



2022 ANNUAL REPORT DELIVERING TOMORROW'S SOLUTIONS...



Message from the CEO

As CEO and General Manager of DC Water, I am proud to present the 2022 Annual Report which covers a remarkable year in the life of the Authority. We began the year still dealing with the lingering COVID pandemic, alongside many other challenges, including impacts from our changing climate, aging infrastructure, and rate affordability. Through it all, the women and men of Team Blue delivered solutions for our customers and our community, for today and tomorrow.

Over the past year, DC Water once again served as a leader and standard-bearer within our industry, receiving numerous awards and accolades for outstanding performance. These include:

- Advancing the **Lead Free DC** program, which will remove all lead service lines within the District by 2030;
- Mitigating flooding through the continued development of the **Clean Rivers Project** tunnel system, and efforts through the **District's Flood Task Force** that I am honored to lead alongside our Board Chair, Tommy Wells;

- Winning the **Smart Water Project of the Year**, for our Event Management System, at the Global Water Awards;
- Receiving the **Excellence in Management (Gold Recognition)** from the National Association of Clean Water Agencies (NACWA);
- Receiving our tenth consecutive **Peak Platinum Performance Award**, recognizing 10 years of flawless compliance with the U.S. Environmental Protection Agency's National Pollutant Discharge Elimination System;
- Delivering greater equity to our customers, employees, and the local small business community through our **Apprenticeship Program** and our **Business Diversity and Inclusion Advisory Council**

Throughout this Annual Report, you will find stories that detail these accomplishments and much more. I invite you to explore the full document to learn more about the many ways that DC Water is effectively delivering tomorrow's solutions today.



David L. Gadis
CEO and General Manager

Message from the Board Chair

Throughout my tenure as Chair of the DC Water Board of Directors, I have been deeply impressed with the Authority's ability to innovate and identify solutions to better meet the needs of our community. In many instances, DC Water has not only delivered solutions for the District but also raised the bar for water utilities nationwide in terms of environmental stewardship and delivering water equity for customers, employees, the small business community, and underserved neighborhoods.

Delivering Tomorrow's Solutions Today, the theme of this Annual Report, is no hyperbole. This is what DC Water does, demonstrated time and time again: from the Clean Rivers Project that is addressing chronic flooding and renewing our local waterways, to Lead Free DC and other programs designed to deliver equity to underserved communities, and efforts to leverage emerging technology, such as our Event Management System, to better serve our customers during flooding or system emergencies.

"In many instances, DC Water has not only delivered solutions for the District but also raised the bar for water utilities nationwide..."

Tommy Wells
Board Chair

An important aspect of this work is good governance. Our board members provide tremendous leadership and ensure that the Authority has the resources it needs to operate and provide critical water services while protecting the public's investment and planning for the future. It is my honor to serve with these dedicated professionals on behalf of Mayor Bowser. I am proud of all we accomplished in 2022 and the foundation we have built for tomorrow.



Tommy Wells
Board Chair



CEO David L. Gadis on Capitol Hill

DELIVERING TOMORROW'S SOLUTIONS TODAY

Leadership

Showing the Way

DC Water's influence and impact continued to grow in 2022 as senior executives and managers were tapped for key leadership positions at important trade organizations and national advisory groups.

That includes the appointment of **CEO David L. Gadis** to the White House's National Infrastructure Advisory Council (NIAC). In that role, Mr. Gadis has a unique opportunity to ensure water and wastewater utilities get their due as integral parts of the nation's infrastructure.

Matthew T. Brown, Chief Financial Officer and Executive Vice President of Finance and Procurement, is representing DC Water on the EPA Environmental Finance Advisory Board (EFAB). EFAB advises the EPA's Administrator on ways to lower the costs of and increase investments in environmental and public health protection.

Budget Director **Lola Oyeyemi** was appointed to a three-year term on the Government Finance Officers Association (GFOA) Committee on Economic Development and Capital Planning. Her addition to this standing committee is not only a professional honor, but an example of DC Water's expertise in

"I am deeply honored to receive the appointment to NIAC at such a critical time, while national attention is so firmly fixed on infrastructure solutions."

David L. Gadis
CEO and General Manager

addressing critical issues and financial matters concerning the water utility industry.

Likewise, in 2022, DC Water leaders wielded the gavel as the presiding presidents at regional and national trade associations, including the National Association of Clean Water Agencies (NACWA) and the Chesapeake Water Environment Association (CWEA). One of Mr. Gadis' CEO Initiatives was to "engage water industry and thought leaders." Collectively, we did that and then some this year.

PRINCIPAL BOARD MEMBERS

Tommy Wells, Board Chair
District of Columbia
Director, Department of Energy and Environment

Rachna Butani Bhatt
District of Columbia
Director, HRGM Corporation

David Franco
District of Columbia
Principal, Level 2 Development

Anthony R. Giancola, PE
District of Columbia, *Retired*

Christopher Herrington
Fairfax County, VA
Director, Department of Public Works and Environment

Fariba Kassiri
Montgomery County, MD
Deputy Chief Administrative Officer

Floyd Holt
Prince George's County, MD
Deputy Chief Administrative Officer for Government Infrastructure, Technology and Environmental Services

Tara Jackson
Prince George's County, MD
Chief Administrative Officer

ALTERNATE BOARD MEMBERS

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

Howard C. Gibbs, PE, FNSPE
District of Columbia, *Retired*

Dr. Joe Leonard, Jr., Ph.D.
District of Columbia
Director, Howard University Community Association

Jed Ross
District of Columbia
Chief Risk Officer, Office of Risk Management

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

Adriana Hochberg
Montgomery County, MD
Assistant Chief, Administrative Officer

Steven Shofar
Montgomery County, MD
Division Chief, Intergovernmental Affairs

Andrea Crooms
Prince George's County, MD
Director, Department of Environmental Programs

Jared McCarthy
Prince George's County, MD
Deputy Chief Administrative Officer for Government Operations

STANDING COMMITTEES

Executive Committee
Tommy Wells, *Chair*

Audit and Risk
Floyd Holt, *Chair*

Governance
Joe Leonard, Jr., *Chair*

DC Retail Water and Sewer Rates
Rachna Butani Bhatt, *Chair*

Environmental Quality and Operations
Sarah Motsch, *Chair*

Finance and Budget
Anthony R. Giancola, PE, *Chair*

Human Resources and Labor Relations
Adriana Hochberg, *Chair*

Strategic Management
Tommy Wells, *Co-Chair*
Tara Jackson, *Co-Chair*

SENIOR EXECUTIVE TEAM

David L. Gadis
Chief Executive Officer and General Manager

Marc K. Battle, Esq.
Chief Legal and Ethics Officer and EVP, Legal Affairs

Matthew T. Brown
Chief Financial Officer and EVP, Finance and Procurement

Wayne Griffith
Chief Strategy and Performance Officer and EVP, Strategy and Performance

Keith J. Lindsey
Chief of Staff

Kishia L. Powell, PE
Chief Operating Officer and EVP

Lisa Stone, SPHR, SHRM-SCP
Chief People and Inclusion Officer and EVP, People and Talent

Kirsten B. Williams, Esq.
Chief Communications and Stakeholders Engagement Officer and EVP, Marketing and Communications

With a total service area of roughly 725 square miles, DC Water treats wastewater for approximately 1.6 million people in neighboring jurisdictions

Clean Rivers



Anacostia River Tunnel System has captured more than 14.5 billion gallons of CSOs and more than 9,151 tons of trash since March 2018.

DC Water's Clean Rivers Project celebrated the 50th Anniversary of the Clean Water Act by continuing to make significant improvements to the District's waterways in 2022. **Dr. Moussa Wone**, Director of the Clean Rivers Project, leads the massive infrastructure project that is already helping restore the Anacostia River by reducing combined sewer overflow (CSO), a mixture of sewage and stormwater that enters the river after large storm events. The Clean Rivers Project also includes the future Potomac River Tunnel and groundbreaking green infrastructure in Rock Creek.

A Cleaner Anacostia River

The Anacostia River Tunnel, completed in March 2018, has reduced CSOs to the Anacostia River by 91%. Once the Northeast Boundary Tunnel (NEBT) is completed in 2023, reductions will reach 98% in an average year of rainfall. The NEBT will also mitigate chronic flooding in the Northeast Boundary area including the Bloomingdale and LeDroit Park neighborhoods, around the Rhode Island Avenue-Brentwood Metro Station, and at Mount Olivet Road, NE. Water quality in the Anacostia has been further improved with over 9,151 tons of trash removed from the river since the Anacostia River Tunnel was placed in service.

Going Green

Rock Creek Project B is DC Water's second green infrastructure project in the Rock Creek sewershed. Construction began in 2022 to manage 22 impervious acres using green infrastructure. Approximately one-third of the project is completed and the remaining construction of alley permeable pavement and planter bioretention is anticipated to be completed in 2023.

Coming Soon to the Potomac

The final piece of the Clean Rivers Project is construction of the Potomac River Tunnel, which is anticipated to begin in 2024. The Potomac River Tunnel is a large-diameter deep sewer tunnel, with diversion facilities, drop shafts, and support structures to capture flows from existing CSOs along the river. The proposed controls are estimated to reduce CSOs to the Potomac River by 93% by volume and reduce their frequency from approximately 74 events to 4 events in a year of average rainfall.

Blue Plains covers more than 150 acres along the Potomac River and is the largest advanced wastewater treatment facility in the world



50th Anniversary of the Clean Water Act

Environment

Basking in the Sun

When **Saul Kinter** looks around at the solar power panels sprouting up on DC Water facilities, he sees a utility taking good advantage of the resources it has available – in this case acres of surface area, and sunlight – to generate revenue and reduce the burden on ratepayers. That is, after all, Kinter's job as Program Manager for Business Development in Resource Recovery.

"To me it's about stewardship. Competence and good management," he says. "Doing things like this shows that DC Water is a world class utility and is going beyond what it is required to do. It demonstrates that we are going to find value where we can, where we have the resources that aren't otherwise being utilized."

This year, we continued to increase our energy independence, achieving almost 60% sourcing of renewable energy at the Blue Plains Advanced Wastewater Treatment Facility thanks to the first full year of successful operation of our four-megawatt solar array.

In 2022, solar at Blue Plains generated over 64,000 MWh of electricity, or just over 2% of the electricity used at Blue Plains. It is the second-largest solar array in DC and is the source of about 10% of the energy generated in DC.

The plant is just the beginning. We have a plan to develop a suite of solar arrays at nine of our facilities over the next 10 years. The expected total capacity is roughly 6 MW. The first project put out for bid is the design and construction of a 1 MW solar array at the Fort Stanton Reservoir, which will generate non-ratepayer revenue and cost savings for DC Water.

We also partnered this year with the DC Sustainable Energy Utility (DCSEU), District Department of Energy and Environment (DOEE) and local solar developers and contractors to install a community solar power facility at the Brentwood Reservoir. The 4,000 solar panels will produce enough energy to provide bill credits to more than 500 low- to moderate-income DC households, through a program called Solar for All.



● Blue Plains treats an annual average of 320 million gallons per day and has a peak design capacity to treat more than one billion gallons per day

Solar for All ●

Environment continued

Event Management System

Locally, and across the globe, the acceleration of climate change was one of the major news stories of 2022. Severe weather systems and catastrophic flooding linked to climate change are posing new challenges for water utilities, particularly in light of the aging water infrastructure that most U.S. cities rely upon.

As climate change accelerates, DC Water is firmly positioned at the forefront of the water utility industry and delivering tomorrow's solutions today. One such initiative is the Authority's innovative Event Management System (EMS), which utilizes system data to pinpoint problems, generate alerts and optimize response time to floods and system emergencies across the District.

Essentially, DC Water's EMS acts as an early warning system for non-routine events, offering Authority crews real-time flooding and water tracking dashboards, as well as an Incident Tracking Tool and Resource Management Tools.

To facilitate improved coordination with the District and their first responders, the EMS is able to deliver real-time data to third-party stakeholders, such as the District's emergency response teams and city government officials.

"Most importantly, the EMS breaks internal silos through data access and sharing."

Tom Kuczynski, Vice President, Information Technology / Shared Services

"The EMS allows the Authority to provide a faster response time and reduce the impact of flooding and water system emergencies across the District," said **Tom Kuczynski** (Vice President, Information Technology / Shared Services). "Most importantly, the EMS breaks internal silos through data access and sharing. EMS significantly improves our situational awareness when faced with an extreme weather event or infrastructure failure."

DC Water's EMS was completed in February 2022, and quickly generated significant interest among utilities seeking similar solutions. In May 2022, the Authority was awarded the prestigious Smart Water Project of the Year, at the Global Water Awards, in recognition of the system's impact.



(L-R) – Olubunmi Akinyosoye (Specialist, Emergency Command Center), Mandy LeBlanc (Senior Manager, Pumping Operations) and Erica White (Supervisor, Emergency Command Center)

DC Flood Task Force

If **Apera Nwora**, **Barbara Mitchell** and **Salil Kharkar** needed a reminder about the importance of their work on the DC Flood Task Force, it arrived in early August when two storms just days apart, dumped several inches of rain on the District, causing street flooding and inundating some homes and businesses. It was the kind of disruption that is only becoming more common due to climate change.

The three senior staff members have been collaborating for the past year with their peers at the Department of Energy and the Environment (DOEE) and 26 other agencies to develop equitable projects and policies to make the District more flood resilient.

"The key success of the Task Force is that multiple agencies came together to discuss impacts of climate change on urban landscapes, and there was a realization that this is a multi-faced issue that no agency can solve."

Salil Kharkar, Vice President and Senior Technical Advisor to the Chief Operating Officer

DC Water CEO David Gadis and DOEE Director Tommy Wells co-chaired the Task Force.

"The key success of the Task Force is that multiple agencies came together to discuss impacts of climate change on urban landscapes, and there was a realization that this is a multi-faced issue that no one agency can solve," said Kharkar.

Just as one agency can't do it alone, one year isn't enough time to permanently solve the problem either. However, the Task Force has

laid the groundwork to implement impactful changes, including programs to help residents protect their properties from sewer backups and to create an emergency relief fund to help them clean up after floods.

The full list of recommendations will be included in the final report the Task Force will issue in early 2023. The collaboration between agencies will continue to ensure the recommendations are implemented and DC is truly more protected from the potential impacts of climate change.



(L-R) – Salil Kharkar (VP and Senior Technical Advisor to the Chief Operating Officer), Barbara Mitchell (Assistant General Counsel) and Apera Nwora (Director, Government Affairs and Public Policy)

DELIVERING TOMORROW'S SOLUTIONS TODAY

Drinking Water

Looking Ahead with Lead Free DC

In October 2019, DC Water announced its ambitious goal to remove all lead service lines in the District by 2030. From there, a small but mighty Lead Free DC (LFDC) team began mapping out the process to replace lead service lines with copper, estimating that there could be more than 28,000 potential line replacements.

Over the last two years, **John Deignan**, **Michael Walsh**, and **Dr. Jeannie Purchase** have worked to create a process for prioritizing replacements within the most vulnerable populations, establish a thorough resident outreach program to encourage private property replacements, and initiate construction leading to more than 3,000 replacements to date. In 2022, the team doubled its replacement rate!

"This work is in line with the vision for my life," shared Jeannie. "It's complex, and the unique pieces of my background unite here – my academic research on the best ways to address lead, and my path to help people get clean drinking water."

Jeannie, John and Michael have developed the Lead Free DC program wearing multiple hats at a time. Michael has built an extensive knowledge of DC Water's lead service line data. He began working on the original lead service line replacement program in 2007 and has been working exclusively with DC Water's service material inventory databases over the past 15+ years. He is excited to see the ramp up in replacements to 2030, and the opportunity to get the lead out from "start to finish."

Over the last few years, John Deignan has emerged as the voice of the Lead Free Program in and outside of DC Water, making sure information to customers about the process and costs of LSL replacement is clear.

As 2023 begins and the program starts its third year, the team is building up its program capacity in partnership with the Lead Free Group, a joint venture of experienced engineering firms. Together, they committed to a mission to replace all lead service lines equitably, safely and efficiently, hand-in-hand with the community.



"This work is in line with the vision for my life. It's complex, and the unique pieces of my background unite here..."

Dr. Jeannie Purchase
Program Manager, Lead Services



● During Fiscal Year 2022, DC Water pumped an average of more than 95 million gallons of water per day

Lead Free DC by 2030 ●

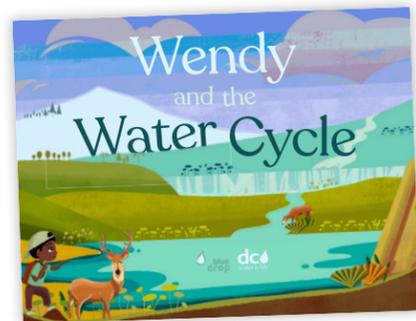
DELIVERING TOMORROW'S SOLUTIONS TODAY

Community

The Personal Touch

If you attended a community event this year and stopped by the DC Water booth, chances are you met **Monique Mirabeau** or **Jeanetta Nelson**. Monique and Jeanetta are two of our most dedicated ambassadors who do an amazing job of engaging with customers in the community on all matters related to DC Water.

With a full reopening of the District and a return to in-person activities post pandemic, our Outreach Team resumed its normal calendar of events this year. Between March and December, we hosted or attended more than 80 events across the city, handing out nearly 30,000 reusable water bottles.



Our expanded schedule included the National Cherry Blossom Festival for the first time, as well as Water Palooza at Van Ness Elementary School, and the Capital Pride Festival. This year also saw the return of Joint Utility Day events, where we partnered with other utilities and government agencies to share information about financial assistance and other programs available to customers.

Through these efforts, we further increased our visibility in the community, promoted tap water and our customer programs, maintained partnerships with schools and other local educational institutions, and engaged with customers about construction projects in their neighborhoods.

Of course, our most recognizable ambassador is still **Wendy the Water Drop**, who is popular with customers of all ages. Our beloved mascot even took time out of her busy schedule of events to help build Little Free Libraries for two of our partner schools, and delivered those Libraries full of water bottles and her own children's books!



DC Water stores 60 million gallons of treated water at its eight reservoirs and tanks and the Washington Aqueduct stores an additional 49 million gallons

Little Free Library

Community continued

Customer Care



(L-R) – Birdina Miller (Coordinator, Collection Program) and Tyvon Leonard (Coordinator, Collection Program)

As the nation emerged from the pandemic in 2022, two things were evident to Customer Service Director **Meisha Lorick** and her team: 1) we needed to create a soft landing for those customers struggling to pay their water bills, and 2) there was only so much lost revenue DC Water could withstand and remain operational.

Meisha's team ensured we took full advantage of federal and District assistance programs. For instance, in 2022, her team applied all federal LIHWAP (Low Income Household Water Assistance Program) funds to past due balances, then used additional financial assistance from other programs to significantly decrease arrears.

We were able to assist 50% more customers in 2022 compared to the previous fiscal year, thanks in part to a robust outreach effort to encourage enrollments. Specifically, we:

- Continued our partnership with local food banks to insert fliers into food bags and boxes to reach an extremely targeted audience
- Hosted a webinar to promote the Multifamily Housing Assistance Program, which was attended by nearly 100 housing providers, and resulted in an immediate increase in enrollments
- Partnered with other District utilities to host face-to-face events to help customers understand and manage their utility bills
- Hosted or attended over 70 outreach events, sharing DC Water CARES program information
- Contacted every past due account holder and offered information on financial assistance and/or payment plans
- Included information about assistance programs in all customer newsletters
- Communicated via bill inserts and messages, earned media, social media and direct outreach

2023 Customer Assistance Programs

Program	Enrolled	Dollars
CAP I	6,949	\$4,871,357
CAP II	679	\$338,362
CAP III	204	\$33,026
DC Water Cares Residential	1,690	\$1,318,242
DC Water Cares Multifamily	4,313	\$1,880,830
Non-Profit CRIAC Relief	186	\$866,375
STAY DC	1,100	\$1,106,974
LIHWAP*	3,393	\$2,380,005

*Low Income Household Water Assistance Program

Our Equity Journey: Threading the Tapestry of Diversity



Lisa Stone (Chief People and Inclusion Officer)

“We all should know that diversity makes for a rich tapestry, and we must understand that all the threads of the tapestry are equal in value no matter what their color.”

Maya Angelou
Poet / Civil Rights Activist

DC Water's leadership understands that the success and wellbeing of a workforce and the overall health and prosperity of the community are connected. That is why they have embraced diversity, equity and inclusion (DEI) as key principles to uplift both our employees and the communities we serve.

Over the course of the year, the Office of Inclusion, led by our Chief People and Inclusion Officer **Lisa Stone**, has led the charge for diversity and thought leadership within the water sector, recognizing these essential ingredients for creating innovative solutions to the complex challenges we face.

As we move further away from the pandemic, we have not lost sight of the lessons that came from those challenges. We are working to ensure that the Authority is resourced for sustainable outcomes that support our customers and employees in the face of uncertainty related to climate change and public health.

Every step of the way, our efforts are amplified by the diverse teams who bring a range of perspectives and expertise that are key to finding creative and effective approaches. Whether we are addressing issues of access, sustainability, or resiliency, the strategy behind our people-first approach has been clear: embracing these powerful interdependencies as we work to ensure that clean, safe water is available to all, now and in the future.

These are the programs that got us there:

Lead Free DC – our ambitious program to replace all lead service lines by 2030, prioritizing vulnerable populations in historically underserved communities.

One Water Council for Inclusion and Equity – delivered on FY22 Inclusion Plans and advanced DEI across the authority, linking our efforts to the strategic imperatives.

We Are DC Water – spotlighting and celebrating the diversity of Team Blue.

DC Water Cares – a comprehensive suite of assistance programs providing monthly discounts and emergency relief to customers with past due balances.

People, Place and Pay – equitable compensation, diverse and inclusive work environment, and recruitment pipeline between the communities we serve and the Authority.

The revised **Business Development Plan** and the Authority's inclusive workforce strategy provided the support and planning to reinforce equity from the inside out

There is still work to be done. In 2023, DC Water plans to expand on these efforts by launching new DEI initiatives that focus on increasing representation and inclusion throughout the organization.

DELIVERING TOMORROW'S SOLUTIONS TODAY

People, Place and Pay

Bright Futures and Pathways to Success

In Fall 2022, our multi-trade apprenticeship program got a new moniker – **Training Apprentices (for talent) Pipeline Sustainability (TAPS)** – and no one embodies that name more than **Richard Salmon**.

Richard was the first graduate of the apprenticeship program, which was established in 2018 and is one of the signature initiatives of CEO David L. Gadis. Richard began his career with DC Water through one of our community partners, where he stuck out as a viable apprenticeship candidate. Richard grew up in the District, where the presence of DC Water resonated in the community. He says, “Everyone wanted to work at WASA (now DC Water).”

And now he does. Upon successful completion of his apprenticeship, Salmon was promoted to a journeyman position, which included a pay increase and more responsibilities. Currently he is a utility services worker in Sewer Maintenance and Repair, and a great ambassador for TAPS. He has shared his compelling story with the DC Water Board of

“The DC Water uniform represents accomplishment in the community.”

Richard Salmon
Utility Services Worker,
Pumping and Sewer Operations

Directors, at DC Council hearings and with current apprentices.

Richard’s journey demonstrates the impactful link between DC Water’s local hire programs and the communities we serve. His success demonstrates where career development through TAPS can lead, and others are following in his footsteps. Our second cohort commenced in 2022 for five trades and 15 apprentices; 100% are minorities and 33% women, exceeding our equal employment opportunity and affirmative action goals for the program.

...continued

Taps

TRAINING
APPRENTICES FOR (TALENT)
PIPELINE
SUSTAINABILITY



● DC Water operates about 2,000 miles of combined, separate, and stormwater sewers; 50,000 manholes and 25,000 catch basins

Training Apprentices (for talent) Pipeline Sustainability ●

People, Place and Pay continued

Bright Futures and Pathways to Success



TAPS Cohort 2

Business Analyst and Program Sponsor **Yvette Judge** says, "Nationally, women comprised 13% (FY2021) of apprentices, so it's a win to have six women in TAPS. To help keep them in our talent pipeline, we leverage wrap around services to assist participants to be fully present on their career path." The TAPS program also supports our CEO's goal of

having a future-ready workforce while providing quantitative and qualitative returns on the investment. TAPS empowers District and local residents to establish a long-term career with DC Water, and the employment pipeline is helping the economy of the local community to grow organically while sustaining a rate-payer first mindset.

TAPS Cohort 2 commenced in 2022 for five trades and 15 apprentices; 100% are minorities and 33% women, exceeding our equal employment opportunity and affirmative action goals for TAPS.

The Blue Wave

Just because our employees provide life sustaining services, doesn't mean they aren't competitive. This year marked the return of the Operations Challenge Team, which represented DC Water in industry competitions for the first time in more than 5 years.

Head Coach **Gregory Stephens** says it all started in April, when leaders in the Operations Division pitched the idea of getting a team up and running in time for the Water Environment Federation's Technical Exhibition and Conference (WEFTEC) in October. With only six months to prepare, Stephens didn't expect much, but after putting a team of 9 men and women together, he saw their potential. "I saw their drive and their commitment, and it made me excited."

The "Blue Wave," as the team is known, advanced fast enough to compete at the Chesapeake Tri-Association Conference in Ocean City in early September, and then at WEFTEC in New Orleans. They went head-to-head against teams from other utilities in timed events testing their skills in process control, safety, maintenance, collections, and lab analysis. Cheered on by CEO David Gadis, the leadership team and staff, the Blue Wave finished 5th in safety and 7th in collections out of 36 teams, and took home a Spirit Award.

Team member **Ron Sims** said he was pleasantly surprised by the level of support from management.

"You are so used to being a small piece on the board, I didn't expect that. It was a good thing to show we are all in this together and there is no glass ceiling."

Both Sims and Stephens agreed one of the greatest benefits was bringing people together from across the Authority.

As Stephens put it, "The value you get is that the team members learn about every aspect of the industry - water, collections and wastewater. They are learning about the entire process of what it takes to operate and run a utility."

"The value you get is that the team members learn about every aspect of the industry – water, collections and wastewater."

Gregory Stephens, Head Coach



The Blue Wave team with CEO David L. Gadis and Board Chair Tommy Wells

Financial Stewardship

DC Water ended fiscal year 2022 in a strong financial position. Results include a strong liquidity position and positive budget to actual results from management actions to control costs. The Authority met or exceeded all financial targets and complied with Board policies and bond covenants.

Highlights

- Operating revenues increased by \$61.7 million to \$832.2 million or 8%, primarily due to the retail water and sewer rate increase of 7.8% offset by the 6.0% decrease in the Clean Rivers Impervious Area Charge (CRIAC) and the post effects of the Covid-19 pandemic.
- Operating expenses, including depreciation, increased by \$28.5 million to \$500.4 million, or 6.0%, primarily due to increases in costs for personnel services, chemicals, and electricity.
- Capital assets, net of depreciation and amortization, increased by \$195.9 million to \$7.9 billion, or 2.5%, as a result of capital additions of \$366.2 million offset by depreciation and amortization of \$140.3 million.
- Current assets increased by \$10.9 million to \$722.7 million or 1.5% primarily due to an increase of \$2.7 million in unrestricted cash and investments, a \$6.8 million increase in receivables from customers, a \$3.0 million increase in receivables from the Federal government, offset by an \$3.9 million decrease in restricted cash and cash equivalents.
- DC Water received its 25th consecutive unmodified audit opinion on its financial statements.
- The Authority's long-term debt, including current maturities, increased by \$300.2 million to \$3.9 billion, or 8.2%, primarily due to the issuance of \$294.3 million of 2022 series A, \$79.6 million of 2022 series B, \$206.7 million of series C-1, \$4.4 million of series C-2, \$148.9 million of 2022 series D and \$96.3 million of 2022 series E subordinate lien revenue bonds in fiscal year 2022, offset by principal payments of \$525.7 million, which include refunds of \$176.8 million to Series 2014C, 2015A and 2015B bonds to refinance higher cost debt.
- The Authority's net position increased by \$205.6 million to \$2.9 billion, or 7.7%, as a result of current year operations and capital contributions.
- 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.
- The 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 operates nine wastewater pumping stations; one combined sewer swirl facility; and 16 stormwater pumping stations

September 30, 2022 and 2021 (in thousands)

Condensed Statements of Net Position	2022	2021
Current assets	\$722,685	\$711,797
Capital assets, net	7,931,643	7,735,722
Non-current assets	463,079	130,304
Total assets	9,117,407	8,577,823
Deferred outflows of resources	90,196	94,804
Current liabilities	497,087	497,849
Long-term debt outstandings	3,914,155	3,616,698
Long-term liabilities	1,901,825	1,896,811
Total liabilities	6,313,067	6,011,358
Net investments in capital assets	2,480,216	2,305,799
Restricted	-	39,223
Capital Projects	7,287	-
Debt Service	62,586	-
Unrestricted	316,741	316,247
Total net position	\$2,866,830	\$2,661,269

Condensed Statements of Revenues, Expenses and Changes in Net Position	2022	2021
Operating revenues	\$832,210	\$770,557
Operating expenses	500,365	471,902
Net non-operating (expenses)	(157,718)	(152,912)
Change in net position before capital contributions	174,127	145,743
Capital contributions	31,434	42,093
Change in net position	205,561	187,836
Net position – beginning of year	2,661,269	2,473,433
Net position – end of year	\$2,866,830	\$2,661,269

Condensed Statements of Cash Flows	2022	2021
Net cash provided by operating activities	\$435,230	\$376,150
Net cash used in capital and related financing activities	(90,054)	(489,984)
Net cash used in investing activities	(226,767)	56,239
Net increase in cash and cash equivalents	118,409	(57,595)
Cash and cash equivalents – beginning of year	493,133	550,728
Cash and cash equivalents – end of year	\$611,542	\$493,133

Awards



Excellence in Management, Gold Level, NACWA – acknowledges the significant achievements of the National Association of Clean Water Agencies (NACWA) Member Agencies in the utility management arena. This program honors member agencies that are implementing management practices that address the range of challenges identified in the Ten Attributes of Effectively Managed Water Sector Utilities.

Utility of the Future Today, Activity Area: Partnerships and Engagement, The Utility of the Future Today Recognition Program seeks to reach deeply into the water sector to form and motivate a community of like-minded water utilities engaged in advancing resource efficiency and recovery, developing proactive relationships with stakeholders, and establishing resilient, sustainable, and livable communities.

Rudy Gonzalez, Director of Procurement, Capital Programs was awarded the ACEC-Metropolitan Washington, Engineering Industry Leadership Award in recognition of the Capital Procurement Department's **“Outstanding Public Service and Leadership”** through inclusive expanded outreach and transparent communication of DC Water’s CIP procurements to the DC Water business community.

Water Works / Apprenticeship

- 2021 Apprenticeship Sponsor of the Year by the District of Columbia Apprenticeship Council (November 2021)
- 2022 Outstanding Partner for Workforce Development with the DC Infrastructure Academy (May 2022)

Inaugural 2022 Trailblazer Award by the Institute of Supply Management (Transformation Award) in recognition of DC Water’s outstanding Capital Procurement transformation

25th consecutive Certificate of Achievement for Excellence in Financial Reporting

22nd consecutive Distinguished Budget Presentation Award



Global Water Awards – recognize the most important achievements in the international water industry within several categories, and reward those initiatives in the water sector that are moving the industry forward through improved operating performance, innovative technology adoption and sustainable financial models. DC Water won the Smart Water Project of the Year for its Event Management System, an emergency response tool that brings together data from multiple departments on a layered GIS system, providing faster intelligence on emergency situations. It includes real-time Flood Track and Water Track dashboards as well as an Incident Tracking Tool and Resource Management Tool,

Best in Presentation for the Bloom presentation at the Tri-con Bio-solids beauty contest

The Virginia Tech/DC Water team won the **Intelligent Water Systems Challenge at WEFTEC** for a wet weather forecasting model to manage the Clean Rivers Project’s deep tunnel system

(NAFA) – National Association of Fleet Administrators 100 Best Fleets #59

Contract Compliance (Business Diversity, Equity, and Inclusion)

- (David Gadis) 2022 Minority Business Enterprise Leaders and Legends Hall of Fame – Innovator Induction with the Capital Regional Minority Supplier Development Council (November 2022)

Received the 24th consecutive unqualified audit opinion on financial statements for FY 2021, the first year of using the newly implemented ERP system.

NACWA’s Peak Performance Award, Platinum Level



CWEA Emerging Leader Award
Presented to Yvette Judge, who served the association with distinction and dedication, and who the CWEA Board felt shows great promise for continued and future contributions.

CWEA President Award
Presented to Gian Cossa, after his successful term as President of the Chesapeake Water Environment Association.

WEF / CWEA Laboratory Analyst Award
Dr. Bipin Pathak for outstanding performance, professionalism, and contributions to the water quality analysis profession.

WEF / CWEA Hatfield Award
Presented to Robert Simpkins and Calvert Wilson for their outstanding performance and professionalism.

WEF / CWEA Burke Award
Presented to DC Water’s Department of Pumping and Sewer Operations – Sewer Inspection and Maintenance Branch recognized as a wastewater facility that has established and maintains an active and effective safety program.

DELIVERING TOMORROW'S SOLUTIONS TODAY

One Band, One Sound





DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
1385 CANAL STREET SE, WASHINGTON, DC 20003

DCWATER.COM

