



Budget In Brief

*Investing in
Performance*

Revised FY 2009 and Approved FY 2010 Budgets

William M. Walker
Chairman of the Board

Jerry N. Johnson
General Manager

Olu Adebo
*Chief Financial
Officer*



**District of Columbia
Water and Sewer
Authority**



Mission Vision, and Values

DC WASA's Vision

- Provide world-class water and wastewater services as a leading steward of the environment.

DC WASA's Mission

- Serve all its customers with outstanding service by providing reliable and cost-effective water and wastewater services in accordance with best practices.

DC WASA's Values

- Respectful, responsive, and sensitive to the needs of our customers and employees
- Ethical and professional conduct
- Vigilant to ensure optimal health, safety, and environmental outcomes
- Dedicated to teamwork and cooperation
- Committed to equity, trust, and integrity in all that we do

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**District of Columbia
Water and Sewer
Authority**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

District of Columbia Water & Sewer Authority

For the Fiscal Year Beginning

October 1, 2008

President

Executive Director

Board of Directors

(As of January 1, 2009)

District of Columbia

William M. Walker, *Chairman*

David J. Bardin, *Principal*
F. Alexis H. Roberson, *Principal*
Alan J. Roth, *Principal*
Keith M. Stone, *Principal*
Daniel M. Tangherlini, *Principal, Vice Chairman*

Joseph Cotruvo, *Alternate*
George Hawkins, *Alternate*
Howard Gibbs, *Alternate*
Steven McLendon, *Alternate*
Brenda Richardson, *Alternate*
Howard Croft, *Alternate*

Fairfax County

Anthony H. Griffin, *Principal*
Jimmie Jenkins, *Alternate*

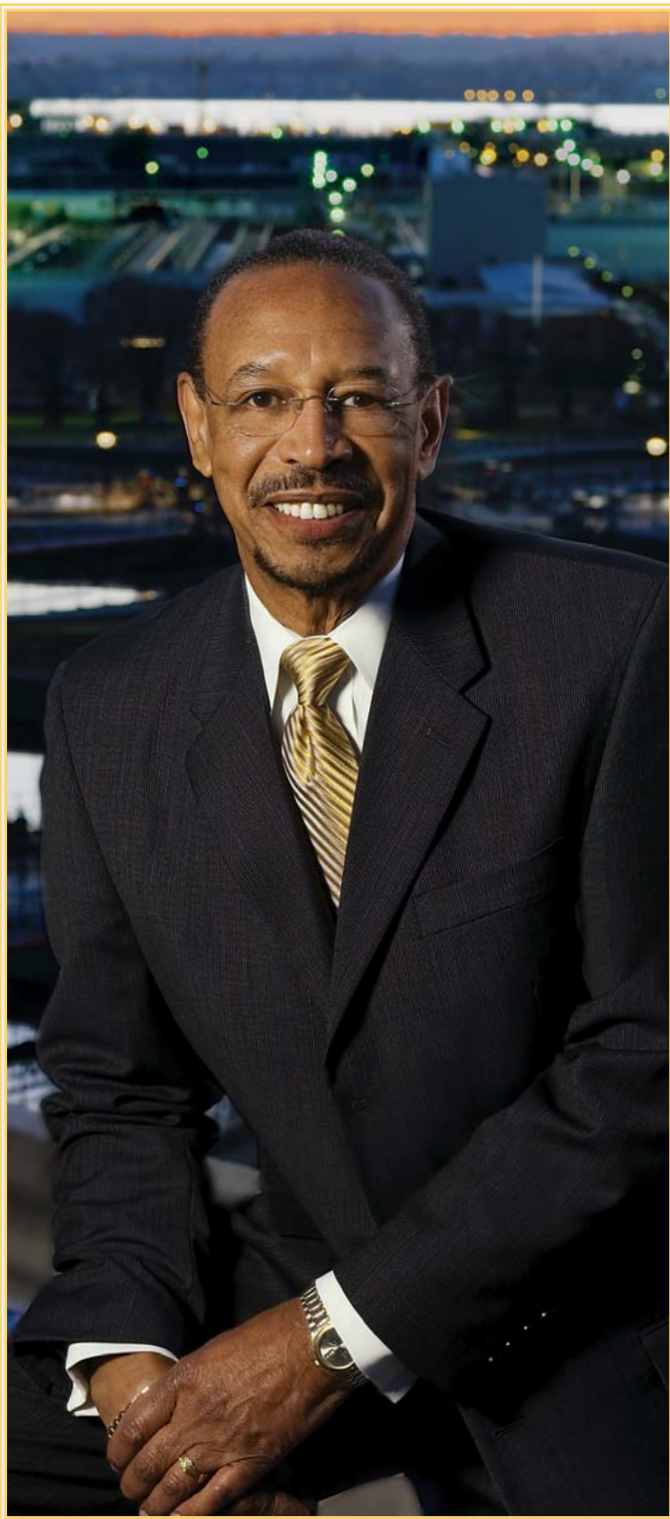
Montgomery County

Timothy L. Firestine, *Principal*
Robert Hoyt, *Principal*
Kathleen Boucher, *Alternate*
David Lake, *Alternate*

Prince George's County

Dr. Jacqueline Brown, *Principal*
David J. Byrd, *Principal*
Beverly Warfield, *Alternate*
Paivi Spoon, *Alternate*

Linda R. Manley, *Board Secretary*



A Message from General Manager Jerry N. Johnson

I am proud to present you with our very first edition of the District of Columbia Water and Sewer Authority Budget in Brief. While the final budget documents are lengthy (+600 pages), this publication provides a summary of our budgets for fiscal years 2009 and 2010. On January 8, 2009, the Board adopted a revised FY 2009 and approved FY 2010 (beginning October 1, 2009) Operating Budget. The budgets as presented will fund activities necessary to serve our more than 2 million customers throughout the DC Metropolitan region. We remain committed to fulfilling our responsibility to deliver fresh, clean drinking water and to doing our share toward ensuring a sustainable environment.

Safe and reliable drinking water and effective wastewater treatment are essential to public health. Since our creation just over 12 years ago, we have made continuing investments in our infrastructure to reverse deterioration and to stabilize much of the system. We have also made significant investments to enhance our service delivery. During this brief history, DC WASA has evolved into a financially sound, technologically advanced trendsetter and we have built a solid reputation among the environmental leaders in this community and across the nation.

However, there is much more work to be done. There is a serious need, not just in the District of Columbia, but nationwide, to upgrade aging water and sewer infrastructure, while still providing reliable day-to-day services. Parts of

these systems are more than a hundred years old, nearing the end of their useful life, and require improvements.

With a backward glance and a forward view, the DC WASA Board of Directors (Board) has adopted a spending plan that continues our upgrades to critical infrastructure while meeting increasingly stringent federal regulatory requirements. DC WASA is committed to providing customers with the highest quality drinking water by ensuring that the water we deliver meets or surpasses the federal Safe Drinking Water Act standards and to ensuring the most reliable service possible. In cooperation with the Washington Aqueduct, operated by

the US Army Corps of Engineers, we continue to closely monitor water quality throughout the system. In addition, DC WASA routinely monitors numerous water quality parameters beyond those required by regulators to optimize the quality of water delivered to all residents, visitors and businesses in the nation's capital. DC WASA continues to fulfill its mission of providing clean drinking water. Across the nation discussions about water supply are increasingly common and DC WASA continues to strive to meet the expectation of our customers and the public with respect to both our performance and transparency. These efforts include communication through our website regularly, numerous public meetings, City Council presentations, monthly newsletters included with customer bills, regular federal reporting and annual publications such as the Water Quality Report and Annual Financial Report.

Revised FY 2009 and Approved FY 2010 Operating and Capital Budgets

Budget Summary

DC WASA's budget process uses a ten-year planning horizon and considers a number of inputs such as regulatory requirements; infrastructure needs determined by various facility master plans for major systems; Board-determined priorities; funding and rate affects for our customers.

Our revised FY 2009 Operating Budget totals \$363.2 million, the same as the Board-approved FY 2009 budget. The approved FY 2010 Operating Budget totals \$393.6 million, which represents a \$30.4 million increase, or 8.4 percent, over the previous year. The primary driver of these rate adjustments is the debt service cost of DC WASA's Capital Improvement Program (CIP) and the escalating costs for utilities and chemicals.

The CIP is a ten-year, \$3.2 billion construction program required to repair and upgrade the water, sewer and wastewater treatment systems, and to meet federal water pollution control regulations. We have recently completed comprehensive assessments of both our water and sewer systems. Two big-ticket items that are included in the CIP are the federally mandated Blue Plains Total Nitrogen Project to reduce nitrogen and protect the Chesapeake Bay and the Long Term Control Plan (combined sewer overflow control), which are scheduled to spend approximately \$1.6 billion of the \$3.2 billion within the next ten years alone.

Funding DC WASA's Initiatives

DC WASA receives operating and capital funding from a variety of sources, including retail and wholesale (or suburban) customers, federal grant support, as well as other fees for specific services provided. Bonds and commercial paper constitute the major sources of revenue in FY 2009 for our Capital Improvement Program (CIP). A portion of the retail ratepayer revenue is required for debt service repayment for the maintenance and upgrades of the District's share of water and sewer infrastructure within the capital program.

In order to manage the very large infrastructure costs, the Board's policy is to raise rates gradually and predictably over time, rather than delaying charges in a way that results in sudden rate spikes. In FY 2010, DC WASA has proposed a 10 percent water and sewer rate adjustment. DC WASA will hold community meetings



to gather input from customers and the Board will host a public hearing on the rate proposal this spring. If the Board adopts the proposed rate in September, it will go into effect in October 2009. In the interim, we will continue to look for opportunities to reduce or contain costs and gain greater efficiencies which would reduce the proposed rate adjustment.

In May 2009, the Authority plans to unbundle the sewer charge and to implement an impervious surface area charge (IAC). In FY 2007, the DC WASA Board endorsed the concept of unbundling the sewer rate into volumetric and impervious surface charges so that the cost of the Combined Sewer Overflow – Long Term Control Plan (CSO-LTCP) could be recovered based upon the amount of runoff a customer contributes rather than the consumption methodology. Implementation of the IAC will lead to a \$0.16 per Ccf reduction in the sewer rate when the IAC of \$1.24 per month is implemented. A typical residential customer bill will decrease by \$0.09. (more information on IAC is on our website at www.dcwasa.com)

In addition, if the Board approves these proposed rate adjustments in September, the District's Right-of-Way and Payment in Lieu of Taxes (PILOT) fees will increase from a combined \$0.52 per Ccf to \$0.57. These fees are charged to DC WASA by the District government and are passed through as a separate line item on the DC WASA bill.

DC WASA is continuing its commitment to help improve the quality of life for those of our customers who are least able to pay, by providing relief through our customer assistance programs (CAP). Through CAP, we provide eligible customers a discount of 4 Ccfs per month on their water bills. Since it began, participation in CAP has continued to increase. In FY 2008, 5,814 customers received a discount on their bills. In January 2009, the Board approved expansion of this program to include an additional 4 Ccfs per month on the sewer portion of the bill that is retroactive to October 1, 2008. These enhancements will more than double the available credit for eligible customers. The District Department of Environment, Office of Energy, administers this program for the Authority and several other local utilities.

A Model Among Peers

Last year, at the request of the District of Columbia Council, the Board engaged the services of an independent consulting team, to examine DC WASA's financial and management practices to identify ways to contain rising rates for retail and wholesale customers. The consultants examined DC WASA's overall efficiency; evaluated the capital and operating budgets and ten-year financial plan; and, reviewed the merits and schedules for

planned capital investments. At the conclusion of their review, the consultants issued an 85-page report and a summary of their work (available on our website at www.dcwsa.com). The report offered the following conclusions about DC WASA:

- projected rate increases were lower than the average percentage increases experienced by other large cities, some of which are dealing with similar infrastructure needs.
- when compared to similar utilities, and other utilities in the region, DC WASA's rates are in the middle of the group.
- in various areas average operational activity costs were also lower than other utilities of similar size.
- In addition DC WASA is operating efficiently and effectively, when compared with measured comparisons of the water and sewer systems of other similar cities.

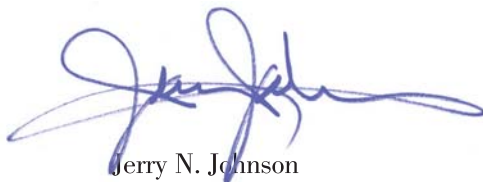
The Authority was touted as **“the best kept secret on the East Coast, a beacon worth emulating by other organizations in the industry.”**

Investing in Performance

Our customers rely on us to provide essential services 24 hours a day, every day. The budgets as presented contain many of the resources needed to fulfill our customer's expectations, which is at the heart of our Board's Strategic Plan. We will continue to focus on investing in performance to enable us to meet many of the challenges we face. As further evidence of that commitment, we established a “performance design team” that, beginning in October 2008, embarked on an intensive effort to enhance our performance measures. These measures will enable the Board, management and the public to more effectively assess progress in achieving the Strategic Plan objectives. This will provide the basis for creating performance targets and help us to sustain and improve services to our customers, as we enhance and refine our ability to set longer term and annual priorities and allocate resources. Formal deployment of the performance measurement and process improvement system is planned for 2010.

A discussion and overview of DC WASA's budget and some of our achievements and challenges follows. You will find additional detail about the organization and resources in this document and in the comprehensive budget documents available on line at www.dcwsa.com. For more information please contact the Chief Financial Officer, Olu Adebo, at 202-787-2193.

Sincerely,



Jerry N. Johnson
General Manager

Measuring for Performance

The District of Columbia Water and Sewer Authority has created a roadmap to success, which integrates all aspects of the organization in determining the appropriate routes to get us where we want to go, as defined by our vision.

The Board of Directors creates a strategic plan to guide DC WASA toward achieving its vision while providing management maximum flexibility to innovate and lead the organization. The Board previously established four Strategic Focus Areas – Customer and Community Services, Organizational Effectiveness, Environmental Quality and Operations, and Finance and Budget.

The Board continues to believe that those areas of focus provide helpful guidance and support to management in achieving its strategic vision. In 2007, the Board strengthened the Strategic Plan by carefully defining the conditions that must exist in order to achieve its strategic vision. Critical Success Factors were added for an even firmer foundation for achieving success (see inside back cover).

Measuring Our Progress

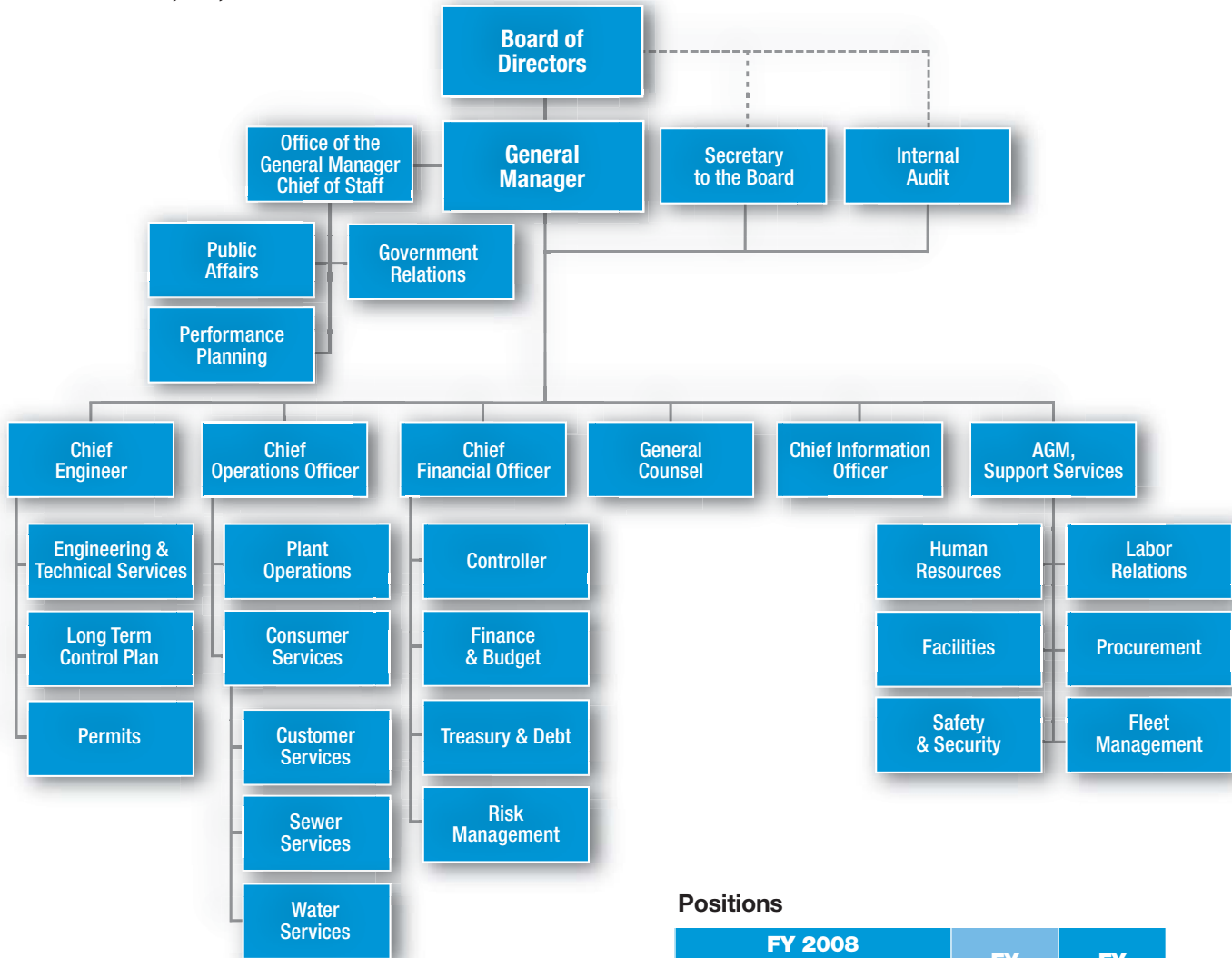
As part of the effort to implement the Strategic Plan, we have established a department within the Office of the General Manager with primary responsibility for developing and maintaining clear performance measures that management and the Board will use to assess progress in achieving the Strategic Plan objectives. Staff from the newly formed Department of Performance Measures and Process Improvement, consultants and representatives from departments throughout the Authority formed a “performance design team” that embarked on an intensive effort to develop measures and performance targets for each of the Strategic Plan Objectives. These new measures and targets will help the Authority set overall priorities to help determine how resources are allocated through the ten-year financial plan and develop the operating and capital budgets we need to sustain and improve services. Ultimately, these measures will be used by DC WASA’s management to assess and improve work processes while monitoring overall performance on a monthly, quarterly and annual basis. The first step, developing the Board level measures and targets, is well underway. The next steps are to develop the departmental level measures and performance targets, all of which will be aligned with the Board Strategic Plan that was updated and adopted in the summer of 2008 (see inside back cover).



DC WASA's Organizational Structure

FY 2010 Operating Budget

\$393,623,000



Positions

Authorized	FY 2008		FY 2009	FY 2010
	Average Positions Filled	Year-End Positions Filled		
1,124	963	961	1,124	1,124

DC WASA

Facts at a Glance

Service Area and Operations:

Date Established:	October 1, 1996
Service Area:	Approximately 725 square miles
Services Provided	Retail water and wastewater services to the District of Columbia Wholesale wastewater treatment service to Montgomery County and Prince George's County in Maryland (through Washington Suburban Sanitary Commission), and Fairfax and Loudoun Counties in Virginia
Blue Plains:	The largest advanced wastewater treatment facility in the world
Population Served:	570,000 in the District of Columbia (2003) Over 1.6 million in Maryland and Virginia

Operation and Facilities:

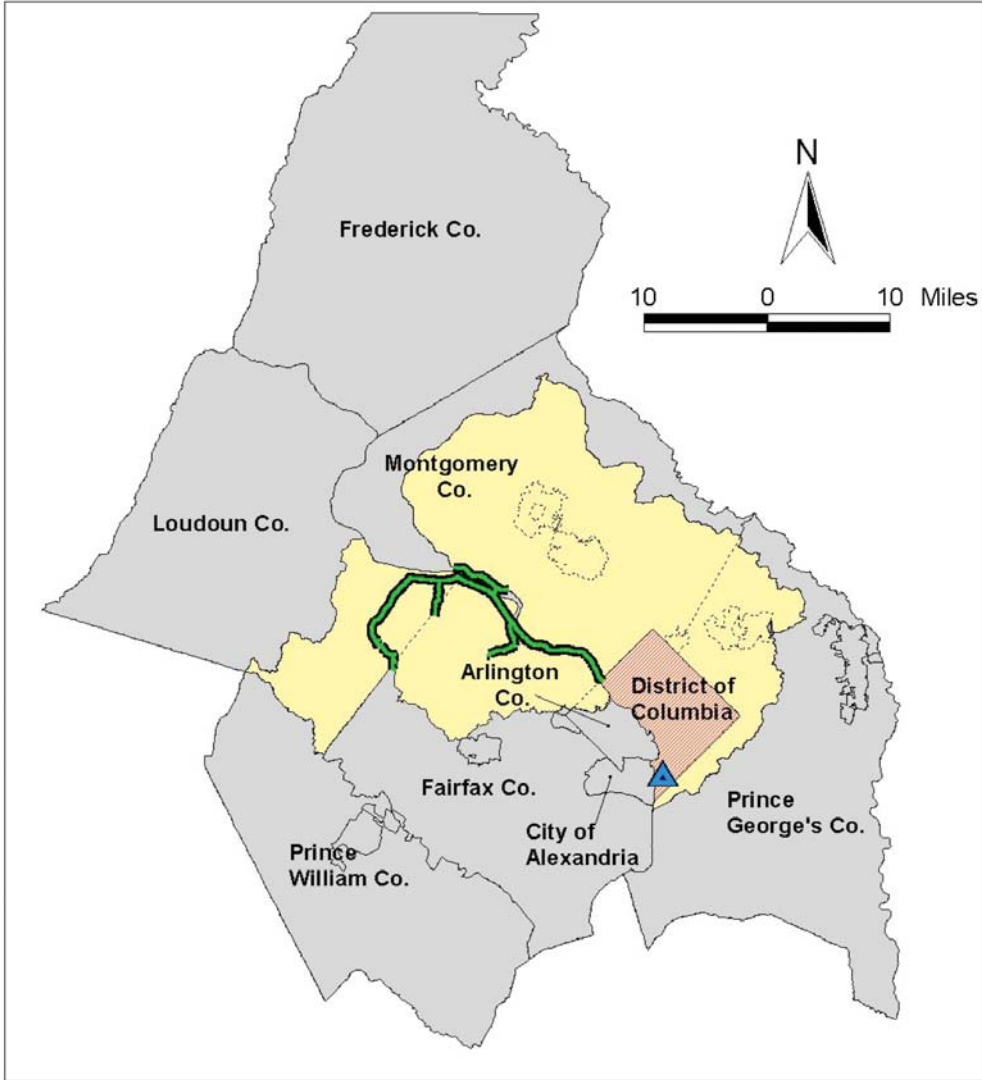
No. of Positions:	1,124 (FY 2009 Revised) 1,124 (FY 2010 Approved)
Water Pumped:	111.7 million gallons per day average (FY 2008)
Treated Water Storage:	61.7 million gallons / 5 reservoirs and 3 tanks
Miles of Water Lines:	1,300 miles
Wastewater Treated:	293 million gallons per day average (FY 2008)
Wastewater Capacity:	370 million gallons per day (permitted)
Miles of Sewer Lines:	1,800 miles

Financial Information:

Bond Rating:	Aa3/AA/AA-
FY 2009 Revenue:	\$353.0 million (cash receipts)
FY 2009 Operating Budget:	\$363.2 million
FY 2009 Capital Budget:	\$266.0 million
FY 2010 Revenue:	\$389.8 million (cash receipts)
FY 2010 Operating Budget:	\$393.6 million
FY 2010 Capital Budget:	\$275.0 million

DC WASA Service Area

District of Columbia Water and Sewer Authority (DC WASA)



Legend
Facilities managed by & Service Areas served by DCWASA

-  Blue Plains Wastewater Treatment Plant
-  Potomac Interceptor
-  Jurisdictional Boundaries
-  DC Water Distribution & Sewage Collection Systems
-  Blue Plains Service Area (suburban portion)
-  Blue Plains Service Area (DC portion)

*Prepared for DC WASA by
 Department of Environmental Programs
 Metropolitan Washington Council
 of Governments
 Created: February, 2001*

Budget Highlights

In the years since our creation, we have made great strides in internal improvement of operations, stabilizing our finances, and focusing on more efficient service delivery to our customers. We move forward with the goal of building on these improvements and reaching an even higher level of operational performance and customer service.

Operations

DC WASA's Major Operating Initiatives

Water System Initiatives

- **Water Main Management Program** – Focus on small mains and fire flows
- **Lead Service Replacement Program** – Compliant with administrative order on all federal standards for lead. Continue to replace lead service lines in conjunction with ongoing water main and DC Department of Transportation (DDOT) projects with customer participation
- **Automated Meter Reading** – 99% of installations complete

Wastewater System Initiatives

- **Combined Sewer Overflow Long-Term Control Plan (CSO-LTCP)** – Being implemented over 20 years with initial projects reducing overflows to Anacostia River and when fully implemented CSO reduction of 96%
- **Biosolids Management Program** – Award-winning and recognized by U.S. EPA, includes several significant research efforts

Other Initiatives

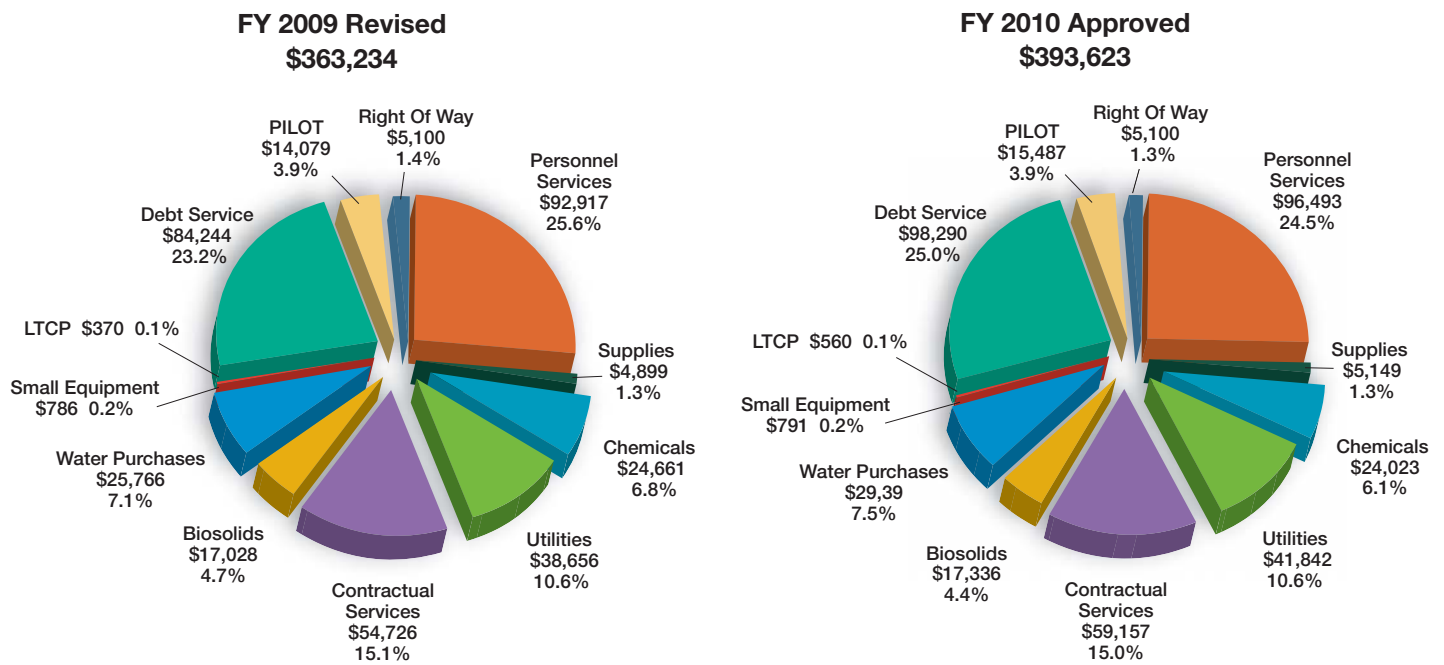
- **Energy Management**
 - *Mitigate exposure to higher prices during peak demand periods by developing Five-Year Contracts*
 - *10-Year Energy Management Plan*
- **Asset Management System** – Better management of infrastructure with Geographic Information System (GIS) component to tie all assets to their locations
- **Permit Compliance** integrates planned upgrades, rehabilitation, replacements and other capital improvements

Operating Summary

The following highlights the FY 2009/2010 operating budget:

- Revised FY 2009 operating budget totals \$363.2 million
- Adopted FY 2010 operating budget totals \$393.6 million
- Proposed FY 2010 water and sewer rate increase of 10 percent
- Proposed FY 2010 monthly Impervious Area Charge (IAC) adjustment to \$2.20 per Equivalent Residential Unit (ERU)
- Proposed 2010 PILOT fee increase of 10.3 percent and ROW fee of 7.7 percent

The following charts provide comparative view of operating expenditures between FY 2009 and FY 2010 by category



The table below provides a comparative view of DC WASA's operating expenditures from FY 2008 to FY 2010 by line item detail.

Comparative Operating Expenditure Budgets (000's)

Operating	FY 2008 Actual	FY 2009 Approved	FY 2009 Revised	FY 2010 Approved	% CHANGE FY 09-FY 10
Personnel Services	84,518	92,235	92,917	96,493	3.8%
Contractual Services	58,199	69,599	71,755	76,493	6.6%
Water Purchases	25,746	23,601	25,766	29,395	14.1%
Chemicals and Supplies	27,821	27,183	29,560	29,172	-1.3%
Utilities	37,843	37,821	38,656	41,842	8.2%
Small Equipment	676	873	786	791	0.6%
Lead Abatement Program	531	1,000	-	-	-
Long Term Control Plan	-	370	370	560	51.4%
Subtotal O & M Expenditures	235,335	252,683	259,811	274,746	5.7%
Debt Service	69,330	91,240	84,244	98,290	16.7%
Payment in Lieu of Taxes	12,425	14,210	14,079	15,487	10.0%
Right of Way Fees	5,100	5,100	5,100	5,100	0.0%
Total Operating Expenditures	322,190	363,234	363,234	393,623	8.4%
Personnel Services charged to Capital Projects	(8,681)	(8,400)	(8,400)	(8,400)	0.0%
Total Net Operating Expenditures	313,510	354,834	354,834	385,223	8.6%

The following table summarizes DC WASA's budget and positions by operating area:

Summary of Operating Budget and Positions by Department

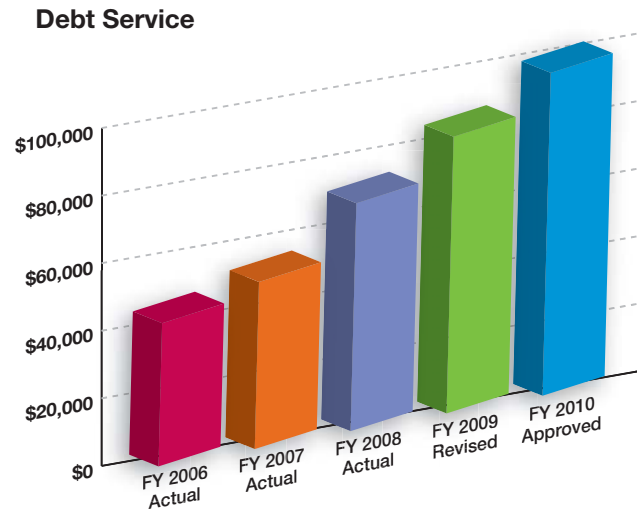
	BUDGET				POSITIONS			
	FY 2008 Actual	FY 2009 Approved	FY 2009 Revised	FY 2010 Approved	FY 2008 Actual	FY 2009 Approved	FY 2009 Revised	FY 2010 Approved
OPERATIONS								
Wastewater Treatment	81,224	81,792	85,674	86,873	125	121	125	125
Water Services	47,583	47,021	47,834	53,101	166	166	170	170
Sewer Services	15,961	16,905	18,054	20,622	159	159	159	159
Maintenance Services	21,907	22,718	22,875	23,284	177	178	178	178
Engineering & Technical Services	12,468	14,406	13,838	14,474	125	125	122	122
Customer Service	12,285	13,839	14,316	14,962	122	123	123	123
Lead Abatement Program	531	1,000	0	0	-			
Long Term Control Plan	0	370	370	560	-			
Subtotal Operations	191,959	198,051	202,961	213,876	874	872	877	877
ADMINISTRATION								
General Manager	1,245	1,897	3,384	3,708	9	9	9	9
Office of the Secretary	507	493	508	554	2	2	2	2
Internal Audit	646	611	790	835	4	4	4	4
Finance and Budget	5,982	6,815	6,838	6,991	43	43	43	43
Risk Management	4,801	6,519	6,295	6,726	3	3	3	3
General Counsel	2,032	5,183	4,977	5,136	14	14	14	14
Public Affairs	1,125	1,470	1,503	1,529	9	9	8	8
Information Technology	5,664	7,743	7,976	9,912	27	29	24	24
Assistant General Manager – Support Services	228	562	472	480	3	3	3	3
Human Resources	3,950	4,145	4,458	4,663	22	22	23	23
Facilities Management	5,460	6,059	6,027	6,261	58	58	58	58
Procurement & Materiel Management	3,056	3,897	4,051	4,332	38	38	38	38
Safety and Security	5,003	5,418	5,357	5,516	13	13	13	13
Fleet Management	3,678	3,821	4,214	4,227	5	5	5	5
Subtotal Administration	43,377	54,632	56,850	60,870	250	252	247	247
Subtotal – Operation & Maintenance	235,336	252,683	259,811	274,746	1,124	1,124	1,124	1,124
Debt Service	69,330	91,240	84,244	98,290	-			-
Payment in Lieu of Taxes/	12,425	14,210	14,079	15,487	-			-
Right of Way	5,100	5,100	5,100	5,100				
Total O & M Expenditures	322,238	363,234	363,234	393,623	1,124	1,124	1,124	1,124
Personnel Services charged to Capital Projects	-8,681	-8,400	-8,400	-8,400				
Total Net Operating Expenditures	313,557	354,834	354,834	385,223	1,124	1,124	1,124	1,124

FY 2010 Operating Budget Major Cost Drivers

The FY 2010 approved budget increased by \$30.4 million or 8.4 percent over the FY 2009 revised budget due to the following drivers:

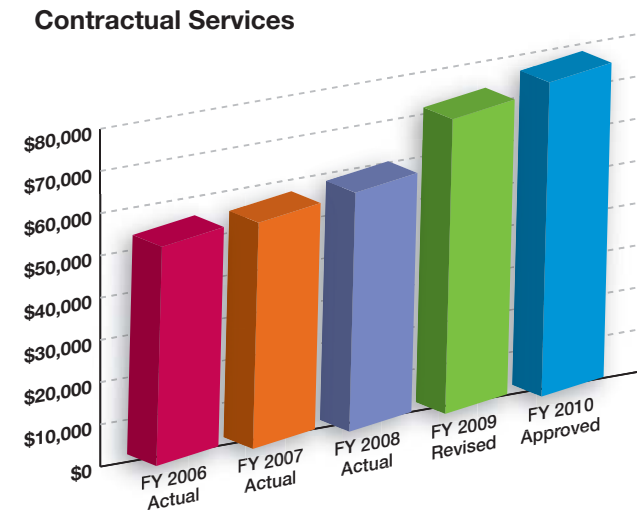
Debt Service – increase of \$14.2 million or 16.7% over the FY 2009 revised budget

- Fastest growing operating budget line item, with a projected average annual increase of 14.5% over ten years



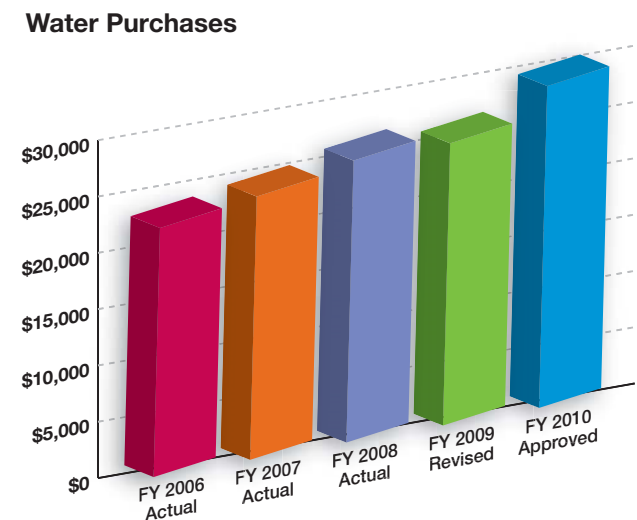
Contractual Services – increase of \$4.7 million or 6.6% over the FY 2009 revised budget

- Primarily due to increases in Information Technology support systems (\$1.8 million) and Cleaning of Water Quality catch basins (\$1.5 million) as well as other minor contractual increases



Water Purchases – increase of \$3.6 million or 14.1% over the FY 2009 revised budget

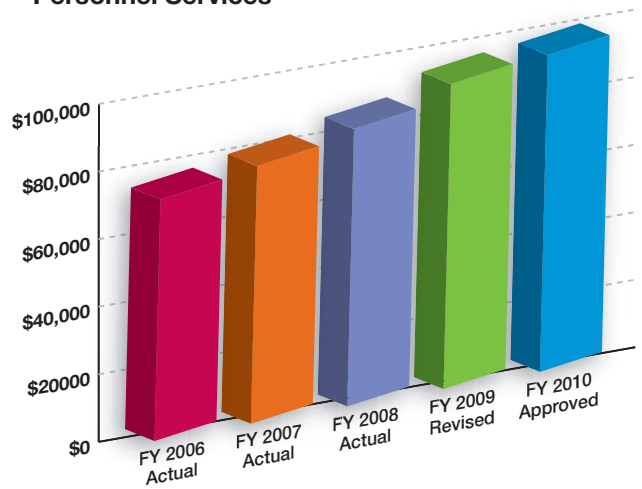
- Due to increases in DC's share of the increasing operational expenditures of the Washington Aqueduct, primarily chemical costs



Personnel Services – increase of \$3.6 million or 3.8% over the FY 2009 revised budget

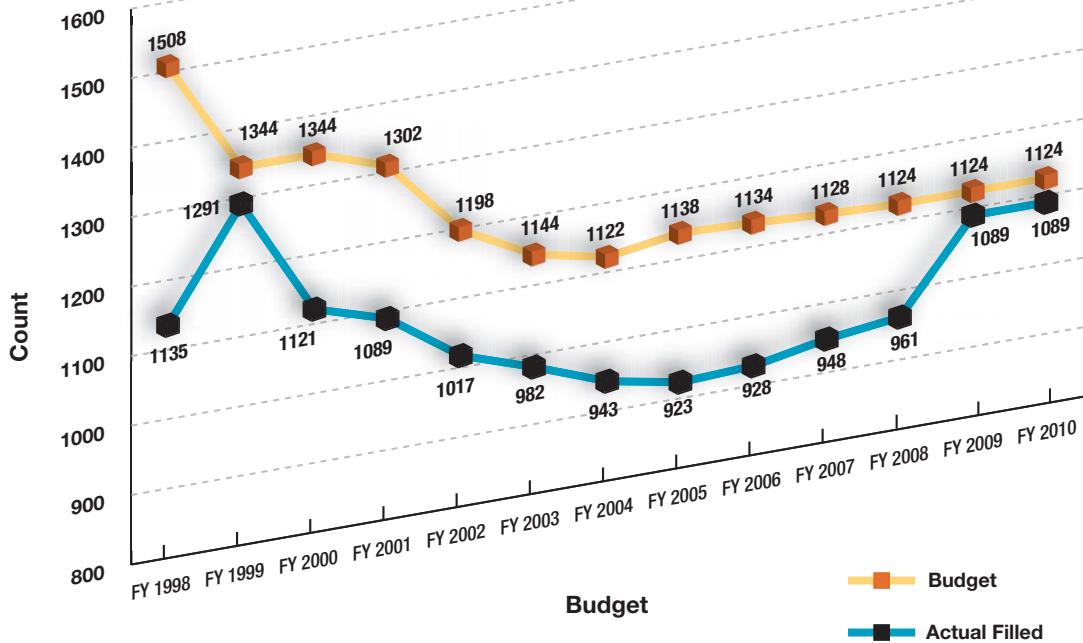
- Due to cost of living adjustments, increased fringe benefits, and rising health care and dental costs

Personnel Services



Through systems implementation and training, DC WASA was able to reduce the size of its full time employees by three hundred and eighty four positions from FY 1998 to FY 2008.

Full Time Positions FY 1998 – FY 2010



Energy Management and Conservation Initiatives

Utilities (Electricity) – increase of \$3.2 million or 8.2% over the FY 2009 revised budget

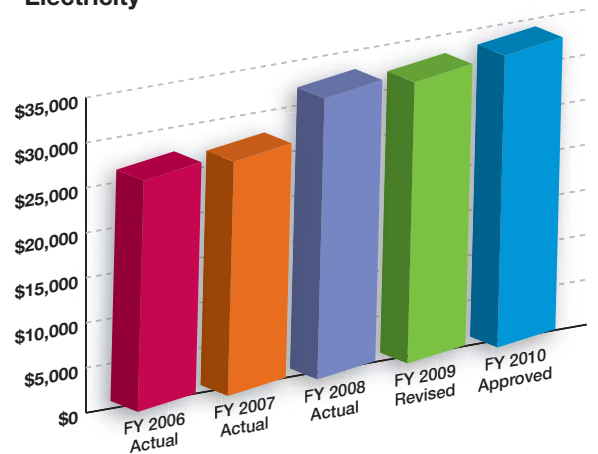
- Due to deregulation in the District, rising prices of natural gas, coal and capacity charge, record global demand for oil and inclement weather patterns

Electricity continues to represent a significant portion of DC WASA’s operating costs, budgeted at \$32.1 million, or 12 percent of our \$259.8 million revised FY 2009 operations and maintenance budget. As the graph below depicts, electricity prices have continued to rise since 2005. This is due, in part, to several factors that include deregulation in the District, inclement weather patterns, record global demand for power and oil, and regional transmission and grid changes.

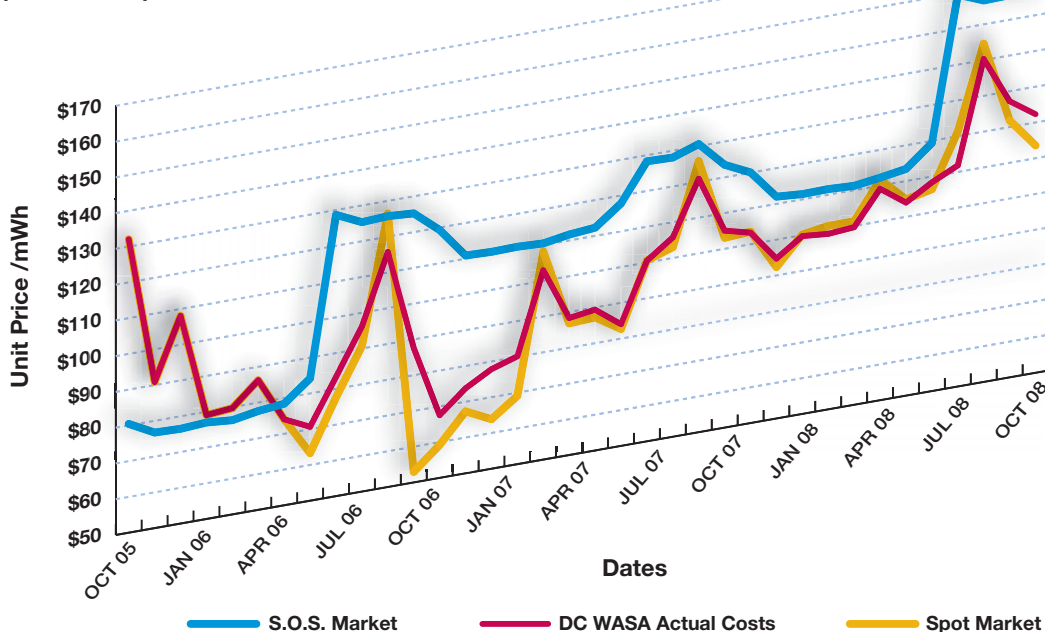
In FY 2005, DC WASA entered into a successor five-year contract for generation that allows us the flexibility to lock in blocks of power at a fixed price. The contract also grants DC WASA access to the wholesale market for electricity, and provides more transparency in reviewing bids from wholesalers.

As a proven environmental steward, DC WASA continues to implement environmentally responsive and responsible policies and programs. These actions protect the region’s waterways, air, and land. We are

Electricity



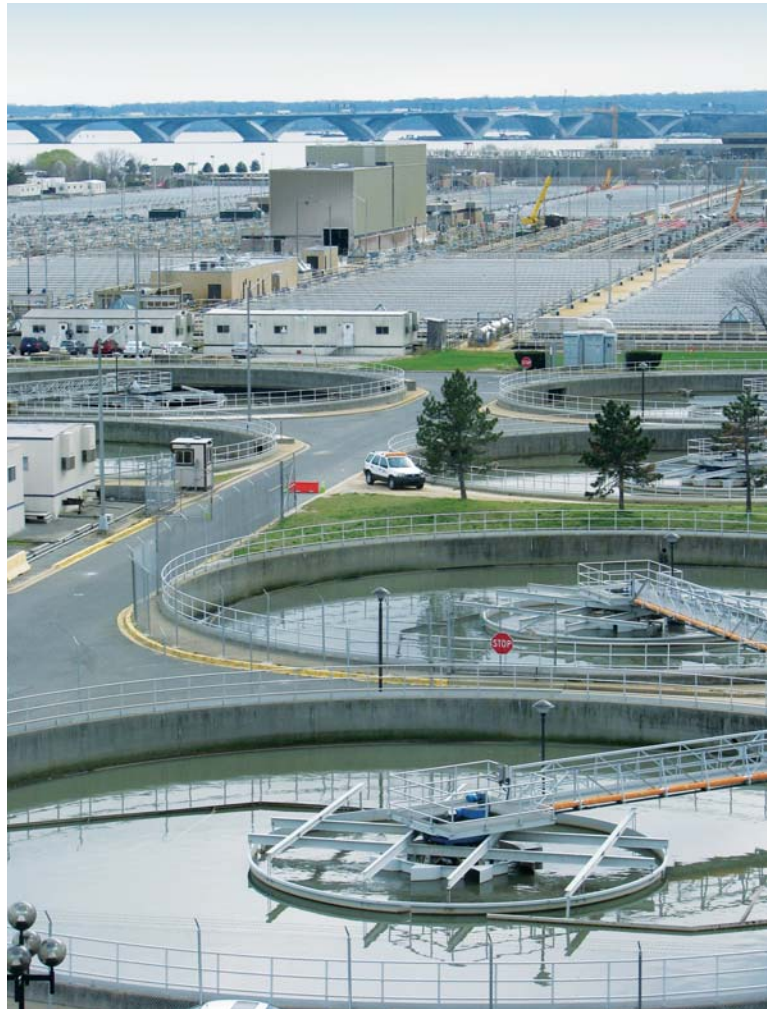
FY 2006 – FY 2008 Electricity Comparative Pricing (Unit Prices)



developing a ten-year energy management plan, which will be guided by the Board’s established strategic critical success factors. A new energy manager has been hired to develop and implement the plan. Along with other initiatives, this plan will evaluate the energy baseline, establish quantitative and qualitative goals as well as identify resource requirements.

Biosolids Management Program and Research Initiatives

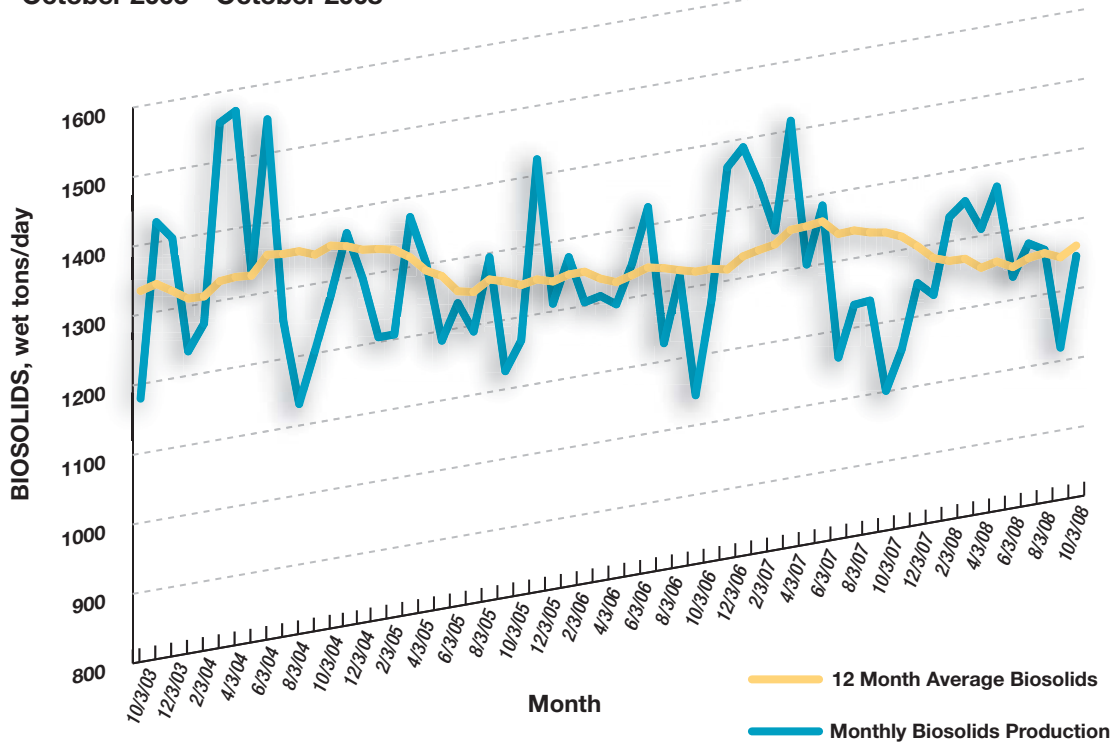
DC WASA's award-winning Biosolids Management Program has been recognized by the U.S. Environmental Protection Agency, which awarded the Authority its highest national award for biosolids management for outstanding operations, technological advances, and promotion of the beneficial uses of municipal wastewater biosolids. As industry leaders on wastewater and biosolids management research projects, DC WASA's revised FY 2009 and approved FY 2010 operating and capital budgets include funding for the following significant research efforts:



DC WASA's Blue Plains Advanced Wastewater Treatment Plant

- Sponsorship of the Water Environment Research Foundation (WERF). DC WASA is participating in several projects, including nutrient removal, solids processing technologies, biosolids management, plant automation and plant security. DC WASA's General Manager serves on WERF's Board of Directors, and DC WASA staff serve on project advisory committees addressing health and safety and management issues.
- Cooperation with Howard University and utilities in Maryland and Virginia, on research to understand the bioavailability of organic nitrogen from wastewater effluents.
- Conducting laboratory-scale testing of thermophilic digestion and enzymic hydrolysis to understand methods to achieve Class A biosolids along with our research partners at the Virginia Polytechnic Institute and State University and George Washington University. This information will also be part of the evaluation of reducing the required size of an anaerobic digestion facility.
- Cooperation with the New York City Department of Environmental Protection and the Alexandria Sanitation Authority to evaluate a new technology to efficiently treat and remove high strength ammonia from recycle streams without external carbon. Three pilot units are being used for testing in association with the University of Innsbruck, Virginia Tech, Columbia University and City College of New York.
- Cooperation with utilities in Maryland and Virginia, DC WASA is evaluating alternate carbon sources for denitrification. These carbon sources include methanol, ethanol, acetic acid, sugar, glycerol and proprietary chemicals. The testing is being coordinated through faculty and students from George Washington University, the University of Cincinnati and Virginia Military Institute.

**Blue Plains Wastewater Treatment Biosolids Production
October 2003 – October 2008**



- Initiating pilot programs at Blue Plains to evaluate ballasted flocculation, a new technology for treatment of excess storm flows.
- Initiating pilot tests to evaluate the appropriateness of using moving bed bioreactor technology to meet the new permit limit for total nitrogen discharge from Blue Plains.
- Cooperating with the City of Toronto to evaluate anaerobic digestion processes to enhance digester gas formation and reduce biosolids inventory.
- Evaluating optimization of chemical phosphorus addition.
- Cooperating with the City of Salzburg, Austria to evaluate bioaugmentation of seed nitrification and denitrification organisms to more effectively use process capacity in a two-stage plant.

These studies should enable DC WASA to improve its wastewater treatment processes by reducing costs and providing an ecologically friendly product. Successful completion of these research efforts may provide information for addressing wastewater treatment issues worldwide.

Capital Improvement Program (CIP)

The FY 2008-2017 Capital Improvement Program provides DC WASA's approved capital budgets and a framework for the development, implementation and measurement of the capital projects undertaken.

- The Ten-Year (CIP) totals \$3.2 billion (cash disbursements basis),
- Life time budget is \$6.4 billion, and
- Capital authority request is \$773.3 million.

FY 2008 – FY 2017 Capital Improvement Program (000's)

Program Area	Total Disbursement Budget	Total Project Lifetime Budget
Wastewater Treatment	\$1,494,668	\$2,447,683
Sanitary Sewer	154,081	287,971
Combined Sewer Overflow	771,796	2,268,883
Stormwater	13,403	43,958
Water	493,321	1,011,025
Washington Aqueduct	159,757	196,474
Capital Equipment	104,633	104,633
Total	\$3,191,659	\$6,360,627

DC WASA's major sources of fund in FY 2009 are debt proceeds (including commercial paper), which constitutes 56% followed by our Wholesale Customer Capital Payments (23%) and EPA Grants (11%).

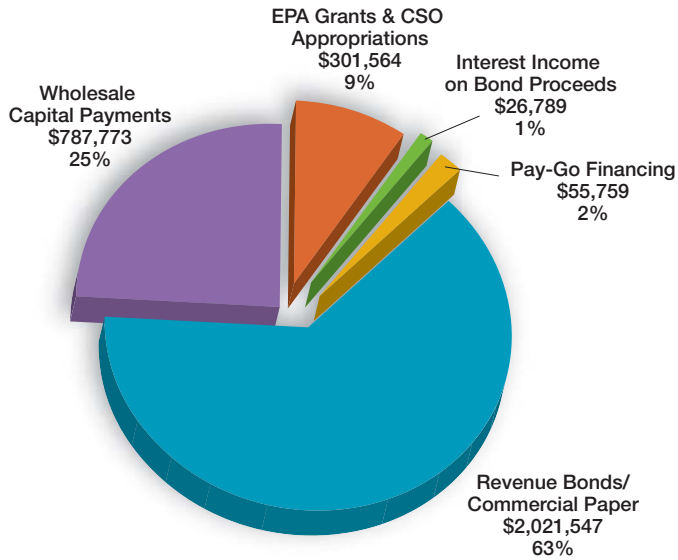
FY 2008 – FY 2017 Projected Capital Improvement Plan – Annual Disbursements (\$ in 000's)

	FY 2008 Actuals	FY 2009 Revised	FY 2010 Approved	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Total FY '08 -'17
Wastewater Treatment	\$85,275	\$ 95,833	\$105,914	\$235,313	\$334,981	\$287,375	\$111,779	\$79,323	\$91,381	\$67,494	\$1,494,668
Sanitary Sewer	15,773	18,867	21,974	38,918	19,664	10,143	7,174	7,536	7,384	6,647	154,081
Combined Sewer Overflow/ Long Term Control Plan	38,624	41,874	72,543	74,703	94,688	70,779	96,020	102,186	95,587	84,792	771,796
Stormwater	2,531	1,964	2,160	1,038	1,676	1,476	1,246	417	454	442	13,403
Water	70,139	64,979	51,136	52,665	53,790	47,399	40,500	35,790	34,865	42,059	493,321
Washington Aqueduct	76,415	23,164	5,584	7,016	7,500	8,055	8,023	8,000	8,000	8,000	159,757
Capital Equipment	14,630	19,283	15,788	12,288	8,747	6,615	6,910	6,948	6,733	6,692	104,633
Total DC WASA Capital Improvement Program	\$303,387	\$265,965	\$275,097	\$421,941	\$521,046	\$431,842	\$271,652	\$240,199	\$244,404	\$216,126	\$3,191,659

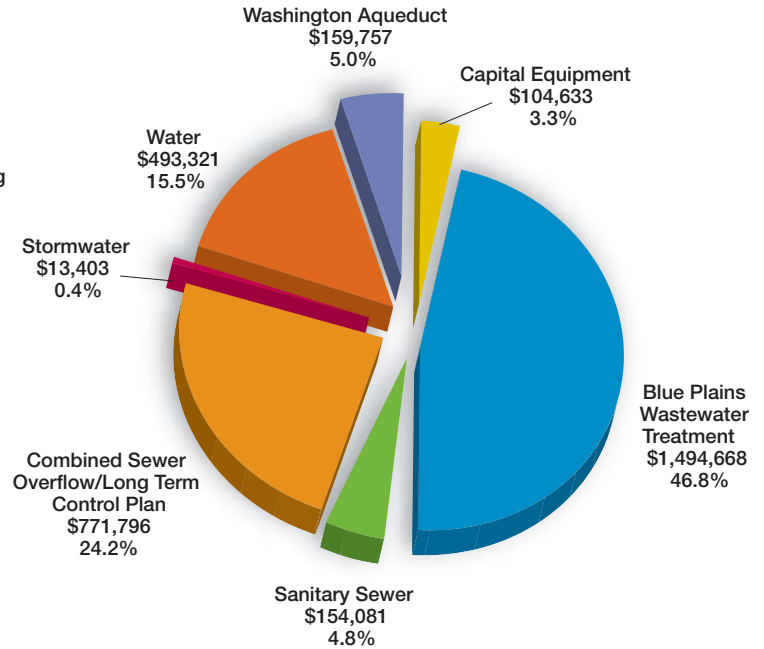
DC WASA's major uses of funds in FY 2009 are Blue Plains Projects (36%), Water Projects (24%) and Combined Sewer and Long Term Control Projects (16%).

FY 2008 – FY 2017 CIP Budget (Total = \$3,191,659)

Sources of Funds



Uses of Funds



CIP Developed Based on Demonstrated Needs – Prioritization of Projects



Category	Mandates	Health & Safety	Board Policy	Potential Failure	HighProfile/ Good Neighbor	Good Engineering Practices/ High Payback	Good Engineering Practices/ Low Payback	Total
Description	Agreements, regulatory standards, court orders, issues and permit requirements	Required to address public health and safety	Undertaken as a result of the Board's commitment to outside agencies	Related to facilities in danger of failing or critical to meeting permit requirements	Address public concerns	Need to fulfill mission and upgrade facilities	Lower priority projects	
FY 2008	\$119,541	\$3,220	\$24,380	\$80,072	\$4,413	\$64,052	\$7,709	\$303,387
FY 2009	68,262	3,367	25,495	85,503	4,615	70,661	8,062	265,965
FY 2010	85,037	3,532	28,710	82,780	2,286	63,344	9,408	275,097
FY 2011	124,160	1,394	27,810	194,207	5,416	63,497	5,457	421,941
FY 2012	296,983	12,889	22,455	127,750	4,659	51,430	4,880	521,046
FY 2013	271,221	8,771	18,548	86,987	2,023	33,953	10,339	431,842
FY 2014	190,466	942	19,365	23,288	240	31,897	5,454	271,652
FY 2015	181,748	844	19,069	3,004	0	32,706	2,828	240,199
FY 2016	185,547	576	16,833	2,846	0	33,054	5,548	244,404
FY 2017	148,905	396	17,586	4,738	0	24,252	20,249	216,126
Total	\$1,671,870	\$35,931	\$220,251	\$691,175	\$23,652	\$468,846	\$79,934	\$3,191,659
% of Total	52.38%	1.13%	6.90%	21.66%	0.74%	14.69%	2.50%	100.00%

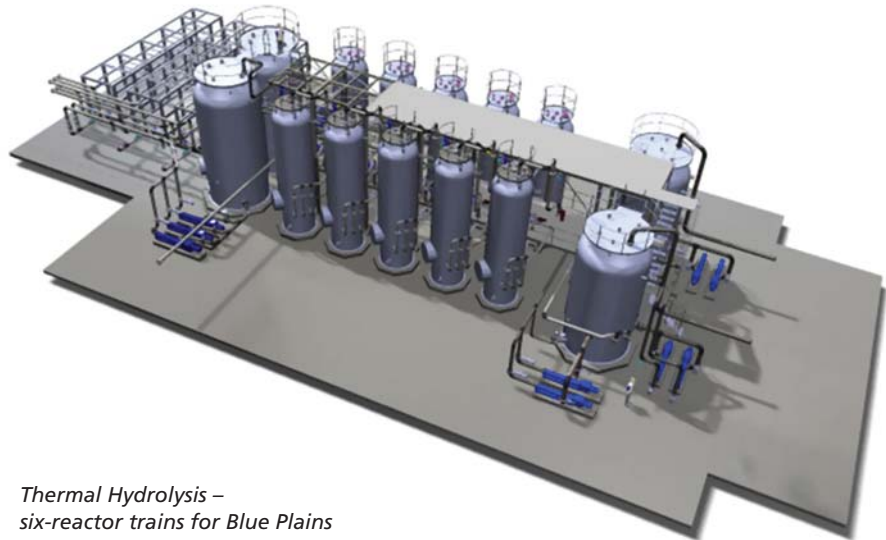
The Authority's CIP project priority system enables the organization to focus resources on the most critical capital needs.

CIP Cost Drivers

Digester Project

Currently Blue Plains Wastewater Treatment Plant processes approximately 1,162 tons per day of biosolids. These biosolids are removed from the plant and transported to various locations in Maryland and Virginia for land application.

The digester project, with a \$438 million lifetime budget includes the construction of four thermal hydrolysis trains, four digesters, new dewatering equipment and a combined heat and power.



*Thermal Hydrolysis –
six-reactor trains for Blue Plains*

PROJECT BENEFITS:

- *Reduce biosolids production by half, providing savings of approximately \$16 million per year beginning in FY 2014 (savings including biosolids hauling and reuse, personnel, chemicals, contracts and energy costs).*
- *Produce a class A, stable product for beneficial agricultural reuse.*
- *Generate excess digester gas that can supply one third of Blue Plains' energy needs.*

CSO Long-Term Control Plan (CSO LTCP) Will Reduce CSOs By 96% When Completed

This is a twenty-year program totaling \$2.2 billion. Once complete, this project is expected to reduce CSOs by 96%.

- Key Project Components
 - *\$1.4 billion, 11-mile tunnel system to control Anacostia River overflows with first phase of project completion by FY 2018*
 - *\$419 million, three-mile tunnel system to control Potomac River overflow with project completion by FY 2025*

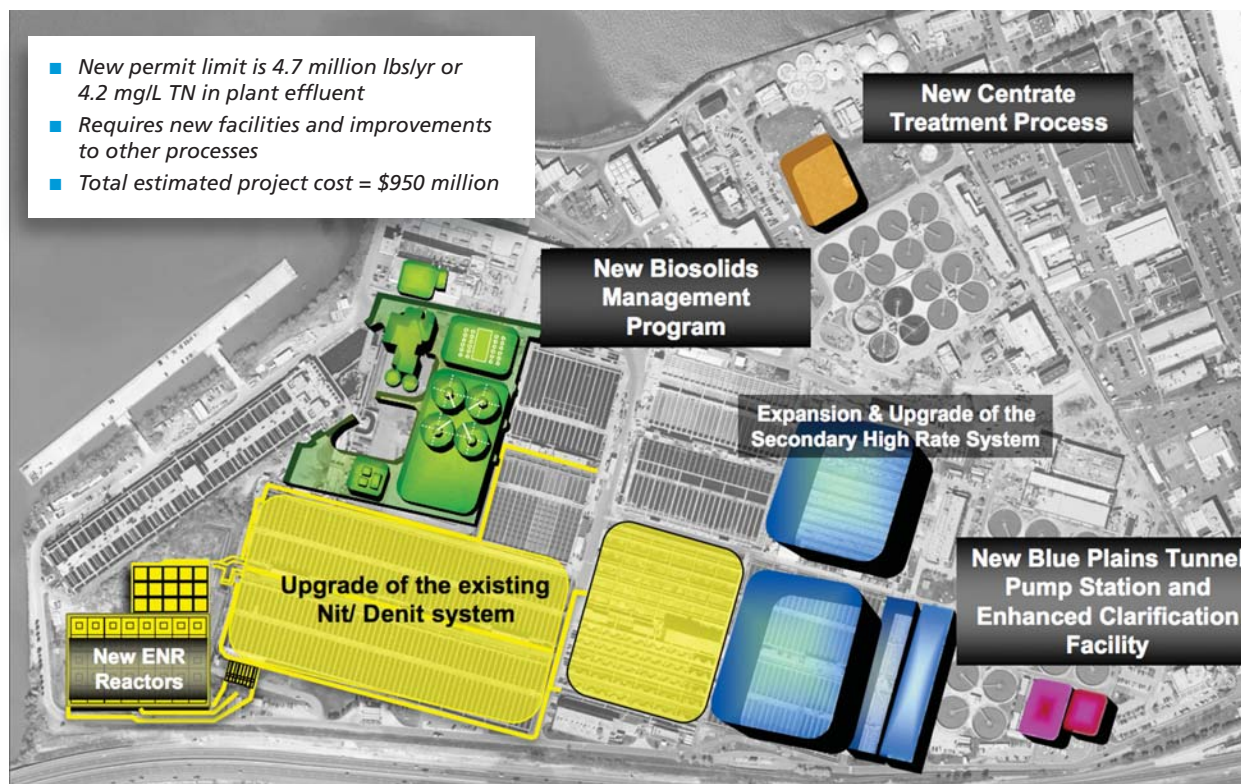
- \$70 million, one-mile tunnel system to control Piney Branch and Rock Creek overflows with completion by FY 2025
- Twenty-Year Spending Plan
 - \$16.4 million to approximately \$100 million annually from FY 2008 to FY 2017
 - \$100 million to \$250 million annually from FY 2018 to FY 2025

Blue Plains Total Nitrogen Program (BTN)

This \$802.4 million project is in the FY 2008 10-year CIP for denitrification at Blue Plains (\$950 million lifetime budget).

- The planning, piloting and conceptual design phase began in FY 2008.
- The project provides new facilities and upgrades to existing facilities to meet the total nitrogen discharge limit under DC WASA's NPDES permit. It also improves the quality of discharge to the Potomac River during wet weather events.
- Project completion is expected by December 2014, prior to the anticipated permit date of January 2015.

Enhanced Nitrogen Removal (ENR) Program



CIP Challenges/Outlook

Aging Infrastructure

Many cities like Washington, DC have miles and miles of pipes that were buried 100 years ago or more which will need to be replaced over the next few decades.

The American Water Works Association (AWWA) refers to this as “the dawn of the replacement era”. The national organization estimates that \$250 billion nationally may be required over the next 30 years for water infrastructure replacement alone. Ultimately, these needs and their associated costs must be financed by utility rate-payers, across the country.

Research by the AWWA verifies that the growing re-investment needs of water and sewerage utilities is significant throughout the nation and is a potential economic challenge as agencies may need to grapple with replacement needs against the need to comply with greater regulatory standards for safe drinking water and environmental improvements.

Present assessments recommend that DC WASA invest an additional \$1.4 million in the DC water and sewer infrastructure for upgrades, cleanings, and enhanced maintenance replacement schedules.

Sewer System

DC WASA’s efforts to upgrade its sewer infrastructure began with a comprehensive Sewer System Assessment program in 2003 which was completed in 2008. The purpose of the program was to:

- Determine the physical condition of the sewer system,
- Prepare a plan to rehabilitate and improve the system, and
- Provide a plan for ongoing maintenance.

The sewer system assessment focused on cleaning and inspection of major sewers and a representative number of smaller, local sewers. This process identified several high priority sewer projects which are currently being addressed.

Water System

DC WASA began work on its first Water System Facilities Plan in 1998 and completed it in September 2000 with the goal of updating the plan every several years. An update was completed in 2008. The purpose of the water facilities plan was to ensure that our infrastructure was:

- Safe, adequate and reliable,
- Secure and economical, and
- Meets regulatory requirements.

The 2000 Facilities Plan identified fourteen projects and an ongoing small diameter water main rehabilitation program to be included in the CIP at a ten-year cost of just under \$300 million.

Service Area	10 year CIP FY 2008 – FY 2017
Sanitary Sewer Projects	\$12,000,000
Water	\$42,983,000
Combined Sewer Overflow	\$7,000,000
Total	\$61,983,000

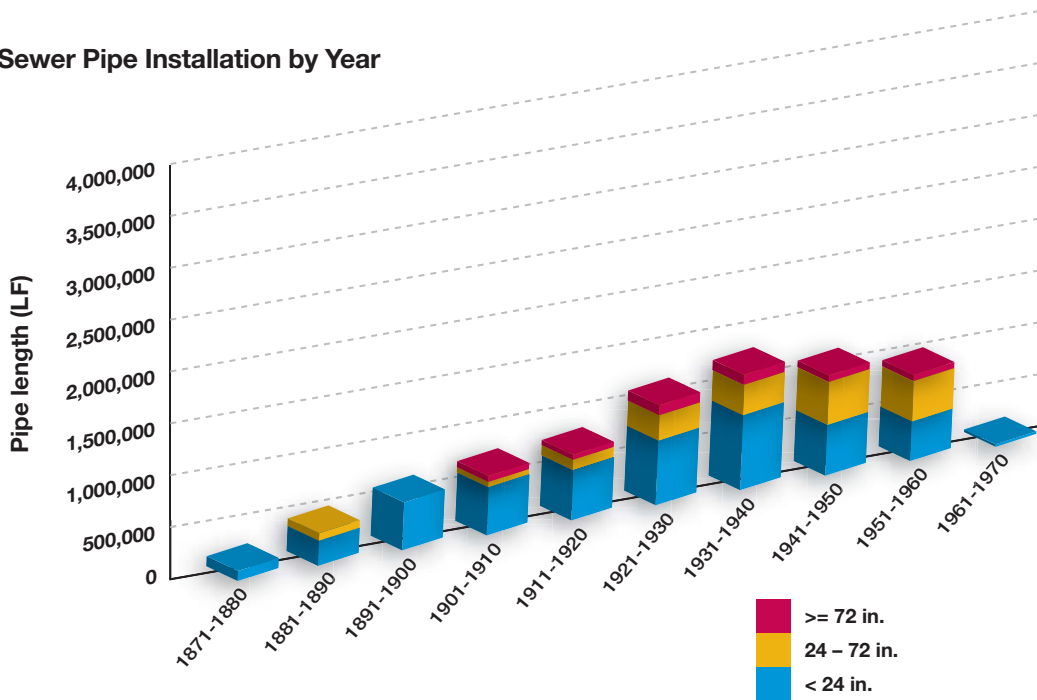
The most critical projects identified within the studies have been incorporated with the Ten-Year CIP.

Many of the projects first

identified have been completed. The plan also addresses changes in population and resulting water demands, improvements needed to ensure water quality as well as system improvements such as pumping, stations, storage facilities, interconnections with our water system to nearby jurisdictions, and transmission and distribution water mains.

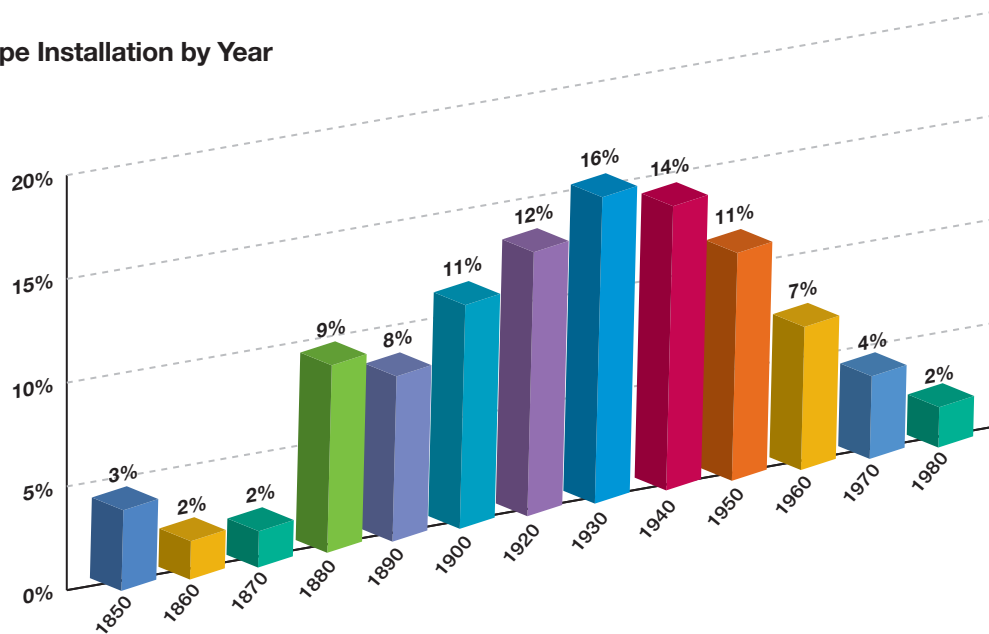
Ongoing review of these assessments indicates parallels with the AWWA findings in age of pipes and includes recommended maintenance and replacement schedules that need to be integrated and evaluated for cost implications as well as availability of local contracting resources within the region to meet varying replacement cycles. As noted, the most critical of the recommendations from the studies have been incorporated within the updated 10-year CIP, FY 2008-2017. These projects include upgrades of some water pumping facilities,

Sewer Pipe Installation by Year



DC WASA has miles of aging infrastructure, some of which were installed over one hundred years ago. This chart illustrates the age of the sewer system.

Water Pipe Installation by Year



DC WASA has miles of aging infrastructure, some of which were installed over one hundred years ago. This chart illustrates the age of the water system.

cathodic protection of priority mains to prolong estimated life of the mains, moving older sewers from underneath existing buildings and moving sewers that appear to be most in need of immediate rehabilitation. The total distribution of new work within the 10-year CIP from the two assessments is approximately \$62 million.

Throughout FY 2009, DC WASA management and staff will analyze the assessments and group them into short-, mid- and long-range projects and programs to provide a proposal that balances the ongoing mandated programs (such as the LTCP and BTN), replacement/rehabilitation cycles revisions, and the financial impact upon the wholesale and retail customers.

Capital Improvement Program Inflationary Increases

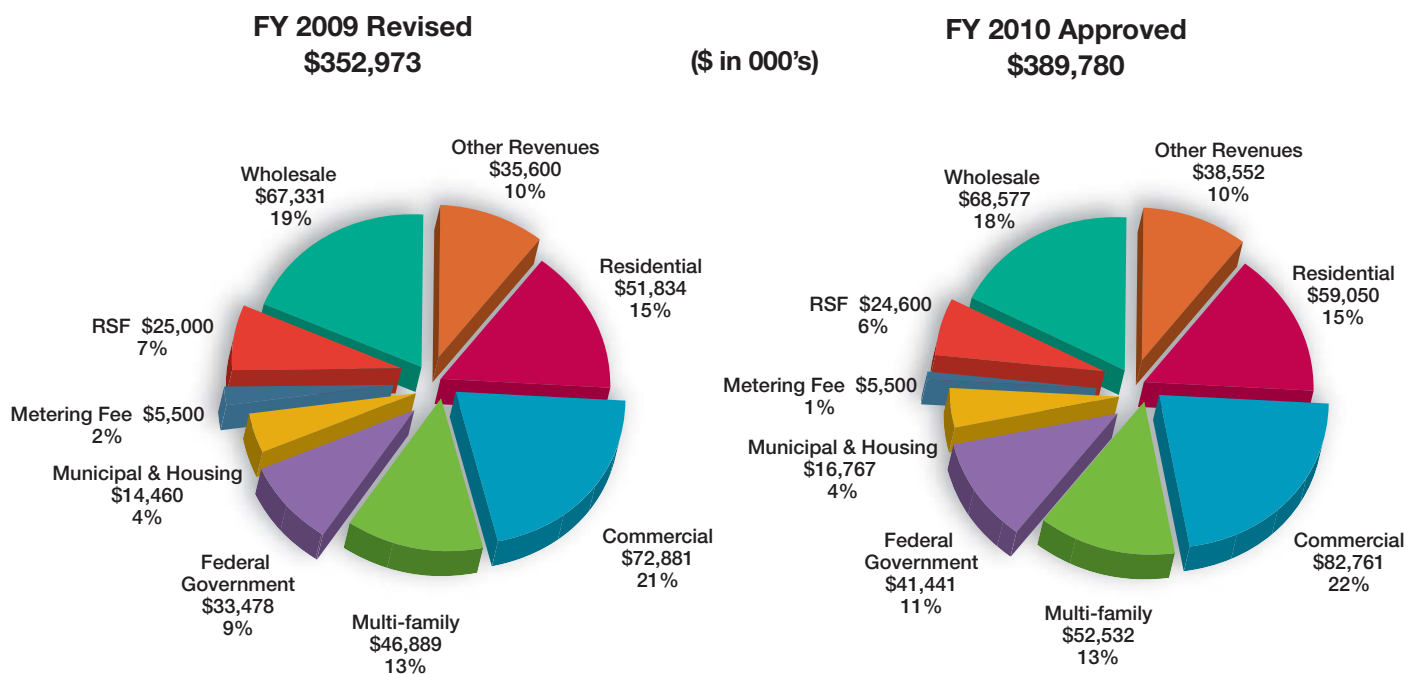
The regional and national construction industries have seen record inflation costs for materials such as steel, copper, aluminum and cement over the last several years. The price of oil also impacts this industry as the cost of transporting materials around the world becomes higher, as well as the cost of plastics, roofing products and asphalt. This results in higher bid prices for capital work. Additionally, this region has experienced increased development over the last decade, resulting in a less-competitive bidding environment and capital project inflation. As the national economic climate changes drastically, DC WASA continues to review the market place, the financing available to potential contractors and current programs to assess the impact of the market on our CIP budget and planning.

Financial Plan

Overview

DC WASA's strong financial performance and its success in achieving and maintaining strong "Aa3/AA/AA-" category bond ratings has been in large part due to the annual development, and adherence to a ten-year strategic financial plan. This commitment to sound financial and business planning resulted in an unsolicited bond upgrade by Standard and Poor's in FY 2008. This financial plan serves as one of management's key tools to monitor progress in meeting financial goals and to proactively address future financial and operational issues. During FY 2008, DC WASA met or exceeded the goals set by Board policy and the FY 2007 – 2016 ten-year plan. This budget includes DC WASA's twelfth comprehensive ten-year financial plan, covering FY 2008 – 2017.

Revenue and Rates



Operating Revenues

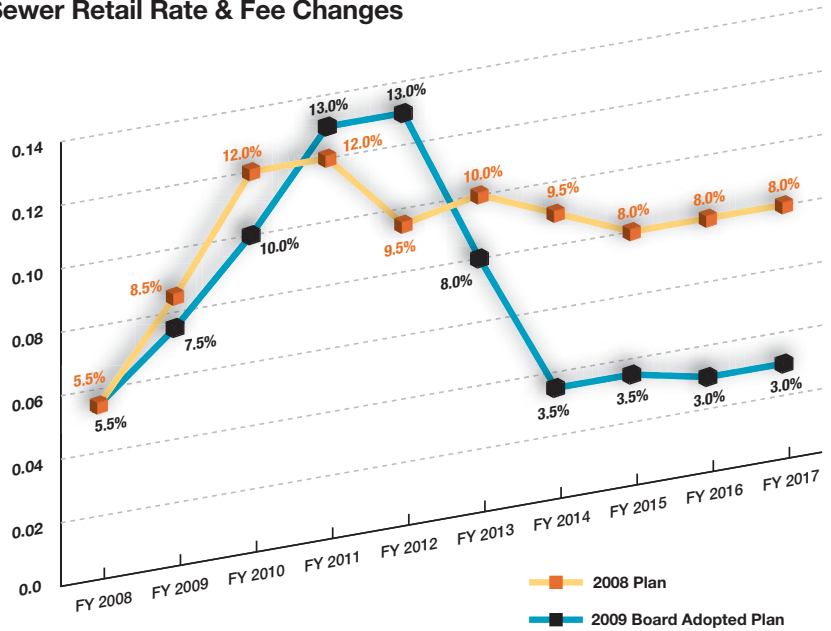
The revised FY 2009 revenue budget totals \$353.0 million and is projected to increase to \$389.8 million in FY 2010. These projections reflect the Board-approved 7.5 percent water and sewer rate increase and increase in the PILOT fees in FY 2009, and a proposed 10 percent rate increase in FY 2010.

Projected Retail Rate Increases

The proposed rate increases included in the FY 2008 – 2017 financial plan are driven by the following initiatives:

- Increasing debt service expenditures, driven by DC WASA's \$3.2 billion capital improvement program (cash disbursements basis), which increases on average by 14.5 percent over the ten-year planning period.
- *Operation and maintenance increases an average of 3.7 percent annually over ten-year period*
- *Increasing operating expenditures, driven primarily by increases in chemical cost, electricity and personnel*

FY 2008 – FY 2017 Financial Plan Projected Water & Sewer Retail Rate & Fee Changes

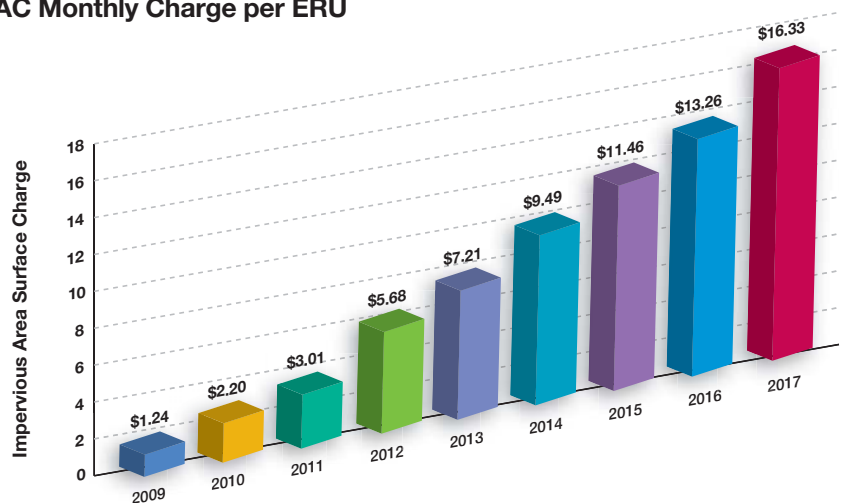


Impervious Area Charge

In December 2004, the Board reached an agreement with the federal government on the CSO Long Term Control Plan (LTCP) and entered into a related consent decree.

In May 2009, the Authority plans to unbundle the sewer charge [lowering the rate from 3.47 to 3.31Ccf] and simultaneously implement an impervious surface area charge [\$1.24 a month per ERU]. This concept of unbundling the sewer rate into volumetric and impervious surface was endorsed by DC WASA's board in 2007. The cost of the CSO-LTCP would be recovered based upon the amount of runoff a customer contributes rather than the amount of water consumed.

IAC Monthly Charge per ERU



The FY 2010 proposed monthly Impervious Area Charge (IAC) is \$2.20 per ERU (Equivalent Residential Unit) with monthly rates ranging annually from \$1.24 to \$16.33 per ERU. The projected IAC charges are primarily driven by anticipated debt service costs to support the 20-year \$2.2 billion CSO – Long Term Control Plan. If additional federal

assistance is provided. The impervious rate increases may be lower; the ten-year plan assumes no external funding beyond the special Congressional appropriations. DC WASA has already received a total of \$106 million. More information on IAC at our website, www.dcwasa.com.

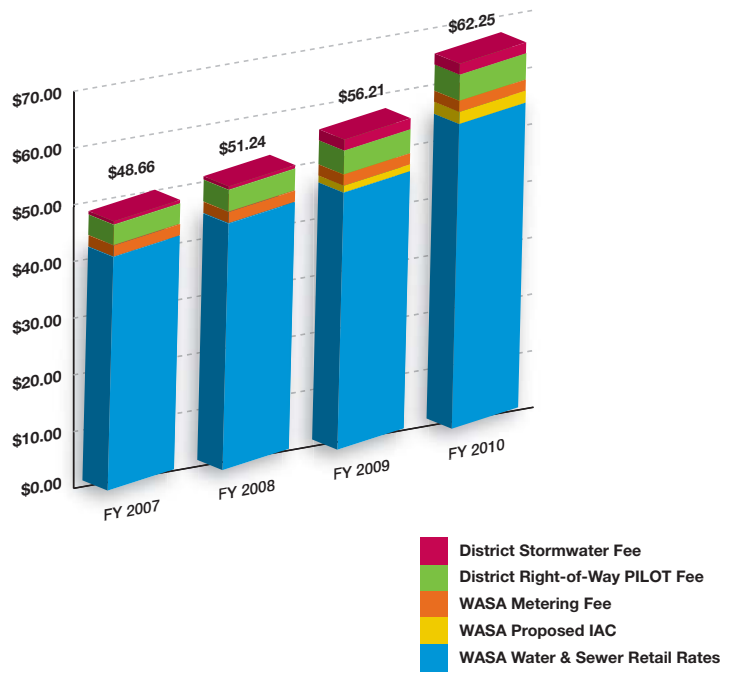
Customer Assistance Program

Through the Customer Assistance Program (CAP), the Authority provides eligible customers a discount of 4 Ccfs per month on water bills. Since the program began, participation in CAP has continued to increase. In FY 2008, 5,814 customers received a discount on their bills. In January 2009, the Board approved final rule-making to expand this program to include an additional 4 Ccfs per month on the sewer portion of the bill. This expanded program will more than double the credits available for eligible customers in these tough economic times. The additional credits are retroactive to October 1, 2008. The District Department of Environment, Office of Energy, administers this program for the Authority and several other local utilities.

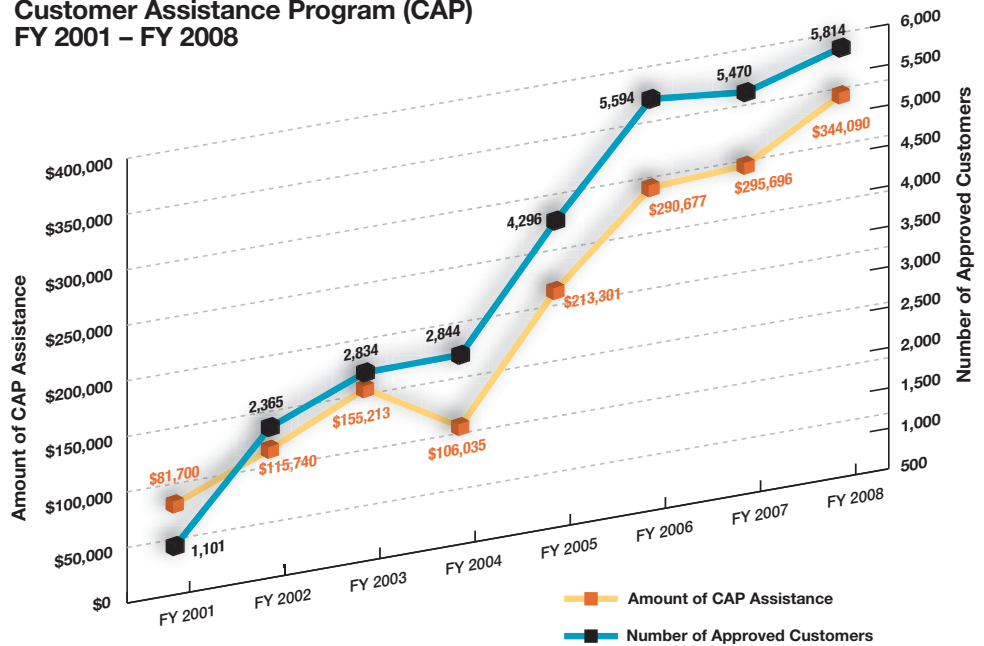
Right of Way and PILOT Fees

The proposed Right of Way and PILOT fees will increase by 7.7 percent and 10.3 percent respectively in FY 2010 to recover the full cost of the Right of Way and PILOT fees charged by the District of Columbia to DC WASA.

Average Residential Monthly Bill FY 2007 – FY 2010



Customer Assistance Program (CAP) FY 2001 – FY 2008

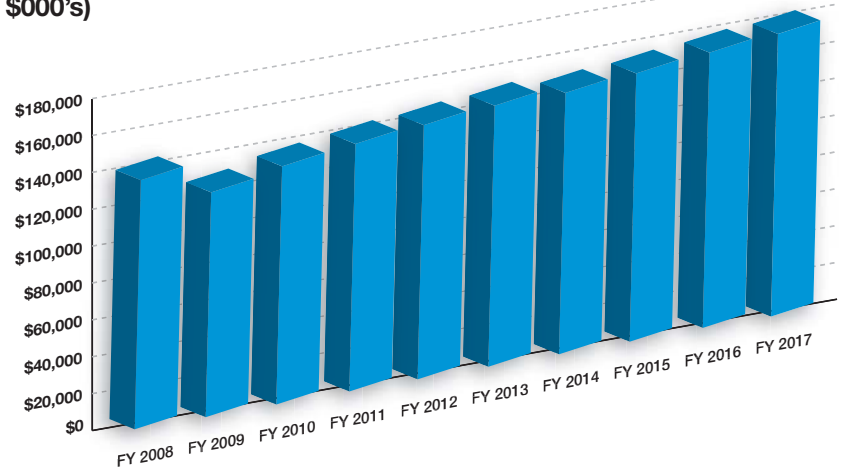


Reserves and Rate Stabilization Fund

Operating Reserves

Consistent with Board policy, DC WASA maintains cash reserves equivalent to approximately six months' operating costs, or \$125.5 million in FY 2009. The ten-year plan reflects continued maintenance of this reserve level, increasing at approximately 3 percent annually on average after FY 2009. In FY 2008 we were above the requirement of \$118.6 million.

Operating Cash Reserve Balance
(In \$000's)

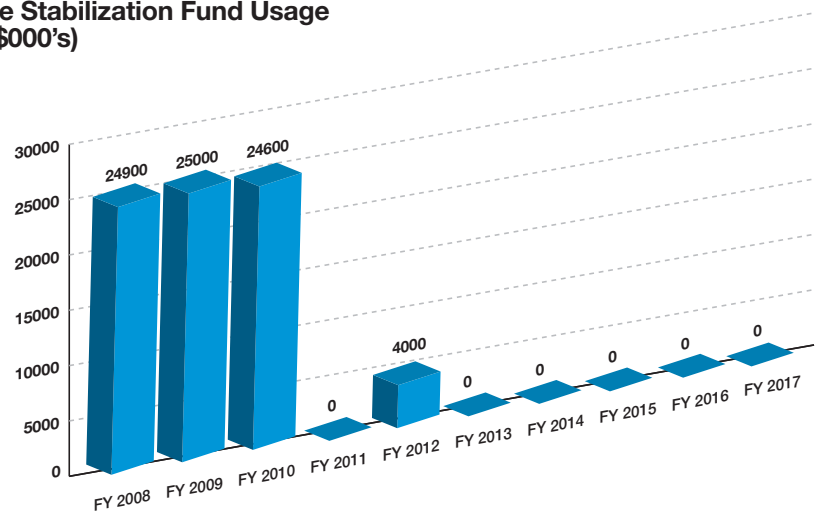


Rate Stabilization Fund

In years where our financial performance is better than projected, the excess of revenues that are generated above the operating expenditures are placed in a Rate Stabilization Fund (RSF) or used to fund capital projects, both of which help to avoid spikes in rate increases for our retail customers.

At the end of FY 2008, the RSF balance totaled \$43.6 million and is projected to be fully utilized by FY 2012 under the proposed ten-year financial plan.

Rate Stabilization Fund Usage
(In \$000's)



Cash, Investments and Debt Management

Due to DC WASA's \$3.2 billion CIP (cash disbursement basis), debt service is the fastest growing line expenditure of the operating budget, with an average annual increase of 14.5%.

Capital Financing Plan

The implementation of our capital-financing plan continues to meet the dual objectives of minimizing DC WASA's cost of capital and increasing operational flexibility. This plan includes three primary components:

■ **Interim Financing Program –**

In FY 2002 DC WASA instituted a \$100 million commercial paper program for interim financing purposes. The commercial paper is issued at lower short term rates to finance capital projects as necessary between permanent financings – bond issuances. DC WASA has used its bond issuances to pay-off any outstanding commercial paper.

■ **Pay-As-You-Go Financing –** After meeting its cash reserve requirements the Authority uses a prudent amount of its net operating cash for capital financing as the least costly type of financing.

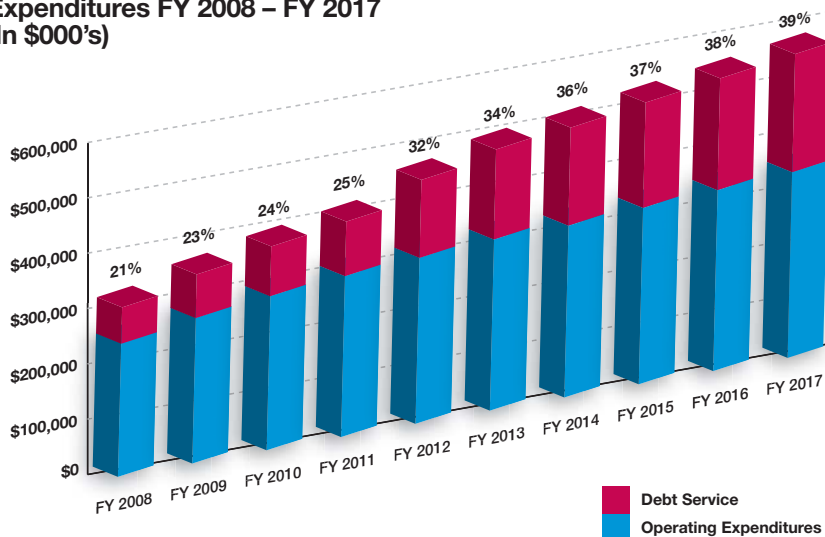
■ **Permanent Financing –** In support of the CIP, in April 2008 DC WASA issued \$290.3 million of tax-exempt fixed rate bonds. The bond proceeds were used to refund all of the Series 2004 bonds (auction rate), a portion of the 2007B (taxable auction rate) bonds, and to provide financing for new capital projects.

The remaining outstanding balance of the 2007B bonds (taxable auction rate) \$44 million, were refunded by the issuance of taxable commercial paper.

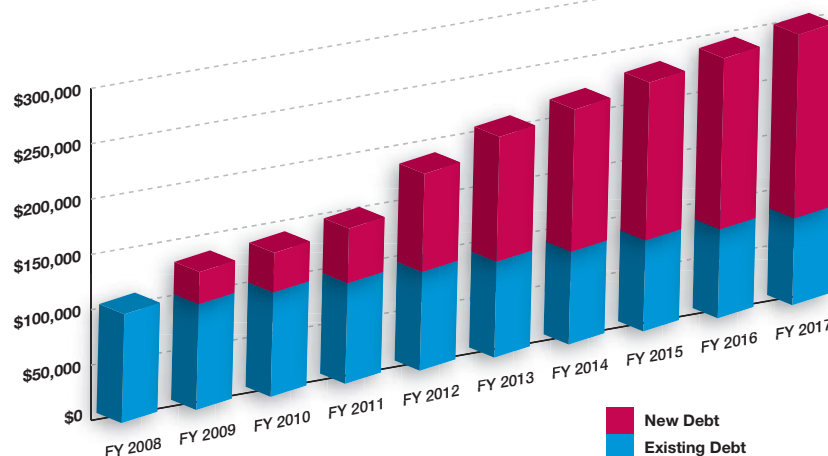
Bond Ratings

- Moody’s Aa3
- Standard & Poor’s AA
- Fitch AA-

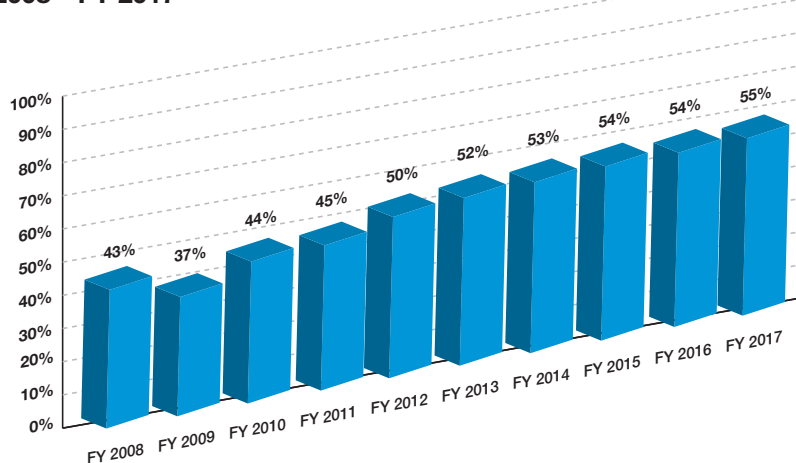
Debt Service as a Percentage of Total Operating Expenditures FY 2008 – FY 2017 (In \$000's)



New & Existing Debt Outstanding Existing and Projected Based on FY 2008 – FY 2017 Capital Improvement Plan (In \$000's)



Debt to Net Fixed Assets Ratio FY 2008 – FY 2017



High Performance Workplace

A high performance workforce is one of the **Critical Success Factors and Objectives**



of DC WASA's 2008 – 2013 strategic plan. Our business success depends on the quality of our employees. We aim to attract, develop and retain the best staff required to sustain our values, achieve our vision, and execute our mission. We are committed to fair treatment, development of potential and providing a positive working environment. The Human Resources Department continues to implement new and innovative incentives in an effort to recruit and retain employees, in this very competitive regional job market. Our employees are our most valuable asset and vital to attaining our mission and the Board's strategic goals. We will continue to invest in our employees and provide our managers with the training and tools to provide effective leadership. Through various initiatives, we strive to achieve a local and national reputation as an employer of choice and one of the "best places to work." Among other objectives are:

- Ensuring top management and technical talent in place for all key positions
- Achieving local and national reputation as an employer of choice and one of the best places to work
- Maintaining a safe and secure work environment

Among our specific programs are:

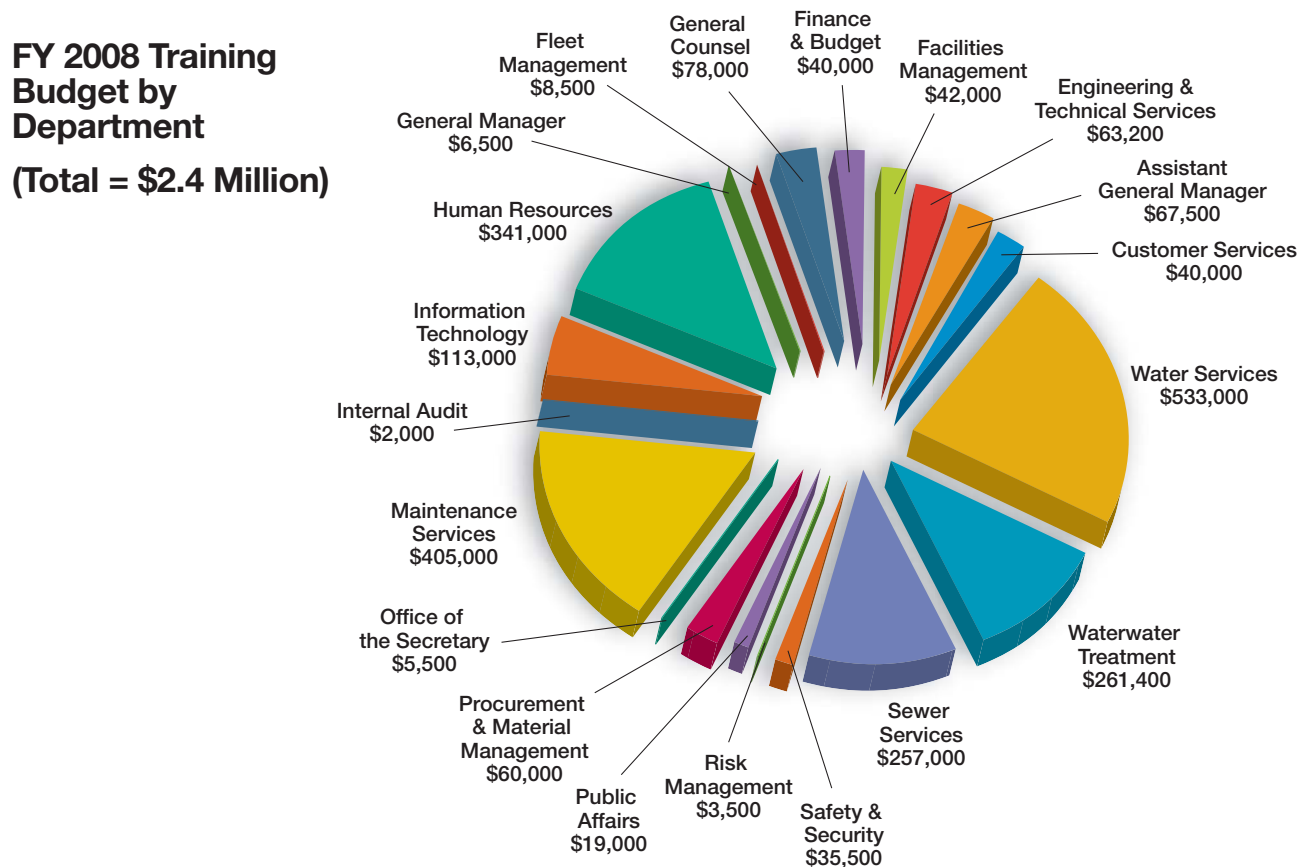
- **Employee and Leadership Development** – This program provides leadership training for supervisors and managers with the goal to equip them with the right tools for managing resources, especially human resources
- **Continual Learning and Improvement** – Some of our employees and staff are members of professional organizations that require them, as part of a continued membership, to periodically take continuing professional education (CPE) credit classes. DC WASA supports members in professional organizations by reimbursing for CPE classes, and also pays for professional conferences and seminars.
- **Succession Planning** – To ensure continuity in leadership for executive and key senior staff positions, the Authority completed a draft design of a succession plan and executive development program. We added an additional component to the program that involved the identification of critical failure positions. These are positions that, if left vacant for an extended period for time would result in a critical impact on Authority operations, the environment and services to the customer. Our succession planning will help to ensure that adequate staffing is available for the critical failure positions.
- As part of its succession planning effort, the Authority continued with its **Knowledge Capture** workshops. These workshops capture tacit knowledge of critical processes from employees who are eligible to retire and identify competencies that are essential for effective management of the process. This

program refers to the identification and development of potential successors at DC WASA. Our Human Resources Department tries to create a match between the organization’s future needs and the aspirations of individual employees. These individual employees are mentored by the knowledgeable managers they may succeed in the future

- **Performance-Based Pay** – This program seeks to increase productivity, reward individual achievements and cultivate a culture of shared responsibility.

During FY 2008, we continued to offer training programs and classes that provided the knowledge and skills essential for employees to be proficient in performing their duties and thereby increase overall productivity while fulfilling DC WASA’s mission to “serve all of its customers with outstanding service by providing reliable and cost-effective water and wastewater services in accordance with best practices.” In FY 2008 the training budget was \$2.4 million, or approximately \$2,046 per employee; which is almost twice the average national expenditure. The FY 2008 training program included sessions in maintenance, policies and regulations, accounts payable certification, safety, technical, basic skills, and literacy classes. All training supported DC WASA’s internal improvement, safety and security and succession planning programs as well as new processes and the use of new equipment and technology.

The following chart provides a breakdown of DC WASA’s FY 2008 total training budget by department.



The table below provides a summary of DC WASA's total training budgets for FY 2009 and FY 2010.

Training Type	FY 2009		FY 2010	
	Budget	Percent of Total Budget (%)	Budget	Percent of Total Budget (%)
Outside Training	1,180	58	1,254	59
In-House Training	227	12	252	12
Contractual Training	610	30	620	29
Total	2,017	100	2,126	100

In FY 2009, training will continue to center on regulatory and safety, technical, Authority policies, skills improvement courses and programs, and basic skills classes. Regulatory and safety training will focus on OSHA and the District of Columbia Regulatory Agency mandated requirements and Homeland Security Emergency Response initiatives.

Certification Training – Support of various internal improvement program efforts, we continued certification training in the departments of maintenance, water services and sewer services. In FY 2009, we will focus on the following training initiatives:

- Continue basic skills, technical training classes and the adult literacy program using the results from the previously conducted employee skills needs assessment.
- Enhance the self-managed career development program to include a more robust web site, additional workshops and new online assessments.
- Continue the implementation of the wastewater treatment operator trainee and engineering management-training programs to develop a pool of candidates for hard-to-fill positions and expand the diversity of candidates in supervisory positions.
- Continue to provide refresher training on Authority policies to ensure a safe work environment and to provide quality services to our customers.
- Continue implementation of the maintenance certification-training program.
- Implement the succession planning and executive development program for executive and key senior staff consistent with Governance Study recommendations.
- Implement a certification program for water distribution and collections systems departments focused specifically on the pumping branches.
- Implement a follow-up employee climate survey to benchmark organizational progress.

Community & Public Service Efforts

At DC WASA, we have consciously sought to cultivate the growth of a culture of volunteer service in which contributing to our community becomes commonplace. Given the tough economic times we now face, we find it most essential to extend a helping hand to our community. The following list provides voluntary service activities, in which DC WASA participated:

Joint Utility Discount Day – In September 2008, more than 75 DC WASA employees participated in the annual Joint Utility Discount Day (JUDD) at the Washington Convention Center. Approximately 8,000 District residents applied for discounts on their water, electricity, gas and telephone bills. DC WASA staff helped customers attending JUDD complete applications for the discount, provided information, and conducted demonstrations on water use and conservation in the home. In 2007, DC WASA served as lead host for this event.

DC Public Schools – DC WASA also provided lessons in Sewer Science to more than 300 District students in 2008. Sewer Science is an interactive mini-wastewater treatment plant model used to teach the processes involved in treating wastewater and how it is recycled back into Area Rivers. The lab is free of charge and all materials, including workbooks, are included. Over the last year, DC WASA delivered the Sewer Science program to Benjamin Banneker, Ballou STAY, Cardozo High School, Anacostia High School, Wilson High School, Bell Multicultural and Kingsbury Day School. We also displayed the program at events like the Diversity in Environmental Education Fair, the DC Environmental Education Consortium Teacher's Night and the Nation's River Bass Tournament and Living Classrooms of the National Capital Region.



Our employees have taken the initiative to lead or participate in a wide variety of community efforts, including Bread for the Soul, Project Harvest, the DC One Fund, and the Susan G. Komen Race for the Cure, and at least a dozen more community events over the past year.



For a Better Home – For a Better Community (Latino event) – In excess of 250 members of the community attended this event, hosted by DC WASA and the Mayor’s Office on Latino Affairs (OLA) and held at the Sacred Heart School in the Columbia Heights neighborhood. Sixteen vendors participated and all were encouraged to provide bilingual literature and personnel. DC WASA developed fact sheets and other information in Spanish.



Bread for the Soul – Employees along with family and friends, participated in the 6th Annual Bread for the Soul campaign by donating hundreds of toys and books and more than \$6,000. DC WASA employees also assembled and delivered food baskets to 80 families living with HIV/AIDS in the District of Columbia.

One Fund – Each year, our employees continue to give generously to the DC One Fund, the District’s only charitable fundraiser that supports a range of non-profit organizations in the Washington, DC area. In FY 2008, we contributed almost \$31,000 toward this worthy cause.

Susan G. Komen Breast Cancer Walk – In June 2008, approximately 70 DC WASA employees collaborated with the Susan G. Komen Foundation by participating in an annual 5K walk to support the fight against breast cancer. DC WASA raised more than \$3,000 in donations.

AIDS Walk Washington – In October 2007, DC WASA participated in the 2007 AIDS Walk Washington to benefit the Whitman-Walker Clinic. DC WASA employees contributed more than \$890, and six staff members and their families participated in the annual 5K walk.

Girls and Boys Town of Washington, DC – DC WASA provided the greenery and with the help of our summer interns, painted the emergency shelter, cleaned the residence of a new family-teacher and landscaped the grounds at Girls and Boys Town. Additionally, over the winter holiday season, DC WASA staff donated gifts to children in the residential homes and emergency shelter as part of the “Secret Santa” program.





**District of Columbia
Water and Sewer Authority**

5000 Overlook Avenue, SW ■ Washington, DC 20032 ■ www.dcwasa.com

SERVING THE PUBLIC ■ PROTECTING THE ENVIRONMENT

DCWASA STRATEGIC PLAN 2008-2013

Critical Success Factors and Objectives represent the most significant aspects of the Authority's ability to execute its mission and achieve its goal of world-class performance. These factors provide the basis for the refinement of concrete metrics, targets, and accountabilities for improvement. DCWASA's five *Critical Success Factors* are as follows:



ENVIRONMENTAL STEWARDSHIP

DESIGN AND IMPLEMENT ENVIRONMENTALLY RESPONSIBLE POLICIES, PROGRAMS, AND TECHNOLOGIES THAT PROTECT OUR REGION'S WATERWAYS, AIR, AND LANDS

- Reduce the impact of our wastewater system on the Anacostia and Potomac Rivers, Rock Creek and the Chesapeake Bay
- Minimize nuisance odors
- Reduce carbon footprint through conservation and efficiency
- Beneficially use biosolids and wastewater
- Provide continued support to the District of Columbia's storm-water management consistent with DCWASA's obligations

CUSTOMER CONFIDENCE AND COMMUNICATIONS

EFFECTIVELY ANTICIPATE, RESPOND IN A TIMELY MANNER TO, AND COMMUNICATE ABOUT THE NEEDS OF OUR CUSTOMERS, THE PUBLIC, AND OTHER REGIONAL STAKEHOLDERS WITH HONESTY, RESPECT AND TRANSPARENCY

- Consistently deliver safe drinking water, with the taste, odor and color that pleases our customers
- Exceed expectations regarding timely and accurate responses to customer, public agency, and other stakeholder inquiries, concerns, and service needs
- Maintain a transparent rate setting process, and ensure maximum public understanding and involvement
- Establish effective systems and networks to increase the timely sharing of information and processing of self service transactions
- Inspire confidence and enhance our image through our actions
- Achieve reasonable rates including relief for those least able to pay
- Coordinate closely with other units of the of the District of Columbia government and all other relevant units of government

OPERATING EXCELLENCE

EXCEL IN ALL ASPECTS OF WATER DELIVERY, WASTEWATER COLLECTION AND TREATMENT, AND CUSTOMER SERVICE

- Deliver continuous, adequate water flows for fire fighting and retail customer uses
- Improve the integrity of our water distribution, and wastewater collection and treatment systems
- Implement best-in-class asset management practices
- Minimize disruption to our neighborhoods and the environment from construction, maintenance and repair activities
- Excel in all aspects of capital project planning and management

FINANCIAL INTEGRITY

PLAN AND CONTROL ALL FINANCIAL RESOURCES IN A MANNER FAITHFUL TO OUR CUSTOMERS, BONDHOLDERS, AND SUPPLIERS

- Ensure operational efficiency throughout the enterprise
- Maintain strong credit rating
- Deliver clean audit opinions with no reportable conditions or weaknesses
- Ensure cost effectiveness of all major capital projects

HIGH PERFORMING WORKFORCE

ATTRACT, DEVELOP AND RETAIN STAFF REQUIRED TO SUSTAIN OUR VALUES, ACHIEVE OUR VISION, AND EXECUTE OUR MISSION

- Ensure top management and technical talent in place for all key positions
- Achieve local and national reputation as an employer of choice and one of the best places to work
- Maintain a safe and secure work environment

For more information, please contact **Office of the CFO** at 202-787-2193.