



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Governance Committee

Wednesday, January 10, 2024

9:30 a.m.

Microsoft Teams meeting

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Meeting ID: 281 110 164 022

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Phone Conference ID: 972 268 031#

- 1. **Call to Order** **Christopher Herrington, Chairperson**
- 2. **Roll Call** **Michelle Rhodd, Board Secretary**
- 3. [Blue Drop FY23 Year End Update](#) **Chris Peot, President Blue Drop**
- 4. [FY23 CBE Report](#) **Korey Gray, VP Contract Compliance and Business Development**
- 5. **Other Business** **Christopher Herrington, Chairperson**
- 6. **Executive Session¹** **Christopher Herrington, Chairperson**
 - **To obtain legal advice and preserve attorney-client privilege under DC Official Code § 2-575(b)(4)(A).**
- 7. **Adjournment** **Christopher Herrington, Chairperson**

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.

¹The Governance Committee 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

Blue Drop Board Update

FY23 – A Year in Review



Bloom – Another Record Sales Year

2023 Highlights

- FY23 Bloom sales goal was 58,000 tons; total sales were 64,770 or 112% – a 62% increase since 2019
- Three back to back months with zero land applied tons, vs one month in FY22 and none in FY21
- Grew mailing list 31% to 2,300 with no loss in engagement (35% average open rate)
- Anecdotally, Bloom is becoming more of a household name among key industries, as evidenced at events & through referrals



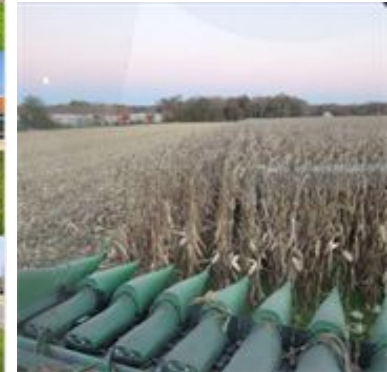
BLOOM GOOD SOIL,[®] BETTER EARTH.

With Bloom, the Grass is Greener.

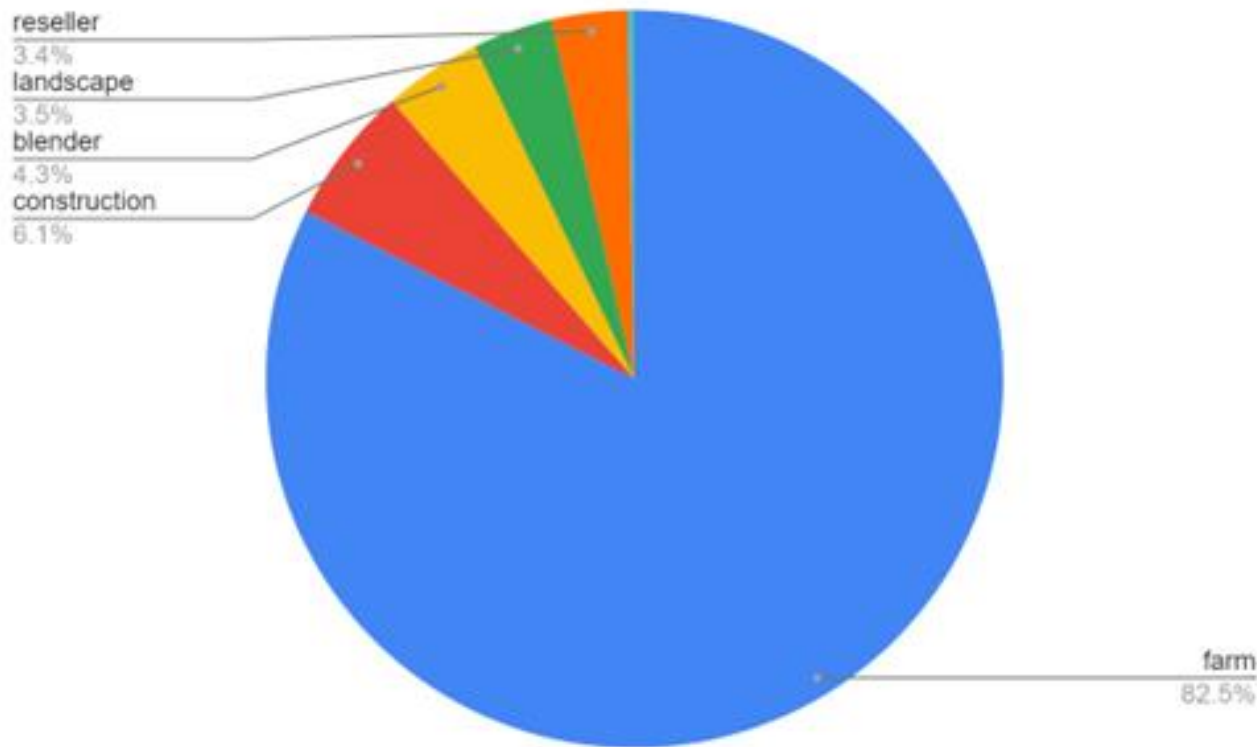
Save up to 73% in material costs, meet specs and get great landscaping results, all with local recycled materials?

Using Bloom, DC Water's high-performing compost alternative, you really can have it all.

For more information visit bloomsoil.com/construction or write bloom@bloomsoil.com



Bloom Sales by Segment



farm	53,436
construction	3,924
blender	2,787
landscape	2,260
reseller	2,171
homeowner	192
Total Fresh Tons Sold	64,770



Challenges

PFAS

- Mainly weathered the PFAS storm in Montgomery County, though we did lose all farm business there for time being and continue to be hit with rumors & misinformation
- Proactive stance on educating public: participated in Congressional briefing; held webinar with 300+ registered, MoCo Farmer tour, materials developed, spoke on biosolids comms conference for WEAT, and in Q4 consultant engaged



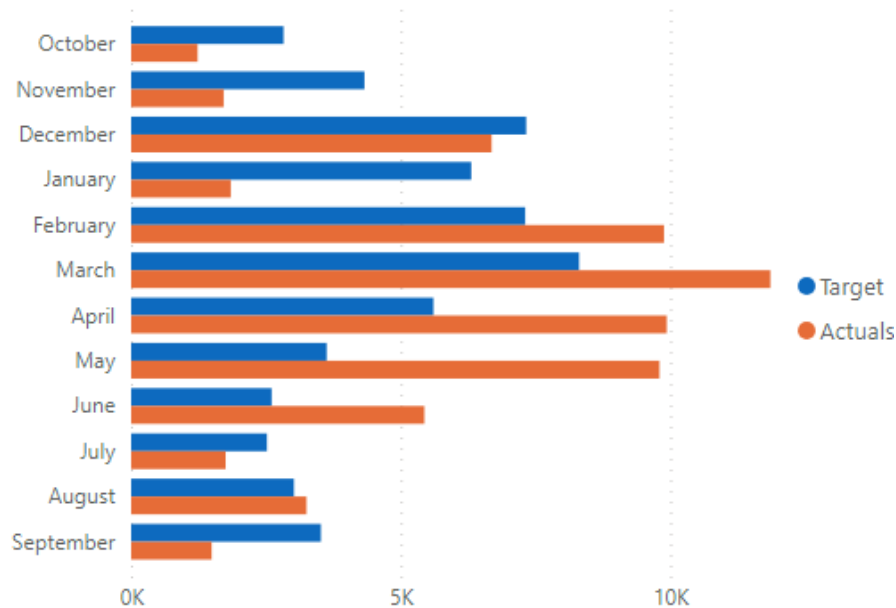
Material Availability

- Lack of storage meant we did not have enough material for peak season and had to turn customers away

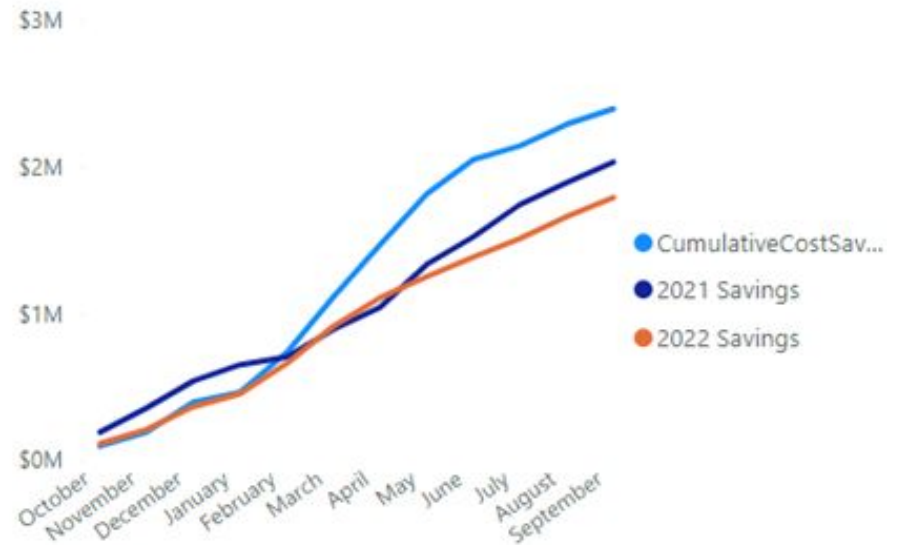


Bloom Sales Targets and Cost Savings

Bloom Target Vs. Actuals



Cumulative Cost Savings



Annual Savings	MD	VA
FY21: \$1.8M	\$740K	\$300K
FY22: \$2.0M	\$820K	\$340K
FY23: \$2.5M	\$1M	\$408K



REC and Bloom Sales Records

REC and Bloom Sales to Date

\$11.4M in REC sales

\$ 5,655,113 sales this year

\$ 4,479,613 from FY23

58% increase over FY22

\$1,409,000 in Bloom Sales

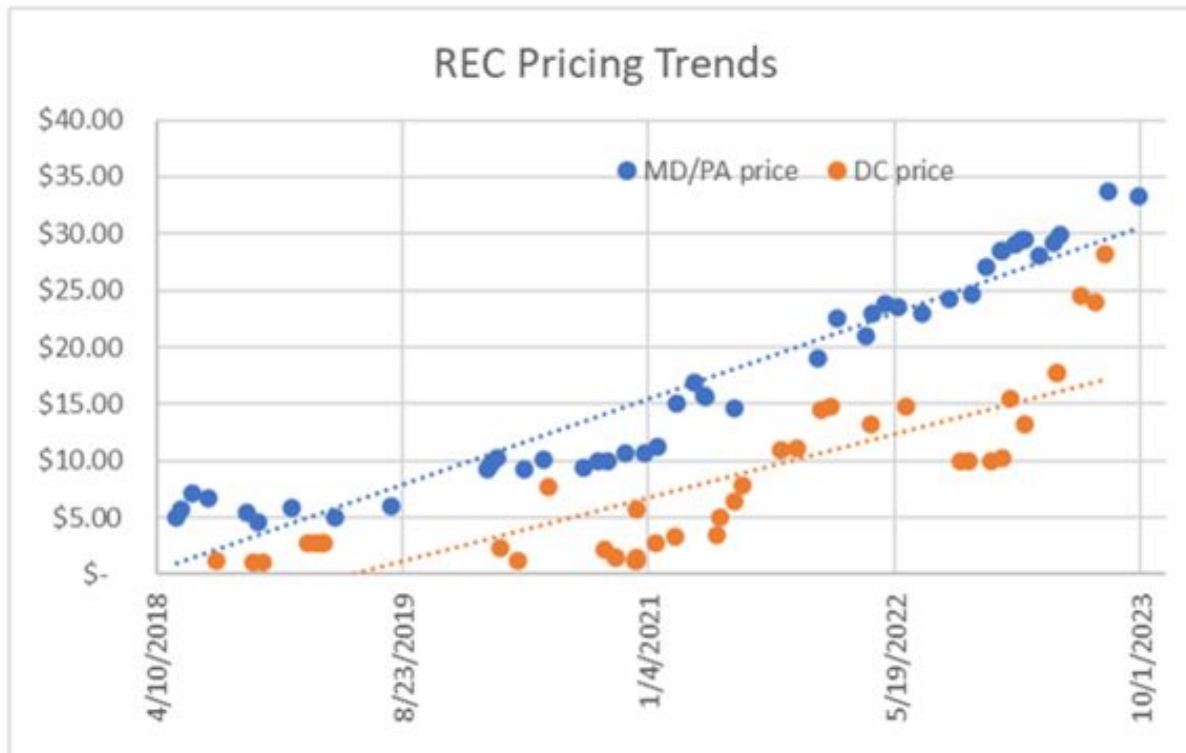
\$ 387,213 in FY23

20% increase over FY22

	REC Sales	Bloom Sales	
year	\$	\$	
FY17		\$ 15,607	
FY18	\$ 427,191	\$ 46,908	
FY19	\$ 528,572	\$ 161,362	
FY20	\$ 1,066,871	\$ 220,534	
FY21	\$ 2,036,875	\$ 296,818	
FY22	\$ 2,839,125	\$ 323,077	
FY23	\$ 4,479,613	\$ 387,312	FY23
totals	\$ 11,378,247	\$ 1,451,618	\$ 12,829,865



REC Sales Pricing History



Current Tier 1 REC
Alternative Compliance
Payments:

MD - \$30/MWhr

DC - \$50/MWhr

PA - \$45/MWhr



HQO Events – Showcasing HQO

The level of interest in HQO Events remains remarkably higher than anticipated.

FY23 events - Goal 50, Actual 63, 126% above goal

2023

- Hired a full-time event coordinator
- Increased revenue and event total
- Hosted many prestigious clients - Vice President of US and Bloomberg Event

2024

- Increased prices and commissions with preferred vendors
- Emphasizing corporate and weddings over social events
- Implementing strategic marketing plan to target new business opportunities



Other Revenue Update

Cell Towers - FY2023 goal was \$282,000

- Collected \$228,000 in FY23 or 81% of goal
- Continued working with T-Mobile on Blue Plains site
- Continued working with Dish Network on Good Hope Road site

IP Goal for FY23 was \$565,000

- Receipts for FY23 are \$278,000 or 49% of goal



Year End Financial Position-need for FY23

PROFIT & LOSS

Last fiscal year ▼

Net profit for FY23

\$3,329,735 ! 100%

\$7,475,218

Income



\$4,145,483

Expenses



[See profit and loss report](#)



EXPENSES

Last fiscal year ▼

Spending for FY23

\$4,145,483 ! 100%

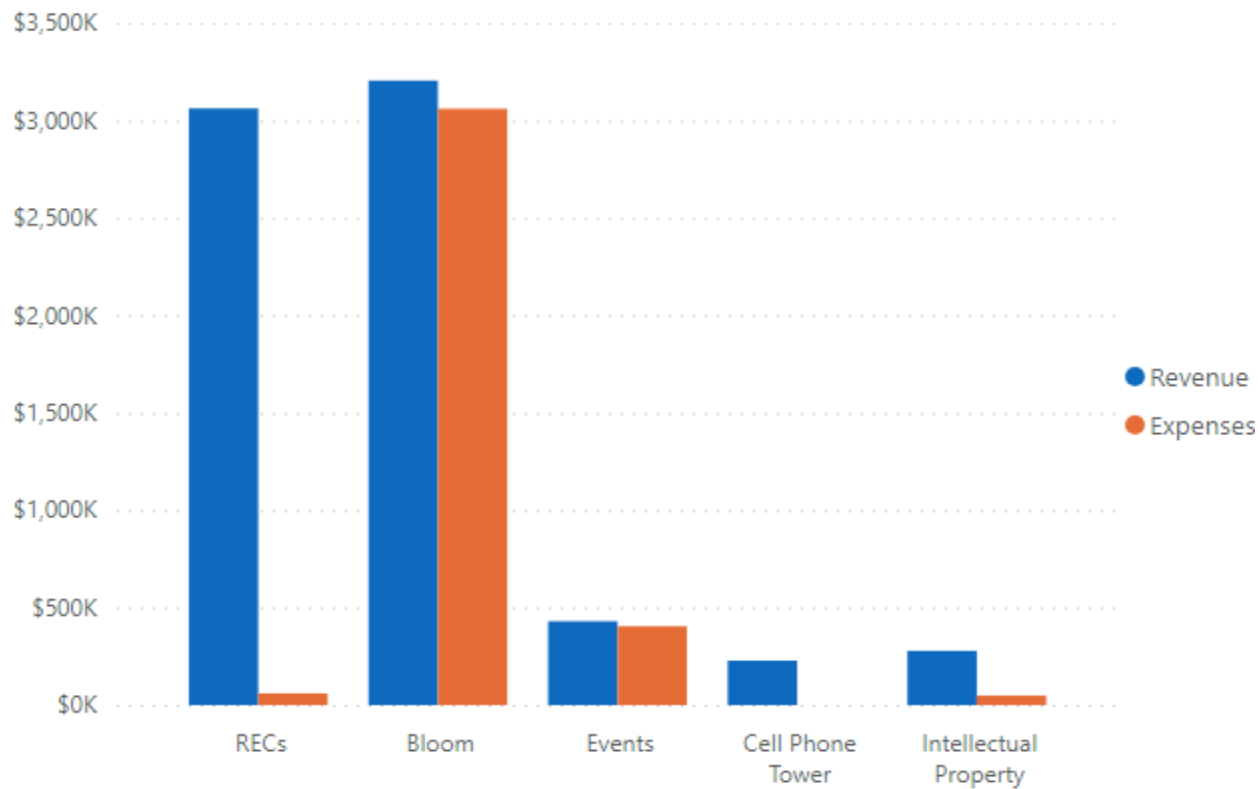


- Cost of Goods Sold
- Professional Fees
- Compensation
- Administration
- Other

[View all spending](#)

Year End Profit and Loss

Profit and Loss by Program YTD



***Estimated savings to Blue Plains biosolids costs through September are \$2.4 million.**



Where Do We Go From Here?

Category	FY23 Goal	FY23 Actual	Success	FY24 Goal
Bloom Volume	58,000 tons	64,721 tons	112%	70,300 tons
Blue Plains Savings	\$2.0 million	\$2.4 million	120%	\$2.5 million
Cell Tower Revenue	\$282,000	\$228,000	81%	\$250,000
HQO Events	50	62	124%	70
IP Sales	\$565,000	\$278,000	49%	\$350,000
Other Revenue	\$3.7 million	\$4.5 million	122%	\$4.8 million

Exceeded most individual goals and the total revenue goal

Savings calculated based on FY19 average disposal cost of \$48 per ton, current WSSC disposal cost is \$53 per ton.



FY24 Budget

Revenue	Total
Bloom Sales	\$ 322,337
Bloom Deliveries	\$ 502,311
Bloom Hauling - DC Water	\$ 1,672,869
Bloom - DC Water Marketing Fee	\$ 585,002
Land App/Storage	\$ 536,520
Event Rental revenue	\$ 566,883
Products and IP Revenue	\$ 349,000
Renewable Energy Income	\$ 4,410,630
Cell Towers	\$ 249,104
Merchandise	\$ 2,750
Interest and Other	\$ 130,000
Total Revenue	\$ 9,327,405

Operating Expenditures	Total
Cost of Goods Sold	\$ 2,364,680
Compensation	\$ 901,744
Professional Fees	\$ 666,404
Travel	\$ 13,450
Administration	\$ 149,459
Tax License & Insurance	\$ 37,700
Marketing	\$ 73,000
Interest and Fees	\$ 10,000
Total Operation Expenditures	\$ 4,216,437

Net Profit	\$ 5,110,968
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Discussion



District of Columbia Water and Sewer Authority
David L. Gadis, CEO and General Manager

FY 2023 Certified Business Utilization Report

Presented to the
Governance Committee
Christopher Herrington, Chairperson

January 10, 2024



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DC Water Business Diversity and Inclusion Programs

Acronyms and Definitions

- **CBE** – Certified Business Enterprise – The unique certification for District based local and local small business enterprises from the Department of Small and local Business Development
- **Certified Firms:** For the purposes of this report, certified firms collectively refers to CBEs, LSBEs, DBEs and WBEs.
- **CFR:** Code of Federal Regulations.
- **DBE** – Disadvantaged Business enterprise: An entity owned or controlled by a socially and economically disadvantaged individual.
- **EPA** – Environmental Protection Administration.
- **Exempt Awards** – Non Competitive purchases and awards as identified in Section 5332 of the DC Water Procurement Regulations.
- **Fair Share Objective** – A goal based on the capacity and availability of qualified, certified DBEs and WBEs in the relevant geographic market for the grant recipient in the procurement categories of construction, equipment, services, and supplies compared to the number of all qualified entities in the same market for the same procurement categories.
- **LBE** – Local Business Enterprise - A local business enterprise as certified by the District of Columbia or a user jurisdiction.
- **LSBE** – Local Small Business Enterprise - A local small business enterprise as certified by the District of Columbia or a user jurisdiction.
- **Small Business Enterprise** - for the purpose of the DC Water LBE and LSBE Program – a small business enterprise as certified by the District of Columbia or user jurisdiction.
- **Socially Disadvantaged Individual** - any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who has been subjected to racial or ethnic prejudice or cultural bias within American society because of his or her identity as a member of groups and without regard to his or her individual qualities.
- **User Jurisdiction** – DC Water’s user jurisdiction consisting of the District of Columbia, Fairfax County, Loudoun County, Montgomery County, Prince George’s County.
- **Task Order Contract-** a contract for services that does not procure or specify a firm quantity of services (other than a minimum or maximum quantity); and provides for the issuance of orders for the performance of tasks during the period of the contract.
- **WBE** – Women Owned Business Enterprise: for the purpose of the federal mandated program and fair share objectives, a business which is certified as such by a state, federal agency, or a business which is at least 51% owned by a woman or women, who also controls and operates it.

DC Water Business Diversity and Inclusion Programs

OUR PROGRAMS

Since the implementation of the Business Development Plan in 2020, DC Water administers its Local Small Business Enterprise preference program (LSBE Program) for discretionary projects under \$1 Million, a separate Disadvantaged and Women Business Enterprises utilization program for non-federal projects over \$1 Million, and a Fair Share Objective, which establishes utilization goals for certified firms on federally assisted projects.

I. LSBE Program

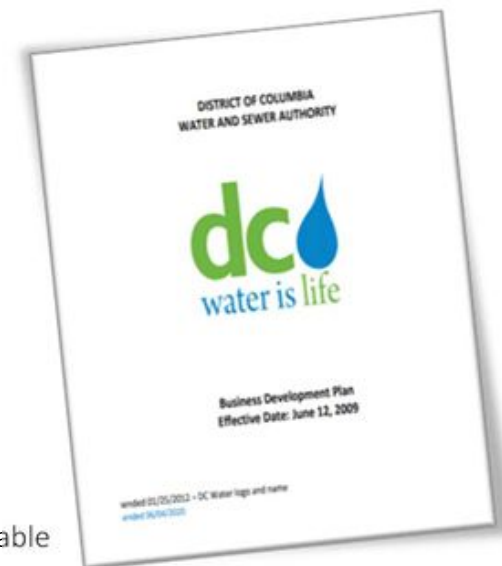
- A geographic preference program (up to 10 points or 10%).
- Applies to procurements under \$1 Million.

II. DC Water DBE/WBE Program

- Establishes utilization goals for Disadvantaged Business Enterprises (DBE) and Women Business Enterprises (WBE).
 - Established by DC Water (every 3 years) and accepted by the Board
- Sets Project specific goals for DBE/WBE utilization
- Institution of Ten (10) Affirmative Steps to ensure DBE/WBEs have equitable access to the available procurements.

III. Fair Share Objectives

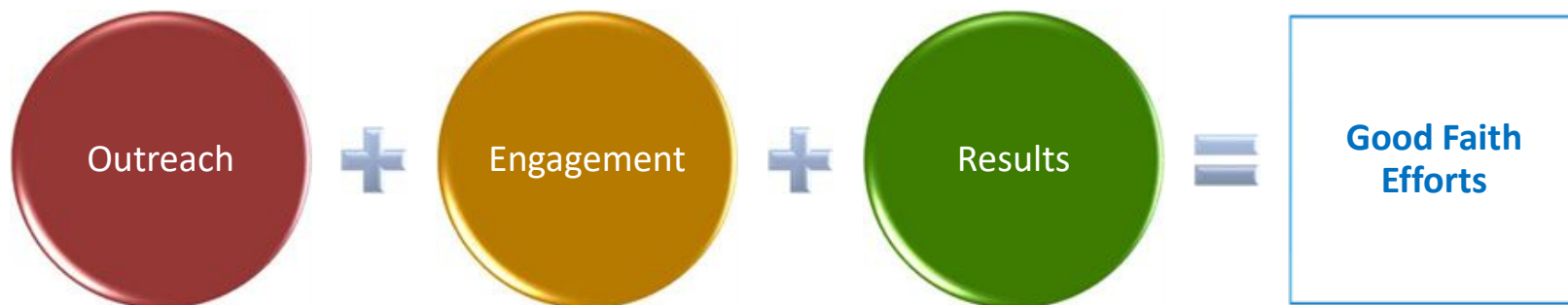
- Establishes utilization goals for Disadvantaged Business Enterprises (DBE) and Women Business Enterprises (WBE).
 - Established by DC Water (every 3 years) and accepted by the EPA
 - DC Water has the highest goals in EPA's Region 3 (DC, DE, MD, PA, VA, & WV)
- Institution of Six (6) Affirmative Steps to ensure DBE/WBEs have equitable access to the available procurements.



DC Water Business Diversity and Inclusion Programs

Good Faith Efforts

- The “standard” of compliance.
- Intentional steps taken by DC Water and project contractors to achieve the DBE/WBE Goals which, by their scope, intensity and usefulness, demonstrate the actions to meet or exceed the contract goal prior to award or throughout the duration of the contract.



DC Water Business Diversity and Inclusion Programs

DC Water Compliance Process



DC Water Business Diversity and Inclusion Programs

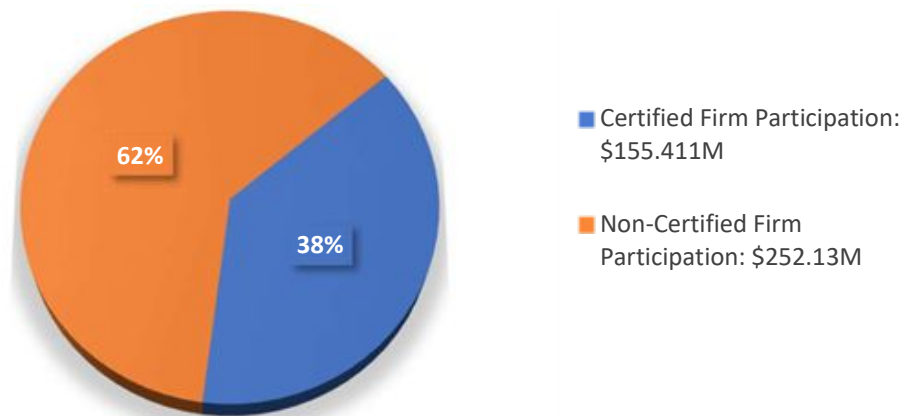
Performance Results

The following summary of certified firm participation for FY 23 comes from contract commitments expressed in the fact sheets, task orders, subcontractor approval requests and/or contractor invoices. Change orders and amendments are captured in the years when the changes are made to the contracts.

Contract award commitments provide an indication of the amount that will be paid to certified firms. However, actual payment data is the best measure of participation and inclusion. To that end, DC Water closely monitors project schedules, invoices, and payments to ensure that certified firms are paid for the work they perform.

In FY 23, certified firms received 38.1 percent - or approximately \$155.41 Million – of the total \$407.54 Million total awards or task orders.

**DC Water
FY 23 Procurement Actions
Certified Firm Participation**





DC Water Business Diversity and Inclusion Programs

Goods and Services Projects

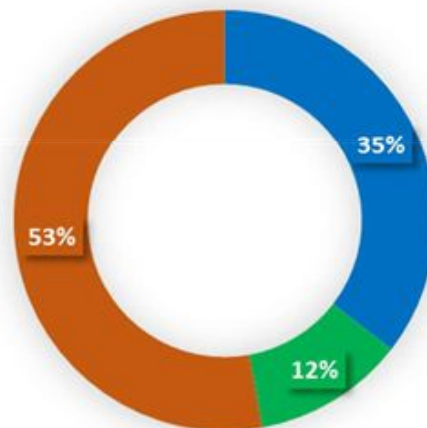
DC Water Business Diversity and Inclusion Programs

FY 23 Procurement Results – Discretionary Awards Goods and Services

- Non-Federal Awards for Goods and Services
- Certified firm participation goals are set for Projects Over \$1M
- Overall utilization goals are: 33% DBE/ 6% WBE
- Does not include “exempt” procurements (which includes legal, financial services, employee benefits)

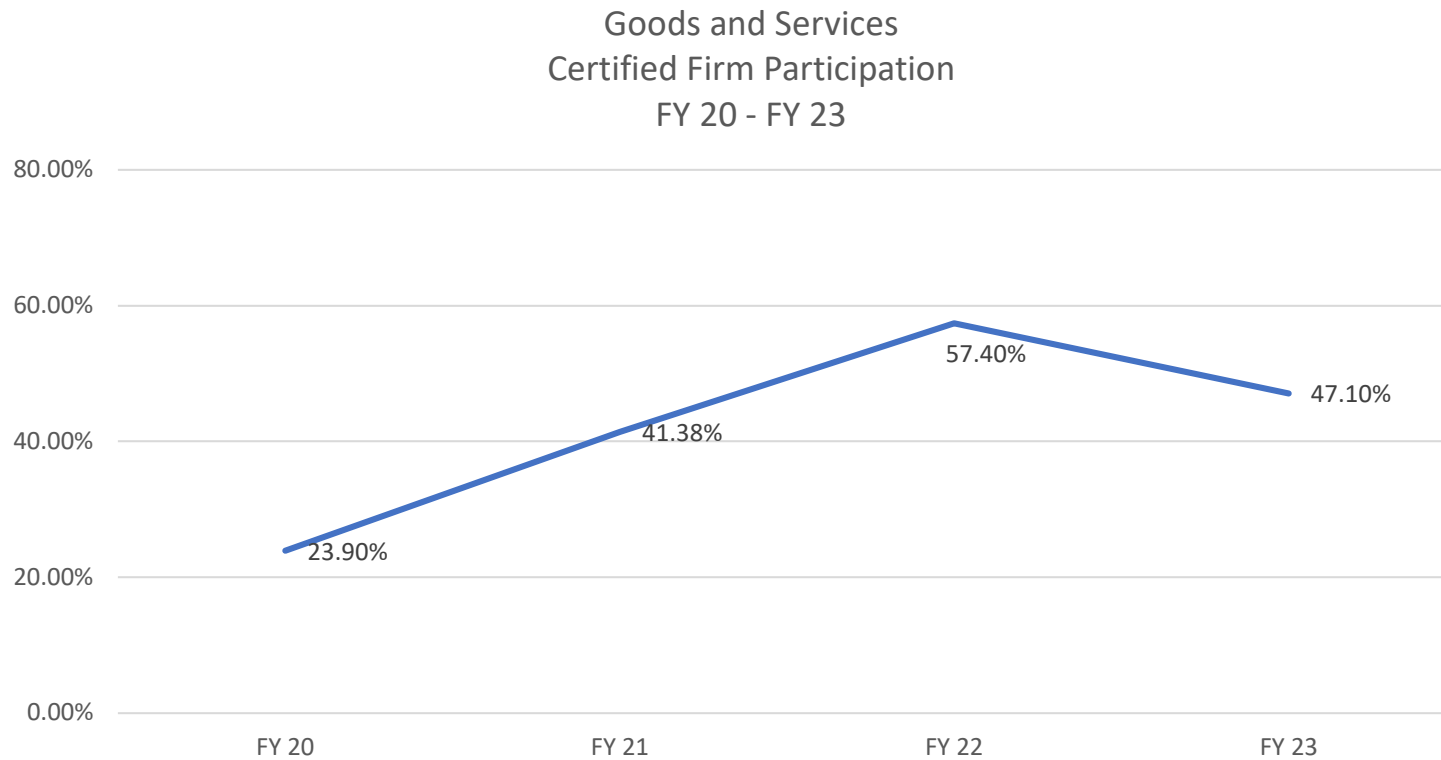
FY 23 Goods and Service Awards

- FY 23 Actions: 26
 - Value of FY 23 eligible Actions: \$65.1M



- DBE Firms Participating: 17
 - Value of DBE Participation: \$23.11M (35.5%)
 - Number of DBE Primes: 8
- WBE Firms Participating: 14
 - Value of WBE Participation: \$7.59M (11.7%)
 - Number of WBE Primes: 0

DC Water Business Diversity and Inclusion Programs



DC Water Business Diversity and Inclusion Programs

Architect and Engineering Awards (Disadvantaged and Women Business Enterprise Participation)

DC Water Business Diversity and Inclusion Programs

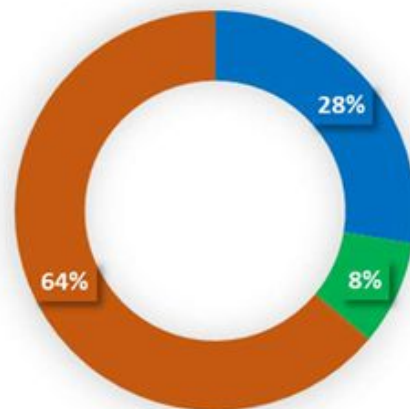
Performance Results

A/E Projects

FY 23 Activity

- FY 23 Actions: 15
 - Value of FY 23 Actions: \$171.11M
- Project Specific Goals were set for these projects (avg Goals: 28% DBE and 6% WBE)
- DBE Participation: \$46.97M (27.5%) [Goal Achieved](#)
- WBE Participation: \$14.35M (8.4%) [Goal Achieved](#)

FY 23 AE Awards



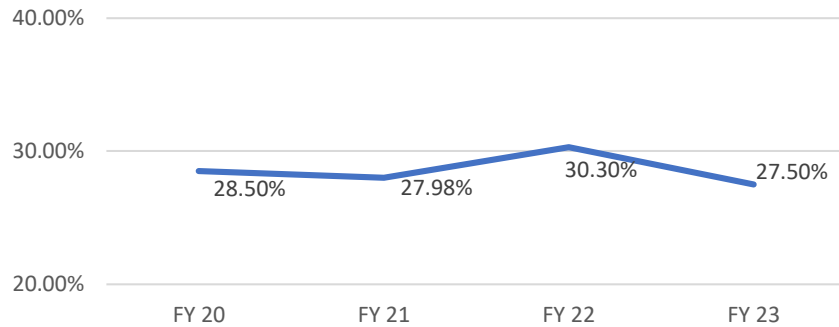
- DBE firms Participating: 35
 - Value of DBE Participation: \$46.97M (27.5%)
 - Number of DBE Primes: 1
- WBE firms Participating: 25
 - Value of WBE Participation: \$14.35M (8.4%)
 - Number of WBE Primes: 2



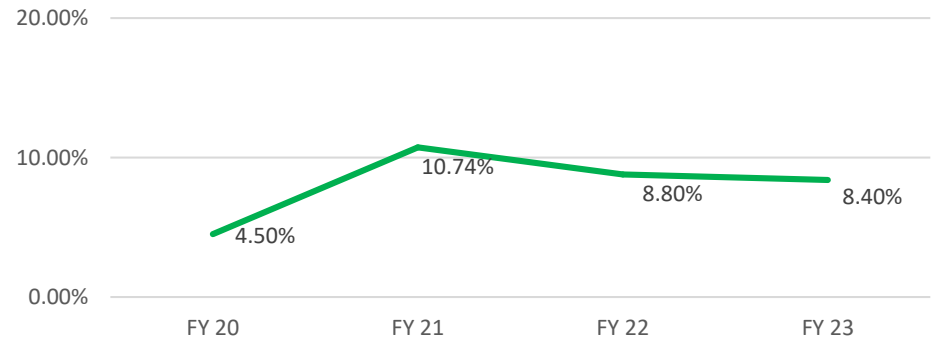
DC Water Business Diversity and Inclusion Programs

A/E Awards

A/E Awards
DBE Participation
FY 20 - FY 23



A/E Awards
WBE Participation
FY 20 - FY 23



DC Water Business Diversity and Inclusion Programs

Construction Awards (Disadvantaged and Women Business Enterprise Participation)

DC Water Business Diversity and Inclusion Programs

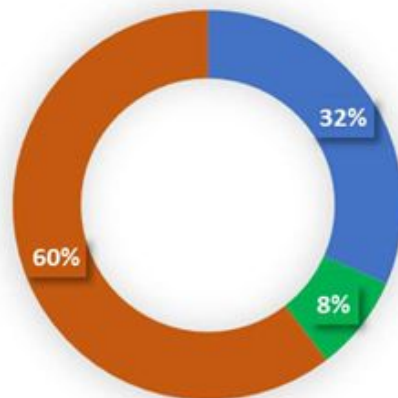
Performance Results

Construction Projects

FY 23 Activity

- FY 23 Actions: 15
 - Value of FY 23 Actions: \$146.0M
- Project Specific Goals were set for these projects (avg Goals: 32% DBE and 8% WBE)
- DBE Participation: \$46.11M (31.6%) [Goal Achieved](#)
- WBE Participation: \$11.68M (8.0%) [Goal Achieved](#)

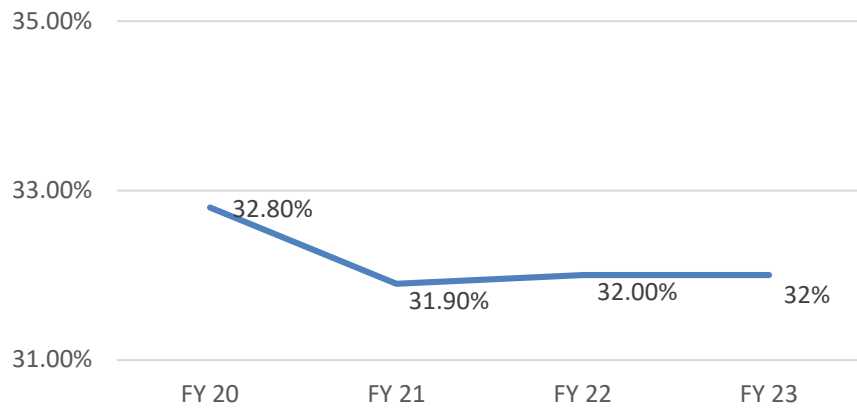
FY 23 Construction Awards



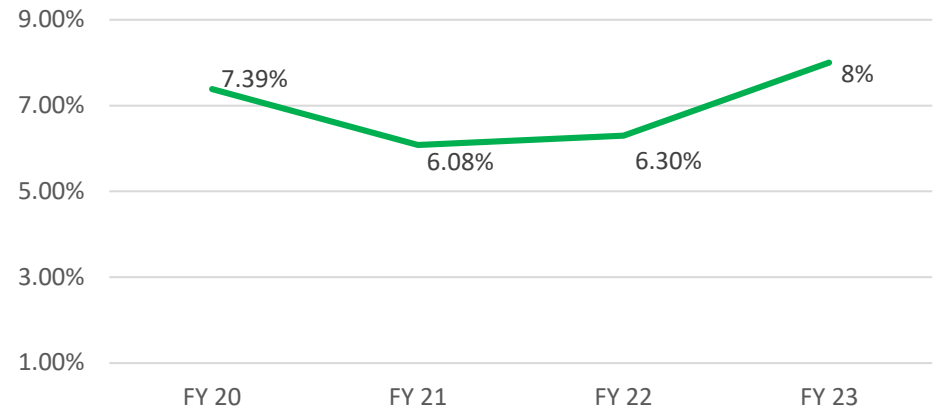
- DBE firms Participating: 54
 - Value of DBE Participation: \$46.11M (31.6%)
 - Number of DBE Primes: 1
- WBE firms Participating: 38
 - Value of WBE Participation: \$11.68M (8.0%)
 - Number of WBE Primes: 0

DC Water Business Diversity and Inclusion Programs

Const Awards
DBE Participation
FY 20 - FY 23



Const Awards
WBE Participation
FY 20 - FY 23

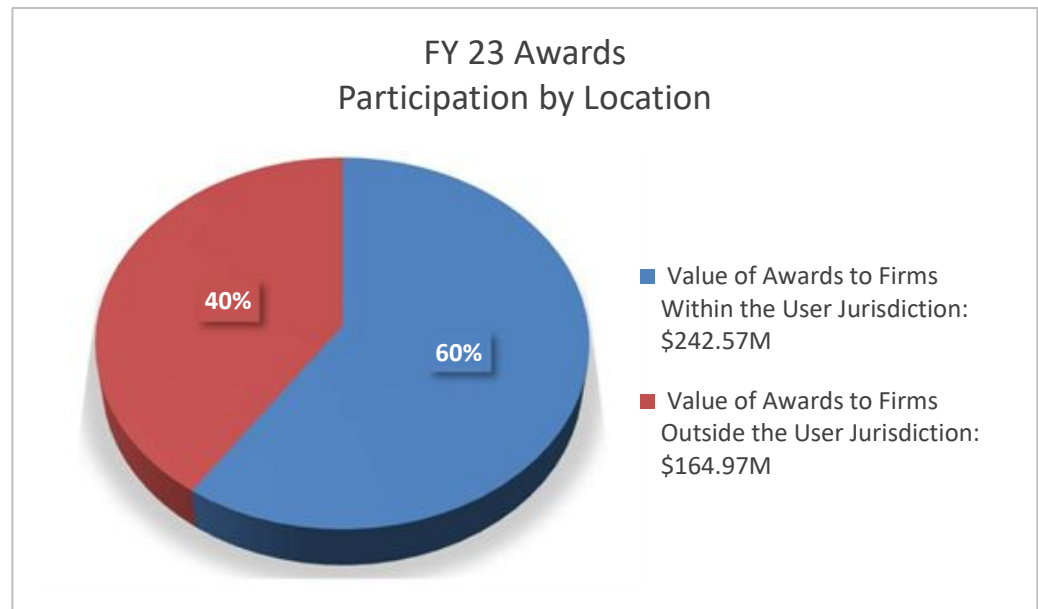


DC Water Business Diversity and Inclusion Programs

Performance Results Demographics Analysis

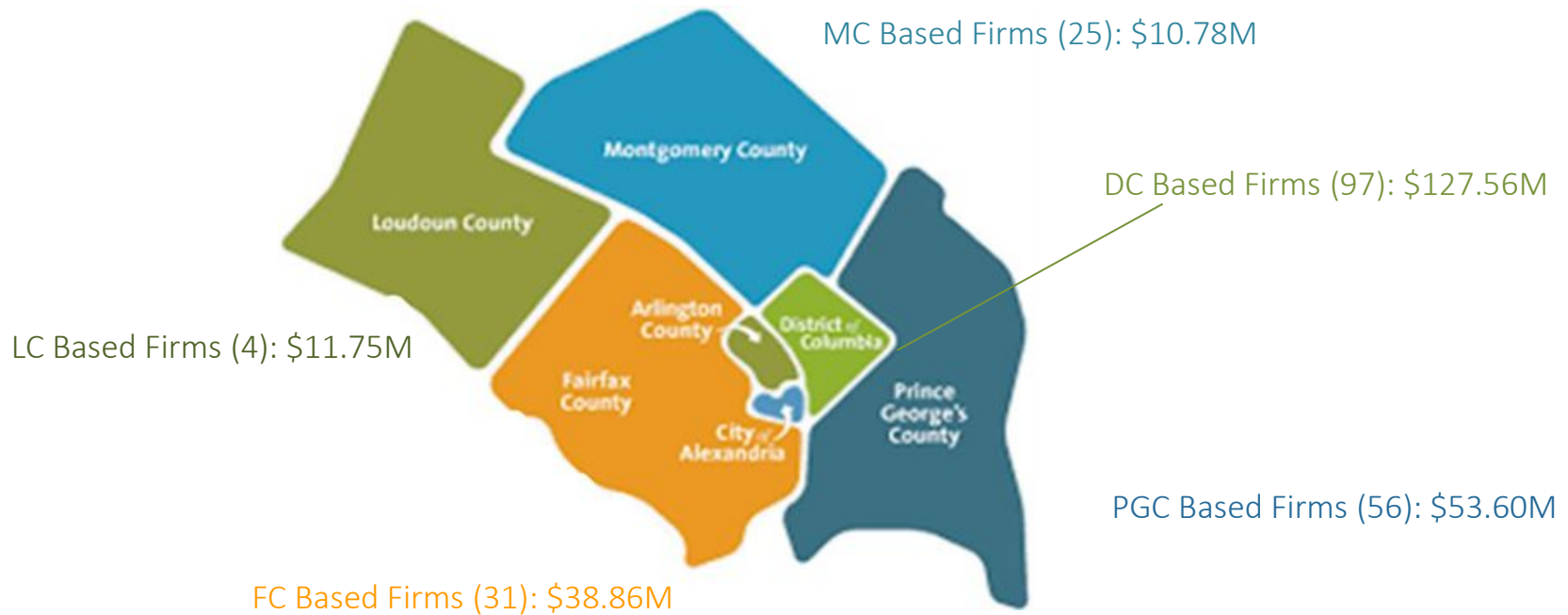
Of the \$407.54M awarded in FY 23:

- \$242.57M, or 60% was awarded to firms in the user jurisdiction.
 - 213 firms that are in the user jurisdiction were awarded work (contracts or subcontracts)
- \$164.97M, or 40% was awarded to firms outside the user jurisdiction.
 - 92 firms that are outside the user jurisdiction were awarded work (contracts or subcontracts)



DC Water Business Diversity and Inclusion Programs

Performance Results Demographics Analysis

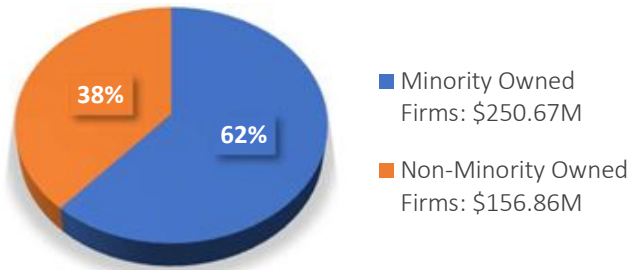


Firms Outside the OUJ (92): \$164.97M

DC Water Business Diversity and Inclusion Programs

Performance Results Demographics Analysis

FY 23
Participation by Ethnicity



Ethnicity	# of Firms	All Firms	
		FY 23 Awards \$	Primes
Black American	125	\$ 117.87M	12
Caucasian	71	\$ 156.86M	51
Hispanic American	41	\$ 94.84M	12
Asian American	27	\$ 35.95M	8

Ethnicity	Certified Firms			
	# of DBE's	FY 23 DBE Awards \$	# of WBE's	FY 23 WBE Awards \$
Black American	65	\$ 61.80M	49	\$ 16.22M
Caucasian	0	\$ 0.00M	19	\$ 10.16M
Hispanic American	27	\$ 35.03M	2	\$.38M
Asian American	14	\$ 19.35M	7	\$ 6.85M



DC Water Business Diversity and Inclusion Programs

Program Highlights

FY 23 Engagement Activities and Accomplishments

December 2022

- District of Columbia release of the FY 22 Greenbook (participant)

January 2023

- Fort Myer's Small Business Roundtable (Speaking Engagement)

March 2023

- Business Diversity and Inclusion Advisory Council Quarterly Meeting

May 2023

- Capital Region Minority Supplier Development Council Pitch-mania Semi Finals (Panelist)
- DC Chamber of Commerce, Small Business Summit (Panelist, Exhibitor)
- Md Washington Minority Companies Association Annual Spring Business Matchmaking Event (Matchmaker)
- District Department of Transportation Disadvantaged Business Enterprise Virtual Networking Event (Matchmaker)
- National Utilities Diversity Council Anaheim Convening (Speaking Engagement)
- DC Water was recognized as a "Champion for Minority Business Enterprises" with the District of Columbia Metro Hispanic Contractor's Association.

August 2023

- Women's Business Enterprise Lunch with the Experts – Lead Free DC (Speaking Engagement/ Matchmaker)
- DC Community Anchor Partnership Lead Free DC Outreach Meeting (Speaking Engagement)
- DC Office of Contracting and Procurement General Vendor Workshop (Speaking Engagement/ Networking)

September 2023

- Congressional Black Caucus Foundation 2023 Annual Legislative Conference – Small Business Utilization Panel (Panelist)
- DC Community Anchor Partnership (DCAP) Press Release (Mr. Gadis Speaking Engagement)
- DC Community Anchor Partnership – Doing Business with DC Water Oracle Web Portal Training (Speaking Engagement/ Networking)
- DC Water was recognized as an "Outstanding Advocate for local and Certified Business Enterprises" with the District of Columbia Anchor Partnership.



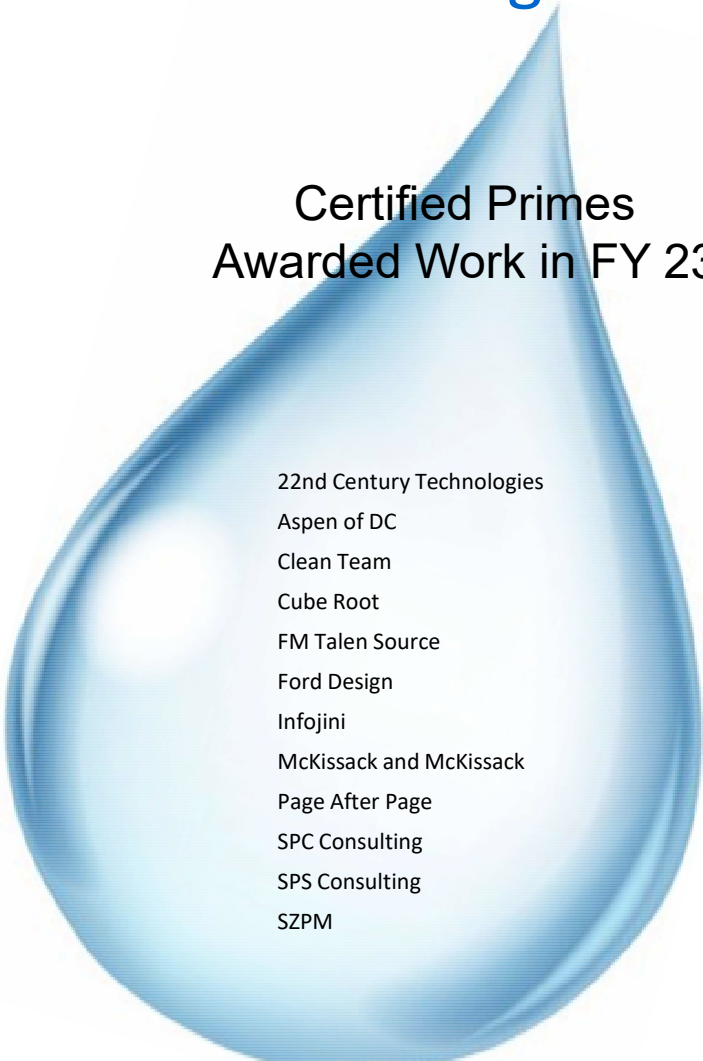
DC Water Business Diversity and Inclusion Programs

Celebrating All Of DC Water's Certified Partners!

- DC Water appreciates the work of the over 180 certified firms supporting its A/E, Construction, and Service projects.
- DC Water welcomes the 13 firms new to DC Water in FY 23
- DC Water also celebrates the 12 certified firms who were prime contractors with DC Water.



Certified Primes Awarded Work in FY 23



- 22nd Century Technologies
- Aspen of DC
- Clean Team
- Cube Root
- FM Talen Source
- Ford Design
- Infojini
- McKissack and McKissack
- Page After Page
- SPC Consulting
- SPS Consulting
- SZPM