearly \$7 million for free and discounted replacements on private property. The key activities completed in the previous quarters were presented and included: the submittal of Bipartisan Infrastructure Law grant applications, community activators doubled agreements per week, restoration of 40 blocks to remove DDOT permit hold was completed, a 2023 LFDC plan, map, and construction dashboard was introduced, the cost estimate was updated, bids were opened on the next four task orders, the LFDC plan press briefing was conducted, and the DC Council hearing and 19 ANC meetings were participated in. The executive dashboard was presented, which includes a map, premise status, premise count, and percentage of totals.

Meisha Thomas, Director of Customer Care reported that on September 10, 2022, A flooding event occurred in which there was 2.88 inches of rain, which topped a previous record set in 1970. It resulted in increased call volumes to the Emergency Command Center (ECC), and the phone lines were blocked due to the volume of calls. The Office of Unified Command (311) reported an increased call volume and broken communication between the groups. An internal emergency plan was created to utilize the call center staff in the daytime to assist with emergency calls and increase ECC staff as needed. An MOU was also established, which involved a multi-agency discussion to collaborate and coordinate emergency calls and resolutions during future flood events with the OUC (311) answering calls that overflow from the ECC. Between 8 pm and 8 am, if the call queue is greater than 25 calls with an average wait time greater than 90 seconds, calls are transferred to 311. Between 8 am and 8 pm, calls are transferred if the threshold is greater than 40 calls with an average wait time greater than 120 seconds. This new MOU was activated on April 1 when a water break affected 50 homes. The ECC answered 265 calls, and 103 were transferred to 311. The benefits of the relationship include improved customer service, reduced customer frustration by completing a call through one system, increased responsiveness, reduced call abandonment, support for the response identified by the Flood Taskforce, and greater collaboration between DC Water and DC Government.

David Parker, VP of Engineering reported that on May 1st, 2023 an inspection discovered the center wall of the East and West outfall relief sewer had fully corroded and was missing in sections. A more detailed inspection from Structure 2A to past Structure 105 was completed on May 10th, 2023, which showed there was 75 feet downstream of Structure 2A, which was severely deteriorated with conditions improving the further downstream to 563 feet where there were no signs of deterioration. The Incident Management Team (IMT) was activated on May 25th, 2023, with weekly meetings being held with the team. Mr. Parker presented the Phase 1 and Phase 2 response plan. Phase 1 involves emergency response and risk mitigation with the installation of a sheet pile temporary bypass, removal of soil overburden, installation of sandbags and additional protection if a collapse occurred. Cost estimate for phase 1 is \$7 to \$15M. The contractor, Spiniello, mobilized on June 9th, 2023.

Phase 2 will be the permanent repair with a current planning level cost estimate of approximately \$7M with a schedule of September 2023 to May 2024. Daily site inspections are being conducted, regular tactical meetings are being held and mitigation plans have been implemented to divert a portion of the flow from the Potomac pump station.

*DC Retail Water and Sewer Rates Committee
Reported by David Franco*

Matthew Brown, Chief Financial Officer, Finance, Procurement and Compliance and Executive Vice President, presented the Monthly Report. He mentioned that revenues were in line with earlier projections for the year. Mr. Brown specifically 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.

Mr. Brown presented the Revised Rate Stabilization Fund (RSF) Recommendation, emphasizing these key points:

- The policy prioritizes flexibility and took into account Committee 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 or revenues.
- The policy serves various purposes, including rate smoothing, covering one-time emergency costs, funding savings-generating investments, and reducing higher debt.
- Amawalk, an independent consulting firm, reviewed RSF in 2023, suggesting a 5% retail revenue balance, prioritizing emergencies, cost-cutting technologies, and debt reduction.
- The name RSF remains consistent despite name change discussions.

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, an independent consulting firm, recommends increasing DC Water's days of cash to 350-400 days. This aligns DC Water with highly rated peers and helps safeguard strong credit ratings for future borrowing. Management recommends 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 presented an update on the Potomac River Tunnel Contract, a part of the Clean Rivers Program. The Environmental Q&OPs Committee recommended advancing the Potomac River Tunnel Contract previously. Retail Water and Sewer Rates and the Finance & Budget committees are being informed about the contract due to its Retail Rates, Financial Plan, and Budget impacts. The contract will be presented to the Board in October 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. Customer Care is requesting 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 requesting the committee to recommend to the Board the extension of RAP into 2024 until funds are exhausted. Additionally, they propose publishing a Notice of Emergency and Proposed Rulemaking to ensure the continuity of customer benefits.

*Audit Risk Committee Report
Reported by Floyd Holt*

Audit Risk Committee Chairperson Floyd Holt stated that Deloitte and the Strategy & Performance team provided an overview and status of the Enterprise Risk Management program. The team is in phase two of the ERM implementation with a goal to complete efforts by the end of fiscal year 2023.

- The ERM 101 foundational training has been rolled out, with advanced training planned for select individuals in August and September. The training aims to provide a consistent understanding of risk management across the organization.
- The team is conducting deep dives into three key risks: revenue erosion and expenditure growth, talent management, and changing regulations. The deep dives involve analyzing root causes, consequences, and metrics that would help identify risk indicators.
- The team is implementing the Origami risk solution, which includes both policy and risk management processes. The Origami system will serve as a repository

for board resolutions and policies, aiming to consolidate this information which is currently housed in multiple locations.

With the completion and issuance of three completed audits this quarter, the internal audit plan remains on-track for the fiscal year. There are no open high-risk findings to date. 96% of prior audit findings from FY16 – FY23 have been closed. An audit of the Payroll & Timekeeping processes was conducted in Q2 and Q3. The Payroll & Timekeeping Audit is a cycle audit that occurs bi-annually. Internal Audit identified two high, two moderate, and three low risk findings. Both high risk findings are closed pending final testing as mitigating controls were implemented after the in-scope period concluded but prior to audit report issuance. An audit of the Department of Water Operation's Work Order Management process was conducted in Q3. The Audit of Work Order Management processes are a cycle audit that occurs annually, with an emphasis on different departments annually. Internal Audit identified one high and two low risk findings. One new call has been made to the Fraud, Waste, and Abuse hotline in the past quarter. The call was not related to a matter of fraud, waste, or abuse, so it was passed along to the appropriate management team and the case was closed by the Internal Audit team. One call remains open at this time.

The Committee met in executive session to discuss security matters and personnel matters.

*Finance and Budget Committee Report
Reported by Anthony Giancola*

Finance and Budget Committee Chairperson Anthony Giancola reported that the June 2023 Financial Report was presented. YTD Operating Revenues were \$633.9 million or 75.2 percent of the budget. Operating Expenses were \$473.2 million or 68.9 percent of the budget. Capital Disbursements were \$283.6 million or 56.6 percent of the budget ending June 30, 2023. Mr. Giancola noted that typically, 75 percent was expected for these items based on the time of year. Operating Expenses were \$21.2 million below the YTD budget.

The Authorized Vacancy Rate was 13.6 percent compared to 17 percent at the start of the year. The Active Vacancy Rate was 8.1 percent. Management thoroughly reviews all Authority-wide vacancies to understand better the positions needed to support business operations. A total of 17 positions were identified as "hard to fill," other positions identified as "not needed at this time" had been eliminated from the authorized headcount, which will be accounted for in the upcoming budget.

Capital Disbursements were \$283.6 million. Spending is expected to increase during the last quarter in anticipation of large invoice payments, including the Clean Rivers project, the Q4 bill from Washington Aqueduct, and the delivery of the ordered vehicle equipment. The total cash balance was \$777.5 million, which includes the Rate Stabilization Fund

balance, operating reserves, and unrestricted and restricted reserve accounts. Interest income on investments to date was \$4.4 million. Delinquent accounts were reduced to 8.9 percent of total accounts. Developer Deposits were \$45.2 million in credit balances (liability) and \$10.9 million in debit balances (receivables). DC Water recently completed a solicitation proposal and hired a contractor to assist with the backlog of refund requests with an expedited completion schedule.

Insurance Renewal Update was effective July 1, 2023. The actual premium payment was approximately \$5.63 million, below the not-to-exceed amount of \$5.9 million approved by the Board.

V. ISSUES OF GENERAL INTEREST

Mr. Herrington stated the Governance Committee would meet before the next Board meeting, for which staff had been requested to provide an update on the inter-jurisdictional partners related to Blue Drop revenues.

VI. CONSENT ITEMS (JOINT USE)

1. Approval to Execute Contract No. DCFA #536-WSA, Program Management for CSO Long-Term Control Plan and Other Services, Greeley and Hansen LLC - Resolution No. 23-43 (Recommended by the Environmental Quality and Operations Committee 07-20-23)
2. Approval to Execute Memorandum of Understanding (MOU) Agreement for Long-Term Control Plan Well Permit Reviews between District of Columbia Department of Energy and Environment and DC Water – Resolution No. 23-44 (Recommended by the Environmental Quality and Operations Committee 07-20-23)
3. Approval to Execute Change Order No 07 of Contract No. 200020, Emergency Sewer Main IR&R, Spiniello Companies – Resolution No. 23-45 (Recommended by the Environmental Quality and Operations Committee 07-20-23)
4. Approval to Execute Contract No. DCFA #539-WSA, Permit Support Services, SZ PM Consultants – Resolution No. 23-46 (Recommended by the Environmental Quality and Operations Committee 07-20-23)
5. Approval to Award Contract No. 10399, Microsoft Enterprise Agreement License Renewal, Dell Marketing LP – Resolution No. 23-47 (Recommended by the Environmental Quality and Operations Committee 07-20-23)
6. Approval to Exercise Option Two of Contract No. 10084, Sodium Hypochlorite, Chemical Co. Inc. – Resolution No. 23-48 (Recommended by the Environmental Quality and Operations Committee 07-20-23)

7. Approval to Execute Modification No. 12 of Contract No. WAS-13-018-AA-RA, Mass Communication Systems, Everbridge – Resolution 23-49 (Recommended by the Environmental Quality and Operations Committee 07-20-23)
8. Approval to Exercise Option Years Three and Four of Contract No. 20-PR-WWT-45A, High-Pressure High Vacuum Cleaning, Jet Blast – Resolution No. 23-50

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

VII. CONSENT ITEMS (NON-JOINT USE)

1. Approval to Execute Contract No. 220160, Major Sewer Rehabilitation 1-5 Northeast Boundary, Spiniello Companies – Resolution No. 23-51 (Recommended by the Environmental and Quality Committee 07-20-23)
2. Approval to Add Additional Funding to Contract No. 032223, Construction Inspection Refund Services, AECOM Services of DC, LLC – Resolution No. 23-52

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

VIII. ENGINEERING ASSESSMENT REPORT

Mr. Brown and Mr. John Corliss Jr. from Peer Consultants presented the Independent Engineering Assessment of the DC Water Wastewater and Water System as is a requirement of the Master Indenture of Trust to perform every five years related to inspecting the system, creating a written report including findings and recommendations for maintenance, and construction of additions, extensions, and improvements to the system. It ensures that DC Water is a good investment for current and future bondholders, which helps them keep their fees low.

Mr. Corliss provided a summary of the report. DC Water enjoys best-practice governance and has a well-deserved reputation for competence and oversight. Management was more clearly defined than the previous assessment due to updates that DC Water had made to facilitate communication and break down silos. Blueprint 2.0 was deemed a well-developed Strategic Plan that will lead DC Water to success in the future. No other retail utility has as many governmental relations as DC Water. Numerous awards have been given to DC Water in the last several years for outstanding work and quality. The Financial and Capital Improvement Plan exceeded the minimum requirements, and DC Water was deemed very capital-intensive. DC Water employees are older, better trained, and work in safer conditions, making DC Water a desired employer. Several large IT initiatives and upgrades have been made since the previous assessment, and additional initiatives are planned for the future. Prior to the pandemic, DC Water had anticipated events that may lead to people working from home, so they saw a seamless transition during the

pandemic. Customer service is prioritized and is shown through surveys and quality HR. DC Water is moving toward a "world-class" asset management program.

The Drinking Water System source is the Potomac River – Washington Aqueduct, which serves more than 700,000 residents, businesses, and the federal government. Compliance monitoring is conducted daily, and treatment can be adjusted when indicated. One hundred percent of the drinking water compliance with the Aqueduct is considered best practices. DC Water is ranked as a top performer in available water supply and energy efficiency and is above average in hydrants out of service and short-term water disruptions. DC Water is below average on greater than 4-hour disruptions. Non-revenue water increased to 30 percent. DC Water's Planned Maintenance ratio is within best practices.

The Wastewater System provides retail services to the District of Columbia with wholesale services to adjacent MD and VA counties. DC Water has the world's largest advanced wastewater treatment plant and can provide clarification for water collected in the tunnel system during rain events. Blue Plains fully complies with the August 2018 NPDES permit and receives NACWA Performance Awards regularly. The Enhanced Nutrient Removal and biosolids are well coordinated with the Total Nitrogen/Wet Weather Plan, which benefits the organization.

The Stormwater System is responsible for combined sewer and sanitary sewer discharge points and has been designated a lead for permit compliance coordination with Public Works and the Health Department. The MS4 permit is issued to the DC Government, so DC Water is not responsible for that runoff. Promising advancements have been made, including the large project of the Northeast Boundary Tunnel design and build. Additional commissions are expected to come in during Fall 2023, which is two years ahead of time.

Major Initiatives included Lead-Free DC, launched in 2019, identifying 41,000 service lines that need to be replaced for the cost of \$1.5 billion. This effort is to ensure that risks from lead pipes are reduced. The Clean Rivers Project states that CSOs must be decreased to reduce the nutrient-rich loads released into the bay. Blue Drop is a non-profit limited liability company created in 2016 to support Bloom, HQO events, software development and sales with Layermark, the book Wendy and the Water Cycle book, and the water and cell tower leasing program, all to promote knowledge and conservation. Each of these programs was found to follow the schedules set for them to benefit the people they serve.

Security Services were maintained to create a safe and welcoming customer-focused workplace through facility upgrades and capital projects. Cyber security was maintained through remote backups and logically separated networks. The Security Department exceeded the Blueprint 2.0 performance measures and the QualServe high performer median. CISA Cybersecurity performance goals were implemented, and the Cyber Resiliency program used NIST's Cyber Security Framework as a foundation.

Future Considerations before the following assessment were recommended. Sustainability would be imperative to Blueprint 2.0, meeting the Clean Energy DC Plan, adapting to the impact of climate variables and extremes, increasing renewable energy such as the solar project aims, and maintaining the recovery of carbon produced in nutrients removed from assets. Resilience can be maintained through initiatives like the hazard plan. Customer Expectations, Awareness, Outreach, and Social Media were being addressed through DC Water's updated efforts. Employee Recruitment and Retention. Efforts could be brought up to date by considering what employees seek within the Recruitment Policy. Regulatory Requirements and Operating Conditions are prepared for the near term. DC Water is working to be prepared for the long term by joining Advisory Groups, being involved in studies, and being involved with the government and community. Watershed Management requires continuous stakeholder interaction, especially as new regulatory requirements are expected to take effect.

Chairman Wells stated they would need to move on to the next item. He requested that this presentation be sent to the Board and shared with all the Committees for review. Mr. Wells stated that all Committees needed to review the future considerations section so that leadership could identify performance objectives for adoption in November.

Mr. Corliss closed by saying that the leadership of DC Water and the changes that took place over the last five years were excellent. This assessment was high level for potential bondholders, signifying that DC Water is competent or nearly world-class across the Board.

IX. EXECUTIVE SESSION

The Board went into executive session to discuss a personal matter under DC Official Code 2-575(b)(10).

After the executive session, Mr. Wells stated the next Board meeting would be in-person at DC Water headquarters. Following the Board meeting, the Board members will receive Enterprise Risk Training.

Upcoming meetings Include:

- Human Resources Levy Relations Committee – September 13 at 11 a.m.
- Environmental Quality and Operations Committee – September 21 at 9:30 a.m.
- Executive Committee – September 22 at 2 p.m.
- DC Retail Water and Sewer Rates Committee – September 26 at 9:30 a.m.
- Finance and Budget Committee – September 28 at 9:30 a.m.

X. ADJOURN

There being no further business to come before the Board, Chairman Wells adjourned the meeting at 12:05 PM.

Michelle Rhodd
Secretary to the Board of Directors



**MINUTES OF THE MEETING OF
HUMAN RESOURCES AND LABOR RELATIONS COMMITTEE
WITH UNION PRESIDENTS
SEPTEMBER 13, 2023
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Steven Shofar, Chairperson
2. Jed Ross, Vice Chairperson
3. Tara Jackson, Principal, Prince George's County
4. Wendell Felder, Principal, District of Columbia

DC WATER STAFF

1. David Gadis, CEO and General Manager
2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Matthew Brown, Chief Financial Officer and EVP, Finance and Procurement
4. Michelle Rhodd, Secretary to the Board
5. George Spears, VP, Labor Relations & Compliance
6. Joy Dorsey, Chief People Officer and Executive Vice President, P & T
7. Wayne Griffith, Chief Administration Officer and Executive Vice President
8. Jeff Thompson, Chief Operating Officer and Executive Vice President

The Human Resources and Labor Relations Committee meeting was called to order by Chairperson Steven Shofar at 11:01 AM. The meeting was held via Microsoft Teams. Board Secretary Michelle Rhodd called the roll.

I. UNION TOPICS

Barbara Milton, AFGE 631 Union President, stated that the Union's request to reclassify the wastewater treatment operators was being submitted for the fifth time. She noted the original request was submitted in 2018.

David Gadis, CEO and General Manager introduced Joy Dorsey, the new Executive Vice President People and Talent. He acknowledged the delay in responding to the request for reclassification and informed the Committee that work has begun on an organization-wide compensation study to ensure that positions are graded correctly with proper compensation and salaries. In light of the on-going compensation survey, Mr. Gadis explained that management's philosophy with respect to the wastewater treatment operators was to wait for the survey's completion to assure that positions are in line with industry standards and there are no unintended budget impacts across the Authority.

In response to Ms. Milton's query whether the union positions would be included in the compensation study, Mr. Gadis noted that a third-party vendor would be reviewing all positions within the organization from a compensation standpoint. All employees would be reviewed in the same capacity, but the union leadership may be contacted if it is deemed necessary.

Ms. Milton explained that the reclassification request was to maintain internal equity and noted that the operators at the pumping stations are classified as 11. Since 2018, they have been requesting internal equity for the same positions. Mr. Gadis noted that those positions were different and two years ago, management proposed reclassifying the wastewater treatment operators, but the offer was rejected. Mr. Gadis went on to explain that conducting an Authority wide compensation study allows management to assess positions and determine what is best for the organization as a whole rather than on a section-by-section basis.

In response to Ms. Milton's remarks that she was unaware of the offer made two years prior, George Spears, VP, Labor Relations & Compliance stated he would provide the information to her.

Committee member Tara Jackson asked if the compensation study would also function as a classification study, to which Mr. Gadis responded that it would.

Ms. Milton requested that an audit be performed for the wastewater treatment operators. Mr. Spears responded that he would schedule a meeting with Ms. Milton and the Compensation Team.

Chairperson Shofar clarified that in the next six months, a comprehensive compensation study of the entire organization would be conducted, and the wastewater operator classification would be included in the survey.

At the end of the discussion, Mr. Gadis thanked the union presidents and DC Water Staff for working to reach understanding and agreement on several issues which resulted in only one item coming to this meeting for consideration and discussion. Mr. Gadis also congratulated Mr. Shofar on leading his first meeting as Chair.

II. ADJOURN

The meeting adjourned the meeting at 11:13 a.m.



**MINUTES OF THE MEETING
ENVIRONMENTAL QUALITY AND OPERATIONS COMMITTEE
SEPTEMBER 21, 2023
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Sarah Motsch
2. Howard Gibbs
3. Chris Herrington
4. Andrea Crooms

DC WATER STAFF

1. Matthew T. Brown, CFO & Executive Vice President, Finance, Procurement and Compliance
2. Jeffrey Thompson, Chief Operating Officer and EVP
3. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
4. 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 Treatment Operations, DC Water, reported on the Blue Plains Advanced Wastewater Treatment Plant (BPAWTP) Performance. The average flow through complete treatment for July and August was 277 MGD and 266 MGD, respectively. There was an increase in rain in July and August. From July 5 to August 29, diversions from Combined Sewage Operations (CSO) 19 were the largest because part of the Northeast Boundary Tunnel system was out of service for commissioning. There were significant overflows: 113 million gallons (MG) in July and 100 MG in August. Of the overflows, 146 MG in July and 85 MG in August were captured. The Northeast Boundary Tunnel is now commissioned and operational and performed well during the recent rain event on September 15-17.

Energy performance was good, with 23% of the electricity generated onsite. The Combined Heat and Power (CHP) facility production decreased to 6.9 megawatts (MW) due to planned maintenance, with 5.5 MW net to the Blue Plains grid. The solar system produced an additional 0.8 MW. In August, 11,330 wet tons of biosolids were produced. Blue Drop sold 3,252 wet tons of Bloom, which put the total further over the goal of 55,000 tons to 63,295.

II. CIP QUARTERLY UPDATE

David Parker, Vice President of Engineering, DC Water, presented the FY23 third quarter Capital Improvement Program (CIP) Progress updates. For the Non-Process Facilities, planning was completed for Phase 1 and 2 of roofing and HVAC assessments. For the Main and O Street Pump Stations Seawall, a scope of work is being developed for full replacement in lieu of efforts to certify the existing seawall. Concept designs are being prepared for Bryant Street, Main PS upgrades, COF renovation, and the Ft. Reno upgrades. Request for proposals is planned for early 2024 for the floatable debris docks design-build and Fort Reno Watchman's Lodge Design. Task orders through a design BOA will be issued for Bryant Street Parking improvements and Fort Reno Watchman's Lodge. Construction procurement for the Blue Plains SB-1 Warehouse renovation will occur after construction permits are received. Construction on the HVAC Replacement at Blue Plains Facilities has been completed, and sidewalk installation at Main PS has been postponed due to conflicts with other work ongoing at this site.

For the DC Clean Rivers (DCCR) program, the Div. J Northeast Boundary Tunnel is nearing final completion, with commissioning having just been completed in September. The Div. PR-C CSO 025/026 Sewer Separation, and the Div. PRT-A Pot Tunnel Advance Utility Construction projects are completed. Construction on the Div. RC-B Rock Creek Green Infrastructure Project B is 75% complete. The fact sheet for the upcoming Potomac River Tunnel will be presented later in the meeting with construction duration of 2024-2030.

There are over 60 planning studies at the BPAWTP at various stages of completion. The Flood Wall Sections A, B, and D project will move forward after the FEMA grant for this work is officially awarded. The Microgrid Study is underway. A total of 9 projects are under design. New procurement actions include an RFP issued for the Primary Treatment Upgrades, and three firms were awarded Basic Ordering Agreements for Design Services. A Phase II Solar Project is being evaluated to add up to 16 MW of solar panels. For construction projects, the Gravity Thickener Upgrades Phase 2 is nearing completion. The Filter Influent Pump replacement project completion has been delayed due to high

vibration levels observed from the new pumps. A potential solution has been implemented on one pump and will be applied to others upon confirmation performance. A Filter Underdrain replacement project is in design, with some interim Filter Underdrain Repairs being performed to maintain performance until the full project can be implemented. The Reclaimed Final Effluent Pump system rehabilitation project is on track.

For combined and sanitary sewer projects, an emergency repair is ongoing for the East-West Outfall Relief Sewer, identified from a sewer inspection earlier this year. Construction on the Potomac Interceptor manhole 31 project is also ongoing. Construction is about to begin on the Northeast Boundary Trunk Sewer.

The actual performance for small diameter water main replacements was better than the FY23 Baseline due to fewer issues than expected with supply chains.

For the Lead-Free DC (LFDC) program, some earlier issues with obtaining some permits were previously resolved. DC Water has made progress in negotiating an MOU with DDOT, with some provisions to extend work hours and allow full block closures on local roads to expedite the work. The DDOT legal review is in progress. Initial public canvassing achieved greater than 50% participation for private-side replacements. Four construction packages were issued for construction, and three more are in the procurement process. These contracts are set up to achieve the FY24 and FY25 projections for this program.

Paul Guttridge, Director of CIP Infrastructure Management, DC Water, presented the FY23 Q3 Budget update, incorporating actual spend data through the end of June. The projected significant retention releases for DC Clean Rivers are now anticipated to be lower than baseline which will reduce the year end projection somewhat. It is anticipated that current spending projections at year end will be approximately 80% of the baseline budget. Replacement of small diameter water mains within the Water Service Area are performing better than expected as noted before and this is reflected in spending performance. Non-process Facilities are forecasted to underspend \$10.6 million. The Wastewater Treatment Service Area is forecasted to underspend \$18.5 million. CSO Program Area is forecasted to underspend \$1 million. DC Clean Rivers Program Area was forecasted to underspend \$8.4 million. Stormwater Service Area was forecasted to underspend \$3.8 million. The Sanitary Sewer Service Area was forecasted to underspend \$15 million. The Water Service Area is forecasted to underspend by \$2 million.

Mr. Guttridge stated there were 32 Key Performance Indicators (KPIs) due in 2023. 15 have been completed within the 90-day threshold, and five have been or will be completed outside of the threshold.

III. DRONE PROGRAM

Jason Hughes, Vice President, Water Operations, DC Water, stated after two years of working on getting clearance to use the Drone program in the US Capital, they were able to begin the process. Tamrat Bedane, Manager, Linear Asset Management, Water-Linear Asset Management, DC Water, presented the steps taken to obtain drone permitting and the impacts it could have on DC Water. Deploying drones can help DC Water save money and prevent crew injury in many different environments. With Reagan National in the city, DC is under controlled airspace. Thus, it is a requirement that approval is gained from the FAA for each flight conducted by a FAA-certified drone pilot and onsite police DC Water has 3 FAA-certified drone pilots within different departments. DC Water has conducted eight flights: 3 pilot level flights followed by five project flights, including tank inspection, marketing video footage, a demonstration flight, a post-storm disaster assessment for Homeland Security Emergency Management Agency (HSEMA), and a Blue Plains Site Scan flight to gather accurate the condition of sedimentation tanks. There were other training flights conducted by DC Water, Video footage and photos from drones were presented to the Committee. A potential list of use cases was presented.

IV. ACTION ITEMS

JOINT USE

1. Contract No. 200100 – DB Potomac River Tunnel Contract B- Tunnel System Construction – CBNA-Halmar Clean Rivers Joint Venture
2. Contract No. 10403 – Small Construction – Eastern Contractors
3. Contract No. 10079 – Ferric Chloride – Carter & Carter Enterprises
4. Contract No. 10396 – Protective Services – Universal Protection Services

NON-JOINT USE

1. Contract No. 19-PR-DWS-29 – Utility Locating and Marketing Services – Dynamic Concepts
2. Contract No. 230030 – Lead-Free DC (LFDC) Lead Service Line Replacement (LSLR) Program FY23-FY26 Block by Block Construction – Multiple Contracts
3. Agreement No. DCFA #455-WSA – Basic Ordering Agreement-Infrastructure XII – Johnson, Mirmiran & Thompson, Inc

Moussa Wone, Vice President of DC Clean Rivers Project; Rudy Gonzalez, Director of Procurement, Capital Programs; Jamal Jones, Senior Compliance Officer, Contract Compliance; and Matthew Brown, CFO and EVP, Finance, Procurement, and Compliance, presented Joint Use Action Item 1. Joel Grosser, Director of Procurement for Goods and Services, presented Joint Use Action Items 2, 3, and 4 and Non-Joint Use Action Item 1. William Elledge, Director, Engineering and Technical Sciences, presented Non-Joint Action Items 2 and 3.

For Joint Use Action Item 1, Dr. Wone, presented on the Potomac Potomac River Tunnel Design-Build Contract. The Potomac Tunnel is required by Consent Decree to be in operation by February 8, 2030. The anticipated Notice to Proceed is 11/09/2023, with anticipated completion of 12/17/2029. The total amount for approval is \$819,655,177.

Mr. Gonzalez presented the procurement and outreach process. Extensive outreach was conducted, and the four best proposals were reviewed. The proposals were evaluated on a scale of 35% technical and 65% cost. CBNA-Halmar Clean Rivers JV was recommended as the team presented the best value proposal having scored the second highest technical proposal for the lowest price. \$16.2 million is included for risk allowance to cover requirements added by DDOT for Whitehurst Freeway, signalization at Independence Ave., National Park Service Seawall Reconstruction, commodity escalation beyond anticipated, supply chain disruption, especially for TBM and freight uncertainties, and shortages of craft labor.

Mr. Jones presented the contract compliance proposal evaluation. CBNA- Halmar plan meets the 28% DBE/ 4%WBE for the design phase and 32% DBE/ 6% WBE for the construction phase. Each contractor with a contract value of \$500,000 or greater will register for an apprenticeship program with DOES and meet their respective apprentice ratios. CBNA-Halmar agrees to meet the 75% local hiring goals for new jobs created on this project.

Mr. Brown presented an overview of the budget and rate impact of the Potomac River Tunnel contract. He noted that an additional \$215 million was needed to fund the proposed contract. To award the contract, there must be sufficient budget authority in the CIP. Management identified four projects with sufficient funding that could be reprogrammed to cover the shortfall. Local Sewer Rehabilitation 9 and Small Diameter Water Main Rehabilitation #23-25 are projects that can be reprogrammed and would be prioritized for re-incorporation into the budget in FY25. Re-incorporating the projects will increase forecasted customer rates beyond what was approved in the Financial Plan. With the current action, the Clean Rivers Impervious Area Charge (CRIAC) will be higher, and the sewer rate will be lower. Estimated rate and fee impacts will be included in the next Financial Plan for Board consideration.

Environmental Quality and Operations (EQ&OPs) Committee member Chris Herrington asked how the items excluded from Fair Share were calculated, noting that some stated scope was to be determined later. Dr. Wone stated it was based on risk analysis and will be adjusted as and if items come up.

Joint Use Action Item 2, presented by Mr. Grosser -- \$9,631,851 for a contract with a 2-year base period and 3 option years for small construction was requested.

EQ&OPs Committee member Howard Gibbs asked why they had not found a local contractor. Mr. Grosser stated it was a larger company and had offices in Virginia.

EQ&OPs Committee member Christopher Herrington asked why the proposed amount was (\$9 million) less than the projected amount. Mr. Grosser stated the projected amount had considered many more contingencies, but this was the actual cost.

For Joint Use Action Item 3, the proposal is to add \$5.5 million in funds for Option Year 2.

EQ&OPs Committee member Howard Gibbs noted that Year Option 1-2 stated there was \$8.5 million. Mr. Grosser clarified that \$8.5 million would be the total amount, but they would only need to approve the \$5.5 million addition.

For Joint Use Action Item 4, proposal is to award funds to provide security services in the amount of \$34.5 million for a 3-year base and 2-year option. The initial contract was three years, but it would be five years upon approval.

For Non-Joint Use Action Item 1, proposal is to add funding in the amount of \$419,107 for Option Year 3 and initiate full funding of \$1.32 million for Option Year 4 for a total of \$1,739,107.

For Non-Joint Use Action Item 2, Mr. Elledge presented the Lead-Free DC (LFDC) Master Service Agreement Contract Amendment requesting an additional \$70 million to keep up with the accelerating program. The initial amount approved was \$130 million. The requested amount was already budgeted in the Spending Plan. The increase would allow capacity to go from \$130 million to \$200 million, permitting them to reach their Lead-Free goals for 2024 and 2025. Overall utilization would be 35% DBE and 15% WBE.

Mr. Gonzalez reported that the time from bid to implementation was decreased below 90 days due to the efforts made. A request of interest will be sent out in the coming weeks.

For Non-Joint Use Action Item 3, William Elledge presented the proposal to approve the Executive Supplemental Agreement No.01 for \$1.4 million. DDOT standards had changed, and drawings needed to be updated in order to finish the projects. The funds would only be used on projects that were already started. The changes will be made quickly in order to get projects to procurement and under construction. The projects in question were presented to the Committee.

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

V. ADJOURNMENT

The meeting was adjourned at 11:13 AM.



**MINUTES OF THE MEETING
RETAIL WATER AND SEWER RATES COMMITTEE
SEPTEMBER 26, 2023
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Rachna Bhatt, Chairperson
2. Anthony Giancola, Principal
3. Howard Gibbs, Principal
4. Jed Ross, Principal

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. Wayne Griffin, Chief Administration Officer and EVP
6. Michelle Rhodd, Board Secretary
7. Syed Khalil, Vice President, Rates & Revenue
8. Meisha Thomas, Director, Customer Care

The DC Retail Water and Sewer Rates Committee meeting was called to order by Rachna Bhatt, Chairperson, at 9:31 AM. Board Secretary Michelle Rhodd called the roll.

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

Matthew Brown, CFO and Executive Vice President, presented the Monthly Report. He stated that revenues were on track with the projections provided earlier in the year. Mr. Brown highlighted the areas of under-collection against budget, Federal due to the Soldier Home dispute, District Government due to decreased consumption, and Other Revenues because of the backwash facility going online later than expected. Mr. Brown stated that areas that exceeded the budget were Residential Commercial and Multi-Family, DC Housing, Wholesale, and PILOT/ROW.

Committee Member Anthony Giancola asked for an update on the Soldier Home disputes.

Mr. Brown reported that the 90-day delinquencies plateaued after the COVID emergency, and the current delinquencies balance is \$27.7 million.

RATE STABILIZATION FUND PRESENTATION

Mr. Brown presented the Revised Rate Stabilization Fund (RSF) Recommendation. He indicated that Committee comments were taken into consideration while preparing the proposed policy that provided flexibility to management. He indicated that the revised policy would reduce the long-term growth of customer rates, set a target balance equal to 5% of annual retail revenues, and receive transfers from budget allocations and savings or revenues generated by the projects funded by RSF with Board authorization. Mr. Brown further explained that the policy would be used to smooth rate increases, to cover one-time emergency costs associated with emergency events, to fund investments that result in savings, and to defease higher cost debt. The Board would be provided notice of use of the fund within 30 days. Mr. Brown stated that the Trust Indenture established the RSF but provided few specific requirements and the policy in place since 2010 requires the Financial Plan to include the 10-year planned use of the fund. Mr. Brown noted that the policy did not specify target balances and stated the purpose was only to “mitigate rate spikes and allow smoothing of annual rate increases.”

Mr. Brown explained that Amawalk an independent consulting firm, completed a review of the RSF in 2023 and found that utilities use Rate Stabilization Funds in a variety of ways to meet their needs. Although a name change was discussed, Mr. Brown suggested keeping the name Rate Stabilization Fund. Amawalk suggested that a minimum, maximum, or target balance be specified, recommending a balance of 5% of retail revenues. Amawalk further suggested that the fund should be prioritized for emergencies or unplanned events, investments in technologies or other initiatives to reduce operating

expenses, and defeasance of higher cost debt or cash-financed construction such as PAYGO.

Committee member Anthony Giancola asked why the recommendation was not also going to the Finance & Budget Committee and Mr. Brown responded that they could present it if requested and it was an Action Item for Finance & Budget Committee meeting scheduled for Thursday September 28, 2023.

III. FINANCIAL POLICIES PRESENTATION

Mr. Brown presented the Revised Financial Policies, which he said would also be presented to the Finance & Budget Committee for recommendation. He noted that liquidity helps ensure resilience and can be used for revenue shortfalls. The current Board policy required 250 days of cash on hand or about \$275 million and that DC Water liquidity was identified as a strength by rating agencies. Mr. Brown stated that Amawalk recommended that DC Water increase their days of cash requirement to 350-400 days to a comparable level with their highly rated peers to defend their current strong credit ratings for future borrowing. Mr. Brown stated that DC Water could attain this increase through 25-day increments over several years or by allocating year-end surplus to meet the target. Peer comparisons were presented that show DC Water's peers maintain higher levels of liquidity as measured in days of cash. Mr. Brown stated that the future will likely present new challenges, including increases for budgeted items such as debt, outstanding debt, operating expenditures, personnel costs, capital expenditures, and household charges.

Mr. Brown said the options given include doing nothing, accepting the recommendation for 350-400 days and budgeting to meet that requirement, or by setting a goal and using surplus to meet the new requirement. The management recommendation is that 250 days be maintained as a minimum, with a goal of reaching 350 days by FY2032. He said this could be done by relying on the allocation of surplus funds.

Committee Chair Rachna Bhatt asked if he is suggesting all the surplus or a portion. Mr. Brown stated it would be a portion of the surplus at the Board's discretion.

Mr. Giancola stated that he and committee member David Franco had suggested a tiered approach. He further explained that he supported the recommendation of gradual increase to FY2032, and that at the end of each year, they could consider how much they wish to increase. Mr. Brown stated the Finance & Budget Committee would be asked to approve the recommendation at the Finance and Budget Committee meeting on Thursday September 28, 2023.

IV. POTOMAC RIVER TUNNEL CONTRACT UPDATE

Mr. Brown presented the Potomac River Tunnel Contract Update. He said that last week, the Environmental Quality and Operations Committee recommended to advance the Potomac River Tunnel Contract, which is part of the Clean Rivers Program. He continued that the Retail Water and Sewer Rates and the Finance & Budget committees should be made aware of the contract because it has Rate, Financial Plan and Budget implications. He said the bids received reflect the current market conditions for construction projects and management conducted an extensive industry outreach. The contract recommendation was to award the contract in the amount of \$819.655 million and an additional \$215 million will be needed to fund the proposed contract. Mr. Brown stated that management had identified projects in the Water and Sewer Service areas with sufficient funding from the Board-approved ten-year CIP. He indicated that these projects would likely be recommended to be added back in the CIP that would be presented to the Board in January.

Mr. Brown stated that there would be an increase in CRIAC and the sewer charge as it has an impact on the Potomac River Tunnel Project. He informed the committee that no action was required to make the change, and information will be presented in January for the next Financial Plan.

V. RECOMMENDATION FOR CARRYOVER OF UNEXPENDED RAP AND MAP FUNDS TO FY2024

Meisha Thomas, Director of Customer Care, presented the DC Water Cares Program Update. Ms. Thomas stated that Customer Care was requesting the committee to approve 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 MAP participation had been slow, but the funding was exhausted, and the administrative work for MAP outweighed the program's participation.

Ms. Thomas further stated that In FY2022, the RAP and MAP budget funds were extended to FY2023, and in May of 2023, RAP funds were exhausted, and in June 2023, the Board approved transferring \$2.1 million from MAP to RAP, and the administrative costs for RAP, MAP, and CAP were lower than expected. Ms. Thomas stated that as of August 2023, RAP had \$1.1 million, and MAP had about \$200,000 balances. Ms. Thomas projected an unexpended RAP and MAP balance for FY2023 of \$920,000, and funding from CAP, RAP, and MAP to FY2024 RAP to be \$150,000 for a total of \$1.07 million. Meisha Thomas then presented the Rulemaking Timeline.

Ms. Thomas stated that management was requesting that the committee recommend to the Board to extend RAP into 2024 until funds are exhausted and publish a notice of Emergency and Proposed Rulemaking to maintain the continuity of customer benefits.

Mr. Giancola stated that if this type of request is anticipated in the future, they should begin earlier to get approval at the start of the new year.

VI. ACTION ITEM

MOTION: Committee member Anthony Giancola motioned to adopt the Revised Rate Stabilization Fund (RSF) Policy and to recommend the Board approval of the Notice of Emergency and Proposed Rulemaking to Extend DC Water Cares RAP for FY2024 until the remaining funds are expended. Committee member Howard Gibbs seconded the motion which was passed unanimously.

VII. ADJOURNMENT

The meeting adjourned at 10:37 AM.



**MINUTES OF THE MEETING OF THE
FINANCE AND BUDGET COMMITTEE MEETING
SEPTEMBER 28, 2023**

(via Microsoft Teams)

DIRECTORS PRESENT

1. Anthony Giancola, Principal (Committee Chairperson)
2. Jared McCarthy, Alternate
3. Sarah Motsch, Alternate

DC WATER STAFF

1. David Gadis, General Manager and Chief Executive Officer
2. Matthew Brown, Chief Financial Officer and Executive Vice President, Procurement and Compliance
3. Jeffrey Thompson, Chief Operating Officer and Executive Vice President
4. Wayne Griffith, Chief Administration Officer and Executive Vice President
5. Michelle Rhodd, Board Secretary
6. Lola Oyeyemi, Vice President, Budget
7. Moussa Wone, Vice President, Clean Rivers
8. Matt Ries, Vice President, Strategy and Performance
9. Paul Guttridge, Director, CIP Infrastructure Management
10. Tanya DeLeon, Manager, Risk Management
11. Meisha Thomas, Director of Customer Care
12. Joel Grosser, Director, Procurement

The Finance and Budget Committee meeting of the District of Columbia Water and Sewer Authority was called to order by Anthony Giancola, Chairperson, at 9:32 AM. Board Secretary Michelle Rhodd called the roll.

I. AUGUST 2023 FINANCIAL REPORT

Lola Oyeyemi, Vice President of Budget, provided the Financial Report. Operating revenues were ahead of budget at \$801.2 million, or 95 percent of the budget. Operating expenses were \$575.6 million, or 83.9 percent of the budget and capital disbursements were \$378.5 million or 75.5 percent of the budget. Development of the Proposed FY 2025 Operating and Ten-year Capital Budget is ongoing. The Budget Workshop and Committee

reviews are planned for early 2024, with adoption by the Board in March 2024. Ms. Oyeyemi reported that the processes for the year-end close and the FY 2023 Interim Financial Statement and Uniform Guidance audits were underway.

Ms. Oyeyemi reported that the area of over-collection against budget in the operating revenues were mainly from the Residential, Commercial, Multi-Family customer category. She went on to explain that the lower collections from the federal government was tied to the disputed accounts of Soldiers Home), the District Government was due to lower consumption and other revenues was mainly due to lower collection of System Availability Fees, the delay of the Washington Aqueduct Backwash to Sewer project which is now operational and lower interest earnings.

Ms. Oyeyemi stated that the overall operating expenses are consistent with previously reported spending trends with underspending in several cost categories including personnel services which was due to vacancies. Regarding capital disbursements, she went on to report that the underspending in the capital equipment category was mainly due to lag in receiving some of the fleet equipment which are anticipated in the upcoming fiscal year. She noted that the details of the capital projects will be discussed in the next agenda item.

The cash balance was \$735.8 million which includes the Rate Stabilization Fund of \$35.6 million, operating reserves and additional reserve accounts. The interest income to date was \$5.7 million. Retail accounts receivable, as measured in 90-day delinquencies, continued to trend downward, with a balance of \$27.7 million for about 10,500 customer accounts.

II. CAPITAL IMPROVEMENT PROGRAM QUARTERLY UPDATE

Paul Guttridge, Director of CIP Infrastructure Management, presented the FY 2023 Q3 Report for CIP by service area. The Non-Process Facilities include various projects such as the roofing and HVAC assessments that are in the planning stage. The seawall near the headquarters has been identified for full replacement and construction would likely not begin until 2025.

For the DC Clean Rivers project, a major accomplishment was the Northeast Boundary Tunnel which reached substantial completion ahead of the consent decree deadline. The tunnel is now in service collecting stormwater and the team is working on the final project close out. Upcoming projects include the Potomac River Tunnel with the hopes that the contract will be awarded in October. The Potomac Tunnel Advanced Utility Construction was completed to get a head start on the tunneling contract. Paving for the Rock Creek Green Infrastructure Project B is 75 percent completed.

For the Blue Plains Advanced Wastewater Treatment Plant, there were over 60 tasks underway. The Gravity Thickener Upgrades Phase 2 project has increased the tank capacity from 3 to 10 tanks in service. All the tanks are equipped with air extraction

providing a more pleasant environment for personnel. For the FIP Pumps, the vibration issue has been investigated and a pilot is being carried out on one of the pumps which will hopefully be successful.

For CSO, Sanitary, and Stormwater Linear, the Potomac Interceptor at manhole 31 had significant corrosion in the pipe due to high flow volumes and cascading water. Realignment the pipe and installation of junction boxes will be completed to address the issue. For the East-West Outfall Relief Sewer, there is an ongoing emergency project to repair the double-barrel conduit's central wall that has experienced significant corrosion.

For Water Linear, the projected FY 2023 small diameter water main replacement baseline was 3 miles with replacements currently on track to achieve 10 miles by the end of the year. The lower baseline was based on the supply chain concerns at the time, but the contractors have been able to find and install the pipe in a timely manner. This higher-than-expected amount of replacement had spending implications on the budget.

For Lead Free DC, through working with DDOT, a draft Memorandum of Understanding (MOU) has been developed to allow work on the streets from 7 am to 7 pm with full block closures. This MOU will increase productivity and safety as full blocks are closed to get the work done. Mr. Guttridge noted that at a prior meeting, Chairperson Giancola had asked if the MOU included paving costs and how these costs were shared with DDOT. He stated that paving costs made up about forty percent of the cost for the Lead-Free program.

Mr. Giancola commended the team for the 10 miles of water main replacements to be completed and asked if the program to pre-order materials had contributed to the achievement. Mr. Guttridge stated that it appeared that contractors were able to obtain the materials faster than expected. Mr. Giancola asked if the program was underway. Matthew Brown, Chief Financial Officer and Executive Vice President, Procurement and Compliance, stated that contractors are still providing the materials and noted that DC Water is in transition and will switch to the new program where the pipes will start to be pre-ordered in future contracts.

Next, Mr. Guttridge presented the financial forecasts for the capital projects through the third quarter that ended in June 2023. He reported that the updated year-end spending for the capital projects is projected to be closer to 83 percent of the budget compared to the 85 percent reflected in the report. Mr. Guttridge went on to review the spending variances for the various service areas highlighting that the retention release payments for the Clean Rivers project were less than anticipated but will be paid in full in FY 2024. There were 32 Key Performance Indicators (KPIs) for 2023, two of which were completed in a 90-day threshold, fifteen were completed within their marked threshold, and five were completed outside of their threshold.

III. ROLLING OWNER CONTROLLED INSURANCE PROGRAM VI (ROCIP) AND OWNER CONTROLLED INSURANCE PROGRAM (OCIP) UPDATE

Tanya DeLeon, Risk Management Manager, reported that a feasibility study for the ROCIP VI and Potomac River Tunnel (PRT) OCIP had been presented in 2023. She went on to present management's request for a recommendation to the Board to purchase insurance in an amount not to exceed \$36 million. Initial quotes were received, terms are being evaluated and will be negotiated. If approved, the final results will be presented at the next Finance & Budget Committee meeting. ROCIPs protect DC Water from a financial and reputational perspective.

Ms. DeLeon provided an overview of the timeline of the various programs and enrollments from 2004 to the present, noting that they were market-driven and based on availability. The ROCIP Insurance Plan Components include a \$500,000 deductible, a primary limit of \$2 - \$4 million, and an excess general liability limit of \$200 million. The ROCIP Programs benefit small businesses, as they can be awarded a high level of coverage without the burden of carrying such expensive insurance. This creates a more collaborative safety environment at a lower cost since DC Water can buy insurance for a wholesale price. So far, \$4.9 million in construction value has been completed with \$1 billion anticipated for ROCIP VI and the Potomac River Tunnel (PRT).

Ms. DeLeon provided the breakdown including the terms and coverages of the management recommendation for a premium amount not to exceed \$36 million. These insurance premiums are for ROCIP VI (Workers' Compensation, General Liability and Excess Liability, Master Builder's Risk, and Master Contractor's Pollution Liability) and Potomac River Tunnel OCIP (Workers' Compensation, General Liability and Excess Liability).

IV. POTOMAC RIVER TUNNEL UPDATE

Mr. Brown stated the purpose of the presentation was to review the budget and rate impacts of the Potomac River Tunnel contract award. He noted that the same presentation was delivered to the Environmental Quality & Operations (EQ&OPS) and Retail Rates Committees to inform Board members of the financial implications of the contract award. He stated that the EQ&OPS Committee recommended the contract to the Board for approval. The contract will be the largest contract approved by DC Water and is the final leg of the very successful Clean Rivers Program. After an in-depth procurement review process including extensive industry outreach, the contract recommended including contingency is just below \$820 million.

Mr. Giancola asked what the initial estimate for the contract was and when that was developed. Moussa Wone, Vice President, Clean Rivers, stated that two engineering estimates were developed. These included \$610 million using three percent based on

normal market conditions and \$815 million based on post pandemic uncertain market conditions which was close to this bid.

Mr. Brown stated that an additional \$215 million was needed to fund the proposed contract. The funding had been identified from other projects with similar funding sources. To award the contract, equivalent funding was identified and reprogrammed from the Water and Sewer service areas. Mr. Brown noted the significance of these water and sewer projects to DC Water and to customers. He informed the Committee that management will be working to restore funding for these projects as part of the upcoming budget approval process. If restored by the Board, this action would increase the overall size of the capital program as well as customer rates.

Mr. Brown explained that the Clean Rivers Impervious Area Charge (CRIAC) and the sewer charge fund the Clean Rivers Program. The monthly CRIAC fee in 2032 is now projected to be \$34.37 per ERU instead of the previous forecast of \$31.32 per ERU as a result of the increase to the Clean Rivers project budget. He explained that no Board action was needed on the rates and fees today and that budget reprogramming has been executed to cover the funding for the contract.

Mr. Giancola expressed concern about redirecting money from and further delaying the small diameter pipes, waterlines and sewer lines projects, noting that they will likely see an increase in breakdowns and increased costs for operations. He suggested that the potential risk increase be considered in future budgets.

V. ROLLOVER OF UNEXPENDED MAP AND RAP FUNDS FOR FY 2024 FOR THE RAP EXTENSION

Meisha Thomas, Director of Customer Care, requested that the Finance & Business Committee recommend to the Board to roll over the RAP and MAP year-end balance of \$924,942.94 into the budget for FY 2024 RAP Program and rollover the FY 2023 RAP, MAP, and CAP program's Administrative Costs Funds year-end balance of about \$168.422.04 with \$20,000 for the FY 2024 RAP and CAP Programs' Administrative cost budget and \$148.422.04 going to the FY 2024 RAP Program Budget.

Ms. Thomas explained that the program funding in 2023 will not be exhausted due to Federal and DC programs for Homeowners Assistance Fund (HAF) and LIHWAP. MAP participation was slow, so management suggested not continuing the program and rolling the funds over to RAP. In 2022, the remaining balances were rolled to FY 2023 in the amount of \$1,681,758 for RAP and \$4,343,006.48 for MAP. Customer care resumed normal disconnection at \$200 or greater. In May 2023, RAP funds were exhausted, and about \$2.1 million was transferred from MAP to RAP. Calculations for administrative costs for RAP, MAP, and CAP were lower than anticipated due to in-house processing allowing them to transfer these funds. The remaining balances for RAP were \$1.1 million and \$200,000 for MAP. End-of-year balances were expected to be \$8000,000 for RAP and

\$100,000 for MAP to transfer over. The unexpended RAP and MAP balance is about \$920,000, with the administrative cost transfer of \$150,000. The anticipated rollover would be \$1.07 million.

Management requested that the Finance & Budget Committee recommend to the Board to roll over the RAP and MAP year-end balance of \$924,942.94 into the budget for FY 2024 RAP Program and rollover the FY 2023 RAP, MAP, and CAP program's Administrative Costs Funds year-end balance of about \$168.422.04 with \$20,000 going to the FY 2024 RAP and CAP Programs' Administrative cost budget and \$148.422.04 going to the FY 2024 RAP Program Budget.

Mr. Giancola asked if the enrollment in RAP and MAP was greater than in previous years. Meisha Thomas stated RAP was slightly higher than the year before, which was its first year, while MAP remained about the same.

Mr. Giancola stated that management should consider beginning the process earlier in the future if they will be anticipating rolling over any material amount to avoid creating delays and dealing with emergency legislation requirements. Ms. Thomas stated they will strategically look at these programs. Funds are expected to be exhausted before mid-year and will not likely be brought back for a continuation. With future projects, a strategic timeline will be prepared.

VI. PROPOSED REVISED FINANCIAL POLICIES

Mr. Brown stated he was seeking Committee recommendation to the Board for the adoption of a new Statement of Financial Policies. He noted the Retail Rates committee had recommended the Revised Rate Stabilization Fund Policy for approval in October, and that the proposed policy would be sent to the Finance and Budget Committee to inform them about the proposed changes.

Mr. Brown stated that liquidity helps to ensure resilience. Unanticipated events, such as a federal government shutdown and quarterly payments due in October, system failures could interrupt revenue streams or require additional expenditures. The current Board requirement is 250 days' worth of cash, which is about \$275 million. This is recognized as a strength by the rating agencies as it assures that debt can be repaid. A high bond rating helps keep borrowing costs low. DC Water has a high credit rating in part because it maintains reserves. DC Water has \$3.8 billion in outstanding debt and spend about twenty-eight percent of its revenue to service its debt, so keeping borrowing costs low is important for DC Water and its customer.

An independent consultant, Amawalk, was brought on to conduct the review of DC Water's operating reserves which is done every five years. Amawalk recommended that DC Water increase from 250 days of cash to an amount higher to 350-400 days of cash, a level that is more comparable to highly-rated peers. Mr. Brown explained that DC Water's 305 days

of cash, as reported by the rating agencies, includes the Rate Stabilization Fund (RSF). Even with the RSF, DC Water is on the lower end when compared to similar highly rated peer agencies for liquidity as measured in days of cash.

In the coming years, DC Water will be taking on more debt, completing more capital projects and operating expenditures will rise, debt services will increase, personnel costs will increase, and the average household charge will increase from \$125.16 in FY 2023 to \$170.41 in FY 2028. The total debt outstanding is projected to increase from \$3.8 billion today to \$5.1 billion in FY 2028. These reasons are why Amawalk made this suggestion.

Mr. Brown noted that the 250 days of cash has served the Authority very well in helping to maintain the high bond ratings over the last several years. Going forward, DC Water needs to consider the new challenges. He presented spending from the previous ten years and the forecasts for the next ten years highlighting that the spending for the Clean Rivers Program is expected to decrease over time as the mandated program is completed. This will help provide additional flexibility in the capital plan to really continue with the investments to maintain our infrastructure. Overall capital spending will increase.

Next, Mr. Brown reviewed three options including the pros and cons available for DC Water. These are (1) Do nothing and maintain 250 days which could mean ignoring an outside recommendation and possibly at some point negatively impact our bond rating; (2) Set the requirement to 350-400 days immediately; or (3) Set the requirement to 350-400 days and use year-end surplus to meet the requirement, though the requirement may not be met with that option.

Mr. Brown presented management's recommendation to keep the 250-day cash requirement as a minimum and set a long-term goal of 350 days by FY 2032 by relying first on the year-end surplus and not building the increases into proposed budgets for FY 2025 or FY 2026. He noted that no concerns have been received from the rating agencies about the current 250-day liquidity requirement. Progress toward the new 350-day goal will be reviewed in the future.

Mr. Giancola stated that he felt a tiered approach is the best approach and the most prudent. The Retail Rates Committee also supports management's recommendation and long-term goal of increasing the 350 days cash requirement by FY 2032.

VII. FORMALIZING ESG GOVERNANCE AT DC WATER

Matt Ries, Vice President of Strategy and Performance presented an update on Environmental, Social, and Governance (ESG) Reporting and briefed the committee on steps being taken to formalize ESG governance. In 2021, staff brought the ESG reporting concept and a Green Bond Framework to the committee for adoption in order to adhere to a standard framework while increasing clarity and reporting for stakeholders. Since then, two ESG reports have been released, and the staff is working on the third. Risk disclosures

have received good market feedback to date. Enterprise Risk Management has been implemented and integrated into ESG reporting. Resilience was added as a reporting component in the second report, along with the Task Force on Climate-related Financial Disclosures (TCFD) framework. ESG Governance Structure needs to evolve as well. The formalized structure reflects a developed ESG program and engagement with the Board of Directors. The Steering Committee proposed a Working Group to formalize inputs from those who have already contributed to ESG work in a way that would include the Board in order to present the work they are doing and receive feedback from the Board.

Mr. Giancola stated he would like more than one briefing a year. He suggested maybe another briefing at a retreat could keep the Board engaged in the process.

VIII. ACTION ITEMS

The Committee reviewed and moved forward with the following action items to the full Board -

- A. Recommendation for approval for the rollover of unexpended MAP and RAP funds for FY 2024 for the RAP extension
- B. Revised Financial Policies
- C. Recommendation for Approval of Merchant Credit/Debit Card Processing Services - \$1.8 million
- D. Recommendation for Approval of Oracle Cloud ERP Managed Care Services - \$1.5 million
- E. Recommendation for the Approval of ROCIP VI and PRT OCIP Insurance Premiums - \$36 million

IX. AGENDA FOR OCTOBER 2023 COMMITTEE MEETING

Matthew Brown stated that current items for the October 2023 Agenda included the September Financial Report and FY 2024 Committee Workplan. He said that the discussion would include a request from committee members to provide any requests for information they would like prior to the budget presentation.

X. ADJOURN

The meeting adjourned the meeting at 10:32 AM.



CEO's Report

OCTOBER
2023



ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING



Inside

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Chairman Wells, and members of the Board, it is my pleasure to present you with the CEO's Monthly Report for October 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.



Authority Honored by Department of Employment Services

On Tuesday, September 12, I was informed that the District Department of Employment Services (DOES) will be honoring DC Water with the Training, Employment & Partner Award at their upcoming Annual Shining Star Award Gala. This award is given to partners who exemplify the DOES mission and goals through commitment and service to residents.

In announcing the award, DOES expressed that the Gala Awards "will commemorate and honor pillars in the DC area that have shown exceptional service and exemplified strength, honor, service, and dedication to advancing the [DOES] mission and goals through commitment and service to [District] residents."

I would like to highlight the efforts of **Korey Gray** (Vice President, Contract Compliance and Business Development / Finance and Procurement), **Sharon Talley** (Contract Compliance Specialist I / Finance and Procurement), and **Charles Lawrence** (Contractor / MB Staffing) in earning this recognition. The trio have worked closely with teams from Lead Free DC, Pumping, Wastewater, Facilities and People and Talent to develop training opportunities and pathways to employment for District residents.

Everybody Wins DC: Power Readers Partnership

For several years, **Lisa Barton** (Senior Executive Coordinator to the CEO / OCEO) has led volunteer campaigns to encourage Authority employees to participate in the [Everybody Wins DC](#) 'Power Readers' program as reading mentors to emerging young readers.

Power Readers is a one-on-one mentoring program that connects volunteers with elementary school students to read together for one hour a week during the school year. These supportive relationships build academic and social-emotional skills, improve reading proficiency, and foster a love of reading and learning.

According to Everybody Wins DC, 95 percent of participating students report that the Power Readers program made reading more fun for them, and 91% say their mentor helped them feel more confident in their reading ability.

I would like to recognize Ms. Barton for organizing volunteer efforts such as Everybody Wins DC, Bread for the Soul, and the Annual Toy, Coat, and Book Drive. Such initiatives align with our Equitable imperative and create a very real connection to our customers and community.

Congressional Black Caucus

On Thursday, September 21, the Congressional Black Caucus (CBC) hosted the group's 2023 Annual Conference at the Walter E. Washington Convention Center. A significant component of Conference programming was the Meet and Match Procurement Forum and panel discussions focused on issues that matter to the CBC, including small business outreach.

I would like to thank **Korey Gray** (Vice President / Finance and Procurement) for representing DC Water and discussing our approach to delivering community equity through removing barriers impacting small and minority business contract opportunities.



Standard and Poor's Presentation and Meeting

Late in September, DC Water held a meeting with Standard and Poor's (S&P), 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.

S&P indicated that they will be releasing a rating report in the near future. This report will provide an assessment of DC Water's creditworthiness. We will keep the Board informed as soon as the report becomes available.

Overall, the meeting was productive, and the engagement with S&P was positive. We remain dedicated to maintaining our strong financial position and look forward to the forthcoming rating report, which will serve as a testament to our organization's continued commitment to excellence.



Northeast Boundary Tunnel Activated

On Friday, September 15, DC Water activated the Northeast Boundary Tunnel (NEBT), marking a significant step in the completion of the new Anacostia River Tunnel, and reducing combined overflows to the Anacostia by 98 percent.

The newly commissioned tunnel will also bring significant flooding relief to the Rhode Island Avenue corridor.

The addition of the NEBT to the Anacostia River Tunnel system will deliver remarkable results and environmental benefits for local waterways. Prior to the Clean Rivers Project, the District would experience an average of 84 overflows and 2.1 billion gallons of untreated sewage per year to the Anacostia, and the completed tunnel system will reduce overflows to an average of two each year.

Additional segments for the Potomac River and Rock Creek are planned and are on schedule for deployment by 2030.

I would like to congratulate **Moussa Wone** (Vice President / Clean Rivers Project), and the entire Clean Rivers Project team, for completing the NEBT and making a tremendous impact on the neighborhood flooding, the health of our waterways and aquatic wildlife.

Enterprise Risk Management (ERM) Program

The Enterprise Program Management Office (EPMO) within the Strategy & Performance Cluster, is advancing Phase 2 of the Enterprise Risk Management (ERM) program. Phase 2 is squarely focused on operationalizing the framework developed in Phase 1 through risk deep dive pilots, enabling the Origami solution to streamline and automate business processes and driving a risk-aware culture through training.

We intend to establish an integrated ERM program that draws in staff from every corner of the Authority, and in doing so, facilitates a risk-aware culture that supports employees in becoming active risk managers.

We are taking the following tiered approach to educate staff:

- In July, we advanced ERM 101 foundational training to all employees to provide the building blocks for risk management. To date, 91 percent of staff have participated.
- In August, we delivered an interactive and engaging ERM 201 training to approximately 140 senior leaders across the Authority.
- In late September, we facilitated ERM 202 training to 126 senior leaders to build on these risk concepts.
- In October, we are extending ERM training to all board members.



Gregory Stephens Receives CWEA Hatfield Award

From August 30 through September 1, the Chesapeake American Water Works Association (CAWWA), the Chesapeake Water Environment Association (CWEA) and the Water and Wastewater Operators of Maryland, Delaware and the District hosted the 2023 Tri-Association Conference in Ocean City, Maryland.

During the awards ceremony, **Gregory Stephens** (Foreman, Operations / Pumping Operations) was honored with the Hatfield Award. This yearly award recognizes operators of wastewater treatment plants for outstanding performance and professionalism, and I couldn't agree more with their selection.



In 2018, Mr. Stephens became the first certified pumping operator at the Authority and, in the years since, he has championed the program and led the push for DC Water operators to become certified. Today, there are 23 certified pumping operators – an increase of 1,050 percent over five years.

I am very appreciative of his efforts in this regard, and I would like to recognize Mr. Stephens for his commitment to his team, and for communicating best practices and emerging strategies in the field.



Healthy, Safe and Well

Joy J. Dorsey Joins Authority on Monday, September 11

On Monday, September 11, DC Water formally welcomed **Joy J. Dorsey** (Chief People Officer and EVP / People and Talent). Ms. Dorsey brings more than 30 years of experience and leadership to the role and is a very strong addition to my Senior Executive Team.

Ms. Dorsey comes to DC Water from the DC Office of the Attorney General, where she had served as Talent Acquisition and Professional Development Officer since February 2020. In that capacity, she was charged with the oversight of recruitment, professional training, consultant performance, and the retention of more than 700 employees across 11 divisions.

Joy earned her bachelor's degree in economics at Howard University, holds a Juris Doctorate from the Hofstra University School of Law, and is a licensed member of the bars in the District of Columbia, Maryland, and New York. Additionally, she has completed the Senior Executive Leadership Program at Georgetown University and was a member of the Leadership Greater Washington Class of 2010.



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 CEO's Monthly Report reflects the most recent information available at the time of production and printing.



Financial Metrics

Metric	Target	May-23	June-23	July-23	Aug-23
Operating Cash Balance (millions \$)	\$274.6	\$320.9	\$295.0	\$298.0	\$300.8
Delinquent Account Receivables (%)†	3.3%	4.2%	4.0%	4.0%	4.0%
On-time Vendor Payments (%)††	97%	96%	96%	97%	97%
Investment Earnings Data (Thousands \$)	\$7,028.2	\$3,864.3	\$4,447.3	\$5,072.0	\$5,703.6
Core Investment Yield Data (%) - Merrill Lynch 1-3 Year Treasury Index *		4.5%	5.0%	5.0%	4.9%
Core Investment Yield Data (%) - Actual Monthly Yield †††	0.2%	3.8%	3.9%	3.9%	4.1%
Short Term Investment Yield Data (%) - Merrill Lynch 3-Month Treasury Index *		5.2%	5.1%	5.3%	5.4%
Short Term Investment Yield Data (%) - Actual Monthly Yield †††	0.1%	2.5%	2.9%	3.0%	3.0%
Days of Cash on Hand** and ***	250**	357.0	331	320	295***

* 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.

***295 days of cash is made up of 31 days in the Rate Stabilization Fund and 264 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

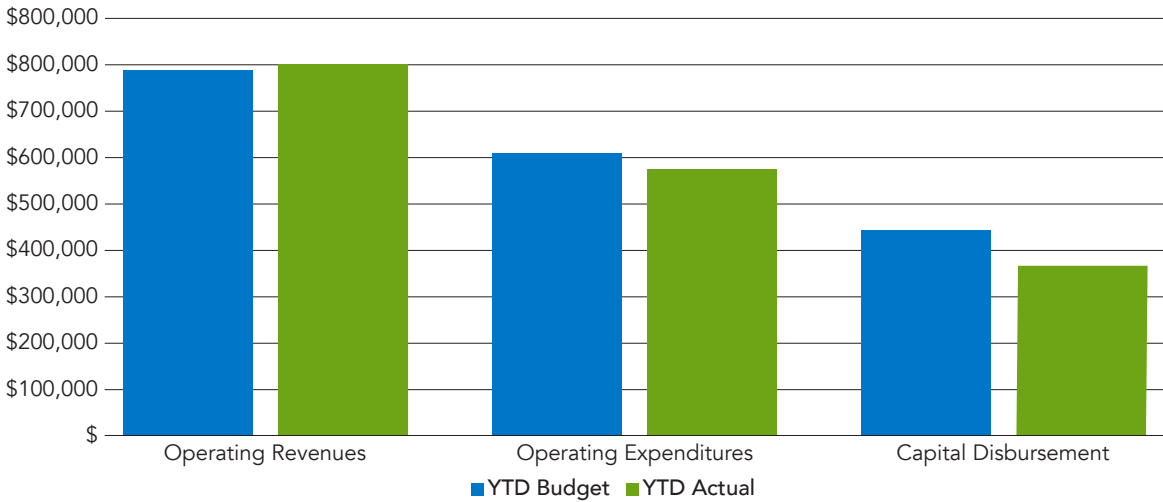
FY 2023 Financial Performance

At the end of August 2023, with 92 percent of the fiscal year completed, DC Water is on track with its budget. Total operating expenditures were \$575.6 million, or 83.9 percent and capital disbursements were \$378.5 million or 75.5 percent of the respective revised budgets.

Total operating revenues were \$801.2 million or 95.1 percent of the FY 2023 revised budget. The YTD revised budgeted receipts were \$789.8 million. Receipts for Residential, Multifamily and Commercial are higher at \$451.9 million or 94.8 percent of the Revised Budget, mainly because the August 2023 receipts were higher by \$6.7 million, or 16.9 percent as compared to the monthly Budget of \$39.7 million. The receipts were lower for the Other Revenue category mainly due to lower Interest Earnings, System Availability Fee, and Washington Aqueduct Backwash.



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



Annual Budget Process

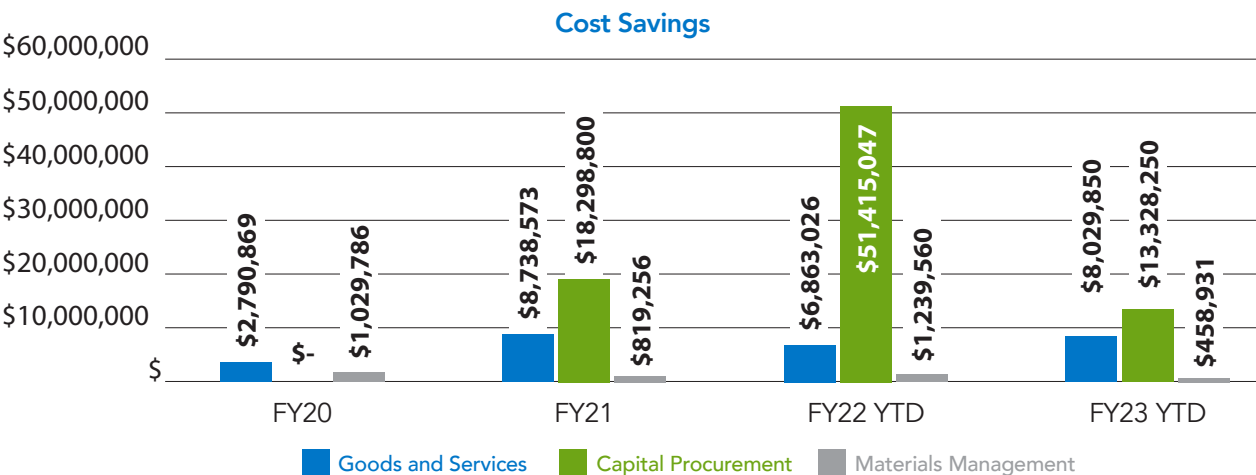
The official FY 2025 Budget Kickoff was held on September 6th to provide the focus, targets, process changes, deliverables and timelines. This was followed by the Budget Bootcamp on September 7th to provide detailed guidance to, and address specific questions, from end users.

This budget cycle includes the development of two-year rate proposals for FY 2025 and FY 2026, the Ten-Year Capital Improvement Program and Financial Plan. The Budget Workshop and Committee reviews are planned for early 2024 and Board adoption in March 2024, which will be followed by the public outreach, hearing and engagement activities for the rate making process.

Procurement

Cost Savings (negotiated savings and cost avoidance):

The chart shows the cost savings from FY 2020 to FY 2023 year-to-date 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. The cost savings for Capital Procurement were not tracked in FY 2020.





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
September, 2023	Construction of Flood Seawall Segment A, B, D	RFP	\$25M	Design Build	DBE/WBE
September, 2023	Blue Plains SB-1 Warehouse Renovation Construction	RFP	\$8M	Bid Build	DBE/WBE
October, 2023	PI Phase 4 Rehab (Fairfax and Loudon Co.)	RFP	\$20M	Bid Build	DBE/WBE
October, 2023	Headworks Influent Structures	RFP	\$12M	Bid Build	DBE/WBE
October, 2023	Local Inspection Services	RFP	TBD	Professional Service	DBE/WBE
October, 2023	Heavy Cleaning Services	RFP	TBD	Professional Service	DBE/WBE
November, 2023	Storm Sewer Rehabilitation 2	TBD	\$1.5M	Construction Contract	TBD
November, 2023	BSPS & Meter Shop Roof & Other Upgrades	TBD	TBD	Construction Contract	DBE/WBE
November, 2023	Spring Place Sewer Rehab	TBD	TBD	Construction Contract	DBE/WBE
November, 2023	Soldiers' Home Transmission Main	TBD	TBD	Construction Contract	DBE/WBE
December, 2023	PI Phase 6 Pipe Rehab at Clara Barton Pkwy and I495	TBD	TBD	TBD	DBE/WBE
January, 2024	Pre-Dewatering Centrifuges	TBD	TBD	Construction Contract	DBE/WBE
January, 2024	Rehabilitation of Dewatered Sludge Loading Facility	RFP	\$3M	Design	DBE/WBE
February, 2024	Electrical Sub-Station Replacements	RFP	TBD	Other	DBE/WBE

Procurement - continued

Goods and Services Procurement:

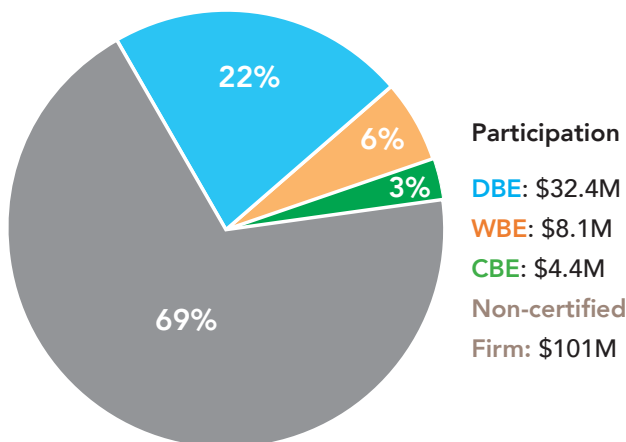
Planned Solicitation	Project Title	Solicitation Type	Estimated Total Contract Value	Eligible Inclusion Program
October, 2023	Gas Monitoring Services	RFI	>1M	LSBE
November, 2023	Repair of Instrumentation and Electrical Control Equipment	RFP	<\$1 M	LSBE
November, 2023	Staff Model Health Maintenance Organization	RFP	>\$5M	N/A
December, 2023	Investment Advisory Services	RFP	<\$1M	LSBE
January, 2024	Electricity	RFP	>131M	TBD
January, 2024	Chemical Root Control	RFP	>\$1M	DBE/WBE
January, 2024	Internal Audit Services	RFP	>\$1M	DBE/WBE
January, 2024	Potomac Interceptor Media Replacement	RFP	<\$1 M	LSBE

Contract Compliance

During this reporting period, DC Water’s Board approved ten different procurement actions, including five new awards, two extension / option years, and three modifications. The value of the procurement actions for this period totaled \$145.95 million. Of this total, the planned certified firm participation is \$44.9 million (in prime and subcontracting opportunities).

The following graph summarizes the certified firm participation:

**Certified Firm Participation
July 2023 Awards**



Participation By Project Type

A/E Projects

- Number of Approved Actions (3)
- Total Value \$100.36M
- DBE Participation (11 Firms) \$27.71M (28%)
- WBE Participation (6 Firms) \$7.02M (7%)

A/E Projects (Subject to the Green Infrastructure MOU)

- Number of Approved Actions (1)
- Total Value \$8.78M
- CBE Participation (6 Firms) \$4.39M (50%)

Construction Projects

- Number of Approved Actions (2)
- Total Value \$19.77M
- DBE Participation (6 Firms) \$4.68M (24%)
- WBE Participation (2 Firms) \$1.06M (5%)

Contract Compliance - continued

Highlights:

- Awards this period include Program Management services for the CSO Long Term Control Plan. The planned participation for the project is 28 percent DBE, 4 percent WBE. As part of the planned utilization, four new certified firms were added to the project team.

This project also includes a separate utilization goal for District based Certified Business Enterprise (CBE) goal for the portions of the work governed by the Green Infrastructure MOU. The planned utilization for this portion of the work is 50 percent CBE.

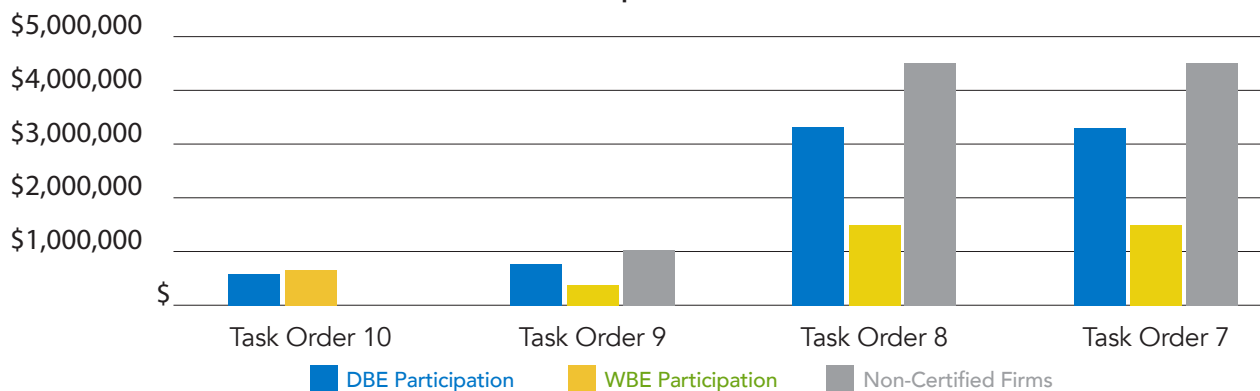
In all, 16 certified subcontractors, plus the University of the District of Columbia are being used on this project.

- SZ PM, a certified WBE, became a prime contractor with DC Water for the first time with the award of project DCFA 539. This achievement was in large part the result of DC Water exercising its “good faith efforts.” Through the efforts of Procurement and Engineering the scope of work for the project was “right-sized” and unnecessary barriers were removed to encourage more firms to “bid” versus only large firms. Additionally, through our capacity building initiatives, DC Water engaged SZ PM and helped establish a mentor protégé relationship(s) for the firm, as well as provide bonding and banking resources. Through these efforts, SZ PM was able to expand its capacity to hire more staff and take on larger pieces of work. Moreover, for the second time at DC Water, SZ PM, as a certified prime, has agreed to take on a protégé of its own, Hayat Brown.

This is exactly the type of result DC Water is looking for as it implements equity and capacity building for certified business utilization. This is even more compelling as SZ PM was originally a marginalized sub-contractor, who couldn’t get above 4 percent on any project.

- Lead Free DC – Pathway to Business Equity, for the Lead Free DC initiative, task orders 7 through 10 were awarded totaling \$21.52M. Overall, 36 percent of the work will be performed by 6 DBE’s and an additional 17 percent performed by 8 WBE’s. Moreover, as an example of DC Water’s continued plan/ efforts to maximize diversity, equity, and inclusion on LFDC, a certified prime – new to DC Water, won its first task order. The following graph summarizes the participation on the first four task orders:

Certified Firm Participation Task Orders 7-10



Task Order #	DBE Participation	WBE Participation	Non-Certified Firms
Task Order 7	3.25M	1.39M	4.64M
Task Order 8	3.17M	1.36M	4.53M
Task Order 9	.70M	.30M	.99M
Task Order 10	.55M	.61M	\$0M

Contract Compliance - continued



As of this report, 89 new positions were filled by DC Water Contractors. Of those, 74 (83 percent) were filled with residents from the user jurisdiction – including 43 District residents. Additionally, as per a new effort this year to expand gender equity thru DC Water Works, 15 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	43
Prince George's County	21
Montgomery County	3
Fairfax County	6
Loudoun County	1
Total	74 (83 percent)
Outside the User Jurisdiction	15 (17 percent)

Lead Free DC Community Activators

- DC Water welcomed Ms. Florencetine Preston to the LFDC Activators. Ms. Preston was originally a participant in the District of Columbia’s Senior Community Service Employment Program (SCSEP). At 80 years of age, Ms. Preston is the oldest participant in the DC Water Works Program but has the experience and background to support the LFDC activator program and will help with engagement to the broader senior community. She will be working 20 hours per week with Ms. Sean Moore, and will help with Call Center duties, and database management.

Outreach and Engagement

- DC Water was honored by the District of Columbia Division of State Initiatives (DSI) with a Training Employment & Partner Award on September 21 Annual Shining Star Award Gala. The award is presented to our partners who exemplified the DOES mission and goals through commitment and service to residents.
- DC Water participated in two external job fairs, with the District Department of Employment Services.

National Pedestrian Safety Month 2023



During October, the U.S. Department of Transportation’s (U.S. DOT) National Highway Traffic Safety Administration (NHTSA) and the Federal Highway Administration strengthen their efforts to improve safety for vulnerable road users.

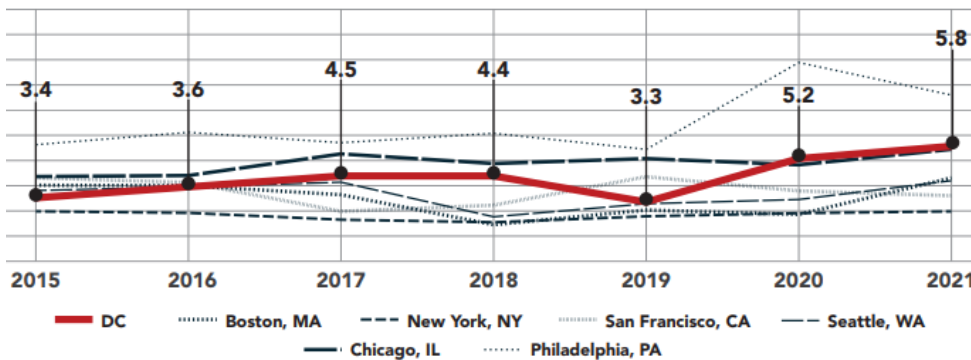
The District Department of Transportation educates people about pedestrian safety through the Street Smart Campaign. This initiative promotes safe behaviors by motorists, pedestrians, and cyclists through radio, newspaper, and transit advertising, as well as added law enforcement, in conjunction with increased law enforcement.

Vision Zero DC

- Vision Zero is a strategy to eliminate all traffic fatalities and severe injuries, while increasing safe, healthy, equitable mobility for all. First implemented in Sweden in the 1990s, Vision Zero has proved successful across Europe – and is gaining momentum in major American cities.
- Mayor Bowser made the commitment to Vision Zero in 2015, with the target of achieving zero deaths by 2024.
 - Fiscal Year 2023 Fair Shot budget invests in safety improvements on fifteen of DC’s most dangerous corridors, reducing conflicts at fifteen high-crash intersections, and in safer walks to school through a big expansion to the school crossing guard program.

Crash Statistics (Vision Zero 2022 Update)

The District lost, on average, 32 people on our streets per year between 2015-2021. These numbers have increased significantly during the COVID-19 public health emergency. However, at the same time, reported injury crashes overall went down dramatically, by more than 30 percent in the first year of the public health emergency. The graphic below shows fatality rates in comparison across these Vision Zero cities according to Fatality Analysis Reporting System (FARS) data. Compared to other Vision Zero cities, the District has close to an average fatality rate per capita at 4.3 pre-pandemic, but was also on a downward trajectory.



Pedestrian Safety Across DC Water Campuses

- HQO pedestrian gate by the HQO main gate is tentatively scheduled to be open for use on October 2nd. This will allow entering pedestrian traffic to use the newly opened public sidewalk.
- Improvements to the area north of the HQO main gate is underway. By Spring 2024, there will be a new sidewalk leading to Main Pumping Station from HQO, repaving the asphalt and a new perimeter fence along Canal from Tingey West to the HQO main gate.
- Shared Services departments are coordinating efforts to enhance pedestrian safety at Blue Plains and Bryant Street Pump Station while also supporting wellness efforts.

Shared Services Metrics

Metric	Target	May-23	June-23	July-23	Aug-23
Security: Camera operational uptime	90%	97%	97%	96%	96%
Security: Smart card readers operational uptime	90%	97%	97%	97%	96%
Security: Percent of security investigations completed within 21 days	95%	100%	100%	100%	100%
Facilities: Preventive Maintenance Completion Rate	90%	59%	27%	76%	48%
Facilities: Service Request Completion Rate	90%	49%	50%	58%	67%
Fleet: Preventive Maintenance (PM) on Schedule	96%	93%	93%	95%	69%
Fleet: Priority Vehicles/Equipment (In-Service)	96%	75%	73%	72%	68%
Safety: DC Water Employee Recordable Incident Rate (RIR) (FY)	< 4.9	2.8	2.9	2.8	2.7
Safety: DC Water Employee Lost Time Incident (LTI) (FY)	< 1.7	2.1	1.9	1.7	2
Safety: Contractor/ROCIP Recordable Incident Rate (RIR) (FY)	< 2.5	2	1.9	1.7	1.5
Safety: Contractor/ROCIP Lost Time Incident (LTI) (FY)	< 1.1	0.2	0.2	0.2	0.2

Facilities:

The Facilities completion rates for August 2023 are 48% for Preventive Maintenance work orders and 67 percent for Service Request work orders. Preventive maintenance work orders completions dropped slightly to 110 completed. The preventive maintenance performance was impacted by demand for response to HVAC corrective maintenance in the hotter days of August. Service request work orders completion rose again this month to 170 completed in August which is the highest monthly completion number in FY23. Facilities continues to work with P&T to complete the job offer for the Foreman for the HVAC shop. The new Foreman for the HVAC shop accepted the offer. Facilities is working with all shop Foreman to improve access to and usage of the Maximo system to be able to accurately receive work orders and report work order completion.

Fleet:

Preventative Maintenance completion rate for August 2023 is 69 percent. Of the 26 units scheduled for preventative maintenance, all 26 were brought in within five days. 18 units were serviced and returned to the operation. The remaining 8 units are awaiting additional Fleet services. Fleet's Priority One Vehicle Availability for August 2023 is 68 percent. 156 of 229 priority one vehicles remain operational and in service. Several units are currently awaiting parts or at the vendor due to vendor recalls.

Safety:

In August, there was one DC Water Employee Lost-Time Incident that slightly increased the rate.

Customer Assistance Programs (CAP)

DC Water is on track with sharing Customer Assistance opportunities. The goal is to meet or exceed FY21 enrollment. In August, DOEE identified additional LIHWAP funds. We provided a list of eligible customers. We are waiting for funding distributions. The additional funding will allow DC Water to assist additional customers with FY23 delinquencies.

Customer Assistance Programs (CAP)

Program	FY2022 Enrolled	FY2022 Dollars	August Enrolled	August Dollars	# FY23 Enrolled	FY2023 Dollars	FY2023 Budget
CAP I	6,949	\$4,871,357	275	\$298,403	4,623	\$2,060,400	\$2,500,000
CAP II	679	\$338,362	16	\$16,888	351	\$122,074	\$400,000
CAP III	204	\$33,026	1	\$618	36	\$6,342	\$50,000
Non-Profit CRIAC Relief	186	\$866,375	21	\$133,741	148	\$752,682	\$905,608
DC Water Cares Residential	1,690	\$1,318,242	194	\$218,868	2,580	\$2,664,072	\$3,779,649
DC Water Cares Multifamily (number of units)	4,313	\$1,880,830	391	\$289,529	3,041	\$2,006,336	\$2,245,115
Homeowners Assistance Fund	-	\$0	19	\$17,453	256	\$231,440	-

Customer Care

DC Water Customer Care hosted the 2023 Water Customer Care Forum (WCCF). This annual conference hosts water utilities nationwide with a meter to cash operations with 100K customers or more. There were 22 utilities in attendance, including Central Arkansas Water, Louisville Water, Wichita Water Facility, EPCOR, San Francisco Water Authority, Philadelphia Water Department, Portland Water Bureau, City of Phoenix Water Services Department, and more. Mr. Gadis and Mr. Griffith opened the event with inspiring words that charged the group to be a part of the resolution to issues that the entire utility environment faces. Their opening messages left a lasting impression.

The focal topics of the conference were Artificial Intelligence and Machine Learning, Recruiting, Hiring and Retention, Water Affordability, Data Integrity and Clean-up, Customer Engagement, and others. The event allowed utilities to share their current processes and brainstorm common utility issues. The knowledge-sharing opportunity is priceless. WCCF had such a great time at DC Water that they want to return in a few years.

The department is successfully working to achieve targets and goals as we focus on ending the current fiscal year and preparing for the new year. In August, we missed the Estimated Bills as a Percentage of Meters Read target by 0.3 percent. There was an increase in DCU outages that caused an increase in the total number of manual meter reads. Additionally, there was a Heat Advisory that also reduced the number of days we were able to address the increased number of manual reads.

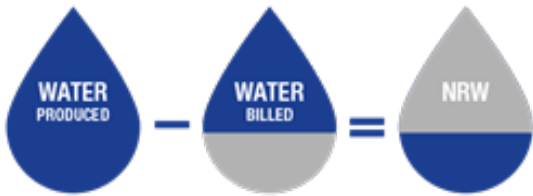
In FY24, AMI Transmission metric will be transferred to IT to manage and monitor. AMI Transmission target was missed by 2 percent.

Key Performance Indicators

Metric	Target/Service Level	June 23	July 23	Aug 23
% of bills issued on time (w/in 5 days)	97%	96%	97%	97%
% unbilled	2%	1.5%	1.9%	1.5%
Estimated bills as a percent of meters read	4%	4.5%	4.2%	4.5%
% AMI Transmission	95%	93.1%	93%	93.2%
# of bill investigations (Disputes)	trend only	120	120	107
% of OPC inquiries resolved within 14 days	98%	100%	98%	100%
% of calls answered in 40 Seconds (Call Center)	85%	97%	93%	90%
Monthly call volume served (Call Center)	trend only	10,055	11,590	9,628
Abandon rate	3%	1%	1%	2%
Emergency dispatch <= 10 Min (ECC)	92%	100%	100%	100%

Non-revenue water:

The IT department is partnering with the business units to leverage data across our systems to help address the Non-Revenue Water (NRW) concerns. Through data driven decisions, the goal is to not only solve where water is being lost but implement controls to mitigate it from happening again. The partnership will match what we see the data is reporting to what is actually happening in our infrastructure.



IT Monthly Report

SR/WO Type	SL Target / SLA	June 23	July 23	Aug 23
Number of tickets submitted	Trend only	938	919	1163
Number of open tickets	Trend only	22	64	75
Helpdesk SLA	96%	99.2	99.3	98.7
Number of active projects	Trend only	20	18	17
Number of completed projects	Trend only	1	9	10
On schedule performance	90%	93.62	93.62	93.62
On budget performance	90%	97.92	97.92	97.92

Featured Projects of the Month – Wastewater Operations

Maintenance - The Continuous Improvement Cycle

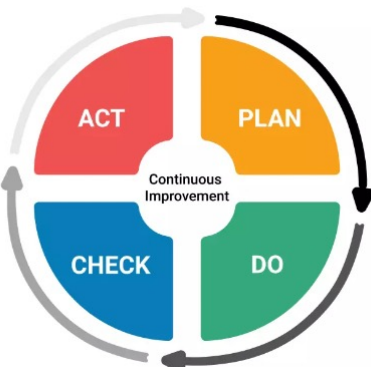
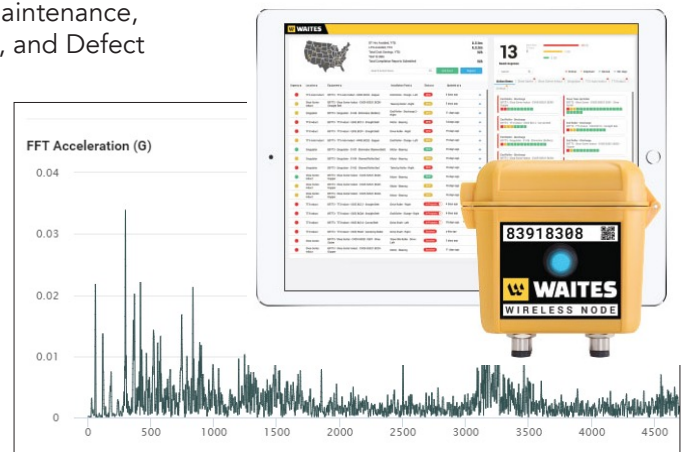
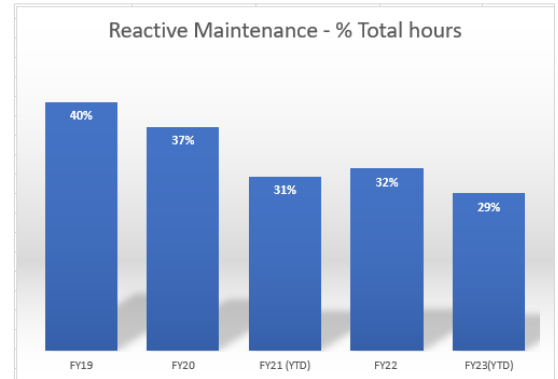
Approximately 40,000 individual assets are necessary to operate Blue Plains Advanced Wastewater Treatment Plant, the largest plant of its kind in the world with a design average treatment capacity of 384 million gallons per day (MGD). With a peak four-hour capacity of 555 MGD, and an additional wet weather treatment capacity of 225 MGD. In order to provide maintenance to this facility DMS completes over 27,000 work orders with 130,000 labor hours every year in order to continue to meet and sustain our operational goals.

Reactive maintenance labor hours as a percentage of overall maintenance hours is used as a KPI to measure the effectiveness of maintenance work; reactive maintenance involves replacing or repairing assets when they have functionally failed or malfunctioned. In general, lower reactive maintenance hours will lead to lower overall maintenance costs and less equipment downtime.

The need for reactive maintenance has decreased since FY2019 from an annual average of 40 percent to a projected valued of 29 percent for FY2023. This reduction is the product of our application of the continuous improvement cycle. As part of the cycle, we use different best-in-class tools and processes such as Reliability Centered Maintenance, Preventive Maintenance Optimization, Management of Change, and Defect Elimination.

Evolving technologies can play an important roll in the improvement cycle. A good example is our new pilot for continuous equipment monitoring using wireless vibration sensors, supported by advanced analytical software. Representatives from WWT, DPSO, and Procurement collaborated to select a preferred vendor and sensors were deployed in August 2023.

The new continuous monitoring system allows early detections of defects in critical, high value assets. The goal is to expand the number assets that are proactively monitored and continue to drive down the need for reactive maintenance.



Key Performance Indicators

Metric	Target/Service Level	May-23	June-23	July-23	Aug-23
Wastewater Operations					
NPDES Permit Compliance	100%	100%	100%	100%	100%
Air Permit Compliance	100%	100%	100%	100%	100%
Biosolids Class A	100%	100%	100%	100%	100%
Tunnel Dewatering	100%	100%	100%	100%	100%
Combined Heat and Power	>20%	29%	29%	26%	23%
Reactive Maintenance	<20%	30%	32%	32%	32%
Critical Asset Availability	>95%	97%	96%	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	13721	14717	22	142
* Inspection of catch basins in the CSO Anacostia tributary area at least twice per year (Jan 1- Dec 31)	11,400	1203	1219	1356	1438
* NPDES Permit to Clean and Inspect 85% of 10,700 CSS Area C/B (Jan 1- Dec 31)	9,095	163	220	973	1994
Miles per month Sewer Cleaning and Inspection to meet 1,400 Miles of Small Diameter (<12 inches) in 10Yr Cycle	>12	22	16.43	10.63	15.84
Sewer Backup (Investigation to Resolution) Within 24 Hours Excluding Line Breaks	>95%	100%	100%	100%	100%
Number of SSO's	Report	4	3	4	3
SSO's to River	Report	0	0	1	1
SSO's per 100 miles of pipe (YTD) (AWWA 2021 Utility Benchmarking Report)	2	2.29	2.51	2.83	3.04
SSO's per 100 miles of pipe (Water Body) (YTD)	Information Only	.23	.23	.31	.38
Combined Sewer System Overflows	0	0	0	1	0

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

Key Performance Indicators continued

Metric	Target/Service Level	May-23	June-23	July-23	Aug-23
Pumping Operations					
Firm Pumping Capacity Maintained	100%	100%	100%	100%	100%
Reactive Maintenance	<20%	11%	12%	15%	19%
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	21	12	18	28
Hydrant Flow Tests (Non-Winter Months)	>180	39	32	63	84
Fire Hydrant Operational Rate	99%	99.70%	99.78%	99.78	99.83%
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%	88%	93%	92%	84%
Water Main Breaks	<28/Month	33	21	27	25
Water Main Break Rate /100 Miles (National Average is 25)	25	26.7	26.84	27.50	27.2
% of Hydrant Leaks in inventory that are not leaking	>90%	99%	99%	99%	99%
Permit Operations					
Overall On-time completion of Permit Reviews	90%	90%	92%	91%	94%

Explanation of Missed Targets

Wastewater Operations Reactive Maintenance (<20 percent)

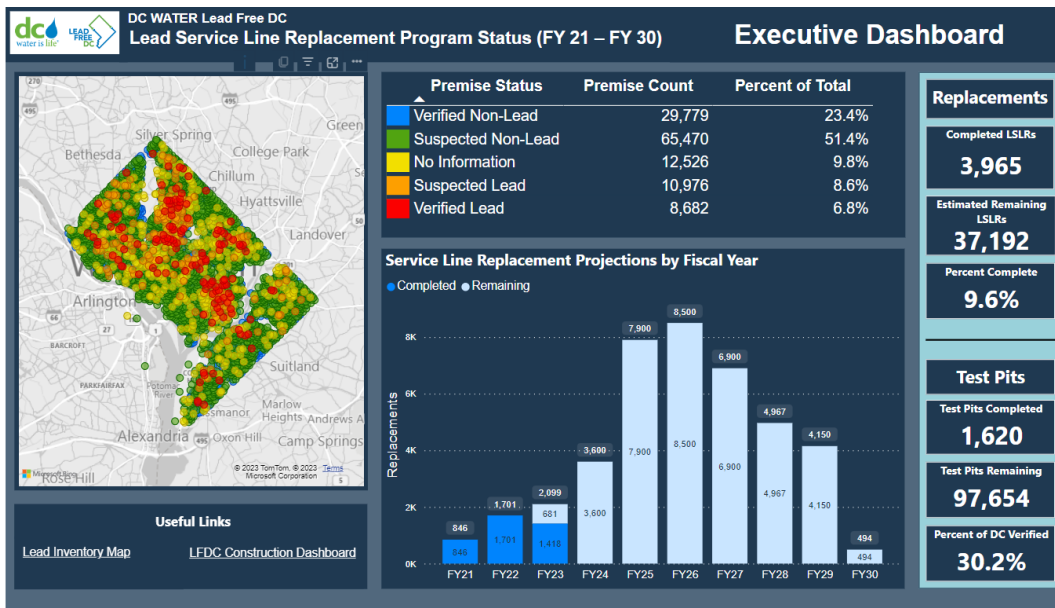
DC Water has adopted a manufacturing industry best practice benchmark of less than 20 percent reactive maintenance hours as percent of total maintenance hours. To our knowledge, there is no similar benchmark used in the public water utility sector. Blue Plains manages around 45,000 assets within our 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.

Hydrant Flow Tests (Non-Winter Months)

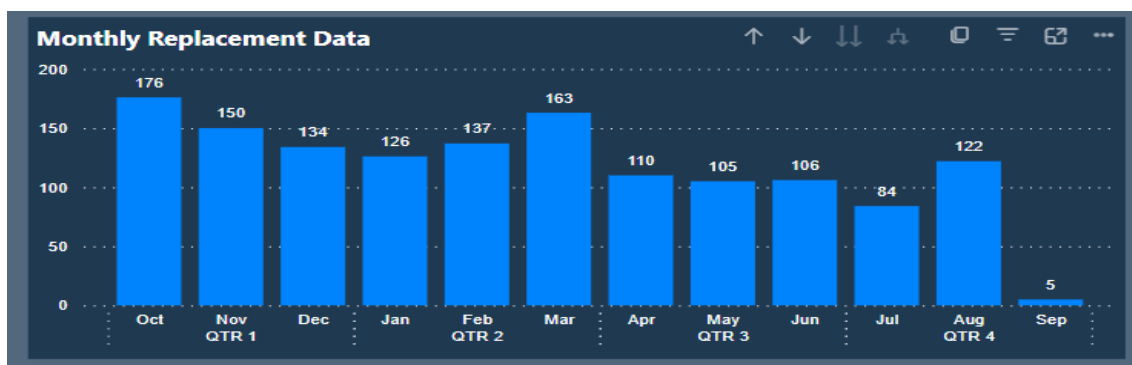
The department missed the target due to staffing availability and other emergencies.

Water Quality Complaint Resolution (Within 48 Hours)

The number of water quality complaints increased last month from 50 to 64 and is higher than previous years. Half of the complaints required water main flushing and 85 percent were resolved with the initial flushing or communication with the Water Quality team member.



- DDOT has released permits for Packages 5-10 to maintain the contractors projected work scheduled.
- Preparation of permits for Packages 11-12 continued and have been submitted to DDOT. Packages 15 permit preparation was started.
- DDOT has agreed in principle to the MOU, it is now under DDOT legal review. DDOT has agreed to extended work hours, and full block closures on local roads for up to 4 months during construction without a homeowner participation mandate (2 months with a mandate).
- The Outreach Team continued canvassing for Construction Packages 5-10 and has obtained 53 percent of the required agreements prior to construction. Canvassing for Packages 15-16 continued in August.
- The Outreach Team participated in several events including Oxon Run Valley Community Day (8/26), Ward 5 Day (8/26), Barry Farms Family and Friends Day (8/26); Ward 8 Resources To The Block (8/19); Ward 4 Cares Days – Brightwood (8/16); Ward 8 Resources To The Block on (8/10); Ward 4 Cares Days – Brightwood Park (8/10); Lead Free DC Tools Webinar (8/8); Israel Baptist Church Community Health Fair (8/5); MPD 5D National Night Out (8/1); MPD Beat the Streets - Petworth (8/3)



Clean Rivers Project

Northeast Boundary Tunnel (NEBT):

The Northeast Boundary Tunnel (NEBT) was commissioned on September 15, 2023. Work at Satellite sites continues, including restoration activities.

CSO 025/026 Sewer Separation:

Contract closeout activities on-going.

Green Infrastructure (GI) Maintenance Contracts:

GI facilities maintenance is ongoing.

Potomac River Tunnel Contract A – Advanced Utility Construction (Div. PRT-A):

In construction. Coordination with PEPCO in constructing an additional 4-way electrical duct bank on K Street in Georgetown is underway.

Potomac River Tunnel Contract B – Tunnel System Construction (Div. PRT-B):

Conducted clarification meeting with best value shortlisted team and coordinating with Procurement in preparation for recommendation to the Board.

Rock Creek Project B (RC-B):

In construction. 34 permeable alleys and 19 planter bioretentions have been completed in the Rock Creek Sewershed under this Project to date. Another two permeable alleys are currently under construction. All bioretentions have been completed.

Potomac River Tunnel Contract A – Advanced Utility Construction:

DC Water is installing necessary infrastructure in advance of the Potomac River Tunnel Contract B, that includes construction of a high voltage electrical duct bank along Independence Ave. for the future PRT TBM launch and excavation site, as well as construction of low voltage power electrical duct banks at five satellite sites along the tunnel alignment.

Coordinating with PEPCO and constructing additional 4-way electrical duct bank on K Street in Georgetown. Coordination with the community and third parties continues. Project is planned to be completed ahead of the Potomac Tunnel Contract (PRT-B) Notice to Proceed (NTP) in November 2023, within the CIP budget.

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		[Progress Bar]												Report Complete
Procurement Audit		[Progress Bar]												Report Complete
Payroll & Timekeeping Audit			[Progress Bar]										Report Complete	
Metering, Billing and Collections Audit			[Progress Bar]											Report Complete
Penetration Testing Audit – External Network			[Progress Bar]											Report Complete
Oracle IT General Controls Assessment						[Progress Bar]							Report Complete	
Oracle Identity & Access Mgmt Assessment						[Progress Bar]							Report Complete	
Work Order Management Audit – DWO						[Progress Bar]							Report Complete	
Business Continuity Assessment								[Progress Bar]					Reporting in Progress	
Fleet Management Audit										[Progress Bar]			Fieldwork in Progress	
FY 2024 Risk Assessment											[Progress Bar]		Fieldwork in Progress	
Ongoing Follow-up Procedures	[Progress Bar]													Ongoing
Ongoing Hotline Monitoring	[Progress Bar]													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

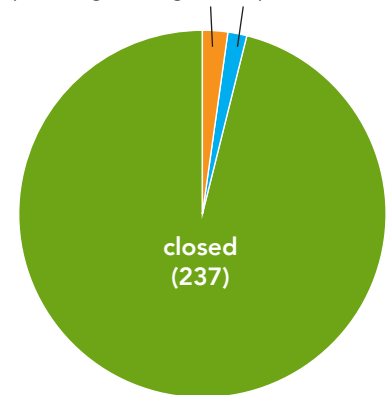
 At least one original remediation target date has been extended

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 (6) 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.

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Summary of Resolutions and Contracts
301st Meeting of the DC Water Board of Directors
Thursday, October 5, 2023

Joint-Use Contracts

Resolution No. 23-53 Approval of Performance Evaluation, Salary Increase and Bonus for the CEO and General Manager (Recommended by the Executive Committee of the Board)

Resolution No. 23-54 Approval to Execute Contract No. 200100, Potomac River Tunnel Contract B – Tunnel System Construction, **CBNA-Halmar Clean Rivers Joint Venture**. The purpose of this contract is to provide design and construction services for the Potomac River Tunnel Clean Rivers Project, work required by a Consent Decree. The total amount of this contract is not-to-exceed \$819,655,177.00. (Recommended by the Environmental Quality & Operations Committee 09-21-23)

Resolution No. 23-55 - Approval to Award Contract No. 10403, Small Construction Services, **Eastern Contractors Corporation**. The purpose of this contract is to permit DC Water's Department of Facilities to acquire a qualified general contractor, licensed and bonded within the Washington, DC metropolitan area to provide general construction work. The total amount of this contract is \$9,631,851.00 for a two-year base period and three option years. (Recommended by the Environmental Quality and Operations Committee 09-21-23)

Resolution No. 23-56 - Approval to Add Funding to Option Year Two of Contract 10079, Ferric Chloride, **Carter & Carter Enterprises, Inc.** The purpose of this contract is to supply and deliver liquid ferric chloride to DC Water's Blue Plains Advanced Wastewater Treatment Facility, which is used in the wastewater treatment process to remove phosphorous, suspended solids, and odor-causing compounds. The additional funding for Option Year Two is \$5,500,000.00. (Recommended by the Environmental Quality and Operations Committee 09-21-23)

Resolution No. 23-57 - Approval to Award Contract No. 10396, Protective Services, **Universal Protection Services**. The purpose of this contract is to acquire a qualified contractor to provide protective services for all of DC Water's facilities and personnel. The total amount of this contract for the three-year base and two option years is \$34,500,000.00 (Recommended by the Environmental Quality and Operations Committee 09-20-21)

Resolution No. 23-58 - Approval of the Revised Statement of Financial Policies. The purpose of this action is to revise the Statement of Financial Policies to amend the current operating cash reserve requirement of 250 days to be the minimum required reserve requirement and set a goal to achieve an operating cash reserve requirement of 350 days by 2032 by prioritizing the allocation of year-end surplus to achieve this goal. (Recommended by the DC Retail Water and Sewer Rates Committee 99-26-23 and the Finance and Budget Committee 09-28-23)

Resolution No. 23-59 - Approval to Award Contract No. 10406, Managed Care Services – Oracle Cloud ERP, **Application Software Technology (AST)**. The purpose of this contract is to contract an experienced supplier to provide managed care cares, (i.e., technical services) for Oracle ERP in support of Finance, Procurement, Enterprise Performance Management, Payroll, and Human Capital Management. In addition, support is required for approximately forty-four interfacing applications at DC Water with respect to maintenance, patches/fixes and required changes and updates. The total amount of this contract is \$1,500,000.00 for a one-year base and two option years. (Recommended by the Finance and Budget Committee 09-28-23)

Resolution No. 23-60 - Approval to Fund ROCIP VI and OCIP (Potomac River Tunnel (PRT), Insurance Premiums, **Aon Risk Solutions, Inc., of Washington, DC**. The purpose of this action is to fund seven years of insurance premiums under ROCIP VI and OCIP (PRT) for construction contractors on DC Water's capital project. In addition, it also provides greater insurance coverage on DC Water Provide increases the number of eligible firms that can bid on DC Water's contracts and provides cost savings. The total funding is not-to-exceed \$36,000,000.00. (Recommended by the Finance and Budget Committee 09-28-23)

Resolution No. 23-61 – Approval of the Adoption of the Revised Rate Stabilization Fund (RSF) Policies (Recommended by the DC Retail Water and Sewer Rates Committee 09-26-23 and the Finance and Budget Committee 09-28-23)

Non-Joint-Use Contracts

Resolution No. 23-62 – 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)**. The purpose of this contract is to hire a contractor to identify, locate and properly mark DC Water underground asset for all excavators, including all DC Water construction projects, other utility companies and agencies, contractors, and private developers. The total amount of the funding for this action is \$1,739,107.00. (Recommended by the Environmental Quality and Operations Committee 09-21-23)

Resolution No. 23-63 – Approval of Amendment of Contract No. 230030, Lead Free DC (LFDC) Lead Service Line Replacement (LSLR) Program FY23 – FY26 Block by Block Construction, **Multiple Prime Qualified Vendors**. The purpose of this contract is to support DC Water's Lead Free DC (LFDC) Lead Service Line Replacement (LSLR) Program by providing construction resources for FY23 – FY26 block by block lead service line replacements as a component of the LFDC Capital Improvement Program. The contract amendment is not-to-exceed \$70,000,000.00. (Recommended by the Environmental Quality and Operations Committee 09-21-23)

Resolution No. 23-64 – Approval to Execute Supplemental Agreement No. 01 of Contract No. DCFA #455-WSA, Basic Ordering Agreement, **Johnson, Mirmiran & Thompson, Inc.** The purpose of this contract is to provide professional architectural/engineering and related services for infrastructure and facilities under a Basic Ordering Agreement. The total amount of this modification is \$1,400,000.00. (Recommended by the Environmental Quality and Operations Committee 09-21-23)

Resolution No. 23-65 – 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**. The purpose of this contract is to provide merchant credit/debit card processing services for DC Water. The total amount of this request is \$1,800,000.00. (Recommended by the Finance and Budget Committee 09-28-23)

Resolution No. 23-66 - 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 (Recommended by the DC Retail Water and Sewer Rates Committee 09-26-23)

Resolution No. 23- 67 - 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 (Recommended by the DC Retail Water and Sewer Rates Committee 09-26-23)

Presented and Adopted: October 5, 2023
**SUBJECT: Approval of CEO and General Manager's Performance
Evaluation, Compensation Adjustment, Bonus and
Extension of Employment Agreement**

#23-53
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 October 5, 2023, upon consideration of a joint-use matter, decided by a vote of _____ () in favor and _____ () opposed, to take the following action with respect to the performance evaluation, compensation adjustment, bonus and the extension of the Employment Agreement with the Chief Executive Officer (CEO) and General Manager.

WHEREAS, on August 1, 2023 and August 31, 2023, the Executive Committee met to conduct the performance evaluation of Mr. Gadis for the period of October 1, 2022 to September 30, 2023, and, based on the results of the performance evaluations, consider a salary increase and bonus for Mr. Gadis; and

WHEREAS, the Executive Committee determined Mr. Gadis met the performance goals for Fiscal Year 2023 and continued to effectively manage the operations of DC Water including: ensuring adequate internal systems are in place to protect the Authority's financial health; engaging internal and external stakeholders to develop strategies and plans to move the Authority in the desired direction; continuing to establish DC Water as a learning organization; overseeing the distribution of drinking water and the collection and treatment of wastewater for the Nation's Capital; advancing DC Water's asset management program; and maintaining professional surroundings and a safe working environment; and

WHEREAS, based on Mr. Gadis' performance and achievement for the Authority, the Executive Committee recommended the Board approve a 10% salary increase to \$347,525, a 9% bonus of \$28,433 effective October 1, 2023, and the extension of the Employment Agreement; and

WHEREAS, the Board accepts and adopts the recommendation of the Executive Committee.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board approves the General Manager's Performance Evaluation for David L. Gadis for the period of October 1, 2022 through September 30, 2023.
2. The Board approves a 9% bonus, based on Mr. Gadis' Fiscal Year 2023 annual compensation, equaling \$28,433, which shall be paid immediately.
3. The Board approves a 10% increase of the annual compensation terms for Mr. Gadis as provided in an Employment Agreement for Fiscal Year 2024 to \$347,525 which shall be paid in the manner provided in an Employment Agreement, effective October 1, 2023.
4. The Board approves a 3-year contract extension and authorizes the Board Chairperson to execute an Employment Agreement between the Authority and Mr. Gadis for the period of October 1, 2023 through September 30, 2026.
5. The Board requires Mr. Gadis to implement the conditions for continued employment and expectations for Fiscal Year 2024.

This resolution is effective immediately.

Secretary to the Board of Directors

Presented and Approved: October 5, 2023

SUBJECT: Approval to Execute Contract No. 200100, Potomac River Tunnel Contract B - Tunnel System Construction, CBNA-Halmar Clean Rivers Joint Venture

**#23-54
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 October 5, 2023 upon consideration of a joint use matter, decided by a vote of ___ () In favor and ___ () opposed to approve the execution of Contract No. 200100, CBNA-Halmar Clean Rivers Joint Venture.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 200100, CBNA-Halmar Clean Rivers Joint Venture. The purpose of this contract is to provide design and construction services for the Potomac River Tunnel Clean Rivers Project, work required by a Consent Decree. The total amount of this contract is not-to-exceed \$819,655,177.00.

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

DESIGN-BUILD CONTRACT:

**Potomac River Tunnel Contract B – Tunnel System Construction
(Joint Use)**

Approval to execute a design-build contract for \$ 819,655,177.00

CONTRACTOR/SUB/VENDOR INFORMATION

<p>PRIME: CBNA-Halmar Clean Rivers Joint Venture One Biscayne Tower 2 South Biscayne Boulevard Miami, FL 33131</p>	<p align="center">*PARTICIPATION</p> <p>Design Phase: 28.0% DBE 4.0% WBE (See Attachment A for list of Certified Design Firms)</p> <p>**Construction Phase (Planned): 32% DBE 6% WBE</p>
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*Participation does not include the "excluded" portions of the project. See Attachment B for a list of excluded items.

**Certified DBE/WBE Participation will be finalized as the Construction Phase planning is complete. The Prime is committed to working with DC Water to meet (or exceed) the utilization goals for the Construction Phase.

***The Prime has also committed to establishing two Mentor Protégé agreements with certified firms.

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$ 819,655,177.00
Contract Time:	2,230 Days (6 Years, 2 Months)
Anticipated Contract Start Date (NTP):	11-09-2023
Anticipated Contract Completion Date:	12-17-2029
Proposal Due Date:	04-28-2023
Number of Firms Submitting Qualifications:	7
Number of Firms Shortlisted:	4

Purpose of the Contract:

Provide design and construction services for Potomac River Tunnel for Clean Rivers Project. This work is required by a Consent Decree.

Contract Scope:

- Design and construct approximately 29,400 feet of 18-foot minimum inside diameter tunnel with precast concrete liner from mining site at West Potomac Park at Ohio Drive, SW
- Construct seven shafts and diversion chambers to control CSOs 020, 021, 022, 024, 027, 028 and 029 to the Potomac River
- Two (2) emergency overflow structures to the Potomac River
- Construct appurtenant work including underground connections, adits, ventilation control facilities, electrical, instrumentation, landscaping and commissioning of the tunnel.

Federal Grant Status:

- The construction contract may be funded in part by prior Congressional appropriations for CSO projects.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Best value
Commodity:	Design and Construction	Contract Number:	200100
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Clean Rivers
Service Area:	Combined Sewer Overflow	Department Head:	Moussa Wone
Project:	CZ		

***ESTIMATED USER SHARE INFORMATION**

CZ – Allocation (LTCP – Potomac River Tunnel)

User	Share %	Dollar Amount
District of Columbia	92.90%	\$657,172,021.21
Federal Funds	0.00%	\$ 0.00
Washington Suburban Sanitary Commission	5.54%	\$ 39,189,806.22
Fairfax County	1.01%	\$ 7,144,711.96
Loudoun County & Potomac Interceptor	0.55%	\$ 3,890,684.73
Total Estimated Dollar Amount	100.00%	\$707,397,224.12


CZ – Allocation (CAPM - Potomac River Tunnel)


User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 112,257,952.88
Federal Funds	0.00%	\$ 0.00
Washington Suburban Sanitary Commission	0.00%	\$ 0.00
Fairfax County	0.00%	\$ 0.00
Loudoun County & Potomac Interceptor	0.00%	\$ 0.00
Total Estimated Dollar Amount	100.00%	\$ 112,257,952.88

Total Combined Allocation

User	Share %	Dollar Amount
District of Columbia	93.87%	\$769,429,974.09
Federal Funds ****	0.00%	\$ 0.00
Washington Suburban Sanitary Commission	4.78%	\$ 39,189,806.22
Fairfax County	0.87%	\$ 7,144,711.96
Loudoun County & Potomac Interceptor	0.48%	\$ 3,890,684.73
Total Estimated Dollar Amount	100.00%	\$819,655,177.00

****Subject to future Federal appropriations. If future Congressional appropriation is received, DC share will decrease.


 Digitally signed by Jeffrey F. Thompson
 Date: 2023.09.14 16:30:29 -04'00' / _____ Date
 Jeffrey F. Thompson
 Chief Operating Officer, EVP


 Digitally signed by Matthew T. Brown
 Date: 2023.09.19 11:22:10 -04'00' / _____ Date
 Matthew T. Brown
 CFO and EVP
 Finance, Procurement and Compliance Cluster


 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: 2023.09.15 08:21:36 -04'00' / _____ Date
 Dan Bae
 VP of Procurement


 Digitally signed by David Gadis
 Date: 2023.10.01 19:52:59 -04'00' / _____ Date
 David L. Gadis
 CEO and General Manager

Design-Build Contract 200100
Potomac River Tunnel Contract B – Tunnel System Construction
ATTACHMENT A
Subcontractor Listing and Ineligible category Amounts

Firm	Certification	Participation
Design Consultants		
***Wave Civil Alexandria, VA, 22312	DBE	4.30%
Precision Systems, Inc Washington, DC, 20003	DBE	3.11%
ASTUTE Engineering Vienna, VA, 22182	DBE	1.03%
***Subsurface & Tunnel Engineering, LLC Gaithersburg, MD, 20878	DBE	3.70%
Kilduff Underground Engineering Denver, CO, 80202	DBE	1.04%
Somat Engineering Washington, DC, 20003	DBE	2.50%
FMC Associates Washington, DC 20011	DBE	2.50%
Dulles Engineering Sterling, VA 20166	DBE	2.53%
Other Identified Scopes of Work are being negotiated	DBE	7.29%
Subtotal DBE		28.00%
Rhodeside and Harwell Richmond, VA, 23219	WBE	1.40%
Page Ayres Cowley Architecture New York, NY, 10016	WBE	0.40%
Bay Associates Environmental	WBE	2.00%
Moonin Associates Las Vegas, NV, 89143	WBE	0.20%
Subtotal WBE		4.0%
**DBE/WBE Construction Contractors/Suppliers firm identification in Progress.		

CBNA-Halmar has committed to meeting or exceeding the DBE/WBE Fair Share Objectives as final designs are completed and construction needs are identified. CBNA-Halmar will partner with DC Water to identify certified businesses that are eligible and interested in bidding on specific portions of work. This partnership will achieve the DBE/WBE participation objectives for the Potomac River Tunnel Contract B program.

The following table provides a summary of several major project items that are excluded from the DBE/WBE Fair Share Objectives at this time.

Items Excluded from Fair Share Objectives

Description	Cost	Explanation
Project Allowance, escalation, Tier 2 and 2X Allowance	\$ 54,550,000	Need for and exact scope of work unknown at this time. As the scope of work is better defined, additional subcontractors and suppliers will be solicited, and efforts will be made to utilize D/WBE firms.
Tunnel Boring Machines Mobilization (2 machines)	\$ 37,000,000	Exempt since there are no D/WBE Tunnel Boring Machine manufacturers
Builder's Risk, Pollution Liability Insurance	\$ 10,589,100	DC Water may provide coverage via OCIP program, pending evaluation by Risk Department
Utility Agency Allowance, Pepco Temporary and Permanent Services, electrical switchgear	\$ 7,000,000	Allowances to be paid directly to utility agencies to complete work
Community Impact Mitigation, Commuter Outreach media purchases	\$ 4,400,000	Need for and exact scope of work unknown at this time. As the scope of work is better defined, additional subcontractors and suppliers will be solicited and efforts will be made to utilize D/WBE firms.
Other Miscellaneous Items such as Safety Training Allowance	\$ 4,140,000	
Permit and Police Detail Fees	\$ 2,620,000	Fees are paid directly to District and other regulatory agencies
Total	\$ 120,299,100	

Presented and Approved: October 5, 2023
**SUBJECT: Approval to Award Contract No. 10403, Small
Construction Services, Eastern Contractors Corporation**

#23-55
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 October 5, 2023 upon consideration of a joint use matter, decided by a vote of ___ () In favor and ___ () opposed to approve the execution of Contract No. 10403, Eastern Contractors Corporation.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to award Contract No. 10403, Eastern Contractors Corporation. The purpose of this contract is to permit DC Water’s Department of Facilities to acquire a qualified general contractor, licensed and bonded within the Washington, DC metropolitan area to provide general construction work. The total amount of this contract is \$9,631,851.00 for a two-year base period and three option years.

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 AWARD
SMALL CONSTRUCTION
(Joint Use Indirect)**

Approval to award and fund a contract for Small Construction Services in the amount of \$9,631,851.00 for a 2-year base period and three option years.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Eastern Contractors Corporation 3011 Sutton Gate Dr. Site 250 Suwanee, GA. 30024	SUBS: Aquia Inc.	PARTICIPATION: DBE 33%
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DESCRIPTION AND PURPOSE

Base Period Contract Value:	\$3,653,000.00
Base Period Contract Date:	11-01-2023 – 10-31-2025
Number of Option Years:	3
Total Option Year 1-3 Value:	\$5,978,851.00
Option Year 1-3 Dates:	11-01-2025 - 10-31-2028
Proposal Closing Date:	03-17-2023
Total Number of Proposals:	10
Proposal Price Range	\$14,815,450.00 – 19,245,395.00

Purpose of the Contract:

Department of Facilities requires the services of a qualified general contractor, licensed and bonded in the Washington, DC metropolitan area to provide general construction work.

Contract Scope:

Facilities Service has a need for a contractor to furnish all labor, miscellaneous parts, equipment and tools to perform the work, including but not limited to; rough carpentry, finished carpentry, partition installation and removal, roof repairs (torch down, rubber membrane, slate, green roofs, slag, corrugated metal, and various roof systems), dry wall systems, toilet and bath accessories, doors and frames, (wood, plastic, metal, and hollow core), cast and place concrete, HVAC, electrical applications and repairs, demolition as applicable to the project, plumbing upgrades, painting, fall protection, ceiling and floor tiles, site design development documents, scaled site and construction drawings, and project phasing schedule at all of DC Water facilities as needed.

Supplier Selection:

Ten suppliers responded to an RFP for Small Construction services. Eastern Contractors Corporation is recommended for this contract award because they were rated overall best on the evaluation criteria of qualifications, experience, technical approach, and price.

Each option year will be awarded based on requirements, availability of funds and performance.

PROCUREMENT INFORMATION

Contract Type:	Good and Services	Award Based On:	Highest Ratings/Best Value
Commodity:	Construction	Contract Number:	10403
Contractor Market:	Open Market with DBE Goal		

BUDGET INFORMATION

Funding:	Capital Equipment	Department:	Facility
Project Area:	DC Water Wide	Department Head:	Brent F. Christ

ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	71.19%	\$6,281,699.53
Washington Suburban Sanitary Commission	21.21%	\$1,871,538.80
Fairfax County	4.86%	\$428,839.16
Loudoun Water	2.38%	\$210,007.65
Other (PI)	0.36%	\$31,765.86
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$8,823,851.00

BUDGET INFORMATION

Funding:	Capital	Department:	Facility
Project Area:	DC Water Wide	Department Head:	Brent F. Christ
Project:	RV, LS		

ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	85.58%	\$691,486.40
Washington Suburban Sanitary Commission	10.22%	\$82,577.60
Fairfax County	2.31%	\$18,664.80
Loudoun Water	1.09%	\$8,807.20
Other (PI)	0.80%	\$6,464.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$808,000.00

 Esq. / 09/11/2023
 Maureen Holman Date
 VP of Shared Services

Digitally signed by Joel Grosser
 DN: dc=com, dc=dcwvss, ou=WASA Users, ou=Procurement, cn=Joel Grosser, email=Joel.Grosser@dcwater.com, Date: 2023.09.12 14:26:06 -0400
 Joel Grosser / 09/12/2023
 Director of Procurement Date
 For Dan Bae /
 VP of Procurement Date

Digitally signed by Matthew T. Brown
 Date: 2023.09.14 17:34:00 -0400
 Matthew T. Brown /
 CFO and EVP of Finance, Procurement and Compliance Date


 David L. Gadis / 10/1/2023
 CEO and General Manager Date

Presented and Approved: October 5, 2023

SUBJECT: Approval to Add Funding to Option Year Two of Contract No. 10079, Ferric Chloride, Carter & Carter Enterprises Inc.

**#23-56
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 October 5, 2023 upon consideration of a joint use matter, decided by a vote of ___ () In favor and ___ () opposed to approve additional funding for Option Year Two of Contract No. 10079, Carter & Carter Enterprises Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute additional funding to Option Year Two of Contract No. 10079, Carter & Carter Enterprises Inc. The purpose of this contract is to supply and deliver liquid ferric chloride to DC Water’s Blue Plains Advanced Wastewater Treatment Facility, which is used in the wastewater treatment process to remove phosphorous, suspended solids, and odor-causing compounds. The additional funding for Option Year Two is \$5,500,000.00.

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
FERRIC CHLORIDE
(Joint Use)**

This contract action is to add \$5,500,000.00 in funds to option year 2.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Carter & Carter Enterprises Inc. 212 Van Buren Street, NW Washington, D.C. 20012 LSBE	N/A	100%

DESCRIPTION AND PURPOSE

Original Contract Value:	\$4,000,000.00
Original Contract Dates:	08-01-2021—07-31-2022
Option Year 1 – 2 Value:	\$8,550,000.00
Option Year 1 – 2 Dates:	08-01-2022—07-31-2024
Option Year 2 Additional Funding:	\$5,500,000.00
Option Year 2 Dates:	11-01-2023—07-31-2024

Purpose of the Contract:

This contract is to supply and deliver liquid ferric chloride to DC Water’s Blue Plains Advanced Wastewater Treatment Facility. Ferric chloride is used in the wastewater treatment process to remove phosphorous, suspended solids, and odor-causing compounds. All these functions are needed for DC Water to comply with its water discharge permits.

Contract Scope:

To ensure supply security, ferric chloride requirements were awarded to two companies with independent supply chains: Carter & Carter (C&C) and PVS Technologies. In option year 2, ferric chloride pricing began increasing due to higher costs and lesser availability of its raw materials. The accounts share is modified to lower the cost impact on DC Water yet still maintain supply security.

Spending Previous Year:

Cumulative Contract Value:	08-01-2021 to 07-31-2024: \$12,550,000.00
Cumulative Contract Spending:	08-01-2021 to 08-01-2023: \$10,055,049.00

Contractor’s Past Performance:

According to the COTR, the Contractor’s quality of product 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:	Ferric Chloride	Contract Number:	10079
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%	\$2,369,400.00
Washington Suburban Sanitary Commission	41.90%	\$2,304,500.00
Fairfax County	9.60%	\$528,000.00
Loudoun Water	4.71%	\$259,050.00
Other (PI)	0.71%	\$39,050.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$5,500,000.00


 _____ / 09/07/23
 Jeffrey F. Thompson Date
 Chief Operating Officer, EVP

Digitally signed by Joel Grosser
 DN: dc=cor, dc=dcwasa, ou=WASA Users,
 ou=Procurement, cn=Joel Grosser,
 email=Joel.Grosser@dcwater.com
 date: 2023.09.11 14:17:23 -0400
 Joel Grosser
 Director of Procurement / 09/11/2023
 _____ /
 Dan Bae Date
 VP of Procurement

For

Digitally signed by
 Matthew T. Brown
 Date: 2023.09.13
 12:03:13 -04'00'
 _____ /
 Matthew T. Brown Date
 CFO and EVP
 Finance, Procurement and Compliance


 _____ / 10/1/2023
 David L. Gadis Date
 CEO and General Manager

Presented and Approved: October 5, 2023
SUBJECT: Approval to Award Contract No. 10396, Protective Services, Universal Protection Services

#23-57
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 October 5, 2023 upon consideration of a joint use matter, decided by a vote of ___ () In favor and ___ () opposed to approve the Award of Contract No. 10396, Universal Protection Services.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute the Award of Contract No. 10396, Universal Protection Services. The purpose of this contract is to acquire a qualified contractor to provide protective services for all of DC Water’s facilities and personnel. The total amount of this contract for the three-year base and two option years is \$34,500,000.00

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 AWARD

PROTECTIVE SERVICES

(Joint Use Indirect)

Approval to award and fund a contract to provide security systems services in the amount of \$34,500,000.00 for the three-year base and two option years.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Universal Protection Services (AKA, Allied Universal) 1551 N. Tustin Avenue Suite 650 Santa Ana, CA 92705	SUBS: Watkins Security (DBE)	PARTICIPATION: DBE 25%
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DESCRIPTION AND PURPOSE

Base Period Contract Value:	\$20,000,000.00
Base Period Contract Date:	11-01-2023 -10-31-2026
Number of Option Years:	2
Total Option Year 1-2 Value:	\$14,500,000.00
Proposal Closing Date:	04-21-2023
Total Number of Proposals:	8
Proposal Price Range	\$19,500,000.00 - \$28,808,000.00

Purpose of the Contract:

DC Water requires a qualified contractor to provide protective services for all of DC Water's facilities and personnel.

Contract Scope:

DC Water's Department of Security requires a competent and reliable security firm that will provide trained and reliable Armed Special Police Officers (SPO) for the protection of DC Water's property and personnel. That including, but not limited to, the prevention and deterrence of theft, vandalism, fire and terrorist aggression, special events at HQO and monitoring and or the operation of technical security equipment at various locations.

Supplier Selection:

This was an open market solicitation. Twelve suppliers were invited to participate we received eight responses. Universal Protection is recommended for this contract award because they were the highest rated supplier on the evaluation criteria of qualifications, experience, technical approach, and price.

Each option year will be awarded based on requirements, availability of funds and performance.

Universal Protection is the incumbent. They have proven success and expertise in performing the requirements set forth in the scope of work. The COTR is satisfied with Universal Protection's performance.

PROCUREMENT INFORMATION

Contract Type:	Good and Services	Award Based On:	Highest Ratings
Commodity:	Security	Contract Number:	10396
Contractor Market:	Open Market with DBE Goal		

BUDGET INFORMATION


Fundin :	0 eratin	Department:	Security
Pro-ect Area:	DC Water Wide	De artment Head:	Ivelisse Cassas

ESTIMATED USER SHARE INFORMATION

User - Operating	Share%	Dollar Amount
District of Columbia	71.19%	\$24,560,550.00
Washington Suburban Sanitary Commission	21.21%	\$7,317,450.00
Fairfax Countv	4.86%	\$1,676,700.00
Loudoun Water	2.38%	\$821,100.00
Other (PI)	0.36%	\$124,200.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$34,500,000.00



 /1/W
 09/01/2023
 Maureen Holman
 VP of Shared Services



 Dan Bae
 VP of Procurement

Matthew T. Brown
 Digitally signed by Matthew T. Brown
 Date: 2023.09.13 16:54:01 -04'00'
 Matthew T. Brown
 CFO and EVP of Finance, Procurement and Compliance



 10/1/2023
 David L. Gadis
 CEO and General Manager

Presented and Adopted: October 5, 2023
SUBJECT: Approval of the Revised Statement of Financial Policies

#23-58
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water"), at the Board meeting held on October 5, 2023, upon consideration of a joint-use matter, decided by a vote of _____ () in favor and _____ () opposed, to approve the revised Statement of Financial Policies.

WHEREAS, the Board at its meeting December 4, 1997 approved Resolution #97- 121 stating financial policies for the District of Columbia Water and Sewer Authority; and

WHEREAS, from 1998 to 2013, the Board revised the Statement of Financial Policies through Resolution #98-08, dated March 5, 1998; Resolution #04-30, dated April 2, 2004, Resolution 09-86, dated July 2, 2009, and Resolution #13-57, dated May 2, 2013 to establish strong levels of cash reserves, strong debt service coverage, set the level of debt service coverage, set operating and renewal & replacement reserve levels; and

WHEREAS, on October 7, 2021, the Board, through Resolution 21-84, further revised the Statement of Financial Policies, rescinding the Paygo Policy and incorporating it into the Statement of Financial Policies, making other revision including establishing a minimum cash balance of 250 days of operating expenses and coverage of 160%, and conforming the debt service coverage requirements in the Debt Policy and Guidelines with those in the proposed Statement of Financial Policies; and

WHEREAS, on September 26, 2023, the DC Retail Water and Sewer Rates Committee met to consider the proposed revisions to the Statement of Financial Policies; and

WHEREAS, on September 28, 2023, the Finance & Budget Committee met to consider the proposed revisions to the Statement of Financial Policies; and

WHEREAS, the General Manager recommended to both Committees revising the Statement of Financial Policies to amend the current operating cash reserve requirement of 250 days to be the minimum required reserve requirement and set a goal to achieve an operating cash reserve requirement of 350 days by 2032 by prioritizing the allocation of year-end surplus to achieve this goal; and

WHEREAS, based on the recommendation of the General Manager, the DC Retail Water and Sewer Rates Committee expressed their support for the revisions to the Statement of Financial Policies; and

WHEREAS, based on the recommendation of the General Manager, the Finance and Budget Committee recommended the Board approve the revisions to the Statement of Financial Policies; and

WHEREAS, based on the recommendation of the General Manger and Finance and Budget Committee, the Board approves the revised Statement of financial Policies; and

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby approves the attached revised "Statement of Financial Policies", as provided in Attachment A, and authorizes the General Manager to implement the Policy.
2. This resolution is effective immediately.

Secretary to the Board of Directors

Attachment A - Statement of Financial Policies

District of Columbia Water and Sewer Authority

Statement of Financial Policies

Anticipated Approval: October 5, 2023

District of Columbia Water and Sewer Authority

Statement of Financial Policies

Purpose

The purpose of this document is to set forth financial policies for the District of Columbia Water and Sewer Authority (DC Water).

These policies are designed to promote sound financial management, achieve high-quality investment grade bond ratings to help ensure the lowest cost of debt necessary to finance DC Water's long-term capital program, guide day-to-day financial and management decisions by DC Water, and reduce financial risk associated with events that would interrupt customer payments, require a large unanticipated outlay of cash (major repair), or the interruption to financial markets.

It shall be the policy of DC Water that all financial decisions meet or exceed the Master Indenture requirements.

Scope of the Financial Policy

The Financial Policy governs financial planning and management. The policy does not include the issuance of debt, rate setting, the Rate Stabilization Fund, or investments. Those items are addressed in stand-alone policies.

Definitions

The following are definition for terms used in this policy. See the Master Indenture for definitions of additional terms.

Annual Debt Service - the total principal and interest paid in a calendar year, fiscal year, or bond fiscal year.

Average Annual Debt Service - the average debt service payable each year on an issue.

Combined Debt Service Coverage – the ratio of net revenues available annually to pay debt service to meet the annual debt service requirement including all senior and subordinate debt.

Days of Cash on Hand – the Operating Expenses calculated on an average daily balance.

Debt Defeasance – the use of available cash to reduce outstanding debt.

Debt Service – the amount of money necessary to pay interest on outstanding bonds, the principal of maturing bonds and the required contributions to a sinking fund for term bonds. This amount is also known as the “debt service requirement.”

Debt Service Coverage – the ratio of net revenues available annually to pay debt service to meet the annual debt service requirement.

Master Indenture of Trust (Master Indenture) - the Master Indenture of Trust dated as of April 1, 1998, between DC Water and the Trustee, including all amendments.

Operating Cash Reserve – the cash balance and includes the reserve funds established and required by the Master Indenture (Renewal and Replacement Reserve, and the Operating Reserve Fund). The Operating Cash Reserve does not include the Rate Stabilization Fund, DC Insurance Reserve Fund, bond funds, or debt service reserve funds.

Operating Revenues – revenues received from providing services in connection with DC Water’s principal ongoing operations, including water and wastewater user charges and charges for wholesale wastewater treatment. Revenues from user charges and sales of services are recognized as the related services are provided.

Operating Expenses – current expenses directly or indirectly attributable to the ownership or operation of the system, including personnel services, chemicals, materials and supplies, water purchases, utilities and rent, contractual services, Payment in lieu of taxes and right of way fee, depreciation and amortization and the purchase of small equipment. Operating costs do not include capital expenditures or debt service.

Net Revenues – revenues less operating expenses.

Pay-As-You-GO (PAYGO) – the use of any cash for capital project expenditures, in contrast with debt financing.

Senior Debt – payments of DC Water’s bonds and other system indebtedness.

Subordinate Debt - payments of the DC Water’s subordinate debt is made after payments of senior debt and after certain reserves have been funded.

Total Debt Service - the total principal and interest paid throughout the life of a bond issue.

Financial Plan

As part of the annual budget process, DC Water will propose and the Board will approve a financial plan that includes a ten-year projection of capital and operating costs, rates required to support those costs, assumptions about current and projected debt to support the capital program, fund balances, the use of PAYGO. The Financial Plan will meet the requirements of the Master Indenture and this Financial Policy.

Operating Cash Reserves

DC Water will maintain strong levels of Operating Cash Reserves that exceed the Master Indenture requirements. Strong cash reserves are important to maintaining DC Water's bond rating.

In the Financial Plan that is proposed by the CEO and General Manager and approved by the Board, a minimum of 250 days of cash will be maintained in each fiscal year based on projected Operating Expenses. Days of Cash on Hand will be calculated on an average daily balance basis for the projections in the Financial Plan.

DC Water will work to achieve 350 days of cash by 2032 and will prioritize the allocation of year-end surplus to achieve this goal.

The calculation of Operating Cash Reserves will include any reserve funds established and required by the Master Indenture (including the Renewal and Replacement Reserve Fund, and the Operating Reserve Fund). In recognition of the importance of consistency in managing operating cash balances and the distinct purpose of the Rate Stabilization Fund (as defined in the Rate Stabilization Fund Policy), the Rate Stabilization Fund balance will be excluded from the calculation of the Operating Cash Reserve requirement.

The Renewal and Replacement Fund is \$35 million. The Operating Reserve Fund is equivalent to 60 days operating costs. The Renewal and Replacement Fund and Operating Reserve Fund requirements will be evaluated every five years by DC Water's independent rate consultant in conjunction with the system assessment required by the Master Indenture.

Debt Service Coverage

Debt service coverage is a key financial metric that impacts DC Water's credit quality and borrowing costs. In order to maintain the highest credit quality and lowest borrowing costs, it is the policy of the Board that the Financial Plan developed by the CEO and General Manager and adopted by the Board will contain a minimum combined debt service coverage of 1.60x for the budget and all years of the Financial Plan. Debt service coverage will be calculated in accordance with the Master Indenture.

Use of Debt

DC Water will, whenever possible, use the least costly type of financing for capital projects, based on a careful evaluation of DC Water's capital and operating requirements and financial position for each year. DC Water will attempt to match the period of debt repayment, in total, with the lives of the assets financed by any such debt.

The Financial Plan will include reasonable assumptions about the timing and cost of debt required to finance the projected capital expenditures.

PAYGO

The use of cash for the capital program reduces long-term borrowing costs. However, DC Water's capital program is extensive, and the useful life of assets to be funded is generally many years. In recognition thereof, DC Water will use a combination of debt and cash for the capital program. One-time sources of funding (such as from Legal Settlements) will be considered for use as PAYGO in order to reduce the use of debt while maintaining structural balance.

The Financial Plan will include the projected annual cash balances and planned annual PAYGO financing of capital projects. The Board may consider using any net cash surplus for PAYGO.

In October, the CEO and General Manager will report to the Board of Directors the actual usage of PAYGO for the just-completed fiscal year.

One-Time Revenues

DC Water will use operating cash in excess of the Board's Operating Cash Reserve requirement and any other significant one-time cash infusions for capital financing, repayment of higher cost debt (debt defeasance), or non-recurring expenses that reduce ongoing costs.

The budget and the financial plan will be structurally balanced; DC Water will use one-time revenues for one-time expenses.

Financial Performance

In the third quarter of the fiscal year the CEO and General Manager will present a report to the Board of Directors that includes year-to-date and a forecast of annual expenditures and revenues.

The CEO and General Manager will also present a recommendation regarding a projected surplus or shortfall of funds versus the Board-approved Financial Plan. Potential uses of excess funds include a deposit into the Rate Stabilization Fund, utilization for PAYGO, the repayment of higher interest debt, or an increase in the cash balance.

If the projected net cash position is a shortfall, the CEO and General Manager will propose measures to reduce expenditures.

Presented and Approved: October 5, 2023

SUBJECT: Approval to Award Contract No. 10406, Managed Care Services - Oracle Cloud ERP, Application Software Technology (AST)

**#23-59
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 October 5, 2023 upon consideration of a joint use matter, decided by a vote of ___ () In favor and ___ () opposed to approve the Award of Contract No. 10406, Application Software Technology (AST).

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute the Award of Contract No. 10406, Application Software Technology (AST). The purpose of this contract is to contract an experienced supplier to provide managed care cares, (i.e., technical services) for Oracle ERP in support of Finance, Procurement, Enterprise Performance Management, Payroll, and Human Capital Management. In addition, support is required for approximately 44 interfacing applications at DC Water with respect to maintenance, patches/fixes and required changes and updates. The total amount of this contract is \$1,500,000.00 for a one-year base and two option years.

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

**Managed Care Services – Oracle Cloud ERP
(Joint Use - Indirect Cost)**

Approval to execute contract award for Managed Care Services-Oracle Cloud ERP in the amount of \$1,500,000.00 for a three-year contract term (1-year base plus 2 option years).

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Application Software Technology (AST) 4343 Commerce Court STE 701 Lisle, IL 60532	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Base Award Contract Value:	\$500,000.00
Anticipated Base Contract Date:	01/01/2024—12/31/2024
No. of Option Years:	2
Option Year 1 Value:	\$500,000.00
Option Year 1 Dates:	01/01/2025—12/31/2025
Option Year 2 Value:	\$500,000.00
Option Year 2 Dates:	01/01/2026—12/31/2026
Proposals Received:	6
Proposals Received Price Range:	\$1,172,724.00—\$5,930,000.00

Purpose of the Contract:

The ERP System and Controls Department require the services of a competent supplier to provide managed care services (i.e., technical service) for Oracle Cloud ERP in support of Finance, Procurement, Enterprise Performance Management, Payroll, and Human Capital Management. In addition, support is required for approximately 44 interfacing applications at DC Water, in the form of maintenance to interfaces as patches/fixes and updates are applied to the Oracle Cloud application, and or as changes/updates are required for outside applications and systems.

Contract Scope:

Managed care services include assisting with maintenance, upgrades, patch testing, configurations / integrations, business reports, innovation, and process improvements to Oracle functionality in the departments listed above.

Supplier Selection:

Procurement issued a limited RFP to firms certified as an Oracle Gold Partner, Gold equivalent, or higher certification. Six firms responded. Application Software Technology (AST) was selected based on the overall rating to provide Managed Care Services – Oracle Cloud ERP during the contract period.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Highest Ratings
Commodity:	Goods and Services	Contract Number:	10406
Contractor Market:	Invitation with utilization goals for certified firms		

BUDGET INFORMATION

Funding:	Joint–Use Indirect Costs Operating	Department:	ERP System and Controls
Project Area:	DC Water Wide	Department Head:	Ramana Kanchetty

ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	71.19%	\$1,067,850.00
Washington Suburban Sanitary Commission	21.21%	\$318,150.00
Fairfax County	4.86%	\$72,900.00
Loudoun Water	2.38%	\$35,700.00
Other (PI)	0.36%	\$5,400.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,500,000.00

Ramana Kanchetty / 09/12/2023

Ramana Kanchetty Date
Director, ERP System and Controls

Joel Grosser Digitally signed by Joel Grosser
DN: dc=com, dc=dcwasa, ou=WASA Users,
ou=Procurement, cn=Joel Grosser,
email=Joel.Grosser@dcwater.com
Date: 2023.09.13 13:56:56 -0400
Director of Procurement / 09/13/2023

For Dan Bae Date
VP of Procurement

Matthew T. Brown Digitally signed by Matthew
T. Brown
Date: 2023.09.13 16:51:21
-0400

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

D. L. Gadis / 10/1/2023

David L. Gadis Date
CEO and General Manager

Presented and Approved: October 5, 2023

SUBJECT: Approval to Fund ROCIP VI and OCIP (Potomac River Tunnel (PRT), Insurance Premiums, Aon Risk Solutions, Inc., of Washington, DC

**#23-60
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 October 5, 2023 upon consideration of a joint use matter, decided by a vote of ___ () In favor and ___ () opposed to approve funding for ROCIP VI and OCIP (Potomac River Tunnel (PRT), Aon Risk Solutions, Inc., of Washington, DC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute funding for ROCIP VI and OCIP (Potomac River Tunnel (PRT), Aon Risk Solutions, Inc., of Washington, DC. The purpose of this action is to fund seven years of insurance premiums under ROCIP VI and OCIP (PRT) for construction contractors on DC Water’s capital project. In addition, it also provides greater insurance coverage on DC Water Projects, increases the number of eligible firms that can bid on DC Water’s contracts and provide cost savings. The total funding is not-to-exceed \$36,000,000.00.

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

GOODS AND SERVICES CONTRACT

ROLLING OWNER CONTROLLED INSURANCE PROGRAM (ROCIP) VI AND OCIP

INSURANCE PREMIUMS

(Joint Use)

Approval to fund ROCIP VI and OCIP (Potomac River Tunnel (PRT)) insurance premiums through DC Water's broker of record in the not-to-exceed amount of \$36,000,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Aon Risk Solutions, Inc., of Washington, DC 1120 20 th Street, NW Washington, DC 20036	SUBS (CARRIERS): To Be Determined	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Base Period Premium Values ROCIP VI: \$22,194,070.00
Base Period Premium Dates ROCIP VI: 11-01-2023 – 11-30-2028
Base Period Premium Values OCIP (PRT): \$13,805,930.00
Base Period Premium Dates OCIP (PRT): 11-01-2023 – 11-30-2030

Scope of Broker Services:

The purpose of this action is to fund seven years of insurance premiums under ROCIP VI and OCIP (PRT) for construction contractors on DC Water's capital projects. This provides greater insurance coverage on DC Water's projects, increases the number of eligible firms that can bid on DC Water's contracts and provides cost savings.

Purpose:

- Broader Insurance Coverage with Higher Limits
- Lower Construction Costs with Reduced or Avoided Insurance Costs. Enables smaller firms to be more competitive
- Enhanced Risk Services for Claims Handling and Loss Prevention. Enrolled contractors must adhere to DC Water's safety standards
- Reduced Litigation
- Insurance requirements are no obstacle for Contractors

Insurance Plan Components:

- The combined Workers Compensation and General Liability paid loss rating plan includes a fixed premium rate based upon Contractor site payroll. Deductible \$500,000 per line per loss deductible \$750,000 all lines per loss
- General Liability Limits are \$2 million/\$4 million per Occurrence/ Aggregate
- Extended Term Completed Operations (10 year tail)
- Workers Compensation limits are statutory (DC)
- Employers Liability limits are \$1 million
- Excess General Liability limits are \$200 million (To be revisited based on renewal pricing)
- Contractor's Pollution Liability

No LBE/LSBE participation

PROCUREMENT INFORMATION

Contract Type:	ROCIP Insurance Payment	Award Based On:	Lowest Priced Offer for the Insurance Products
Commodity:	Primary and Excess Insurance	Contract Number:	N/A
Contractor Market:	Insurance Broker Marketing of DC Water's ROCIP VI Requirements		

BUDGET INFORMATION

Funding:	Capital	Department:	Finance
Project Area:	DC Water Wide	Department Head:	Ivan Boykin

ESTIMATED USER SHARE INFORMATION

LTCP - Clean Rivers		
User	Share %	Dollar Amount
District of Columbia	92.90%	\$680,403.32
Washington Suburban Sanitary Commission	5.54%	\$40,575.18
Fairfax County	1.01%	\$7,397.28
Loudoun County & Potomac Interceptor	0.55%	\$4,028.22
Total Estimated Dollar Amount	100.00%	\$732,404.00

Other Projects		
User	Share %	Dollar Amount
District of Columbia	41.22%	\$8,846,498.73
Washington Suburban Sanitary Commission	45.84%	\$9,838,027.69
Fairfax County	8.38%	\$1,798,487.61
Loudoun County & Potomac Interceptor	4.56%	\$978,651.97
Total Estimated Dollar Amount	100.00%	\$21,461,666.00

Combined Allocation		
User	Share %	Dollar Amount
District of Columbia	55.25%	\$12,262,223.68
Washington Suburban Sanitary Commission	34.90%	\$7,745,730.42
Fairfax County	6.38%	\$1,415,981.67
Loudoun County & Potomac Interceptor	3.47%	\$770,134.23
Total Estimated Dollar Amount	100.00%	\$22,194,070.00

*

PROCUREMENT INFORMATION

Contract Type:	ROCIP Insurance Payment	Award Based On:	Lowest Priced Offer for the Insurance Products
Commodity:	Primary and Excess Insurance	Contract Number:	N/A
Contractor Market:	Insurance Broker Marketing of DC Water's OCIP (PRT) Requirements		

BUDGET INFORMATION

Funding:	Capital	Department:	Finance
Project Area:	DC Water Wide	Department Head:	Ivan Boykin

ESTIMATED USER SHARE INFORMATION

LTCP - Clean Rivers		
User	Share %	Dollar Amount
District of Columbia	92.90%	\$12,825,708.97
Washington Suburban Sanitary Commission	5.54%	\$764,848.52
Fairfax County	1.01%	\$139,439.89
Loudoun County & Potomac Interceptor	0.55%	\$75,932.62
Total Estimated Dollar Amount	100.00%	\$13,805,930.00



Digitally signed by Ivan A. Boykin, VP-Finance
 DN: cn=Ivan A. Boykin, VP-Finance, o=DC Water and Sewer Authority, ou=Finance, Procurement, and Compliance, email=ivan.boykin@dcwater.com, c=US
 Date: 2023.09.19 09:22:18 -04'00'

Ivan Boykin _____ Date
 Director of Finance



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: 2023.09.19 09:59:52 -04'00'

Dan Bae _____ Date
 VP of Procurement

Matthew T. Brown

Digitally signed by Matthew T. Brown
 Date: 2023.09.25 11:24:04 -04'00'

Matthew T. Brown _____ Date
 CFO and EVP of Finance and Procurement



David L. Gadis _____ Date
 CEO and General Manager

Presented and Adopted: October 5, 2023
Subject: Approval of Revised Rate Stabilization Fund Policy

#23-61
RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at the Board meeting held on October 5, 2023, upon consideration of a joint use matter decided by a vote of ____ () in favor and ____ () opposed, to approve and adopt the following action with to the approval of the Revised Rate Stabilization Fund Policy.

WHEREAS, on December 4, 1997 the Board, through Resolution #97-124, approved Rate Setting Policies ("Policies") (a matter not affecting the general management of joint-use sewerage facilities) for DC Water which state that as cash reserves and/or revenues permit, DC Water will establish a rate stabilization fund or other innovative approaches to assist in mitigating annual rate increases; and

WHEREAS, on March 26, 1998 the Board approved DC Water's Master Indenture of Trust, which Section 603 and Section 604 of the Master Indenture of Trust formalized certain requirements of the Rate Stabilization Fund; and

WHEREAS, on November 1, 2007, the Board, through Resolution #07-87, approved the a Rate Stabilization Fund Policy and authorized the General Manager to implement the Policy; and

WHEREAS, on July 1, 2010, the Board, through Resolution #10-76, upon recommendation of the Finance and Budget Committee, approved the revised "Rate Stabilization Fund Policy" and authorized the General Manager to implement the Policy; and

WHEREAS, the 2010 revised Rate Stabilization Fund Policy: 1) required the Financial Plan to include the ten-year planned use of the RSF, 2) specified that transfers into the RSF would be determined by the Board, including year-end allocation of surpluses, 3) interest earned would be accounted as General Revenue, 4) the only stated the purpose of the RSF was to "mitigate rate spikes and allow smoothing of annual rate increases, and 5) the Policy did not specify a target balance; and

WHEREAS, on September 27, 2022, DC Retail Water and Sewer Rates Committee met to consider the Fiscal Year 2023 Workplan; and

WHEREAS, the General Manager reported to the DC Retail Water and Sewer Rates

Committee that the Rate Stabilization Fund Study would be conducted in FY 2023 Workplan to include: 1) Review of Board and management policy decisions and objectives concerning the RSF; 2) conduct peer comparisons including both policies and RSF levels; 3) assess potential risks and other available mitigation measures to the projections of cash flow and rates; 4) identify possible revisions to DC Water policies and procedures regarding the use of the RSF; and 5) review recommendations for all aspects of the RSF including an appropriate name for the fund; and

WHEREAS, on April 25, 2023, the DC Retail Water and Sewer Rates Committee met to consider the summary of findings of the Rate Stabilization Fund study and proposed options; and

WHEREAS, the General Manager and Amawalk, the financial consultant, presented the Rate Stabilization Find Study summary of findings: 1) the RSF may, but is not required to maintain a balance by the Bond Indenture; 2) funds can be transferred into and out of the RSF at the recommendation of management and at the discretion of the Board; 3) DC Water has historically added and withdrawn funds from the RSF for multiple purposes, and typically used to address potential fluctuations in revenue to “smooth out” rate increases; and 4) more than half of utilities have no RSF requirement; and

WHEREAS, Amawalk presented options for consideration by the DC Retail Water and Sewer Rates Committee and General Manager, including: 1) confirming the current name or changing the name to: retail rate fund, residual fund, residual balance carry-forward, rate stabilization account; 2) defining a minimum, maximum or target balance requirement: setting a target RSF balance of 5% of projected retail rate revenue; and 3) updating the policy for use of funds that would minimize RSF use for retail rates and prioritize use for initiatives that reduce growth of rates like investments in new technologies and to defease higher costs debt; and

WHEREAS, on April 25, 2023, after further discussion and consideration, the DC Retail Water and Sewer Rates Committee requested the General Manager to present the Rate Stabilization Fund study summary of findings and options to the Finance and Budget Committee before final consideration for recommendation to the Board; and

WHEREAS, on May 25, 2023, the Finance and Budget Committee met to consider the summary of findings of the Rate Stabilization Fund study and proposed options; and

WHEREAS, the General Manager and Amawalk presented the summary of findings of the Rate Stabilization Find Study as presented to the DC Retail Water and Sewer Rates Committee on April 25, 2023; and

WHEREAS, Amawalk recommended: 1) targeted RSF balance of 5% of projected retail revenue and authorization to withdraw fund should include a plan to replenish funds to meet the target; and 2) DC Water should prioritize use of the funds for: i) emergencies or unplanned events, ii) investment in technologies or other initiatives that could reduce operating expenses, and iii) defeasance of higher cost debt; and

WHEREAS, on September 26, 2023, the DC Retail Water and Sewer Rates Committee met to consider the General Manager's proposed revised Rate Stabilization Fund Policy; and

WHEREAS, the General Manager recommended revising the Rate Stabilization Fund Policy as follows: 1) establish a targeted RSF balance of 5% of retail revenues; 2) contributions to the RSF may be directed by the Board through the allocation year-end surplus or by the General Manager from savings or revenues from projects funded by the RSF; 3) the RSF may be used for: i) emergencies or unplanned events to prevent rate spikes, ii) investments in technologies or other initiatives that could reduce operating expenditures, iii) apply to revenues to reduce rate increases, defease higher cost debt, or as PAYGO to reduce debt service costs; and

WHEREAS, based on the recommendation of the General Manager, the DC Retail Water and Sewer Rates Committee recommended the Board approve the revised Rate Stabilization Fund Policy; and

WHEREAS, based on the recommendation of the General Manger and DC Retail Water and Sewer Rates Committee, the Board approves the revised Rate Stabilization Fund Policy; and

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby adopts and approves the attached "Rate Stabilization Fund Policy", as provided in Attachment A, and authorizes the General Manager to implement the policy.
2. This resolution is effective immediately.

Secretary to the Board of Directors

District of Columbia Water and Sewer Authority

Rate Stabilization Fund Policy

Anticipated Approval: October 5, 2023

District of Columbia Water and Sewer Authority

Rate Stabilization Fund Policy

Purpose

The purpose of this document is to set forth the policy for the Rate Stabilization Fund for the District of Columbia Water and Sewer Authority (DC Water).

The Board of Directors established a Rate Stabilization Fund (RSF) consistent with the Authority's Master Indenture of Trust (the "Indenture"). The purpose of the RSF is to smooth rate increases and reduce the growth of customer rates.

Scope of the Financial Policy

The Rate Stabilization Fund Policy governs contributions to and use of the Rate Stabilization Fund. The policy does not include financial planning and management, the issuance of debt, rate setting, or investments. Those items are addressed in stand-alone policies.

Definitions

The following are definitions for terms used in this policy. See the Master Indenture for definitions of additional terms.

Debt Service – the amount of money necessary to pay interest on outstanding bonds, the principal of maturing bonds and the required contributions to a sinking fund for term bonds. This amount is also known as the "debt service requirement."

Master Indenture of Trust (Master Indenture) - the Master Indenture of Trust dated as of April 1, 1998, between DC Water and the Trustee, including all amendments.

Operating Cash Reserve – the cash balance and includes the reserve funds established and required by the Master Indenture (Renewal and Replacement Reserve, and the Operating Reserve Fund). The Operating Cash Reserve does not include the Rate Stabilization Fund, DC Insurance Reserve Fund, bond funds, or debt service reserve funds.

Operating Expenses – current expenses directly or indirectly attributable to the ownership or operation of the system, including personnel services, chemicals, materials and supplies, water purchases, utilities and rent, contractual services, Payment in lieu of taxes and right of way fee, depreciation and amortization and the purchase of small equipment. Operating costs do not include capital expenditures or debt service.

Retail Revenues – revenues received from DC Water's retail customers in the District of Columbia

Operating Cash Reserves

DC Water, in the Statement of Financial Policies, has committed to maintaining strong levels of Operating Cash Reserves that exceed the Master Indenture requirements. Strong cash reserves are important to address emergency situations and to maintain DC Water's high bond rating that keeps borrowing costs low for DC residents and customers.

The Statement of Financial Policies requires DC Water to maintain at least 250 Days of Operating Cash Reserves outside of the Rate Stabilization Fund.

Target Balance of and Contributions to the Stabilization Fund

DC Water will strive to maintain the balance of the RSF at five percent of annual retail revenues.

Contributions and transfers to the RSF may be directed by the Board either through the annual budget or through the allocation of year-end surplus as described in the Statement of Financial Policies. The General Manager may also designate contributions to the RSF from savings obtained by the use of the RSF (see "Use of the Rate Stabilization Fund" below).

Use of the Rate Stabilization Fund

The purpose of the RSF is to smooth rate increases and reduce the growth of customer rates.

Funds can be used for:

- Emergencies or unplanned events;
- Investment in technologies or other initiatives that could reduce operating expenses; and
- Smoothing rate increases by being incorporated into the financial plan assumptions and rate proposals; and
- Debt Defeasance of higher cost debt or cash-financed construction

The General Manager may transfer funds from the RSF at any time for a use consistent with this policy. The General Manager must notify the Board within 30 days of the reason and amount of the transfer, and if any funds will be repaid to the RSF from savings achieved.

The establishment of operating and capital budgets to implement projects permitted by this Policy will be done in accordance with budget processes and procedures.

Interest Income

Interest earned on the RSF account will be accounted for as general revenues and be transferred out of the RSF at anytime.

**Presented and Approved: October 5, 2023,
SUBJECT: 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)**

**#23-62
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 October 5, 2023 upon consideration of a non-joint use matter, decided by a vote of ___ () In favor and ___ () opposed to approve add funding to Option Year Three and Exercise Option Year Four of Contract No. 19-PR-DWS-29, Dynamic Concepts, Inc. (DCI).

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute additional funding for Option Year Three and to Exercise Option Year Four of Contract No. 19-PR-DWS-29, Dynamic Concepts, Inc. (DCI. The purpose of this contract is to hire a contractor to identify, locate and properly mark DC Water underground asset for all excavators, including all DC Water construction projects, other utility companies and agencies, contractors, and private developers. The total amount of the funding for this action is \$1,739,107.00.

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

Utility Locating and Marking Services

(Non-Joint Use)

This contract action is to add funding in the amount of \$419,107.00 to Option Year 3 and exercise Option Year 4 in the amount of \$1,320,000.00. The total funding request is \$1,739,107.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Dynamic Concepts, Inc. (DCI) 1730 17th Street, NE Washington, DC 20002 (LSBE)	SUBS: N/A	PARTICIPATION: 100%
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DESCRIPTION AND PURPOSE

Base Award Contract Value:	\$2,500,000.00
Base Award Contract Dates:	04-01-2020 – 03-31-2021
No. of Option Years in Contract:	4
Option Year 1 Value:	\$0.00
Option Year 1 Dates:	04-01-2021 – 03-31-2022
Option Year 2 Value:	\$0.00
Option Year 2 Dates:	04-01-2022 – 03-31-2023
Option Year 3 Value:	\$980,000.00
Option Year 3 Dates:	04-01-2023 – 03-31-2024
Add funding for Option Year 3 - 4:	\$1,739,107.00
Option Years 3 - 4 Dates:	10-30-2023 – 03-31-2025

Purpose of the Contract:

The Underground Utilities Locating and Marking contractor is responsible for identifying, locating, and marking DC Water underground assets for all excavators, including all DC Water construction projects, other utility companies and agencies, contractors, and private developers. The Department of Water Services manages the contract.

Contract Scope:

The scope of the contract includes responding to all excavators in identifying and properly marking DC Water’s underground assets, water, and sewer facilities up to the property line; this provides damage protection and avoids interference with DC Water’s underground assets. Spending is increasing due to higher prices and increased utility marking requests.

Spend Previous Year:

Cumulative Contract Value:	04/01/20 – 03/31/24: \$3,480,000.00
Cumulative Contract Spending:	04/01/20 – 07/31/23: \$3,096,181.00

Contractor Past Performance:

According to the COTR, the contractor’s quality of products and services, timeliness of deliverables, conformance to DC Water’s policies and contract terms and invoicing met requirements.

PROCUREMENT INFORMATION

Contract Type:	Goods and Services	Award Based On:	Best Value
Commodity:	Utility Marking Services	Contract Number:	19-PR-DWS-29
Contractor Market:	Open Market with Preference Points for LBE and LSBE participation		


BUDGET INFORMATION

Funding:	Non-Joint Use	Department:	Water Operations
Project Area:	Water Services	Department Head:	Jason Hughes

ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	100%	\$1,739,107.00
Washington Suburban Sanitary Commission	0%	\$0.00
Fairfax County	0%	\$0.00
Loudoun Water	0%	\$0.00
Potomac Interceptor	0%	\$0.00
Total Estimated Dollar Amount	100%	\$1,739,107.00


 _____ /09/07/23
 Jeffrey F. Thompson Date
 Chief Operating Officer, EVP


 _____ /
 Dan Bae Date
 VP, Procurement

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: 2023.09.08 09:42:42-0400'

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

Digitally signed by
 Matthew T. Brown
 Date: 2023.09.12 12:40:16
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_____ /
 David L. Gadis Date
 CEO and General Manager

**Presented and Approved: October 5, 2023,
SUBJECT: 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**

**#23-63
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 October 5, 2023 upon consideration of a non-joint use matter, decided by a vote of ___ () In favor and ___ () opposed to approve the 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.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute the 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. The purpose of this contract is to support DC Water’s Lead Free DC (LFDC) Lead Service Line Replacement (LSLR) Program by providing construction resources for FY23 – FY26 block by block lead service line replacements as a component of the LFDC Capital Improvement Program. The contract amendment is not-to-exceed \$70,000,000.00.

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

CONSTRUCTION CONTRACT AMENDMENT 1:

**LEAD FREE DC (LFDC) LEAD SERVICE LINE REPLACEMENT (LSLR) PROGRAM FY23-FY26
BLOCK BY BLOCK CONSTRUCTION**

(Non-Joint Use)

Approval of the contract amendment amount not-to-exceed \$70,000,000 for the task order-based Lead-Free DC (LFDC) Lead Service Line Replacement (LSLR) Program. The amendment exceeds the Chief Executive Officer and General Manager's approval authority.

CONTRACT02R/SUB/VENDOR INFORMATION

PRIME: See Attachment A for list of PRIME Qualified Contractor Participation	SUBS: Subs will be identified for each task order awarded.*	PARTICIPATION: See Notes Below**
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* Eight firms were prequalified to participate on the Lead-Free DC (LFDC) Lead Service Line Replacement (LSLR) Program. Each of the Eight demonstrated a history of successfully meeting established goals for DBE/WBE utilization. Additionally, the qualified firms agreed to work with DC Water to actively engage the certified business community and meet/exceed DC Water's business diversity, equity, and inclusion goals established for each task order they are awarded.

** The overall utilization goals for the Master Service Agreement are 35% DBE and 15% WBE, respectively.

DESCRIPTION AND PURPOSE

Original Program Value, Not-to-Exceed	\$130,000,000.00
Value of this Amendment, Not-to-Exceed	\$ 70,000,000.00
Current Program Value, including this Amendment	\$200,000,000.00
Program Time:	3 years (1,095 days)
Program Start Date (NTP):	02-28-2023
Program Completion Date:	02-28-2026

Purpose of the Program:

To support DC Water's Lead-Free DC (LFDC) Lead Service Line Replacement (LSLR) Program, which will replace all lead service lines in the District of Columbia by 2030. This contract will provide construction resources for FY23-FY26 block-by-block lead service line replacements as a component of the LFDC Capital Improvement Program.

- Qualification Program to identify and engage a pool of multiple contractors who are ready and willing to participate and compete for LFDC LSLR projects/work
- Issuance of master service agreements that will allow early engagement with Suppliers for materials planning and constructability/risk mitigation during project planning phase and the opportunity to efficiently compete for LFDC/LSLR projects as task orders.

Original Contract Scope:

- Removal of existing lead, galvanized, and brass water service lines and replacement with new copper service line.
- Installation of Meters (provided by DC Water), Meter Boxes, Frames and Covers. Meter activation will be completed by DC Water staff.
- Installation of Curb Stops and Curb Stop Boxes.
- Private side tie-ins and coordination with homeowners.
- Restoration and/or replacement of asphalt and concrete roadways (i.e., permanent street restoration), brick and concrete sidewalks, landscaped areas, and other miscellaneous repairs that result from block-by-block projects.
- Interior restoration as required.

Current Amendment Scope

- In accordance with DC Water’s June 2023 Lead Free DC Plan, the volume of work needed to complete the LFDC Initiative of replacing all lead service lines for 2030 has recently been more clearly defined. The scope and cost of the program has grown significantly. There is a need to accelerate the work by increasing the number and size of construction contracts to meet the yearly replacement goals.
- The amendment of \$70,000,000 will expand the contract capacity of the Master Service Agreement while maintaining the 3-year timeline.

Federal Grant Status:

- This Construction Contract is eligible for Federal grant funding assistance.

PROCUREMENT INFORMATION

Contract Type:	Unit Price	Award Based On:	Lowest responsive, Responsible Bidder
Commodity:	Construction	Contract Number:	230030
Contractor Market:	Pre-Qualified Contractors		

BUDGET INFORMATION


Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Water	Department Head:	William Elledge
Project:	ST		

ESTIMATED USER SHARE INFORMATION

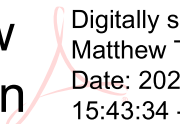
User	Share %	Dollar Amount
District of Columbia	59.07%	\$ 41,350,000.00
Federal Funds	40.93%	\$ 28,650,000.00
Washington Suburban Sanitary Commission	0.00%	\$ 0.00
Fairfax County	0.00%	\$ 0.00
Loudoun County & Potomac Interceptor	0.00%	\$ 0.00
Total Estimated Dollar Amount	100.00%	\$ 70,000,000.00

Jeffrey F. Thompson
 Digitally signed by Jeffrey F. Thompson
 Date: 2023.09.14 15:51:18 -04'00'

Jeffrey F. Thompson _____ Date
 Chief Operating 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: 2023.09.15 08:21:18 -04'00'

Dan Bae _____ Date
 VP of Procurement

Matthew T. Brown
 Digitally signed by Matthew T. Brown
 Date: 2023.09.15 15:43:34 -04'00'

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

David Gadis
 Digitally signed by David Gadis
 Date: 2023.10.01 20:07:44 -04'00'

David L. Gadis _____ Date
 CEO and General Manager

CONSTRUCTION CONTRACT:
Lead Free DC (LFDC) Lead Service Line Replacement (LSLR) Program
(Non-Joint Use)

Anchor Construction Co Inc.
2254 25th Place NE
Washington, DC 20018

Capitol Paving of DC Inc.
2211 Channing Street, N.E.
Washington, DC 20018

Capital Premier Construction, LLC (DBE)
650 Massachusetts, NW
Washington, DC 20018

Fort Myer Construction Corporation
2237 33rd Street, Northeast
Washington, DC 20018

National Services Contractors (DBE)
2007 MLK Jr Ave, SE
Washington, DC 20020

North Arrow Inc (DBE)
820 First St, NE, Suite LL 170,
Washington, DC 20002

Spiniello Companies
3500 East Biddle Street
Baltimore, MD 21213

The Ford Design Group (DBE)
111 N Orange Avenue, Suite 860
Orlando, FL, 32801

**Presented and Approved: October 5, 2023,
SUBJECT: Approval to Execute Supplemental Agreement No. 01 of
Contract No. DCFA #455-WSA, Basic Ordering Agreement-
Infrastructure XII, Johnson, Mirmiran & Thompson, Inc.**

**#23-64
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 October 5, 2023 upon consideration of a non-joint use matter, decided by a vote of ___ () In favor and ___ () opposed to approve the execution of Supplemental Agreement No. 01 of Contract No. DCFA #455-WSA, Johnson, Mirmiran & Thompson, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Supplemental Agreement No. 01 of Contract No. DCFA #455-WSA, Johnson, Mirmiran & Thompson, Inc. The purpose of this contract is to provide professional architectural/engineering and related services for infrastructure and facilities under a Basic Ordering Agreement. The total amount of this modification is \$1,400,000.00.

This Resolution is effective immediately.

Secretary to the Board of Directors

**DC WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

ENGINEERING SERVICES

**Basic Ordering Agreement – Infrastructure XII
(Non-Joint Use)**

Approval to execute Supplemental Agreement No. 01 for \$1,400,000.00. The modification exceeds the Chief Executive Officer and General Manager's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION*:
Johnson, Mirmiran & Thompson, Inc. One Massachusetts Avenue Suite 840 Washington, DC 20001 <u>Headquarters</u> Hunt Valley, MD 21030	Milhouse Engineering & Construction, Inc. Chicago, IL DBE	9.4%
	Delon Hampton & Associates Washington, DC DBE	8.2%
	Savin Engineers, P.C. Baltimore, MD DBE	6.8%
	DM Enterprises of Baltimore, LLC Baltimore, MD DBE	3.1%
	Engineering Design Technologies, Inc. Glen Burnie, MD DBE	0.6%
	Albrecht Engineering, Inc. Baltimore, MD WBE	3.0%
	SZ PM Consultants, Inc. Washington, DC WBE	1.6%
	The Robert B. Balter, Inc. Owings Mill, MD WBE	0.9%
	EN Tech Engineering, PC New York, NY WBE	0.4%

*Participation Percentages Shown Based on Overall \$6.4M BOA.
DBE/WBE Total = DBE 28.1%, WBE 5.9%.

DESCRIPTION AND PURPOSE

Original Contract Value:	\$5,000,000.00
Value of this SA:	\$1,400,000.00
Cumulative SA Value, including this SA:	\$1,400,000.00
Current Contract Value, including this SA:	\$6,400,000.00
Original Contract Time:	1,461 Days (4 Years, 0 Months)
Time Extension, this SA:	2,922 Days (8 Years, 0 Months)
Total Time Extension:	4,383 Days (12 Years, 0 Months)
Contract Start Date:	06-20-2013
Contract Completion Date:	06-20-2025

Purpose of the Contract:

The purpose of this contract is to provide professional architectural/engineering and related services for infrastructure and facilities under a Basic Ordering Agreement. Work is being assigned as task orders on an as needed basis.

Original Contract Scope:

- Original Contract included rehabilitation and replacement of water and sewer pipes and upgrades of water and sewer pumping stations. Engineering services include work in the architectural, civil, structural mechanical processes, HVAC, instrumentation, and electrical design disciplines.

Services include, but are not limited to, preparation of contracts and supporting documents, conducting engineering field surveys and geotechnical investigations, and permit assistance.

- Projects include rehabilitation and replacement of water and sewer pipeline infrastructure and upgrades to water and sewer pump stations.

Previous Supplemental Agreement Scope:

There were no previous SAs for this Contract; only three previous no-cost time extensions.

Current Supplemental Agreement Scope:

- Future Task Orders to complete projects already started under this Agreement.
- Additional budget and time are required to complete work on existing projects that had previously been deferred for several years and have subsequently been restarted. Since deferment, there have been material and labor cost escalation, changes in DC Water Specifications, and new stakeholders.
- Activities under this SA include:
 - Bryant Street Pump Station - Spillage Header Flow Control
 - SOP/O&M Manual
 - Sewer Service Life Restoration Program (SLRP) 5-1
 - Final Design Services
 - Design Services During Construction

Future Supplemental Agreement Scope:

No future SA is anticipated at this time.

PROCUREMENT INFORMATION


Contract Type:	Lump Sum & Cost-Plus Fixed Fee	Award Based On:	Highest Ranking Score
Commodity:	Engineering Design Services	Contract Number:	DCFA #455-WSA
Contractor Market:	Open Market		

BUDGET INFORMATION


Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Sanitary, Storm, and Combined Sewer, and Water	Department Head:	William Elledge
Project:	HV, IH		

ESTIMATED USER SHARE INFORMATION


User	Share %	Dollar Amount
District of Columbia	100%	\$1,400,000.00
Federal Funds	0%	\$ 0.00
Washington Suburban Sanitary Commission	0%	\$ 0.00
Fairfax County	0%	\$ 0.00
Loudoun County & Potomac Interceptor	0%	\$ 0.00
Total Estimated Dollar Amount	100%	\$1,400,000.00


 Digitally signed by Jeffrey F. Thompson
 Date: 2023.09.14 15:54:39 -04'00' /

 Jeffrey F. Thompson Date
 Chief Operating Officer, EVP


 Digitally signed by Matthew T. Brown
 Date: 2023.09.15 14:25:50 -04'00' /

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


 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: 2023.09.15,08:21:28-04'00' /

 Dan Bae Date
 VP of Procurement


 Digitally signed by David Gadis
 Date: 2023.10.01 19:54:34 -04'00' /

 David L. Gadis Date
 CEO and General Manger

**Presented and Approved: October 5, 2023,
SUBJECT: Approval to Execute Option Year Four of Contract No. 18-
PR-CFO-55 and Extend the Contract to September 30,
2024, Merchant Credit/Debit Card Processing Services,
First Data Merchant Services, LLC**

**#23-65
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 October 5, 2023 upon consideration of a non-joint use matter, decided by a vote of ___ () In favor and ___ () opposed to approve the execution of Option Year Four of Contract No. 18-PR-CFO-55 and Extend Contract to September 30, 2024, First Data Merchant Services, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Four of Contract No. 18-PR-CFO-55 and Extend Contract to September 30, 2024, First Data Merchant Services, LLC. The purpose of this contract is to provide merchant credit/debit card processing services for DC Water. The total amount of this request is \$1,800,000.00.

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 FOUR
MERCHANT CREDIT/DEBIT CARD PROCESSING SERVICES
(Non-Joint Use – Indirect Cost)**

Approve option year four for Merchant Credit/Debit Card Processing Services in the amount \$1,800,000.00 and extend the contract to September 30, 2024.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: First Data Merchant Services, LLC 101 Hudson Street Jersey City, NJ 07302	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$1,475,000.00
Original Contract Dates:	01-01-2019—12-31-2019
No. of Option Years in Contract:	4
Option Year 1 Value:	\$1,824,850.00
Option Year 1 Dates:	01-01-2020—12-31-2020
Option Year 2 Value:	\$2,568,120.00
Option Year 2 Dates:	01-01-2021—03-31-2022
Option Year 3 Value:	\$3,790,000.00
Option Year 3 Dates:	04-01-2022 —10-31-2023
Contract Extension Dates:	10-31-2023 — 09-30-2024
Contract Extension Value:	\$1,800,000.00

Purpose of the Contract:

Contract to provide merchant credit/debit card processing services.

Contract Scope:

This contract includes electronic authorization, data capture and settlement services for all VISA, MasterCard and Discover credit and/or debit transactions generated by DC Water for processing of monthly residential and commercial water bills, sewer bills and permit bills.

Contract Additional Funding:

Approve additional funding in the amount of \$1,800,000.00 to cover the conversion to Paymentus and SnapPay fees for Oracle Permit payments. This amount covers on-going processing fees, increases in interchange fees, the use of corporate and reward cards by commercial customers and payment aggregators.

Spending Previous Year:

Cumulative Contract Value:	01-01-2019 – 10-31-2023: \$9,657,970.00
Cumulative Contract Spending:	01-01-2019 – 08-31-2023: \$9,088,579.51

PROCUREMENT INFORMATION


Contract Type:	Fixed Unit Price	Award Based On:	Highest Ranked Offeror
Commodity:	Services	Contract Number:	18-PR-CFO-55
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Operating	Department:	Finance
Service Area:	DC Water Wide	Department Head:	Ivan A. Boykin


ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$1,800,000.00
Washington Suburban Sanitary Commission	0.00%	\$0.00
Fairfax County	0.00%	\$0.00
Loudoun Water	0.00%	\$0.00
Other (PI)	0.00%	\$0.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,800,000.00



Digitally signed by Ivan A. Boykin, VP-Finance
 DN: cn=Ivan A. Boykin, VP-Finance, o=DC Water and Sewer Authority, ou=Finance, Procurement, and Compliance, email=ivan.boykin@dwater.com, c=US
 Date: 2023.09.05 14:55:29 -0400'

 Ivan A. Boykin Date
 VP of Finance



Digitally signed by Dan Bae
 DN: C=US,
 E=dan.bae@dwater.com, O=District of Columbia Water and Sewer Authority, OU=VP of Procurement & Compliance, CN=Dan Bae
 Date: 2023.09.05 16:27:0400'

 Dan Bae Date
 VP of Procurement

Matthew T. Brown

Digitally signed by Matthew T. Brown
 Date: 2023.09.13 16:52:50 -0400'

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



 _____ / 10/1/2023
 David L. Gadis Date
 CEO and General Manager

Presented and Adopted: October 5, 2023

SUBJECT: 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.

#23-66

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at the Board meeting held on October 5, 2023, upon consideration of a non-joint use matter decided by a vote of ___() in favor and ___() opposed, to approve and adopt the following action with respect to: (1) Rollover ~\$924,942 of the FY 2023 remaining balance Amount for RAP and MAP Programs to the FY 2024 Budget for the RAP Program; (2) Rollover ~\$148,422 from FY 2023 RAP, MAP and CAP Programs Administrative Fund remaining balance to the FY 2024 Budget for the RAP Program; and (3) Rollover \$20,000 from FY 2023 RAP, MAP and CAP Programs Administrative Fund remaining balance to the FY 2024 Administrative Fund Budget for the RAP and CAP Programs.

WHEREAS, the Board at its meeting September 3, 2020, approved Resolution #20-65, to direct the projected FY 2020 Net Cash Surplus to the customer assistance programs for low-income customers: 1) \$3.0 million to continue the Emergency Residential Relief Program in FY 2021 to provide one-time assistance to customers impacted by COVID; assistance up to \$2,000 per residential customers; 2) \$7.0 million for a new program to provide one-time assistance to multi-family buildings where occupants have been negatively impacted by COVID and payment plans are established and adhered to, and the amount of assistance to be determined and provided per affordable unit on a matching basis; 3) \$5.0 million held for FY 2022 targeted assistance for customers in need and transferring the remainder of approximately \$4.894 million to the Rate Stabilization Fund (RSF) to provide operational flexibility to address any contingencies in FY 2021; and

WHEREAS, on November 4, 2021 the Board, through Resolution #21-99 approved the: 1) transfer and allocation of \$5.0 million from the Targeted Assistance Fund: \$223,962.95 to the FY 2021 CAP and CAP2 Programs Budget, \$634,401.00 to the FY 2022 CAP and CAP2 Programs Budget, \$1,892,843.08 to the FY 2022 RAP Program Budget and \$2,248,792.97 to the MAP Program Budget, 2) rollover \$5,332,200.77 of the FY 2021

RAP and MAP balance amount for RAP and MAP Programs to the FY 2022 RAP and MAP Programs Budget, and 3) allocation of \$250,000.00 from FY 2021 MAP balance to Administrative Costs for RAP, MAP and CAP Programs for FY 2022; and

WHEREAS, on November 3, 2022, the Board, through Resolution #22-70 approved: (1) Rolling over the FY 2022 RAP and MAP remaining balance of \$6,024,764.48 to the FY 2023 RAP and MAP Programs Budget; and (2) Rolling over the FY 2022 RAP, MAP and CAP Program's Administrative costs remaining balance of \$202,853 to the FY2023 RAP, MAP and CAP Program's Administrative costs budget; and

WHEREAS, on June 1, 2023, the Board, through Resolution #23-35 approved: (1) Transfer of \$2,097,891 of FY 2023 MAP Funds to FY 2023 RAP Program Budget; and

WHEREAS, on September 28, 2023, the Finance and Budget Committee also met to consider the status of the DC Water Cares programs: CAP, CAP2, RAP and MAP programs and remaining budget balance and the General Manager's recommendations for Fiscal Year 2024; and

WHEREAS, the General Manager presented the status of the CAP2, RAP and MAP programs noting 1) due to Federal funding through the Homeowner Assistance Fund and LIHWAP, RAP funding would not be exhausted in FY 2023; 2) MAP participation has been slow and the administrative work needed to maintain program outweighs the participation; 3) the calculation of administrative costs for RAP MAP and CAP were lower than expected due to in-house processing; and

WHEREAS, the General Manger projected the unexpended balance for DC Water Cares: \$0.92 Million for RAP and MAP and \$0.15 Million for CAP, RAP, and MAP Administrative Fund; and

WHEREAS, the General Manager recommended: (1) Rolling over ~\$924,942 of the FY 2023 remaining balance Amount for RAP and MAP Programs to the FY 2024 Budget for the RAP Program; (2) Rolling over ~\$148,422 from FY 2023 RAP, MAP and CAP Programs Administrative Fund remaining balance to the FY 2024 Budget for the RAP Program; and (3) Rolling over \$20,000 from FY 2023 RAP, MAP and CAP Programs Administrative Fund remaining balance to the FY 2024 Administrative Fund Budget for the RAP and CAP Programs; and

WHEREAS, after further consideration and discussion, the Finance and Budget Committee recommended the Board approve: (1) Rolling over ~\$924,942 of the FY 2023 remaining balance Amount for RAP and MAP Programs to the FY 2024 Budget for the RAP Program; (2) Rolling over ~\$148,422 from FY 2023 RAP, MAP and CAP Programs Administrative Fund remaining balance to the FY 2024 Budget for the RAP Program; and (3) Rolling over \$20,000 from FY 2023 RAP, MAP and CAP Programs Administrative Fund remaining balance to the FY 2024 Administrative Fund Budget for the RAP and CAP Programs; and

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board approves: (1) Rolling over ~\$924,942 of the FY 2023 remaining balance Amount for RAP and MAP Programs to the FY 2024 Budget for the RAP Program; (2) Rolling over ~\$148,422 from FY 2023 RAP, MAP and CAP Programs Administrative Fund remaining balance to the FY 2024 Budget for the RAP Program; and (3) Rolling over \$20,000 from FY 2023 RAP, MAP and CAP Programs Administrative Fund remaining balance to the FY 2024 Administrative Fund Budget for the RAP and CAP Programs.
2. This resolution is effective immediately.

Secretary to the Board of Directors

Presented and Adopted: October 5, 2023

SUBJECT: 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

**#23-67
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”) at the Board meeting held on October 5, 2023 upon consideration of a non-joint use matter, decided by a vote of ___ () in favor and ___ () opposed, to approve and adopt the following action with respect to publish the Notice of Emergency and Proposed Rulemaking to extend the DC Water Cares Emergency Relief Program for Low-Income Customers (“Residential Assistance Program” or “RAP”) for FY 2024.

WHEREAS, on September 3, 2020, the Board, through Resolution #20-65, approved the allocation of \$3 million to continue the District’s Emergency Residential Program in FY 2021 to provide one-time assistance up to \$2,000 to residential customers economically impacted by COVID-19 and to allocate \$7 million to establish a new program to provide one-time assistance to multi-family buildings where the occupants have been impacted by COVID and payment plans are established and adhered with the assistance determined and provided per affordable unit, and on a matching basis; and

WHEREAS, on February 4, 2021, the Board, through Resolution #21-15, approved and adopted final rules to establish the DC Water Cares – Emergency Relief Program for Low-Income Residential Customers (Residential Assistance Program (RAP)); and

WHEREAS, on May 6, 2021, the Board through Resolution #21-42, approved and adopted final rules to establish the DC Water Cares: Multifamily Assistance Program (MAP) for Low-Income Multifamily Tenants; and

WHEREAS, the Board, through Resolutions #21-15 and 21-42, required the benefits provided under the DC Water Cares: RAP and MAP programs would only be provided for Fiscal Year 2021, and terminate on September 30, 2021, unless approved by the Board to continue in FY 2022; and

WHEREAS, on December 2, 2021, the Board, through Resolution # 21-114, authorized the General Manager to amend the District of Columbia Municipal Regulations to extend

the implementation of the DC Water Cares – Emergency Relief Program for Low-Income Residential Customers (Residential Assistance Program (RAP)) and Multifamily Assistance Program (MAP) for FY 2022 due to ongoing economic impacts as a result of COVID-19, which continued to cause the number of potential eligible customers in arrears to increase, and the uncertainty of federal assistance programs to provide assistance for customers in need; and

WHEREAS, on October 6, 2022, the Board, through Resolution # 22-66, authorized the General Manager to amend the District of Columbia Municipal Regulations to amend and extend the implementation of the DC Water Cares – Emergency Relief Program for Low-Income Residential Customers (Residential Assistance Program (RAP)) and Multifamily Assistance Program (MAP) for FY 2023 due to ongoing economic impacts as a result of COVID-19, which continued to cause the number of potential eligible customers in arrears to increase, and the uncertainty of federal assistance programs to provide assistance for customers in need; and

WHEREAS, on September 26, 2023, the DC Water and Sewer Rates Committee met to consider the status of the DC Water Cares: CAP, CAP2, RAP and MAP programs and remaining budget balance and the General Manager's recommendations for Fiscal Year 2024; and

WHEREAS, the General Manager presented the status of the CAP, CAP2, RAP and MAP programs noting 1) due to Federal funding through the Homeowner Assistance Fund and LIHWAP, RAP funding would not be exhausted in FY 2023; 2) MAP participation has been slow and the administrative work needed to maintain program outweighs the participation; 3) the calculation of administrative costs for RAP MAP and CAP were lower than expected due to in-house processing; and

WHEREAS, the General Manager recommended: (1) Rolling over ~\$924,942 of the FY 2023 remaining balance for RAP and MAP Programs to the FY 2024 Budget for the RAP Program; (2) Rolling over ~\$148,422 from FY 2023 RAP, MAP and CAP Programs Administrative Fund remaining balance to the FY 2024 Budget for the RAP Program; and (3) Rolling over \$20,000 from FY 2023 RAP, MAP and CAP Programs Administrative Fund remaining balance to the FY 2024 Administrative Fund Budget for the RAP and CAP Programs; and

WHEREAS, the General Manager reported the impacts of COVID are still affecting customers resulting in total residential customer arrears of \$8.4 Million; and

WHEREAS, the General Manager recommended adopting and publishing a Notice of Emergency and Proposed Rulemaking to extend the DC Water Cares: Residential Assistance Program (RAP) for FY 2024 until funds are exhausted; and

WHEREAS, the General Manager recommended these amendments be made through an emergency rulemaking to maintain the continuity of benefits for customers that continue to be in need due to the economic impacts of COVID-19 until the Board holds

a Public Hearing and the final rulemaking is published within 120 days; and

WHEREAS, after further consideration and discussion, the DC Retail Water and Sewer Rates Committee recommended the Board adopt and approve the publication of the Notice of Emergency and Proposed Rulemaking to amend 21 DCMR 4102 Customer Assistance Program, to extend the DC Water Cares: RAP regulations for FY 2024 until funds are exhausted as proposed by the General Manager; and

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby adopts and approves the publication of the Notice of Emergency and Proposed Rulemaking (NOEPR) to amend 21 DCMR 4102 Customer Assistance Program as recommended by the DC Retail Water and Sewer Rates Committee and the General Manager to extend the DC Water Cares: RAP regulations for FY 2024, effective October 5, 2023 for 120 days as provided in Attachments A.
2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to initiate the public comment process and shall publish the Notice of the Emergency and Proposed Rulemaking and Notice of Public Hearing in accordance with the District of Columbia Administrative Procedure Act and implementing rules and D.C. Official Code § 34-2202.16.
3. This resolution is effective immediately.

Secretary to the Board of Directors

Attachment A

Chapter 41, RETAIL WATER AND SEWER RATES AND CHARGES, of Title 21 DCMR, WATER AND SANITATION, is amended as follows:

1. Subsection 4102.9, DC Water Cares Emergency Relief Program for Low-Income Residential Customers, of Section 4102, CUSTOMER ASSISTANCE PROGRAMS, is amended to read as follows:

4102.9 DC Water Cares Emergency Relief Program for Low-Income Residential Customers:

- (a) Participation in the DC Water Cares Emergency Relief Program (DC Water Cares) shall be limited to a single-family or individually metered low-income Residential Customer that meets the following eligibility requirements:
 - (1) The applicant maintains an active DC Water account and is responsible for paying for water and sewer services; and
 - (2) DOEE has determined that the applicant's annual household income is equal to or below eighty percent (80%) of the Area Median Income (AMI) for the District of Columbia, not capped by the United States median low-income limit.
- (b) An approved customer shall receive the following benefits:
 - (1) Credit of one hundred percent (100%) off the past due water and sewer bill balance; and
 - (2) The total amount of credits provided shall not exceed Two Thousand (2,000) dollars during Fiscal Year 2024, subject to the availability of budgeted funds.
- (c) Upon DC Water's receipt of notice from DOEE that the applicant meets the financial eligibility requirements and subject to the availability of budgeted funds, DC Water shall provide the credits to the customer's account from the date that DOEE accepts a completed application and for future qualifying events that may lead to collection activities to the end of the fiscal year in which the application was submitted.
- (d) The DC Water Cares Emergency Relief Program for Low-Income Residential Customers shall terminate on September 30, 2024, or as provided in § 4102.9(f).

- (e) Customer that received DC Water Cares benefits in FY 2023 must submit a renewal CAP or CAP2 application to DOEE to receive DC Water Cares benefits in Fiscal Year 2024.
- (f) If DC Water determines that the remaining budgeted funds are insufficient to provide DC Water Cares for Low-Income Residential Customers benefits, DC Water may:
 - (1) Suspend the process for accepting DC Water Cares applicants; or
 - (2) Suspend or adjust providing DC Water Cares benefits to eligible recipients.

2. Subsection 4102.10, Section 4102, CUSTOMER ASSISTANCE PROGRAMS, is amended to read as follows:

4102.10 [RESERVED]

All persons desiring to comment on this Notice of Emergency and Proposed Rulemaking should submit comments in writing not later than December 5, 2023. Comments should be submitted to Michelle Rhodd, Secretary to the Board, District of Columbia Water and Sewer Authority, 1385 Canal Street, S.E., Washington, D.C. 20003, by email to Michelle.Rhodd@dcwater.com, or by FAX at (202) 787-2795. Copies of the Notice of Emergency and Proposed Rulemaking may be obtained from DC Water at the same address or by contacting Ms. Rhodd at (202) 787-2331.



Department of Occupational Safety and Health “Doing Safety Differently”

DC Water Board of Directors Meeting

Oct 4th, 2023

David Gill SMS, CHST, STS-C
Director, Safety

Healthy, Safe & Well Imperative



- ◆ In partnership with People & Talent, DOSH will advance programs of work as part of the **Healthy, Safe and Well** Imperative under the following themes:
 - A safe DC Water for all, above all else
 - Ensuring together we thrive
- ◆ Eight KPIs focused on safety audits, tracking incident data, observations, corrective actions, training and risk assessment/mitigation

KPI	Calculation	Notes	Frequency
Percentage of completed of executive Leadership Audits (Directors and up)	(# of audits completed by Senior Management) divided by the (# of audits planned by Senior Management)	Directors up through EVPs are required assess their area of responsibility (AOR) once on a monthly basis. Audit their area of responsibility to the conformance of stated goals & expectations.	Monthly
Percentage of completed Management Audits (General Foreman, Supervisors, Managers)	(# of audits completed by Management) divided by the (# of audits planned by Management)	Management (General Foreman, Supervisors, Managers) are required assess their area of responsibility (AOR) twice on a monthly basis. Audit their area of responsibility to the conformance of stated goals & expectations.	Monthly
Total Recordable Incident Rate (TRIR)	Incidence rate = (Total number of recordable incident) x 200,000 / (Total manhour worked for one year).	Rate of OSHA Recordable Incidents using the calculation from OSHA in conjunction w/ our manhours & number of recordable incidents.	Monthly
Lost Time Recordable Incident Rate (LTRIR)	LTRIR=([number of lost time injuries in the reporting period] x 200,000)/(total hours worked in the reporting period).	Rate of OSHA Recordable Incidents using the calculation from OSHA in conjunction w/ our manhours & number of lost time incidents	Monthly
Safety Observations (near misses, good catches, observations)	1/30,000 man hours	Near miss, good catches and safety observations.	Monthly
Percentage of corrective actions closed out in the Safety Risk System.	Total Corrective Actions Reported/Total Corrective Actions Closed)	Correctvie actions from Incident investigations Inspections, Audits, Good Catches, Near Misses, etc..	Quarterly
Percentage OEM, Security and Safety training completed	Percentage of required trainings completed	Mandatory and required trainings	Annually
Percentage of Risk Assessment developed	2 per month per department	Ongoing and pro active process to identify hazards and assess risks	Monthly

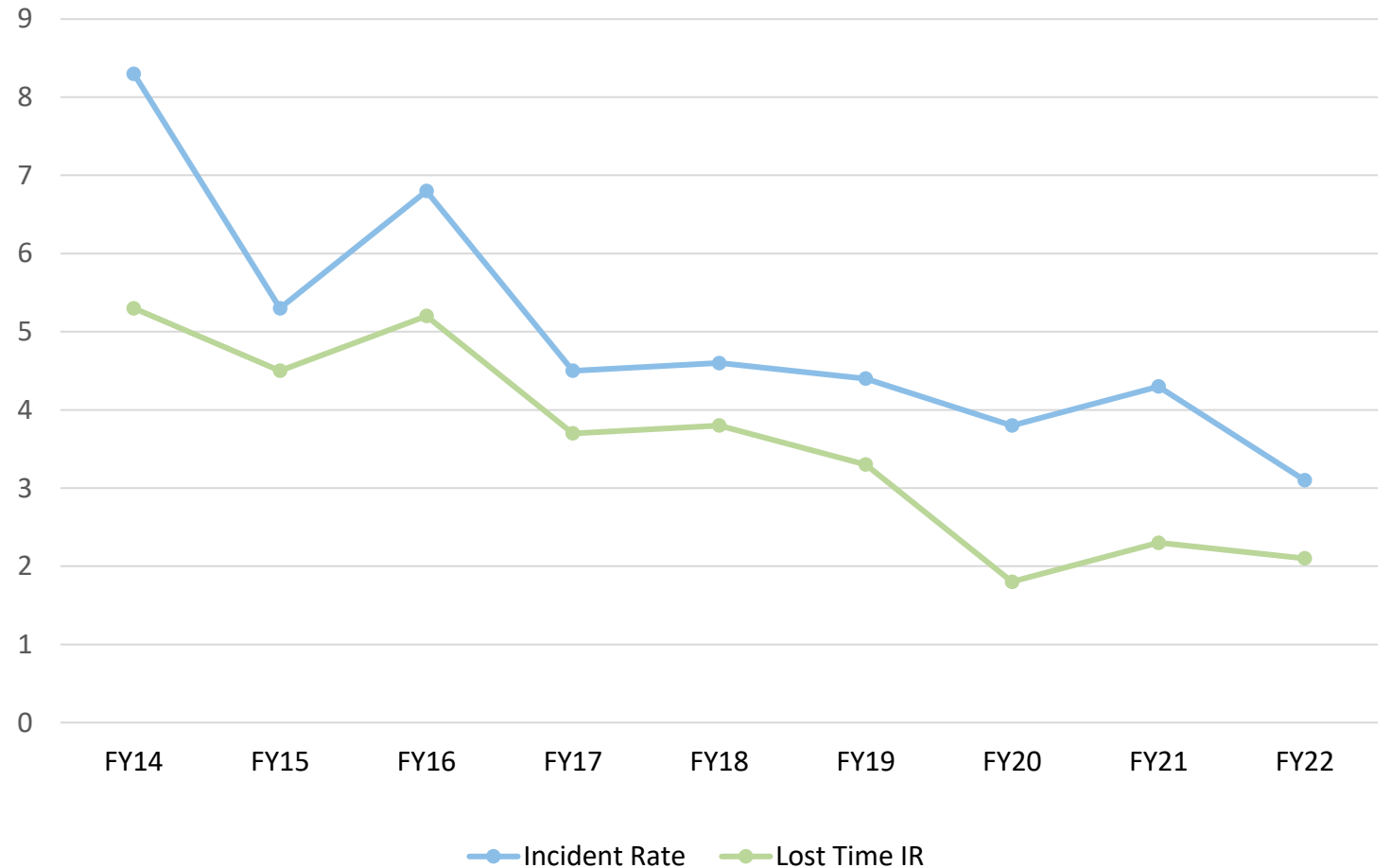




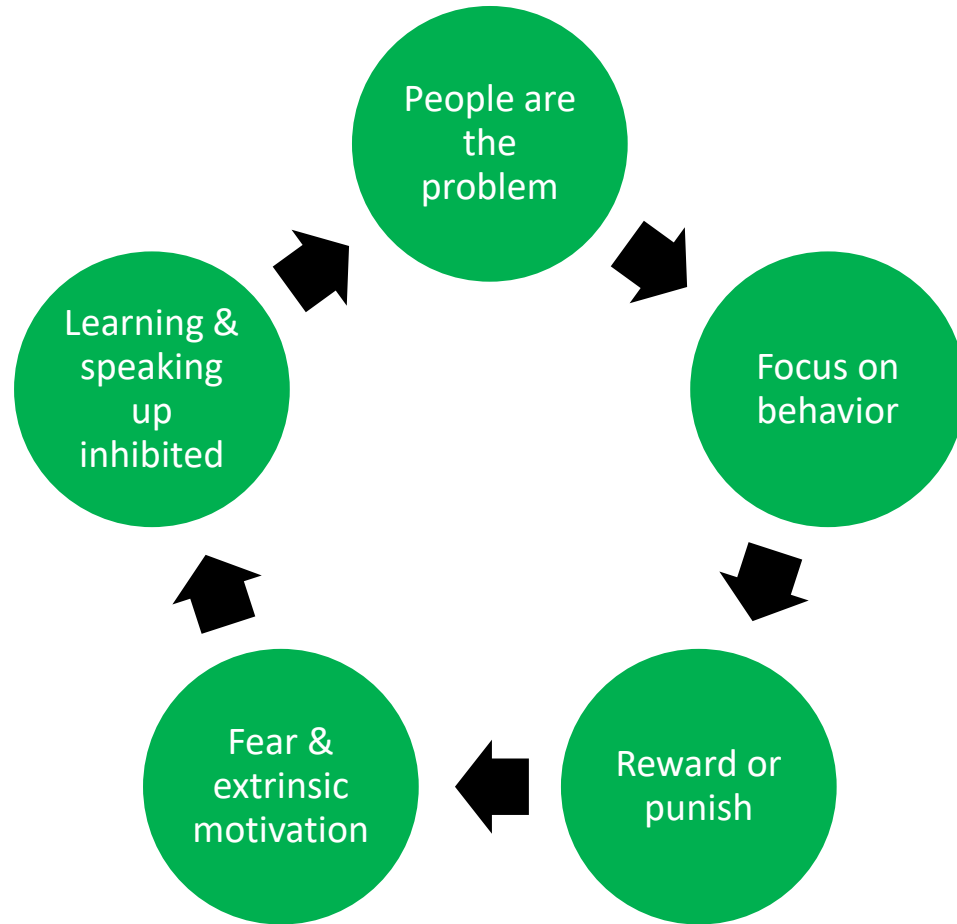
Continual Improvement

- Finding new ways to get there but could be flatlining.

DC Water Incident Rate

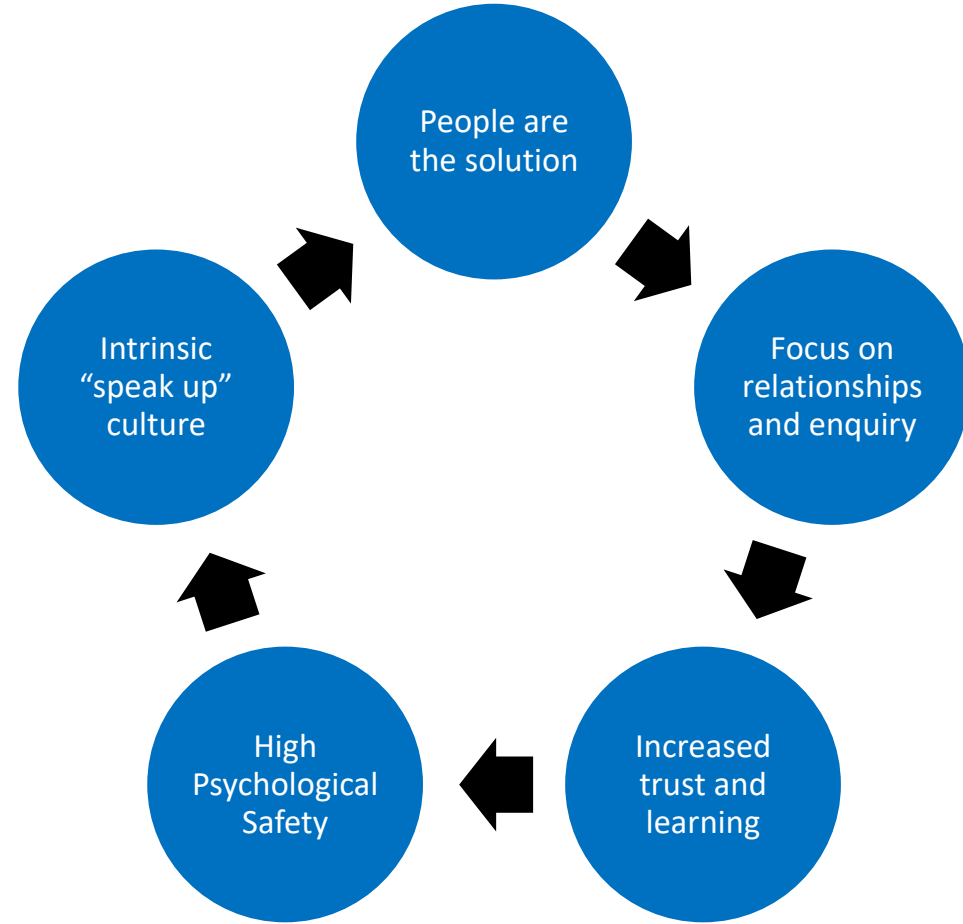


Traditional Safety



Fear Loop

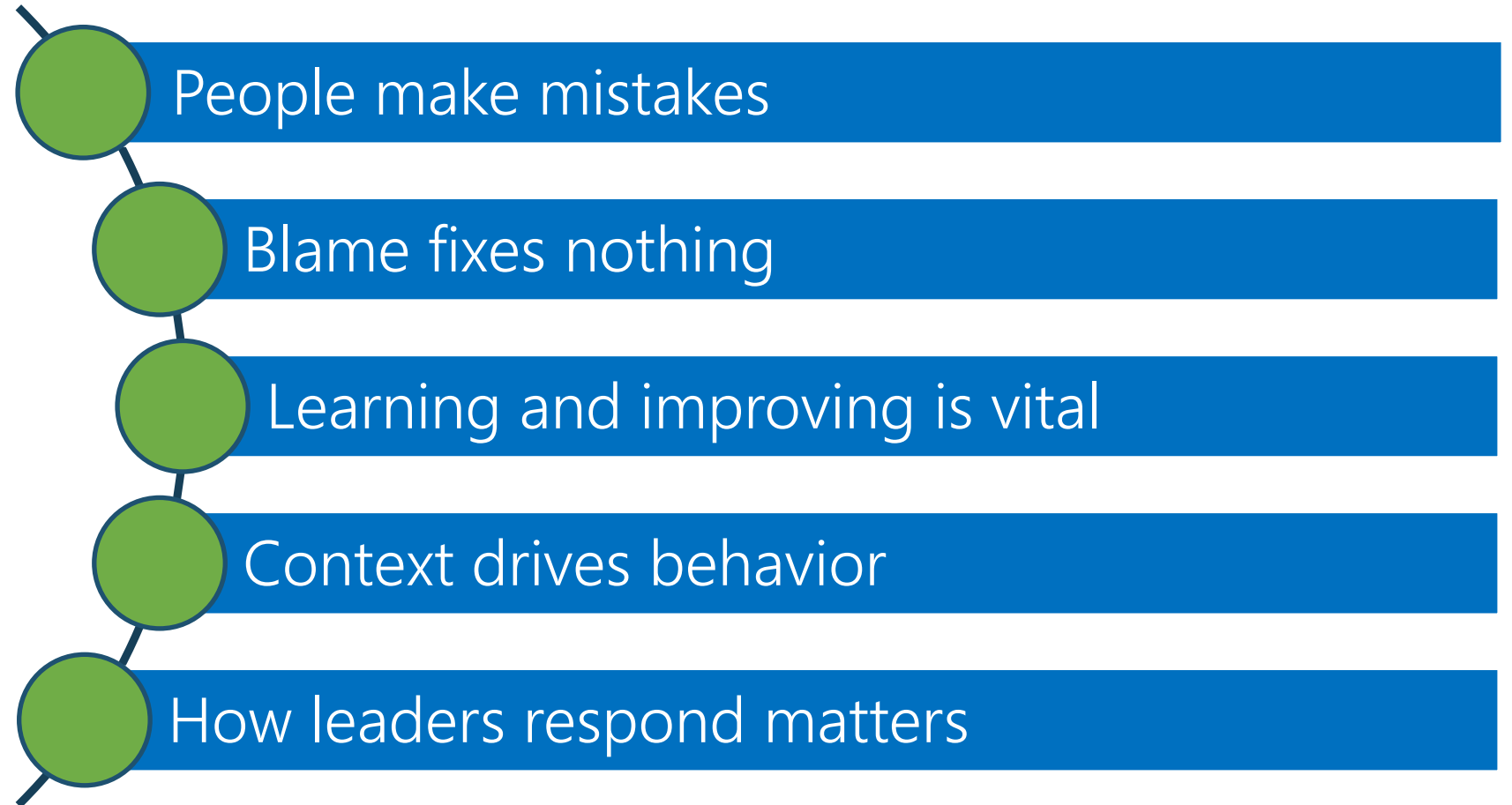
Safety Differently



Trust Loop

Healthy Safe and Well Moment

Five Principles for Our Journey



Enhancing the culture, moving from accountability to adoption

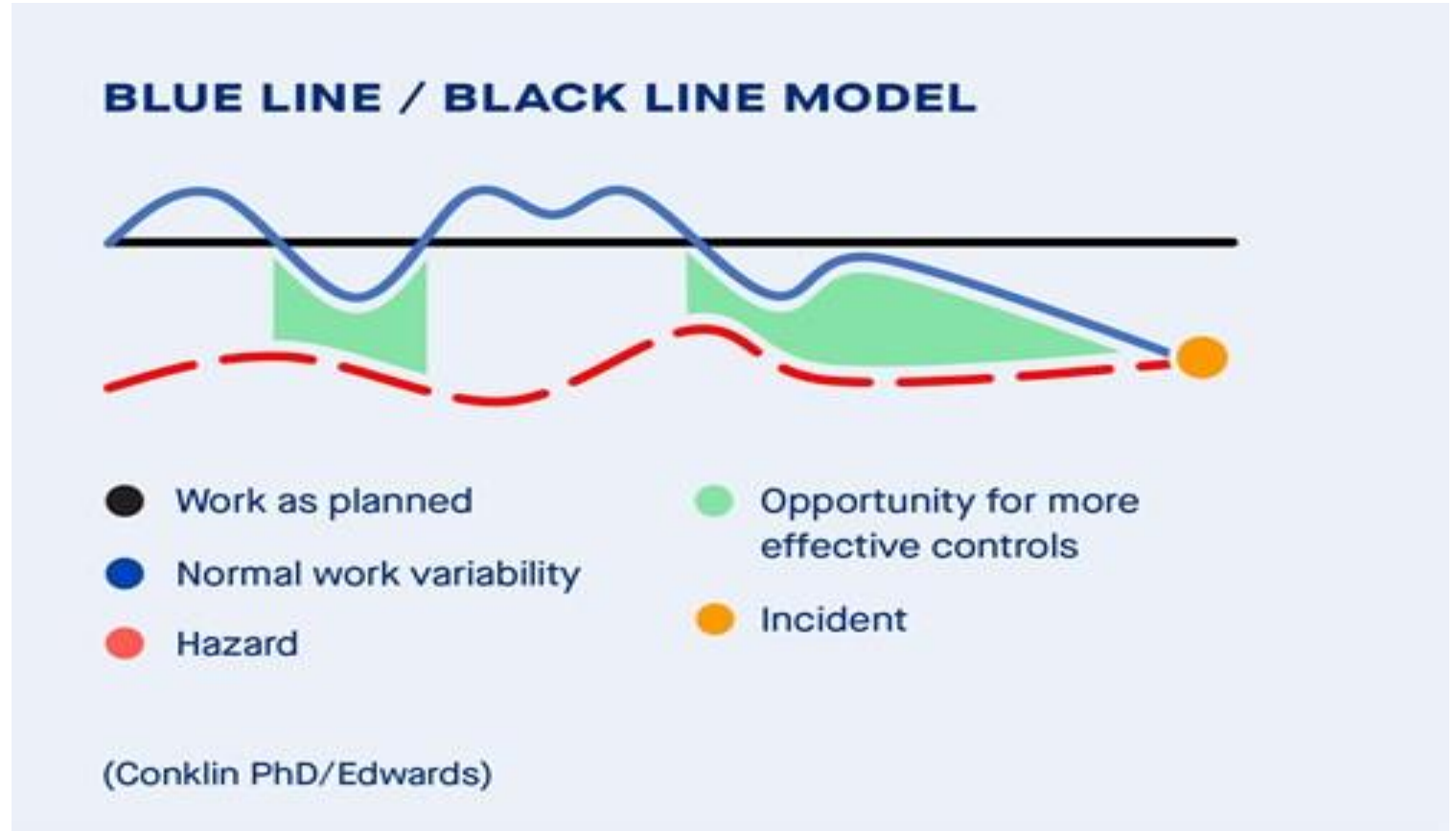


Work as Imagined vs Work as Done

Learn from normal (successful) work

Blue Line/Black Line model demonstrates how our people manage the reality of complex work everyday.

It helps us learn from our people to more effectively understand how we can mitigate risks



The blue line / black line model helps us learn from our people to better understand how we can more effectively control risks that arise during work. It demonstrates how our people manage the reality of a complex work environment (blue line) compared to the ideal of planned work (black line). The red line represents a hazard, which may lead to an incident when systems and processes drift over time (where the blue and red lines meet). The green area represents where proactive opportunities exist to identify more effective controls.

Example verbiage from the Belt Filter Press service manual.

7.6.3 Belt Installation, steps 28-31

- bb. Thread the two straps down through the wedge and around the dandy roller beside the lower belt that was just installed.
- cc. Thread the two straps around the pressure rollers alternately over and under being sure to not skip any rollers. Place the straps beside the lower belt following the path of the lower belt with the straps beside the belt.
- dd. Be sure the straps are on the rollers about six inches from the end and not around the shafts on the ends.
- ee. After passing the straps under the first drive roller and over the second drive roller pass the straps forward through the upper wash box, under the upper steering roller and under and past the upper tension roller at the beginning of the gravity deck at the point where you started with the new upper belt roll.



Work as Done





Job Safety Analysis (JSA)

Activity/Work Task: BFP Belt Replacement (Lower and Upper Belt)	Overall Risk Assessment Code (RAC) (Use highest code)	M	
Project Location: Final De-watering	Risk Assessment Code (RAC) Matrix		
Department: DMS	Severity	Probability	
Date Prepared: 8/20/19		Frequent Likely Occasional Seldom Unlikely	
Prepared by (Name/Title): David Gill Safety Specialist	Catastrophic	E E H H M	
	Critical	E H H M L	
Reviewed by (Name/Title):	Marginal	H M M L L	
	Negligible	M L L L L	
Notes: (Field Notes, Review Comments, etc.)	Step 1: Review each "Hazard" with identified safety "Controls" and determine RAC (See above)		
Prior to start of work review this JSA with workers assigned to this task.	"Probability" is the likelihood to cause an incident, near miss, or accident and identified as: Frequent, Likely, Occasional, Seldom or Unlikely.	RAC Chart	
If conditions or job steps, the JSA needs to be updated.	"Severity" is the outcome/degree if an incident, near miss, or accident did occur and identified as: Catastrophic, Critical, Marginal, or Negligible	E = Extremely High Risk	
Updated Versions must be reviewed with workers if conditions change.	Step 2: Identify the RAC (Probability/Severity) as E, H, M, or L for each "Hazard" on AHA. Annotate the overall highest RAC at the top of AHA.	H = High Risk	
		M = Moderate Risk	
		L = Low Risk	
Job Steps	Hazards	Controls	RAC
Required Baseline PPE	Head, foot, eye injury and/or hearing loss.	Hard hats, Class 2 Hi-vis vest, safety glasses, and safety work shoes are required, if wearing a Tyvek Suit Hi-vis vest is not required. Face shields or goggles in conjunction with safety glasses when flying particles are generated. Hearing protection is required when loud noise encountered. Gloves recommended when hands are subject to sharp materials or equipment.	L
Train Workers	Workers not trained in the safe execution of the activity	This Activity Hazard Analysis will be used for the pre-job meeting, all affected employees will be required to participate in the meeting and sign off.	M

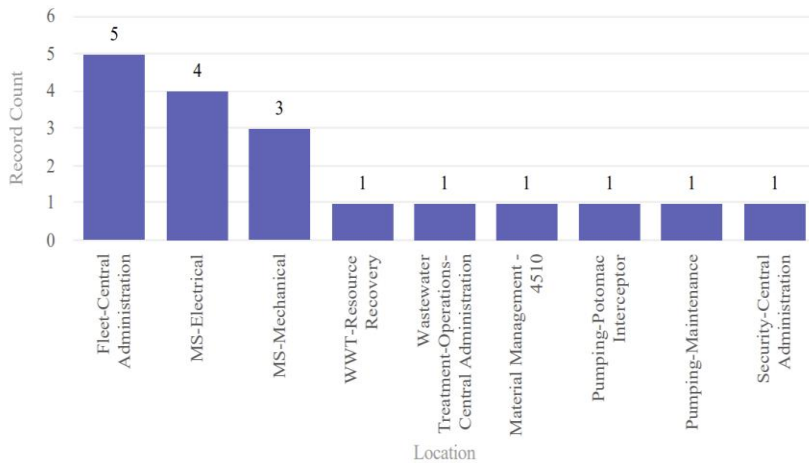




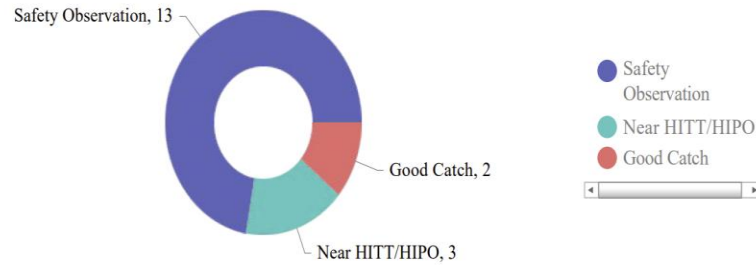
Safety Risk System Upgrade (Origami)

Safety Observations

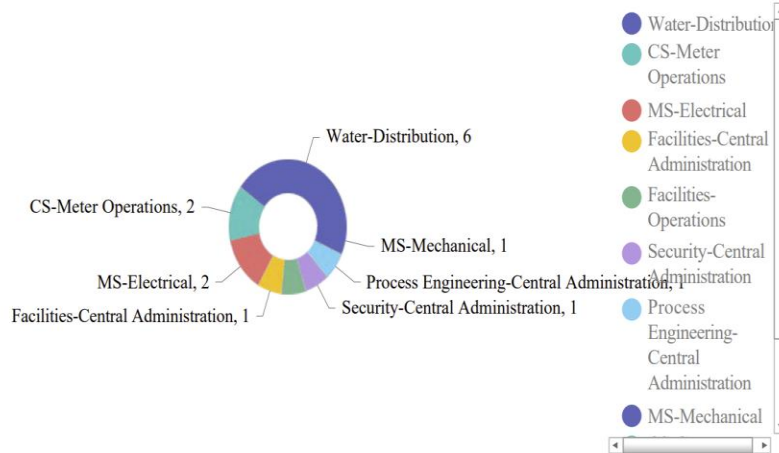
Completed Observations



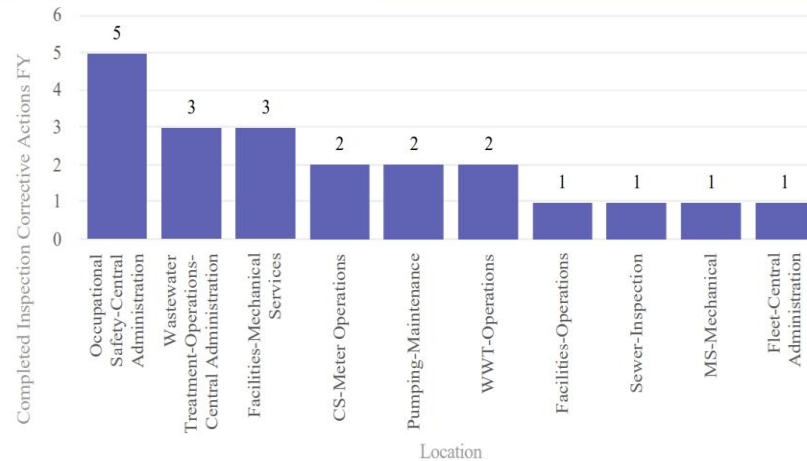
Observations by Type



Completed Incident Corrective Actions



Completed Inspection Corrective Actions



- Lock Out Tag Out
- Confined Space
- Excavation
- Checklists
- Job Safety Analysis
- Safety Data Sheets
- Safety Training
- Safety Meetings
- Mobile Forms (APP Based)

Questions?