“This job has been the privilege of a lifetime. I haven’t dug a single trench, turned a single valve or processed a single payment. But I’ve been fortunate to come to work every day with 1,100 men and women who are among the world’s best at what they do. For their work at my side, providing something so essential — indeed, the stuff of life itself — I will always be grateful almost beyond measure to Team Blue.”

George Hawkins
CEO & General Manager
2009-2017
Top Story: End of an Era

When George S. Hawkins stepped down as DC Water CEO and General Manager at the end of 2017, he had served for nearly half of the Authority’s 21-year history. During his tenure, which began with an appointment to the Board of Directors, the District of Columbia added tens of thousands of new residents. The District’s three waterways, the Potomac and Anacostia rivers and Rock Creek, were well on the way to their best health in generations – as was the Chesapeake Bay. Significant upgrades to the Blue Plains resource recovery facility were already paying dividends in clean energy production and environmental protection. And the underground, historically underfunded water and sewer infrastructure serving the nation’s capital was getting an overdue update.

Over the course of eight years, Hawkins served as the highly visible face of DC Water at a time when utility heads were not known for their public profiles.

The Hawkins Era began with a new look for the agency and for its chief executive.

Reconnecting with Customers
In 2009, the District of Columbia Water and Sewer Authority was known as DCWASA. Consumer mistrust was high after a water-quality crisis that took years to resolve. Relationships with key media outlets and the District Government were in need of repair.

George Hawkins was a member of the DCWASA Board of Directors and the head of the District’s environmental agency. He had worked as a regulator and a government and nonprofit executive, but had never run a utility before. The Board hired him for his familiarity with water law, his ability to attract and retain talent, and his skill at connecting with audiences. His mandate would be to rebuild the Authority’s relationship with stakeholders at every level.

Hawkins also knew he would preside over a period of sustained, heavy rate increases necessary to cover decades of under-investment in the District’s infrastructure and the required construction of a combined-sewer overflow long-term control plan. In short, he was about to demand much, much more from the very customers whose confidence in his organization was historically low.

continued…
2017 ANNUAL REPORT  
End of an Era continued

The solution was a complete reimagining of the role of a modern water utility in its customers’ lives. Hawkins rebranded the agency as DC Water, with a new logo and motto, “Water is Life,” that were accessible, intuitive and friendly. With an expanded external affairs team, DC Water made an effort to meet customers where they were, and where they were most likely to be talking about the utility. This included an expanded social media effort, a public outreach team centered around construction projects and environmental education, an annual series of town hall meetings, and a presence at dozens of community festivals and large citywide events every year.

Thanks to these efforts, an aggressive tap water marketing campaign and improved outreach to local media and bloggers, District residents now understand and take pride in their water utility.

Trading in his suit and tie for a work uniform and boots, Hawkins became a fixture at water main breaks, on newscasts, in headlines, and at hearings. He attended hundreds of town halls and community meetings. Still, communities were in need of more attention than others.

Bloomingdale
In 2012, four unusually powerful rain storms pounded the District in a single summer. Hardest hit were the low-lying neighborhoods of Bloomingdale and LeDroit Park. The combined sewers backed up into the streets and residents’ homes. Previous leaders at DC Water had offered only that the problem would be solved in 2025 when a massive tunneling project would make its way under those neighborhoods.

Hawkins knew a 13-year timeline was unacceptable. He directed his team to find a better way.

DC Water delivered a package of solutions as part of a mayoral task force. These included a rebate program for installation of a backwater valve to prevent sewer backups in the home, free rain barrels to keep rain out of the sewers, and dams to prevent overland flooding down rowhouse steps.

Using space along curbs and in highway medians, DC Water installed green infrastructure to slow down the flow of water in the roads. It also installed a stormwater detention facility in a nearby, decommissioned sand filtration site. Most significantly, the Authority acquired a tunnel-boring machine and began the Bloomingdale segment of the Clean Rivers Project out of sequence. The result was 12 million gallons of additional storage and a temporary pumping station. These innovations will serve until the Northeast Boundary Tunnel segment of the project arrives in Bloomingdale and connects the tunnel to the Blue Plains Advanced Wastewater Treatment Plant.

Bloomingdale and LeDroit Park have not experienced significant flooding since 2012. Some of the techniques DC Water pioneered in these neighborhoods will be useful in other parts of the District.

Clean Rivers
The Clean Rivers Project is a $2.7 billion plan to reduce combined sewer overflows (CSOs), the mixture of sewage and rain runoff, to the District’s waterways. This remedy is required under a 2005 federal consent decree. Since Hawkins’ arrival in 2009, the plan leapt from concept to reality. DC Water has built three of the four tunnel segments to relieve CSOs to the Anacostia River, with plans to place the first portion of the tunnel into operation in the spring. Once its active, the polluted overflows to the Anacostia will decrease by 98 percent.

Hawkins led the successful effort to modify the consent decree to include green projects for Rock Creek and the Potomac River. DC Water has built environmentally-friendly green projects in public space, using vegetation, permeable (allowing water to run through it) pavement, downspout disconnections, rain barrels, and the like to absorb rainwater before it can enter the sewer system. These green infrastructure methods restore natural habitats, reduce urban heat, beautify neighborhoods and introduce sustainable, local jobs. When complete, the program will green nearly 500 acres of paved surfaces and provide water quality benefits to some areas more than a decade sooner than planned. DC Water will be at the forefront of clean water innovations while reducing combined-sewer overflows as quickly and effectively as to the original tunnel-only plan.

continued...
End of an Era continued

**Digesters**
Under Hawkins’ direction, DC Water commissioned its Bailey Bioenergy Facility in late 2015 after many years of planning, design and construction. The facility at Blue Plains is the first project to employ thermal hydrolysis in North America, and was the largest of its kind. It efficiently produces clean, renewable power by pressure cooking the solids left over at the end of the wastewater treatment process. The cutting-edge process nets up to 10 megawatts (MW) of electricity, enough to power about one-third of the treatment plant’s energy needs.

The solids exiting at the end of the process are a cleaner Class A material that exceed all EPA standards for soil production and use in both rural and urban settings. They also represent a major market opportunity for DC Water.

**Blue Drop**
Across the country, water agencies face a similar struggle: consumption is declining, while costs are growing. Thus, DC Water has invested in numerous innovations to benefit its own ratepayers. Other utilities, especially smaller ones, may not have the resources to make similar investments.

Hawkins led the creation of a new nonprofit enterprise, Blue Drop, to provide relief at home from rising water and sewer rates and improve the state of the water sector nationally. Blue Drop harnesses DC Water’s reputation in the industry to market the utility’s expertise, techniques and technologies. One of the first ventures is Bloom™, a soil amendment created from the wastewater treatment process.

Blue Drop also provides consulting services to other utilities. The company’s signature offering, stakeholder engagement strategy, is built from DC Water’s experience in connecting with its customers.

Hawkins plans to remain part of the public water sector by serving as a senior adviser to Blue Drop and a resource for fellow utility leaders.
In eight years at the helm of DC Water, I’ve served three mayors and four board chairs. I leave behind a utility that’s the source of great pride for the National Capital Region and a recognized leader across the country.

DC Water has pipes, pumps and a plant that are the envy of the world. But its most valuable and most important asset is its people. I’m extremely proud of my role in assembling what I call the Super Bowl team of water. During my tenure, I never dug a single trench, turned a single valve or processed a single payment. But I was fortunate to come to work every day with 1,100 men and women who are among the world’s best at what they do. For their work at my side, providing something so essential — indeed, the stuff of life itself — I will always be grateful almost beyond measure to Team Blue.

What’s next? I plan to write, to teach and to explore other aspects of the water sector. And even though I won’t be running a public utility in a day-to-day role, I’m as committed as ever to the success of my peers and community. Through DC Water’s Blue Drop affiliate, I will continue to coach future leaders and provide guidance to fellow executives who want to do as we did at DC Water: connect with customers, build a world-class team, drive a relentless focus on innovation, and achieve the financial security to upgrade infrastructure for future generations.

Lastly, I want to wish Henderson Brown great success as he steps into the chief executive role. I’m excited that our customers, our Board and other stakeholders will get to know Henderson as I do. He’s exactly what DC Water needs at this moment in its history, a steady and experienced executive with a positive outlook on the road that lies ahead.

George Hawkins
CEO & General Manager

DC Water General Counsel Henderson J. Brown, IV is serving as Interim CEO and General Manager. He rejoined DC Water as General Counsel in March 2016 after originally serving the Authority in the same capacity from 1998-2004.

I’m excited to build on George Hawkins’ legacy and lead DC Water through an important time. As the costs of operating our system continue to grow and the burden on our ratepayers increases, we will keep striving for efficiency and innovation. We will ensure that our rates and charges remain equitable. And we will chart a strong course for the future. This is a tremendous organization with a talented workforce that always strives to lead the way. I look forward to the challenges and opportunities ahead.
DC Water has continued over the past year to perform as a premier water and sewer utility for the National Capital Region. It remains highly regarded by its customers and retains the confidence of the member jurisdictions which rely on its core functions. The board is pleased with the accomplishments of DC Water and confident the Authority is on the right path for the future.

The major recent capital investments including the Clean Rivers Project and the new DC Water headquarters are on schedule. The utility has continued its excellent track record for strong financial management and on-time completion of projects.

We have a great leadership team at DC Water and we have confidence in the continued integrity of the financial, core infrastructure and customer service operations as we transition to a new General Manager. Much of our success is due to the leadership of George Hawkins, who instilled trust in our system and brought amazing innovation during the past eight years. We are indebted to him and we are thankful for his service, along with all the terrific employees at DC Water. We look forward to the exciting year ahead.
2017 ANNUAL REPORT
Customer First
In the Community

Engaging with our customers is critical to the success of DC Water. We must ensure they value the services we provide and have confidence that their money is being spent wisely. That begins with being well-informed and this year we expanded our efforts to connect with the people we serve, visiting communities and inviting them in to our facilities.

Your Neighborhood is Our Office
We set out to “Talk Construction” with hundreds of customers across Ward 8 who will experience improved service and increased water pressure once we have completed construction of the Saint Elizabeths Water Storage Tower Project. To engage with customers about the project, we attended more than 25 public meetings and events throughout the ward, and hosted our own series of informational block meetings which included a project site walkthrough with interested residents.

Collaboration with other agencies also serves as a core value of our outreach mission. Through new partnerships with the DC Department of Parks and Recreation and Mayor’s Office on Latino Affairs, we met with nearly 200,000 more customers at community events such as the International Colombian Festival, Chuck Brown Day, Citywide Senior Fest and Recreation Day.

Students are the Future
Our environmental education program was created to educate local students about pollution, wastewater treatment, drinking water and water conservation. Whether by presenting a lesson, attending an event or providing students with the opportunity to interact with our expert staff, DC Water spreads the message of environmental stewardship throughout the District and surrounding areas. The young people we served soaked up the knowledge.

In May 2017, DC Water hosted nearly 70 local Girl Scouts for the Wonders of Water Journey, an interactive exploration of all there is to learn about water as a precious resource. To celebrate Imagine A Day

Without Water, DC Water sponsored a video contest between students at Kelly Miller Middle School culminating with an assembly where students pledged to use water responsibly. Additionally, lesson guidance was provided for teachers wishing to share the day with their students.

Be Our Guest
DC Water offers tours of the Blue Plains Advanced Wastewater Treatment Plant to the general public year-round. In 2017, the Authority hosted nearly 2,000 guests, ranging from area students to dignitaries representing countries including China, South Korea, and Croatia. All tours are led by engineers who share their expertise on the wastewater treatment process and the innovation at the world’s largest advanced wastewater treatment facility.
Getting the Lead Out

Over the past decade, we have built comprehensive programs to address lead in drinking water that include lead service line replacements, free water testing, voluntary sample and data gathering for the EPA, filter distribution, and consistent community engagement. DC Water has removed 20,787 lead service lines in public space, representing approximately 647,465 feet or 122.6 miles of pipe.

Additionally, DC Water provides an interactive map on our website so anyone can learn if a residence is connected to a lead service line. We educate residents and businesses about steps they can take to mitigate their risk of exposure. Since 2010, DC Water has distributed more than 3,500 free lead test kits to customers concerned with their drinking water quality, and worked with homeowners to identify possible sources of lead on their property.

Drinking water test results to date show lead concentrations remain at historically low levels.

Customer First

To the Tap

In the District of Columbia, the water used for everything from brewing a cup of coffee to cooling computer mainframes comes from the Potomac River. The federally-owned Washington Aqueduct collects and treats drinking water at two state-of-the-art facilities to meet quality standards set by the Safe Drinking Water Act and enforced by the U.S. Environmental Protection Agency (EPA). From there, DC Water distributes drinking water through more than 1,300 miles of interconnected pipes and ensures reliable delivery to residential and commercial customers. Extensive testing and infrastructure improvements maintain the delivery of high-quality water to every home and business in the city.

Drinking Water Protection

Our highest priority is protecting the health and safety of our customers. DC Water voluntarily sets goals to guarantee our drinking water quality exceeds the standards required by the EPA. DC Water has a dedicated drinking water division that collects thousands of samples from across the city each year. Drinking water is monitored around the clock and tested for many types of contaminants including lead, which typically enters water via service lines and household fixtures.
In parallel, another DC Water team spearheaded a District-wide project to replace roughly 90,000 water meters, mostly serving residential and smaller multi-unit buildings. DC Water was one of the first two cities to install “smart” meters almost 15 years ago. Those meters used cell phone and radio technology to upload readings to DC Water twice per day, eliminating the need for on-site meter readings and providing customers with helpful usage information anytime they wanted it.

Over time, those meters and transmitting units began to wear out. In the absence of actual readings, DC Water had to dispatch a meter reader or estimate the bill. Replacing the old meters with a new generation of meters and reading devices is more accurate and cost effective. These meter transmitting units will also upload many more readings to quickly indicate problems like broken pipes, household leaks or a hose left running. For customers registered in our High Usage Notification Alert (HUNA), this early notification will save them money on their water bill and limit potential damage to their property if a leak occurs.

The meter project should wrap up in the fall of 2018. Together, these projects will give DC Water’s Customer Care Associates access to even more information and technology to assist customers and provide customers themselves with tools to monitor their water usage, billing and service history.
Technology is changing our lives so fast – the way we communicate, get information, shop – all at the speed of light. It’s natural then for customers to have greater expectations for their water utility too. They expect faster service and more information, a utility that interacts with them on their terms.

The new customer information system and advanced meters detailed on the previous pages exemplify how DC Water is deploying cutting-edge tools and evolving to improve the customer experience. We’re also proud of our award-winning work connecting with customers through social media, including Twitter, Facebook, Instagram, YouTube and now Snapchat.

New Website
On the other hand, our website - visited by thousands of people every day – was looking a little long in the tooth. So, in early 2017, we launched a brand new, modern dcwater.com to match our other 21st Century technology. The new site makes it far easier for customers to find information and request services. It is fully responsive across any device. Analytics show a dramatic increase in how much time visitors are spending on the site and how quickly they are able to find the right pages.

Open Data Portal
Technology is also helping DC Water improve transparency. Not long after the launch of our new website, we added an interactive Open Data Portal to share information with the public about the Authority’s operations and projects. The online portal allows customers to track the location of water main breaks, check if their homes are scheduled for a meter replacement, see what construction projects are planned in their neighborhoods, and which fire hydrants are out of service - information DC Water already shares in real time with firefighters.

Smart Fountains
We are also diving into the Internet of Things, collaborating on a smart drinking water fountain. The fountain has sensors to monitor water quality and flow levels in real time, alerting managers when the filter needs attention. A prototype is now being tested in public buildings.

CUSTOMER FIRST
On the Cutting Edge

Smart Drinking Water Fountain
Features

• Water quality monitoring at the fountain
• Lead filtering to less than or equal to 1 ppb
• Self-cleaning particulate screens
• Condition monitoring and alerting
• Auto-shutoff for alarm conditions
• Cloud-based data capture and analytics

Check us out at dcwater.com
DC Water launched a new kind of company in 2017, naming it Blue Drop. The nonprofit spinoff markets products and services on DC Water’s behalf, to offset rising rates and elevate the state of the water sector.

**Consulting Services**
Getting new mileage out of DC Water’s investments on behalf of its own ratepayers, Blue Drop has begun two main lines of work. The first is consulting services for other water utilities, mainly centered around methods to engage customers and other stakeholders. The second is the marketing and sale of DC Water’s Class A, exceptional quality biosolids soil amendment, which we branded as Bloom®.

DC Water committed to fund Blue Drop for a three-year startup period, with a handful of managers on detail and a cash contribution. In the few months since its incorporation, Blue Drop has recruited an independent Board of Directors, moved into its own office space in downtown DC and brought on two employees of its own.

Initial consulting clients included New Jersey Future, a nonprofit that hired Blue Drop to teach utilities and municipalities how to talk to the public about combined-sewer overflows; York Region Environmental Services, a Canadian government agency that sought advice on how to organize its external affairs activities; and Capital Region Water (CRW) in Harrisburg, Pennsylvania. Blue Drop served CRW with a six-month engagement, bringing DC Water’s expertise in emergency management, customer service, community outreach and communications strategy to serve a sister utility with a great brand but a smaller staff.

**Bloom Soil**
By selling biosolids as Bloom, Blue Drop is sharing a valuable environmental resource in the region. It’s also saving DC Water significant money, because every ton sold is a ton the utility must no longer pay to land-apply. Blue Drop has established relationships within the nursery, landscaping and soil-blending sectors. Sales are projected to grow significantly in future years.

Blue Drop is headed by DC Water Chief Marketing Officer Alan Heymann. In 2018, the startup plans to recruit partners across the country to grow its geographic reach and the size of its consulting practice, in addition to marketing Bloom.
Capital Investment
Green Infrastructure
Another key milestone was the start of construction, in August 2017, the Authority’s first green infrastructure (GI) project in the Rock Creek sewershed. This project involves the construction of innovative GI technologies, including bioretention on planter strips and curb extensions, as well as permeable pavement on streets and alleys, and the installation of free downspout disconnection with rain barrels to further reduce stormwater runoff to local waterways. When completed, this collective effort will reduce pollution to Rock Creek.

Job Training
Clean Rivers further bolstered the Authority’s GI projects through participation in the National Green Infrastructure Certification Program. DC Water is participating along with 14 other jurisdictions across the country to train and certify GI workers, and the program has now certified more than 200 individuals nationwide, 16 of whom have secured jobs in the District.

Thanks to the hard work of the Clean Rivers team, our community can look forward to the improved environmental health of Rock Creek and the Potomac and Anacostia rivers, which will benefit the region’s aquatic wildlife and those enjoying water recreation activities.
**Water Pressure Improvements**

DC Water is continually making improvements to facilities and distribution systems throughout the District to ensure safe and reliable water and wastewater services to our valued customers. One of the initiatives designed for these system enhancements is the Pressure Zone Improvement Program, a two-phase project to address low water pressure issues for residents and businesses in Wards 3, 4 and 8.

As 2017 drew to a close, we successfully completed phase one of the project, which included upgrades to the Fort Reno Pumping Station in Northwest DC. Following these improvements, we increased water pressure by 11 psi for approximately 5,000 homes and businesses in Wards 3 and 4; many customers who previously had low or average pressure, are now enjoying the benefits of the higher water pressure.

Phase two of the project is underway, and this includes construction of the Saint Elizabeths Water Storage Tower and supporting transmission water mains in Southeast DC. Upon its completion in spring 2018, the two million gallon storage tank will bring a 22 psi increase in pressure to about 6,000 homes and businesses in Ward 8, within the vicinity of Hadley Hospital, Greater Southeast Hospital, Saint Elizabeths Hospital and Congress Heights.

**Sewer Rehabilitation Project**

The District’s sewer system is one of the oldest in the nation, dating back to the 1800’s. DC Water has been working to restore and extend the service life of many of the city’s sewers. While many of these efforts have included rehabilitation of existing sewers, the primary objective of the Oregon Avenue and Bingham Drive Sewer Rehabilitation Project is to construct about 4,500 feet of new sewers near Rock Creek Park using innovative tunneling methods in a sensitive environmental setting. This exciting construction project began in December 2016, and is scheduled for completion in April 2019.

**Emergency Repairs to Civil War Pipe**

National Infrastructure Week is an annual awareness campaign reminding the public of the importance for investing in roads, bridges, airports, water and sewer systems, and more. This year, the May event was particularly timely in the District as it coincided with a significant break on a 30 inch diameter water main under MacArthur Boulevard, NW and the corresponding collapse of the roadway. While water main breaks aren’t out of the ordinary for any water utility, repairing this particular pipe – which was installed in 1860 - presented some unusual challenges. Replacement parts had to be shipped from Boston and the repair of the pipe and the roadway extended over several days. It was a vivid reminder of why we need to invest in our water infrastructure.
Sustainability
Accessibility
The move to the new location also provides even greater accessibility for customers. With a location just blocks from the Navy Yard Metro Station, there are numerous bus options and a familiar landmark – Nationals Park – nearby. “I think the move will make it easier for ratepayers to attend Board meetings and engage with the Authority in many ways,” added Holman. “For those who can’t get to the new building, we also plan to broaden our technical capacity to sharing Board meetings and other digital content with the public.”

Energy Efficiency
From an environmental standpoint, the new building will be one of the most energy efficient office buildings in the region. One hundred percent of the storm water at the site will be captured in a large 30,000 gallon cistern and used for all toilet flushing and irrigation. An innovative heat recovery system will heat and cool the building, transferring energy to and from the sewage flowing through the pumping station. The new headquarters is expected to open sometime in May and staff will transition to the new building over the summer of 2018.

New Era on the Horizon
Over the past year, DC Water has been preparing for an important and impactful change: moving our administrative headquarters to a new building that is being constructed at the site of the O Street Pumping Station.

HqO
“It’s a massive undertaking,” explains Maureen Holman (Sustainability Chief / Office of the General Manager). “But it is one that has many benefits for the Authority as well as our ratepayers and the environment.”

The new headquarters will provide enough space to consolidate administrative staff into one location, while also freeing space at Blue Plains and enabling the Authority to remove temporary buildings there, which is important because it allows for the flexibility to meet future process and permitting requirements. Additionally, the consolidation of staff will allow the Authority to reduce the amount of leased office space required to meet operational demands.
Blue Plains, with its heavy equipment, steel tanks and towering digesters, isn’t the first place you’d expect to find 80,000 healthy honeybees buzzing around. But a couple of creative DC Water employees have found a way to establish a healthy environment for four hives of bees.

Two Wastewater Treatment specialists – Bill Brower, Manager of Resource Recovery, and Chris Peot, Director of Resource Recovery – have turned their interest in bees into a unique opportunity for them to coexist and thrive with wastewater treatment. In the process, they’ve helped raise awareness of the plight of bees, they’ve harvested honey to give to DC residents and showed how unlikely settings like Blue Plains can make a good home to pollinators.

**Hive Activity**
Working closely with the DC Beekeeper Toni Burnham, Brower set up the bee hives on the roof of a building on the plant. The hives can’t ‘bee’ seen from the ground and have so far proved to be a non-factor to the hive of activity happening down below.

The bees have ample water nearby from the Potomac River and acres of greenery along the banks and in nearby Oxon Cove Park and Oxon Hill Farm. The only challenge for them has been adjusting to the slightly elevated breeze that blows up once they get 30 feet in the air.

**Bee Educated**
The added bonus of the bee experiment is the opportunity it gives DC Water to work with local students to teach them about beekeeping. DC Water and Burnham worked with 54 first graders and several of their parents on the honey harvest, which took place at Maury Elementary last spring. The first harvest produced more than 150 pounds of honey!

Students learned not only how to harvest honey, but more importantly the role bees play in pollinating – without which plant life would suffer. Part of DC Water’s goal with this initiative is continued education and outreach to the local community – and these bees are perfect ambassadors to create a healthy buzz.
What’s powered by man or engine, was first used over 8,000 years-ago, and can travel the world without ever touching dry land? A boat! Boats, throughout history, have been used for trade, travel, and even housing. Today DC Water uses motorized watercraft to help clean our local waterways. Since September of 1992, DC Water’s skimmer boats have been gliding along the Anacostia and Potomac rivers on a routine basis, removing up to 500 tons of trash and debris every year.

Commissioning New Boats
DC Water’s most recent skimmer boats were operational for more than a decade, but in their final years spent more time in the repair shop than on the water. Finally, this year, it was time to upgrade the trash removers, and in May, we took delivery of two new cruisers. Measuring 50 feet long, 13 feet wide, weighing 26,000 pounds with more features, speed, and power than their predecessors, the only thing missing for these two new vessels were names.

Name That Boat
In the spirit of modern social engagement, DC Water decided to ask residents of the District to help choose the new monikers – which also gave us an opportunity to educate the public about our Floatable Debris Removal Program. Through a “Name That Boat” Contest, residents were encouraged to submit suggestions via Facebook, Instagram, and Twitter. Hundreds of ideas flooded in, including quite a few comical entries like Mr. Spaghetti and Mrs. Spaghetti, Mumbo and Sauce, Boaty McBoatface and McBoatface Boaty.

In the end, the winning pair of names was Flotsam and Jetsam, submitted by local journalist Amanda Kolson Hurley.

For her winning entry, Ms. Hurley got to ride on one of the boats where she operated the controls to scoop up floating trash. She saw firsthand how the vessels help keep the Anacostia clean, an investment DC Water is proud to make to improve the water quality of the river.

flot-sam
/flätsәm/ • noun
The wreckage of a ship or its cargo found floating on or washed up by the sea.

jet-sam
/jetsәm/ • noun
Unwanted material or goods that have been thrown overboard from a ship and washed ashore, especially material that has been discarded to lighten the vessel.
The Super Bowl Team of Water
Hurricane Irma
In the fall, we took our expertise on the road to assist the State of Florida during Hurricane Irma. Six DC Water employees and contractors joined members of DC Fire and Emergency Medical Services and DC Homeland Security and Emergency Management Agency (HSEMA) to convene in the State’s Emergency Operations Center (EOC) in Tallahassee. It was the first time a water/wastewater utility joined an Emergency Management Assistance Compact (EMAC) mission to support a state EOC.

The group weathered the hurricane in Savannah, Georgia with other emergency responders at Hunter Army Air Field, where they slept on cots in the gymnasium and were fed by the Salvation Army. Continuing on to Florida, the team witnessed first hand tension at the few gas stations that were open and sought food and lodging in cities with devastating power outages. The original mission was met with an abundance of resources, resulting in teams being turned away once they arrived. Ours was one of them, but the group gained valuable experience in a deployment. In a final act of generosity, the team gave away extra fuel to families stranded when their cars ran out of fuel.

DC Water also has the ability to request technical assistance and equipment through these networks should a similar need arise in the District.

Accreditation
This year we also began the rigorous process of being accredited through the Emergency Management Accreditation Program (EMAP). When the accreditation is complete in 2018, DC Water will become the first water utility in the country to attain this distinction.

Past, Present, Future
Several years ago, DC Water boosted its ability to nimbly respond to emergencies by expanding from a single staff position to a five-person office. The next move was to shift focus to a risk assessment model that supported mitigation, preparedness, response, and recovery to lessen the number and severity of emergencies. Today, DC Water has an internationally recognized Office of Emergency Management (OEM) that is one of the most developed and forward-looking in the water sector.

The next step was to help advance our regional partners’ capabilities for better coordination during regional emergencies. DC Water’s OEM hosted more than 40 emergency preparedness trainings and exercises in 2017. In the spring, we assembled local and federal response partners to review the incident command system and how water utilities work together in an emergency. This past summer, DC Water also conducted a two-day training and exercise to strengthen DC Water’s Incident Management Team. Each position had a seasoned mentor guiding mentees, who were selected as additions to the highly trained and cohesive team.

Always Prepared

Critical Customer Program
There are some locations where a water outage can immediately impact life safety or create an extreme hardship that requires pre-planning to address. Our critical customers include hospitals, assisted living facilities, dialysis centers and daycare centers. Each year, we host a Critical Customer Roundtable to facilitate information sharing, troubleshoot emergency scenarios and plan for water supply to build resilience. This year, in partnership, we created a “Critical Customer Water and Wastewater Emergency Response Guide” that critical customers can tailor and add to their emergency management plans.
THE SUPER BOWL TEAM OF WATER

DC Water Works

In October 2016, DC Water embarked on a large-scale initiative to support the development and employment of local residents on DC Water construction and service projects. Called DC Water Works, the program serves as the first source for recruitment and referral of qualified candidates for new jobs – with a priority placed on District residents.

In FY 2017 – the program’s first year – DC Water contractors filled 125 new positions. Of these, 112 were filled by residents of the jurisdictions we serve, including 76 District residents. The program’s positive impacts are thanks to strategies that overcame early barriers to the program’s success.

First, DC Water’s contracts required specialized skills that many in the local workforce didn’t possess. So, to be successful we had to develop our own training and mentorship programs, including:

- Partnering with the Water Environment Federation and other organizations across the nation to develop a curriculum for a standardized green infrastructure certification. Graduates of the class can sit for an exam that tests their knowledge of green infrastructure construction and maintenance per national standards. Those who pass are among an elite group who hold the national certification, gaining access to job opportunities locally and nationally. In 2017, two training cohorts were held with the University of the District of Columbia (UDC) and Washington Parks and People. In total, 16 District resident successfully completed the program, of which 15 were employed.

- In March 2017, DC Water conducted a 15-week CDL training program for 13 District residents. Trainees participated in hands-on and classroom instruction as they prepared to take their CDL Class A and B exams. Trainees earned $15.00 per hour while training. Ten trainees successfully completed the course and all 10 were successfully employed.

- DC Water’s Department of Facilities partners with local community-based programs to provide District residents with summer employment. This program also includes mentoring and basic training opportunities. This past year, there were four participants and two were invited to continue for several more months. Additionally, DC Water Works sponsored two other individuals to work in the paint shop for the year.

The second improvement was to speed up the candidate matching process to quickly get qualified candidates in front of the contractors for interviews. That raises the chances of their getting hired.

Lastly, we conducted surveys of employers and nonprofit skills providers to understand the types of job openings, employment decision-making criteria, skills training requirements, and ways to identify appropriate training candidates. DC Water was keen to work with the local community in the development and implementation of DC Water Works, engaging in community involvement efforts and convening more than 30 stakeholder meetings.

This year, DC Water Works maintained three job centers citywide that assisted job seekers. Further, DC Water identified local resources including government agencies, labor organizations, training providers, and high schools that could serve as strategic partners in the identification of candidates for local hiring.
THE SUPER BOWL TEAM OF WATER
Board of Directors & Executive Team

PRINCIPAL BOARD MEMBERS

Tommy Wells, Chairman
District of Columbia
Director, Department of Energy and Environment

Ellen O. Boardman
District of Columbia
O’Donoghue & O’Donoghue LLP, Partner

Rachna Butani Bhatt
District of Columbia
HRGM Corporation, Director

David Franco
District of Columbia
Principal, Level 2 Development

Emile Thompson
District of Columbia
Assistant United States Attorney for the District of Columbia

Timothy L. Firestine
Montgomery County, MD
Chief Administrative Officer

Bradley Frome
Prince George’s County, MD
Economic and Development and Public Infrastructure Assistant Deputy Chief Administrative Officer

Nicholas Majett
Prince George’s County, MD
Chief Administrative Officer

James Patteson
Fairfax County, VA
Department of Public Works and Environmental Services Director

ALTERNATE BOARD MEMBERS

Reverend Dr. Kendrick Curry
District of Columbia
Pennsylvania Avenue Baptist Church, Pastor

Ivan Frishberg
District of Columbia
Sustainability Banking, Amalgamated Bank, First Vice President

Anthony Giancola
District of Columbia
Retired

Howard C. Gibbs
District of Columbia
Retired

Bonnie Kirkland
Montgomery County, MD
Assistant Chief Administrative Officer

David W. Lake
Montgomery County, MD
Department of Environmental Protection, Special Assistant

Shirley Branch
Prince George’s County, MD
Department of Environmental Resources, Project Manager / Water and Sewer Plan Coordinator

Adam Ortiz
Prince George’s County, MD
Department of Environmental Programs, Director

Sarah Motsch
Fairfax County, VA
Department of Public Works and Environmental Services, Engineering Support, Branch Chief

THE SUPER BOWL TEAM OF WATER

11 PRINCIPAL AND 11 ALTERNATE BOARD MEMBERS GOVERN DC WATER

The DC Water Board meets monthly at the Blue Plains Advanced Wastewater Treatment Plant. Board members are appointed by the Mayor of the District of Columbia. Currently, the Board has seven standing committees:

• Audit
  Nicholas Majett, Chair
• DC Retail Water & Sewer Rates
  Rachna Butani Bhatt, Vice Chair
• Environmental Quality & Sewerage Services
  James Patteson, Chair
• Finance & Budget
  Timothy Firestine, Chair
• Governance
  Ellen O. Boardman, Chair
• Human Resources & Labor Relations
  Bradley Frome, Chair
• Strategic Planning
  Tommy Wells, Chair

EXECUTIVE TEAM

George S. Hawkins
CEO and General Manager

Biju George
Chief Operating Officer

Leonard R. Benson
Chief Engineer

Alan Heymann
Chief Marketing Officer

Henderson J. Brown, IV
General Counsel

Rosalind Inge
Assistant General Manager, Support Services

Matthew Brown
Chief Financial Officer

Charles Kiely
Assistant General Manager, Customer Care and Operations

Mustafa Dozier
Chief of Staff

Thomas L. Kuczynski
Chief Information Officer

John Lisle
Chief, External Affairs

Aklile Tesfaye
Assistant General Manager, Blue Plains

The Super Bowl Team of Water

Board of Directors & Executive Team

Tommy Wells, Chairman
District of Columbia
Director, Department of Energy and Environment

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Aklile Tesfaye
Assistant General Manager, Blue Plains
DC Water continues to be a pioneer in leadership and innovation in the water sector. Numerous associations and professional groups have recognized our excellence and awarded DC Water and Team Blue more than 20 awards of distinction in the past year alone. Below are a few highlights.

American Academy of Environmental Engineers and Scientists: Sudhir Murthy, Ph.D., P.E., BCEE, won the Edward J. Cleary Award, awarded to an outstanding performer in the management of environmental protection enterprises conducted under either public or private auspices and has demonstrated exemplary professional conduct, personal leadership, originality in devising new environmental protection techniques, and sensitivity and responsiveness to social, economic, and political factors in environmental protection.

American Academy of Environmental Engineers and Scientists: George Hawkins was named the 2017 Honorary Member of the Academy. He was selected by the Academy’s Board of Trustees. The award is reserved for individuals who possess the following characteristics:

- has attained a position of eminence in the field of environmental and/or human health protection;
- has made a single noteworthy contribution or sustained contribution to the advancement of environmental and/or human health protection; or
- has rendered outstanding service over a long period of time resulting in the advancement of the affairs of the Academy.

American Institute of Architects, Maryland Chapter: DC Water HQ has won an ‘unbuilt’ award WEF/WEF/NACWA/EPA Utility of the Future Award. DC Water was recognized as a Utility of the Future in Beneficial Biosolids Reuse. This program is the brainchild of several water/wastewater professional organizations and seeks to recognize those utilities that are transforming the traditional wastewater treatment system to a community-based resource recovery center and leader in the overall sustainability and resilience of the communities they serve. DC Water was recognized for its Bloom™ soil amendment product and public and private partnerships to widely use the product.

Engineering News Record (ENR) – ENR’s regional “Best Projects” competitions are judged on teamwork, safety, problem-solving, innovation and quality. Editors of the magazine assembled panels of industry experts to identify the regional winners within 30 project categories, noting excellence in design and construction achievement.

DC Water’s Blue Plains Tunnel won the regional “Best Project” award and then competed for, and won, the top honor—Project of the Year. The Authority competed against more than 700 construction-industry project teams. ENR editors chose this single “Project of the Year” as the top example of innovation and service to the community.

1. Project of the Year: Blue Plains Tunnel
2. Water/Environmental Project of the Year: Blue Plains Tunnel
3. Project of the Year, Mid-Atlantic: Blue Plains Tunnel
4. Water/Environmental Project of the Year, Mid-Atlantic: Blue Plains Tunnel

International Tunneling Awards (ITA) Finalist, Project of the Year (between €50M and €600M) for the Blue Plains Tunnel

International Tunneling Awards (ITA) Finalist, Sustainability Initiative of the Year for the Anacostia River Tunnel

Breakthroughs in Tunneling: 2017 Tunneling Achievement Award for the Blue Plains Tunnel

National Capital Chapter American Concrete Institute Excellence in Concrete Awards for the First Street Tunnel

Government Finance Officers Association (GFOA) - Distinguished Budget Presentation Award Program (Budget Awards Program)

Government Fleet Magazine: 2017 Leading Fleets Award

National Association of Fleet Administrators: 2017 100 Best Fleets

NACWA (North American Clean Water Agencies) Peak Performance Award: 2017 Platinum Award for five years of 100 percent compliance with NPDES permit.

Chesapeake Water Environment Association (CWEA): Gian Cossa won the 2017 Arthur Sidney Bedell Award, which acknowledges extraordinary personal service to a CWEA member association.

Chesapeake Water Environment Association (CWEA): Gian Cossa was awarded the 2017 Asset Management Award.
Finance and
Budget
**Expanded Customer Assistance**

### Customer Assistance Program

Our Board of Directors and staff are very concerned about the impact rates have on low income and fixed income customers. That’s one reason why we provide a discount on both water service (use) and fixed charges to these customers through our Customer Assistance Program, or CAP.

This year, the board expanded CAP to provide additional relief. Participants in the District of Columbia are now eligible for a 50 percent credit on the Clean Rivers Impervious Area Charge (CRIAC). The credit trims an additional $12.59 off the average monthly bill for CAP customers.

In all, the CAP program now provides $59 in discounts for low income customers, and some may actually see a reduction in their monthly bill in 2018. Those discounts are applied to more than 4,000 customers across the city. The CAP program is administered by the District of Columbia’s Department of Energy and Environment (DOEE).

### SPLASH

The SPLASH (Serving People by Lending a Supporting Hand) program offers additional assistance to customers to help them maintain critical water and sewer service in times of financial emergencies. This year 331 households received assistance through the SPLASH program, which is administered by the Greater Washington Urban League and funded solely by contributions from our employees, customers and the community.
FINANCE AND BUDGET

2017 Financial Performance

DC Water ended fiscal year 2017 with excellent financial performance. The results included strong liquidity, solid operating revenues with tight control over expenses, positive budget to actual results. The Authority met or exceeded all financial targets and complied with Board policies and bond covenants.

Highlights

- Operating revenues increased by $47.4 million to $643.2 million, or 8.0%, primarily due to the retail rate increase of 5.0%, a 9.6% increase in Clean Rivers Impervious Area Charges (CRIAC) and a 10.6% increase in wholesale wastewater charges.
- Operating expenses increased by $19.7 million to $408.1 million, or 5.1%, primarily due to increases in personnel, depreciation expense and chemicals, supplies and small equipment offset by a decrease in contractual services expense.
- Capital assets, net of depreciation and amortization, increased by $547.8 million to $6.5 billion, or 9.1%, as a result of capital additions of $653.4 million offset by depreciation and amortization of $97.9 million. Capital additions incurred in 2017 were in line with the Authority’s approved 10-year capital improvement program.
- Current assets increased by $53.5 million to $603.0 million, or 9.7%, primarily due to increases in personnel, depreciation expense and chemicals, supplies and small equipment offset by a decrease in contractual services expense.
- The Authority’s long-term debt, including current maturities, increased by $294.9 million to $3.2 billion, or 10.1%, primarily due to the $300.0 million bond issuances described below:
  - Issued $100.0 million of 2017 Series A and $200.0 million of 2017 Series B senior lien revenue bonds with fixed interest rates ranging from 4.0% to 5.0%. The 2017 Series A green bonds mature in 2053 and are being used to fund the Clean Rivers Project. The 2017 Series B bonds mature in 2045 and are being used to fund the Authority’s various capital improvements to the system. Net proceeds from the bond issuance totaled approximately $334.3 million, including $1.9 million of underwriter’s discount and cost of issuance.
- Long Term Credit ratings of Aa1/AAA/AA and Short Term Credit Ratings of P-1/A-1+/F1+ were reaffirmed by Moody’s, S&P, and Fitch rating agencies.
- Government Finance Officers Association awarded DC Water with a Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award.
- DC Water received its 21st consecutive unmodified audit opinion on its financial statements.

September 30, 2017 and 2016 (in thousands)

Condensed Statements of Net Position

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$602,959</td>
<td>$549,496</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>6,543,100</td>
<td>5,995,347</td>
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<tr>
<td>Other non-current assets</td>
<td>114,715</td>
<td>121,912</td>
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<tr>
<td>Total assets</td>
<td>7,260,771</td>
<td>6,666,755</td>
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<tr>
<td>Deferred Outflows of resources</td>
<td>69,945</td>
<td>73,157</td>
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<tr>
<td>Current liabilities</td>
<td>469,771</td>
<td>440,888</td>
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<tr>
<td>Long-term debt outstanding</td>
<td>3,193,727</td>
<td>2,900,329</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>1,777,421</td>
<td>1,695,406</td>
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<tr>
<td>Total liabilities</td>
<td>6,230,919</td>
<td>5,636,623</td>
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<tr>
<td>Net investments in capital assets</td>
<td>1,855,367</td>
<td>1,491,925</td>
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<tr>
<td>Restricted</td>
<td>33,176</td>
<td>33,135</td>
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<tr>
<td>Unrestricted</td>
<td>208,697</td>
<td>378,229</td>
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<tr>
<td>Total net position</td>
<td>$1,897,840</td>
<td>$1,703,289</td>
</tr>
</tbody>
</table>

Condensed Statements of Revenues, Expenses and Changes in Net Position

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$643,169</td>
<td>$595,789</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>408,131</td>
<td>388,384</td>
</tr>
<tr>
<td>Net non-operating revenues (expenses)</td>
<td>(64,553)</td>
<td>(66,489)</td>
</tr>
<tr>
<td>Change in net position before capital contributions</td>
<td>170,985</td>
<td>109,316</td>
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<tr>
<td>Capital contributions</td>
<td>24,066</td>
<td>32,431</td>
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<tr>
<td>Change in net position</td>
<td>194,051</td>
<td>141,747</td>
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<tr>
<td>Net position - beginning of year</td>
<td>1,703,289</td>
<td>1,529,942</td>
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<tr>
<td>Net position - end of year</td>
<td>$1,897,840</td>
<td>$1,703,289</td>
</tr>
</tbody>
</table>

Condensed Statements of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$283,305</td>
<td>$247,757</td>
</tr>
<tr>
<td>Net cash used in capital and related financing activities</td>
<td>(246,998)</td>
<td>(151,285)</td>
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<tr>
<td>Net cash used in investing activities</td>
<td>(135,424)</td>
<td>(92,279)</td>
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<tr>
<td>Net (decrease) in cash and cash equivalents</td>
<td>8,883</td>
<td>4,349</td>
</tr>
<tr>
<td>Cash and cash equivalents - beginning of year</td>
<td>237,998</td>
<td>233,649</td>
</tr>
<tr>
<td>Cash and cash equivalents - end of year</td>
<td>$246,881</td>
<td>$237,998</td>
</tr>
</tbody>
</table>
At a Glance
History
The District of Columbia Water and Sewer Authority (DCWASA) was created by District law in 1996, with the approval of the United States Congress, as an independent authority of the District Government with a separate legal existence. In 2010 the Authority rebranded and became DC Water.

Service Area
DC Water provides more than 681,000 residents and 21.3 million annual visitors in the District of Columbia with retail water and wastewater (sewer) service. With a total service area of approximately 725 square miles, DC Water also treats wastewater for approximately 1.6 million people in neighboring jurisdictions, including Montgomery and Prince George’s counties in Maryland, and Fairfax and Loudoun counties in Virginia.

Pumped and Treated Water Storage
During Fiscal Year 2017, DC Water pumped an average of more than 98.2 million gallons of water per day. In addition, DC Water stores 61 million gallons of treated water at its eight facilities. The Washington Aqueduct, which treats drinking water, stores an additional 49 million gallons.

Water Distribution System
DC Water delivers water through 1,310 miles of interconnected pipes, four pumping stations, five reservoirs, three water tanks, 43,860 valves, and 9,510 fire hydrants.

Sewer System
DC Water operates 1,900 miles of combined, separate, and stormwater sewers; 50,000 manholes and 25,000 catch basins; nine wastewater pumping stations; one combined sewer swirl facility; and 16 stormwater pumping stations.

Blue Plains
Blue Plains Advanced Wastewater Treatment Plant is located at the southernmost tip of the District, covering more than 150 acres along the Potomac River. Blue Plains is the largest advanced wastewater treatment facility in the world.

Wastewater Treatment Capacity
Blue Plains treats an annual average of 290 million gallons per day (MGD) and has a design capacity of 384 MGD, with a peak design capacity to treat more than one billion gallons per day.