

FY24 IMPACT & RESILIENCE REPORT





Blue Plains first responder seminar

OBSERVATIONS ON IMPACT REPORTING FROM OUR BOARD CHAIR

Dr. Unique N. Morris-Hughes, Board Chair, DC Water

This Impact + Resilience report is my first as the new Chair of the Board of Directors. It is a fantastic example of how resilient DC Water is to the ever-evolving landscape in which we find ourselves and shows how the Authority can adapt and continue to meet stakeholder expectations. Guiding the Authority over the coming years will be a challenging and rewarding experience.

We know that our financial and community stakeholders care about the work we do, how we do it, and want to know that our impact and legacy are positive. The Authority will continue to deliver water and wastewater services long into the future, so the decisions we take now will be felt in the impact we create for many years to come - some of the biggest projects currently underway have been decades in the making. For instance, work on the Clean Rivers project started in 1999 and will be completed in 2030. Our other major project, Lead Free DC, was initiated in 2019 with the original scope expected to be completed in 2030.

Such longevity requires a strategic and considered approach, and the impact of our decisions now will directly benefit us in the future.

The impact we have on our current and future workforce, both in-house and through the supply chain across a range of programs, will directly impact our success in the future. We know that the landscape of work is changing, the market for the best employees has never been more competitive, and emerging and disruptive technologies are likely to change the nature of our work. We need to ensure that we remain an employer of choice and that we continue to build a pipeline of talent. We do this through workforce initiatives and actively developing a future workforce through engaging with our communities. These efforts will ensure we have a local workforce that understands the needs of our customers, sees purpose in their work, and sees just how important our work as a public utility is to all of our customers.

Beyond our impact on people, this Impact + Resilience report describes our activities to address environmental sustainability, improve the resilience of our organization and assets, and improve the rigor of our decision making through effective governance.



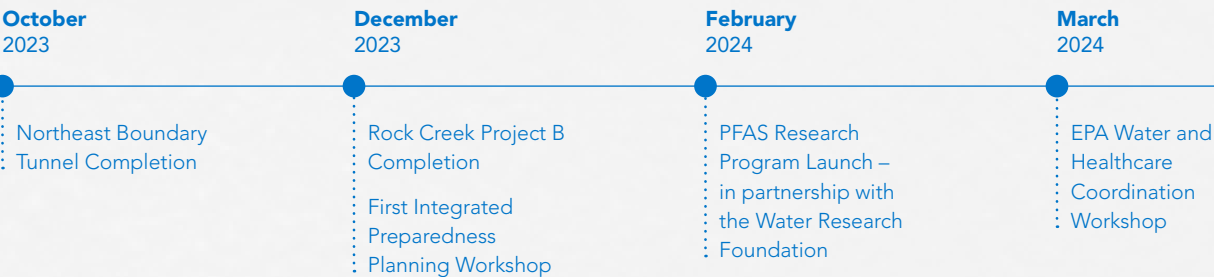
ABOUT DC WATER

Our mission is to exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner.

Our vision at DC Water is to be known for superior service, ingenuity, and stewardship that aims to advance the health and well-being of our diverse communities and workforce. Our mission is to provide high quality water services in a safe, environmentally friendly, and efficient manner. We provide essential water and wastewater services to approximately 700,000 District of Columbia residents and 24.6 million annual visitors to the nation’s capital.

Additionally, we serve an area of approximately 725 square miles and treat wastewater for approximately 1.8 million people in neighboring jurisdictions, including the State of Maryland’s Montgomery and Prince George’s counties, as well as Fairfax and Loudoun counties in the Commonwealth of Virginia. Our values of accountability, trust, teamwork, customer focus, safety, and wellbeing guide our decision-making and reflect our culture, enabling us to deliver on our mission and values for the communities we serve.

FY24 MILESTONES





HQO, the headquarters for DC Water.

May
2024

- Potomac River Tunnel Project Groundbreaking

June
2024

- Payment Plan Incentive Program (PIIP) Launch

July
2024

- \$600m bond refinancing

August
2024

- Self-Care Employee Workshop
- Second Cohort of Lead-Free DC Activators
- Grant awards from FEMA for phase 1 of the floodwall

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations recognizes 17 Sustainable Development Goals (SDGs), including clean water and sanitation (SDG 6) and life below water (SDG 14). As a water and wastewater utility, DC Water has a particular duty to our communities, both near and far, to act as a responsible steward of the earth and society. DC Water has leveraged several of the SDGs as a foundational guide in the development of our strategic plan, Blueprint 2.0.

In our commitment to aligning to the UN SDGs, we highlight the following goals that our initiatives support:



DC Water is committed to provide a welcoming environment for all and has created a leadership team and workforce that reflects the communities we serve.



We are committed to hiring and promoting from within as well as developing and empowering local residents to join the DC Water team.



Our core function as a water and wastewater utility is to deliver safe, reliable, resilient, and sustainable water and wastewater services to our customers.



We convert wastewater into renewable energy, soil conditioner, and clean water that restores our local waterways.



We are committed to help the District of Columbia meet its energy goals outlined in the Clean Energy DC plan.



To continue to provide reliable water services to our customers, DC Water accounts for the potential risks of extreme weather as part of our asset management process.



Through our Capital Improvement Plan we are constantly striving to improve our infrastructure, evidenced by our Clean Rivers Program and LFDC.



As stewards of our local water resources, we are continuously exploring ways to become a more regenerative water utility.



Green roof on HQO, DC Water's headquarters

OUR APPROACH TO IMPACT + RESILIENCE REPORTING

At DC Water, our commitment extends beyond providing essential water and wastewater services to our communities and this report highlights how we deliver our core services while maximizing the positive impact our work can have. It documents our initiatives and progress in environmental and community impact, showcasing our contributions to local development, workforce enhancement, infrastructure improvement, and sustainable resource use. The Organizational Governance section details our advancements in innovation, policies and transparency, risk management, and cybersecurity. The Resilience section focuses on our approach to enhancing extreme weather, financial, and operational resilience. We strive to improve the reliability and robustness of our operations, implementing measures to remain responsive and resilient as we deal with uncertainties that arise from time to time.

Since 2021 we have consistently reported on industry standard metrics. For consistency, we are using the same frameworks in this report. This report therefore highlights our continued progress and new initiatives to advance our positive impact across environmental, community, organizational governance, and resilience lenses. We hope that you enjoy reading about the new projects as well as progress on the existing projects underway and the milestones we accomplished in FY24.



DC Water's Advanced Wastewater Treatment Plant, Blue Plains, which processes over 300 million gallons of wastewater every day.

SOLAR PROGRAM CASE STUDY

Introduction

Our impact reporting shares the activities undertaken at DC Water that have a positive impact for our customers, our workforce, and society at large. In this year's report we want to highlight our solar program, from its initiation to the plans we have for the future. Not only does this program reduce energy costs, it also improves our energy resilience, and provides the Authority with a reliable source of additional income.

Small-Scale Beginnings

DC Water's first steps into solar energy were the result of tactical needs to provide energy to low power assets and equipment (lighting, security cameras etc.). In 2010 these solar assets, totaling 1.3 MW per month of solar energy generation, were registered with the District of Columbia Government generating income from generating solar power for the first time at the Authority.



Testing the Market

The success of registering and receiving income for these small installations resulted in the Blue Plains Advanced Wastewater Treatment Plant (Blue Plains) Phase 1 Solar Installation. As a water utility with no experience in delivering solar at scale, DC Water entered into a partnership to deliver 3.5 MW of solar generation across the site at Blue Plains. The partnership included an agreement with a power purchase agreement company and required no capital investment from DC Water. The project saves DC Water nearly half a million dollars a year in electricity costs. However, DC Water doesn't own or receive income from the SRECs the installation generates.



Blue Plains Phase 1, commissioned in 2021, includes 250,000 square feet of solar arrays above parking lots, on the roofs of buildings as well as arrays mounted on the ground. The success of Phase 1 led to the creation of internal processes and governance to support in making the business case for future solar installations and increased investment in solar in our CIP.

RECs – The key to generating income from solar installations

Renewable Energy Certificates (RECs), specifically Solar Renewable Energy Certificates (SRECs) are the mechanism by which DC Water generates income from their investment in generating power from solar installations. The mechanism was created to allow utility scale energy providers to meet their renewable energy obligations in the states they are supplying to. There is a robust market for RECs and SRECs produced by DC Water. DC Water must first register its solar generating assets and capacity with the district, at which point, we are able to sell the certificates to the market.

Exploring Alternatives

The success of Blue Plains Phase 1 demonstrated the opportunity for solar generation to provide an additional source of revenue to the Authority. However, procuring and delivering solar at scale carries a risk. For the second significant installation, DC Water partnered with the National Housing Trust and their 'Solar for All Program'. The partnership works by DC Water leasing land at our Brentwood Reservoir to the National Housing Trust which installed a solar array comprising 4,000 panels, generating 1.8 MW of solar power. The National Housing Trust was awarded \$1.76 million in Solar for All funding administered by the DC Sustainable Energy Utility (DCSEU) to deliver the project. The program ensures that 100% of the energy produced will be provided at no cost to over five hundred low-to-moderate income families in the District for the next 20 years. In return, DC Water receives income from leasing the land and a portion of the value of the SREC revenue generated by the National Housing Trust.

A Movement Toward Self-Delivery

In the first two solar projects, DC Water learned about the process for delivering solar at scale. Since the completion of the Brentwood solar project, DC Water has progressed plans internally to deliver more solar installations across DC Water owned properties with the intention of self-delivery, ownership and ultimately securing all of the value that a solar installation can bring to the Authority. There are 20 MW of new solar projects across three locations, at reservoirs, and Blue Plains in the pre-construction phases.

The biggest of the three future solar projects is Blue Plains Phase 2. This project would see an estimated 10.5 MW of new solar installations across the treatment plant. Most notably, panels would be constructed over operational sedimentation tanks and provide an additional benefit in shading the sedimentation tanks, reducing the likelihood of algae growth.

DC Water would invest its own capital to deliver the project and in parallel is exploring a microgrid to allow DC Water to make use of all the energy it generates and in times of need, it could provide some of its functions 'off-grid,' improving the operational resilience of the site.

The Future

DC Water continues to look for opportunities for solar installations and has formalized internal processes.



Process for solar

DC Water's renewable energy projects provide economic benefits to the Authority. The production of RECs from various systems, including biogas generation and heat capture at Blue Plains, has generated significant revenue. In FY24, RECs totaled over \$5.1 million, surpassing the \$3.2 million goal for the year. DC Water continues to explore and implement innovative renewable energy projects to ensure a sustainable future.

DC Water's solar energy story is a testament to its dedication to sustainability and proactive approach to environmental challenges and economic opportunities. Through strategic investments, innovative projects, and leveraging lessons learned from previous projects, DC Water continues to expand its portfolio of solar power generating capacity.



Agricultural land application of our Bloom soil conditioner product.



ENVIRONMENTAL

DC Water is dedicated to providing high-quality water services in a safe, environmentally friendly, and efficient manner. We achieve this through initiatives like our solar energy program (see page 10 and 11) for a detailed breakdown), converting biosolids into soil conditioner, and restoring our waterways by treating wastewater with as low an ecological impact as possible.

Our commitment is evident by our efforts to following the latest scientific guidance to develop and refine programs, such as addressing the impacts of Polyfluoroalkyl Substances (PFAS) and Perfluorooctanoic Acid (PFOA) on health and ecosystems. By staying informed and proactive, we ensure the continued delivery of high-quality water to our customers, optimize our resources, and support a healthy watershed.

The impact of our environmental initiatives is significant, as they not only improve our operational efficiency but also contribute to the well-being of the communities we serve and the natural world. Our efforts help reduce our energy usage, enhance resource efficiency, and promote sustainable practices within the global water and wastewater industry.

Our environmental impact disclosure is organized under the following categories to highlight the most material environmental factors for DC Water and the broader water and wastewater industry.

Water

Maintaining clean, safe, and reliable water for our customers and ecosystems is crucial to everything we do as a water utility.

Energy and Emissions

As the largest single site consumer of energy in the District of Columbia, we have an important role to reduce energy consumption.

Infrastructure

We complete impactful projects, large and small, through various initiatives and our \$7.7b Capital Improvement Plan.

Biodiversity

Maintenance and improvement of our waterways and our actions above land is key to supporting improved biodiversity and the health of our ecosystems.

Waste and Resources

We utilize waste as a resource to minimize our footprint, increase revenue, reduce costs, and contribute to the circular economy.

Water

DC Water is committed to delivering safe, clean drinking water to the communities it serves. Our Annual Drinking Water Quality Report includes information on drinking water sources, how we treat water, and how we monitor water quality.

We are required to test water quality to ensure we meet the Safe Drinking Water Act standards. In FY24, we achieved all water quality requirements.

DC Water continues to stay ahead of emerging contaminant concerns through proactive research and monitoring. In FY24, we collaborated with regional partners to investigate the prevalence of PFAS in the Potomac River Basin in conjunction with the Water Research Foundation.

In 2024, the EPA set new regulations for PFAS in drinking

water, including legally enforceable Maximum Contaminant Levels (MCLs) for six PFAS chemicals in drinking water. By 2027, public water systems must complete initial monitoring for these PFAS and provide public information on PFAS levels in drinking water. By 2029, all water systems must comply with the established MCLs. DC Water has positioned itself ahead of these regulations through continual voluntary monitoring, regional collaboration, and research.

PFAS voluntary sampling began in 2022 and continued throughout FY24, using the same monitoring protocols that are required under EPA rules. Data from DC Water's sampling shows levels below EPA's final MCL.

In FY24, DC Water introduced a new initiative to improve backflow prevention compliance among its customers. Backflow prevention systems are crucial for ensuring that potable water only travels in one direction towards customers, preventing contaminants or non-potable water from entering the drinking water supply. This program primarily targets commercial buildings, offering

them the opportunity to have their equipment tested for compliance with the District's backflow prevention requirements. This initiative not only aids customers in maintaining compliance but also helps DC Water keep an updated inventory of systems and protect the distribution network.

Additionally, in FY24 we began researching disinfection byproducts and microbial contamination in drinking water through a national research study funded by the EPA. This two-year project will support the next EPA regulations, focusing on the prevalence of opportunistic pathogens and disinfection byproducts that result from water disinfection.

We continued efforts in our LFDC program, which aims to replace all lead service lines in the District. In FY24 we replaced 2,196 lead service lines contributing to the total of over 6,900 services lines replaced since LFDC launched in 2019. One of the ways in which we have been able to increase our rate of lead service line replacement is through multiple, simultaneous construction contracts. Additionally, to avoid disruptions and save

FY24 Environmental metrics for energy and infrastructure

\$5.1m

Renewable Energy
Certificates sold.

35%

Renewable energy produced
by DC Water as a percentage
of total energy consumed.

187,769 MWh

Energy Produced On-Site.

190 million gallons

Clean Rivers Tunnel Volume
in Service.

costs, we complete service line replacements during other capital improvement projects like water main replacements wherever possible.

As part of this program, in FY24 we published the LFDC program status dashboard. This dashboard includes real time replacements, tracks progress towards the goal of replacing all lead services lines in the city, and reports the number of properties where DC Water has conducted inspections to verify the material of service lines. We routinely update our service line records to share how many services lines are lead and still need replacing.

Energy and Emissions

As one of the largest consumers of electricity in the District, we continuously look for ways to expand our renewable energy portfolio. Renewable energy initiatives help us advance the Sustainable imperative within our strategic plan, Blueprint 2.0.

In FY24, across DC Water's portfolio, we sourced 35% of our energy requirements from renewable sources including on-site

energy generation and recovery, and clean energy purchased from the grid.

In FY24, DC Water evaluated the Phase 2 Solar Program at Blue Plains, which will provide 10.5 MW of renewable energy annually. This expansion follows the existing 3.4 MW of installed solar assets from the Phase 1 program. Additionally, the Fort Stanton #2 solar project was approved, which will produce an estimated 2 MW of renewable energy.

Moving forward, DC Water plans to invest in nine additional solar projects after evaluating open space on DC Water assets throughout DC where nine suitable sites for solar projects were identified. Following the learning and success of previous solar projects, and analysis of their financial feasibility, DC Water has decided to self-fund and deliver the solar project. We expect the investment payback to be less than four years.

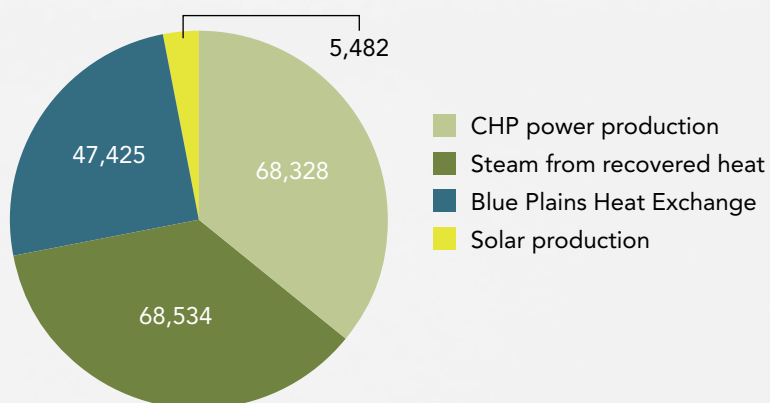


Fleet maintenance facility.



Green roof bioretention site at Fort Reno.

Sources of renewable energy generated at DC Water (MWh)



12 CONSECUTIVE YEARS awarded Platinum Peak Performance Award from the National Association of Clean Water Agencies for 100 percent compliance with regulatory permits.



Potomac River Tunnel Groundbreaking Ceremony.



This celebration was one of 64 events held at HQO in FY24.

An additional benefit to DC Water's investment in self-generated energy is the potential for reduced reliance on the grid and global energy markets. In FY24, DC Water continued scoping its microgrid project to manage and distribute power generated at the Blue Plains site and completed a feasibility study. The study documented the existing electrical system, discussed typical microgrid components including Distributed Energy Resources (DERs), battery energy storage systems (BESSs), and updated system components and controls. As part of the feasibility study, DC Water started exploring possible funding and grant opportunities and discussed peak shaving, demand response, and ancillary revenue strategies to reduce costs, balance supply and demand, and earn income from grid stability services.

DC Water also made improvements at an operational level, purchasing new biodiesel and electric vehicles in FY24 (19 bio-diesel units, 13 electric units, 10 electric forklifts).

In FY24, the Authority's headquarters, HQO received LEED Gold recertification for Operations & Maintenance of existing buildings.

DC Water is striving for platinum certification in the next recertification cycle and recording baseline information for the Building Energy Performance Standard (BEPS) to support this.

Infrastructure

The Clean Rivers Project represents one of DC Water's key initiatives to improve water quality in the Potomac and Anacostia rivers by reducing Combined Sewer Overflows (CSOs) to the district's waterways. Upon its completion in 2030, the Clean Rivers Project will help reduce CSO volume by 96% in an average year of rain compared with 1996 levels.

In October 2023, we celebrated the completion of the Northeast Boundary Tunnel (NEBT), marking completion of the Anacostia River Tunnel system. This milestone will help improve water quality, support efforts to make the Anacostia River swimmable and fishable, and demonstrate successful large-scale water infrastructure investment. In recognition of this achievement, DC Water received the 2024 Project of the Year award from the Underground Construction Association. Additionally, in FY24

Breakdown of solar generation and pipeline of solar projects at DC Water in FY24

3.7 MW

Solar in Operation.

1 MW

Solar in Construction.

6 MW

Solar in CIP.

we also won the 2024 WEX Global Award for Outstanding Community Contribution. Since the first leg of the tunnel was placed in operation in 2018, the NEBT has captured more than 17 billion gallons of sewage and 11 tons of trash and debris that would have otherwise polluted the Anacostia River.

Beyond tunnel infrastructure, DC Water continues to implement green infrastructure solutions. In FY24, we completed construction of the Rock Creek B green infrastructure project which will help reduce stormwater runoff contributing to CSOs. Rock Creek B includes 38 permeable alleys and 19 new bioretention sites with native plants. These green infrastructure elements manage stormwater runoff equivalent to 22 impervious acres, while creating community green spaces and enhancing urban biodiversity through native plants and pollinator-friendly landscaping. In FY24 we also awarded phase 1 of our next green infrastructure project, Rock Creek Project C, which will include 47 permeable alleys and manage stormwater runoff from the equivalent of 25 impervious acres.

In FY24 DC Water awarded an \$819m contract for the 5.5-mile Potomac River Tunnel Project.

Upon completion, the Potomac River Tunnel is estimated to reduce the number of CSO events in an average year of rain from 74 to 4 and reduce the volume of CSO by 93%.

The Authority also completed the Soapstone Valley Park Sewer Rehabilitation project in 2024, balancing infrastructure needs with environmental protection. This project successfully rehabilitated critical infrastructure while preserving the park's natural environment, demonstrating DC Water's commitment to responsible environmental stewardship.

Biodiversity

We contribute to a healthier local ecosystem through infrastructure projects that keep biodiversity in mind, create habitats, and improve water quality. For example, our

Rock Creek B project includes native plants, friendly to pollinators in its 19 bioretention sites.

The Authority's efforts to reduce CSOs through the Clean Rivers Project [described in the 'Infrastructure' section] have significantly improved water quality in the Anacostia River, enhancing river biodiversity. In 2024, the Anacostia Watershed Society's State of the River Report Card awarded the highest water quality grade in a decade. The completion of the Anacostia River Tunnel has contributed to this improvement by reducing sewer overflows. To further improve river quality, DC Water added another skimmer boat to its fleet to collect debris on the Anacostia. These skimmer boats gather debris from the Potomac and Anacostia Rivers and reduce our impact to nature on these important urban waterways.

For the second year, in partnership with Casey Trees, DC Water held community tree planting events at the Brentwood Reservoir in the fall of 2023 and spring of 2024. Participants received hands-on training and planted trees throughout the grounds. These tree

Environmental metrics for infrastructure and resources in FY24

108 months

Achieving class A biosolids.

34%

Biosolids sold compared to generated.

55,204 tons

Bloom volume sold.

\$2.75m

Biosolids Disposal savings from Bloom program.

64

Events held at HQO.

planting efforts help contribute to the District’s tree canopy goals and provide additional environmental benefits.

At our Fleet Maintenance Facility, we installed a green roof in FY24. This green roof keeps the building cooler in summer and warmer in winter, and also helps manage stormwater. The facility also features retention ponds with oil/water separators to filter stormwater runoff and keep oil out of drains, further protecting local biodiversity.

Waste and Resources

Blue Plains processes over 300m gallons of wastewater daily and turns the solids into Bloom, an EPA-certified Class A Exceptional Quality biosolid. Bloom is used as an affordable fertilizer and soil treatment for agricultural and landscaping uses. Blue Drop, our non-profit LLC, sells and markets Bloom. In FY24, we sold 55,204 tons of bloom, generating \$431,000 in revenue.

All of our biosolids get converted into Bloom and of the over 162,000 tons of Bloom produced, we sold 34% (55,200 tons). To meet increasing demand, we invested in a Bloom curing facility, which is under construction. This facility will help improve DC Water’s ability to bag the product making it more marketable and enable us to sell it in stores. An additional benefit of the new facility will be a small solar array that will generate 0.75 MW of power.

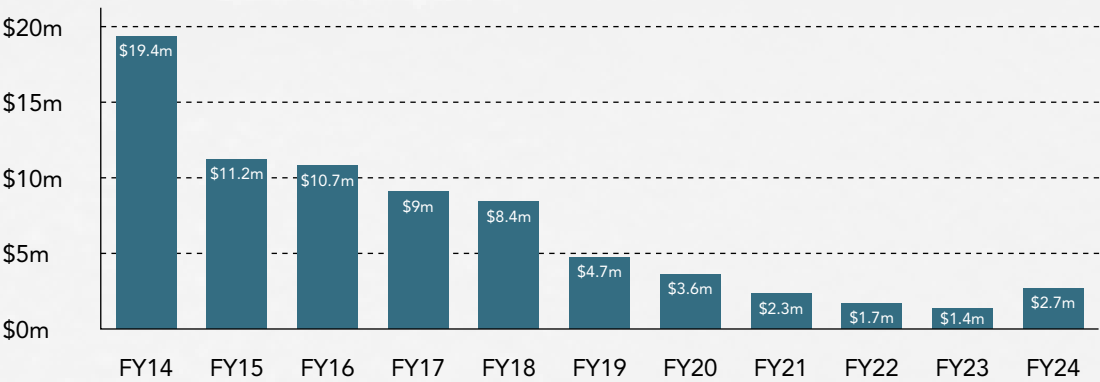
In FY24, Bloom received the 2024 Canopy Award for Sustainability from DC’s Casey Trees. The Canopy Awards recognize the role of people and organizations working to restore, enhance, and protect DC’s tree canopy. Bloom is used to restore urban soil which, in turn, helps to protect DC’s tree canopy.

We continued our waste-to-energy initiatives by reusing effluent from Blue Plains as coolant in our combined heat and power plant. In FY24, we developed a plan to obtain RECs for this effluent reuse and began discussions with various entities about potential projects to harvest thermal energy

from wastewater. Wastewater provides a reliable thermal source or sink, enabling efficient energy recovery. This approach offers several benefits, including reducing our costs and decreasing thermal pollution in wastewater discharge.

Our headquarters building, HQO, is also a valuable resource to the Authority. In FY24, Blue Drop coordinated and hosted 64 events, 14 of which were DC Water events. Blue Drop’s HQO Events division focused on corporate events in FY24, including a three-day Bloomberg CityLab event, an International Code Council conference, and the Equator Principles Financial Institutions annual meeting. Several large wedding parties also chose DC Water’s headquarters as their venue. These events helped create non-ratepayer revenue of \$608,000 in FY24.

Net Cost of Bloom Program







DC Water at Truck Touch.

COMMUNITY



DC Water views community engagement as both a responsibility and a rewarding opportunity to shape the future. We strive to serve our communities through education, hiring, and labor practices. Our employees are our most valuable resource, and we proudly boast a workforce that is reflective of the communities we serve. Through our construction programs, we are an important economic actor in the District, creating jobs and opportunities for our local communities. To help our communities and our workforce pipeline, we offer development programs that equip residents with skills to thrive including professional skills development for future employment.

We are committed to the health, safety, and wellbeing of our employees, customers, and wider stakeholders, setting a standard for present and future operations. Additionally, we focus on water affordability and customer service through various assistance programs.

Our community impact disclosure highlights the most material factors for DC Water and the broader water and wastewater industry.

Affordability and Customer Service

As the provider of essential services to our communities, we strive to remove barriers for customers to access water and wastewater services.

Local Impact

We are committed to ensuring our resource allocation process enhances the communities we serve through our projects.

Health and Safety

We are uncompromising in our commitment to the health and safety of our employees and require employees to adhere to our strict safety standards.

Workforce

Our workforce is central to everything that we do. Ensuring that we have a healthy and stable workforce and strong talent pipeline is critical to continued success.



Water Palooza educational fair.



Heavy Equipment Awareness training with the Division of Occupational Safety and Health (DOSH).

Affordability and Customer Service

DC Water has a long history of customer assistance programs for customers in need of more affordable services. In FY24, the Authority reported 4,985 enrollments across three tiers of Customer Assistance Programs (CAP): CAP I, CAP II, and CAP III, providing \$5.2m in assistance.

In FY24, we launched the Payment Plan Incentive Program (PPIP), which assists customers by contributing a credit of up to 40% of their payments toward outstanding balances. This program is one of our flexible payments plans to help customers manage their water bills.

In FY24, we identified a greater need for assistance due to increased financial insecurity among customers. This insight led to the development of a program to identify people beyond the CAP I program who needed greater assistance. Additionally, in FY24 we created a leak assessment and repair program to help customers reduce their bills by fixing leaks. This program will be

implemented in FY25. With this program, DC Water will support all five categories of EPA customer assistance programs.

The EPA categorizes Customer Assistance Programs for water utilities into five categories:

1. **Bill Discount:** Involves reducing a customer's bill and is also known as a write-off or reduced fixed fee.
2. **Flexible Terms:** Including payment plans, rewarding timely payment with debt forgiveness, billing timing adjustment, debt forgiveness, and leveled billing to create predictable monthly bills.
3. **Lifeline Rate:** Customers can pay a subsidized rate for a fixed amount of water. This is also known as a low-income rate structure.
4. **Temporary Assistance:** Include one-time or short-term assistance to prevent disconnection or to restore service after disconnection.
5. **Water Efficiency:** Includes subsidizing water efficiency measures like leak repairs or offering rebates for water efficient fixtures and appliances.

100% of certified firm spending goals met for FY24. At DC Water we consider certified firms as being important, these include Disadvantaged Business Enterprises (DBE) and Women Business Enterprises (WBE).

In FY24, we provided \$5.2m in assistance for our CAPs to over 5,000 accounts enrolled.

Throughout FY24, DC Water held multiple town hall meetings to publicize proposed rate adjustments and answer questions from the community. These “Let’s Talk Rates” sessions reflect the Authority’s dedication to transparent communication and stakeholder engagement.

To improve customer outreach and engagement, we have partnered with our LFDC Activators to pass out assistance program flyers as they canvas neighborhoods. We have also released short form animation videos to inform our customers about assistance programs and billing.

Local Impact

DC Water continuously makes significant investments in infrastructure to provide safe, clean, affordable, and reliable water and wastewater services to customers. The 10-year Capital Improvement Program (CIP) supports major capital investments in programs and projects, including upgrades to water and sewer systems and to meet regulatory requirements. The FY24-FY33 10-year budget includes \$7.7b of projects. In FY24, DC Water held several training courses on Collaborative Project Delivery, the preferred method for delivering capital improvement projects to improve the cost effectiveness of these investments. These courses trained 49 DC Water employees with 36 earning Design Build Institute of America certifications.

To identify additional projects for the CIP, we regularly update our facilities plans. In FY24,

we revised our Water Storage Facilities Plan and Water Pumping Facilities Plan. These updated plans include assessments of our assets, their functions, conditions, short- and long-term goals, and recommendations. These updates help us understand the current state of our assets and determine needs, informing CIP projects. Additionally, we completed a short-term water supply resilience study to better understand our current water storage capacity and identify potential projects to enhance water storage in the District.

Our LFDC program supports local contractors through the Lead Pipe Replacement Assistance Program, which connects local plumbing contractors with homeowners in need of service line replacements on private property where the service line on public property has already been replaced. A record 544 lead service line replacements were completed through the program in FY24.

In the summer of 2024, DC Water hosted WaterPalooza for over 100 elementary school students. This event provided educational, water-based activities on topics such as stormwater runoff and lead contamination. The LFDC team hosted a table with games to teach students about lead service lines, the health hazards of lead, and ways to eliminate lead from the water system. This event exemplifies the Authority’s commitment to educating the next generation about water-related issues and careers. The Authority also hosted its annual “Imagine a Day Without Water” event to highlight the value of water in our lives and the importance of protecting it.



Work in Water open house event.

Health and Safety

DC Water maintains a strong commitment to the health, safety, and wellbeing of its employees and contractors. In June 2024, the Authority hosted a Safety Day Fair, where vendors presented demonstrations and technologies related to slips, trips, and falls, and employees practiced operating fire extinguishers amongst other activities.

Throughout FY24, we held over 90 health and safety (H&S) training sessions on various topics such as fall protection, OSHA regulations, traffic safety, first aid, and safe equipment use. Many of these training courses were provided by the Department of Occupational Safety and Health (DOSH) for DC Water staff. These comprehensive training programs ensure that employees have the knowledge and skills to perform their jobs safely. In FY24, we also expanded safety recognitions for our “Good Catch” programs, where employees are recognized for correctly identifying safety hazards, promoting a proactive safety culture.

In August 2024, DC Water held a Self-Care Workshop, sponsored by our insurance provider and attended by over 100 employees to share information on self-care best practices. Following the workshop, healthcare incentives were offered to employees, including a \$30 incentive for completing an online health assessment and a \$50 incentive for completing a physical examination. Employees can also earn a gift card by getting a flu shot.

In FY24, we continued other employee wellness initiatives, such as flu shot clinics and health fairs. We had 270 attendees at our Health Fair, where employees could learn about open enrollment for health insurance.

In FY24, we also developed a wellbeing program for rollout in FY25, which includes additional financial wellness and mental health programs, demonstrating a holistic approach to employee health and wellbeing.



Imagine a Day Without Water event.

Safety and staffing metrics in FY24

1.7

Total recordable incident rate.

1.4

Lost time recordable incident rate.

36%

Female representation across leadership (Grade A and above).

23%

Female representation across the Authority.

Workforce Programs

DC Water places a high priority on developing and maintaining a skilled workforce through professional development and employee engagement. We are also dedicated to creating future employment pipelines for our community through apprenticeships and internship programs.

Professional development opportunities were supported by the evolution of the Advancing Blue performance management system. This system features a five-point rating system, SMART criteria for goals, and the incorporation of cultural goals. These enhancements aim to improve employee development and accountability across the organization.

DC Water also hosted 24 Lead and Learn sessions during FY24, with 50 to 75 participants per session, covering topics such as AI implementation, high-impact feedback, process analysis, and a Blueprint 2.0 strategy refresher.

As part of the “We are DC Water” initiative, the Authority held lunch and learn sessions to help

employees get to know people in the organization, establish mentoring programs, and provide information about what other teams do and potential career paths within the organization.

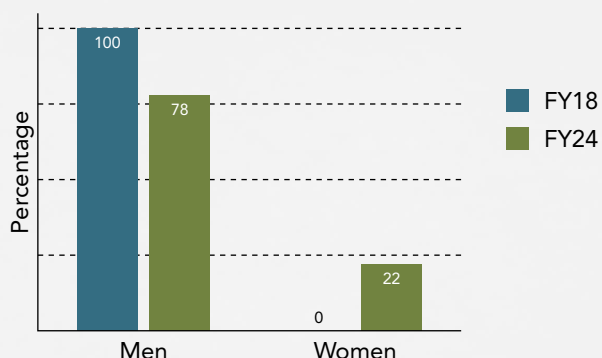
Our Women of Water (WoW) employee resource group also hosted several events in FY24. These included presentations by external speakers, and special training sessions with Dale Carnegie on communication and storytelling. The group also celebrated Women’s History Month and conducted outreach activities to support women in the workplace.

DC Water continues to connect with the local community to help improve engagement for LFDC. In August 2024, DC Water welcomed the second cohort of the LFDC Community Activator Program. This program provides training and employment opportunities related to the LFDC initiative, with the DC Department of Employment Services covering their wages for the first year. The Activators received various trainings, including sessions with speakers from different departments at



Interns presented findings from their time at DC Water at the Intern Expo.

Gender representation in senior executive team



Certified firms metrics in FY24

8.3%

Of certified firms working as prime contractors.

39%

Of certified firms working on DC Water projects.

DC Water, learning about various careers, networking opportunities, professional and personal growth programs, and workshops on interviewing techniques and resume building.

Activators engage in door-to-door canvassing to help residents learn about the program and its impact on their homes. Activators are trained to inform residents about the replacement program, what construction will look like, health impacts of lead in water, and answer questions. Fourteen Activators from the first cohort of the Activators program received full-time positions with the LFDC program.

We continued and expanded programs that help create new employment pipelines for the local community. We had five apprentices graduate from our Apprenticeship Program supported by the District Department of Employment Services in 2024. We also had 43 college summer interns successfully complete our Summer Internship Program and participate in an Expo showcasing their work. We also started a pilot program for high school internships, which included various training components. These programs provide opportunities for students to learn about careers in the water sector.

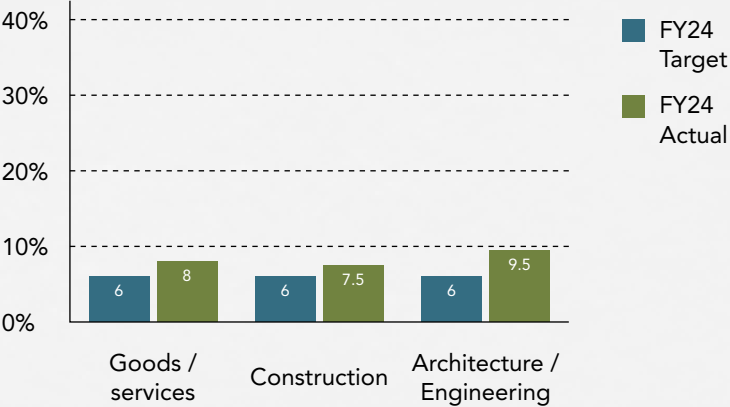


View of Northeast Boundary Tunnel shaft.

Certified firms metrics
% DBE Spend



% WBE Spend





Distribution of work delivered by certified firms

Certified Firm	Goods / Services		Construction		Architecture / Engineering	
	FY24 Actual	FY24 Target	FY24 Actual	FY24 Target	FY24 Actual	FY24 Target
DBE	35%	32%	32%	32%	31%	28%
WBE	8%	6%	8%	6%	10%	6%



DC Water Leadership Retreat.



ORGANIZATIONAL GOVERNANCE

Our sector-leading governance structures are critical for maintaining accountability to all of our stakeholders. DC Water is committed to improving its governance practices, including its approaches to risk management and cybersecurity, and its approach to innovation to stay ahead of emerging threats and share knowledge with other utilities. We conduct annual checks through our internal audit team to ensure adherence to policies and to enable continuous improvement.

The governance structures at DC Water ensure that we respond to threats like extreme weather and cyberattacks and drive innovation to respond to these kinds of things better.

Our disclosure highlights the most material factors for DC Water and the broader industry.

Impact Report Governance

To support progress against the different components of our Impact report disclosure, DC Water has formalized roles and responsibilities, institutionalizing the reporting framework at the Authority.

Policies and Transparency

Implementing critical policies and programs, such as ROCIP6, is important to maintain a functioning, resilient, and accountable organization.

Cybersecurity and Privacy

As an organization dependent on technology, preparing for and preventing cyberthreats in critical to continued operations.

Strategy and Innovation

As unexpected threats emerge, we take time to consider innovative approaches to improve operations and strategic outcomes.

Risk Management

Identifying ongoing and emerging risks is critical to preparing prevention and mitigation strategies.

Regional Partnerships

Operating in a large metropolitan area with multiple jurisdictions and entities requires deliberate and formal engagements with our partners.



Contractors who benefit from ROCIP at work on site.



Innovation Community of Practice kick off meeting.

Impact Report Governance

In FY24, we continued to advance our organizational maturity in disclosure. We have continued engaging with our Working Group to facilitate information gathering, manage data governance, and increase awareness of our impact across the organization. The reporting process allows DC Water to coordinate efforts across the Authority and set targets that advance our strategic objectives and initiatives. Oversight is provided by a Steering Committee, consisting of the Senior Executive Team, which engages the Board of Directors through the Finance Committee.

Additionally, DC Water actively shares approaches, trends, and initiatives with external stakeholders, including credit rating agencies and the financial community. As a leader in reporting for the water sector, we frequently share our journey with peer utilities, governments, and professional associations. In FY24, we had the opportunity to formally share our approach via seven presentations across North America, including conferences, universities, and at the World Bank.

Policies and Transparency

As one of the largest water utilities in the country, DC Water delivers high volumes of construction projects every year requiring a reliable supply chain. Such projects have significant insurance requirements due to the potential risks involved in their delivery and this can limit the supply chain to only the biggest contractors. To ensure that smaller, local firms can also benefit from DC Water's infrastructure investments, DC Water has made such contracts more accessible through the deployment of a Rolling Owner Controlled Insurance Program (ROCIP). Initiated in 2004, and maintained for the past 20 years, six ROCIP programs have now been implemented.

ROCIP covers a long-term capital improvement program or similar group of separate projects. An Owner Controlled Insurance Program (OCIP) is an alternative insurance program in which a project owner provides and maintains insurance coverages to protect the owner, design builders, prime contractors, and subcontractors working on identified projects. OCIPs are

Metrics for enterprise risk management and alternative revenue in FY24

Category	FY24 goal	FY24 actual
ERM (Maturity Scale 1-5)	3	3
Cell Tower Revenue (\$)	228,000	203,000
Intellectual Property Sales (\$)	200,000	340,928
Total Revenue Generated from Alternative Sources (\$m)	9.3	11.8

typically used on large construction projects involving multiple contractors and subcontractors.

In FY24, DC Water launched the sixth Rolling Owner Controlled Insurance Program (ROCIP6). ROCIP6 will cover typical water and sewer projects, facility upgrades, dewatering, sewer rehabilitation, and water main replacements, including our LFDC Initiative. ROCIP6 includes Contractor's Pollution Liability, which covers environmental liability arising from construction activities. The program is being used for the Potomac River Tunnel project.

ROCIP benefits include enhanced claim processes, increased limits and broader coverages for all enrolled contractors, reduced overall rates through the use of consistent carriers, strengthened construction risk management and insurance programs, coverage for multiple interests using master insurance policies, and support for minority contractors that otherwise would not have the coverage required by DC Water. The program also helps DC Water avoid costs that would have been paid to general contractors without ROCIP in place.

The six programs rolled out since ROCIP began in 2004 have covered 261 separate projects and \$6.2b in construction. This program has led to avoided costs of \$32m for DC Water. With 2,805 contractors enrolled, ROCIP has allowed for increased breadth of coverage and limits for all contractors.

We are committed to maintaining transparency with our customers and stakeholders. We achieve this by sharing both required and additional voluntary information through our website, customer newsletters, and various published reports. These reports include our Annual Drinking Water Quality Report, Green Bond Report, Impact + Resilience Report, and Annual Report. We have also continued to publish results of our voluntary PFAS monitoring data on our website.

In FY24, we also continued to advance our Enterprise Policy Program, improving the management of policies to ensure they are current and accessible. Two of our financial policies, described in the Financial section of this report, were updated this year.

Cybersecurity and Privacy

In FY24, we continuously sought ways to strengthen our cybersecurity program to protect information assets, monitor cyber threats, and improve incident response. We undertook a number of initiatives to enhance the resilience of our systems and incident response, including the creation of a Cyber Incident Response Playbook. This playbook provides executives with an overview of the actions outlined in the Incident Response Plan during an incident and includes activities that executives may need to plan for in significant incidents, such as those related to water distribution or restoration services.

Additionally, we regularly undergo external audits to evaluate the effectiveness of our critical systems, such as the Customer Service Audit in FY24. We have also developed an in-house process to assess our deployed IT services. Furthermore, in FY24, we enhanced our cybersecurity monitoring tools by leveraging new AI capabilities. We improved our Data Protection and Retention technology, aiming to classify data and ensure that

\$11.8m in revenue produced through Blue Drop programs including RECs, cell tower leases, intellectual property, and Bloom sales.

261 projects covered by ROCIP since 2004.

our adoption of AI does not inadvertently expose sensitive information. As a part of this effort, our IT teams have led data management efforts to enforce the controls outlined in our Data Classification and Sharing Policy and data management strategy.

Strategy and Innovation

At DC Water, innovation enables us to be at the leading edge of performance in delivery of safe, reliable, resilient, and sustainable services to the District and surrounding communities. As part of our strategic plan, DC Water continuously invests in technologies and research which have helped position it at the forefront of industry innovation. The innovation program has researched and piloted several technologies to help improve operational efficiency and infrastructure.

For knowledge management, we implemented a new tool to promote “how-to” instruction among staff, leveraging AI to capture institutional knowledge across the Authority and generate summaries and quizzes to enhance learning. It is being used to support the entire organization in operations, safety, and other functions.

An AI-enabled asset fault detection tool has been implemented to enable a predictive maintenance system for pumps, motors, fans, and other mechanical assets. Using sensor data, it can predict and avoid unplanned downtime, allowing our Operations staff to make informed decisions on how to improve their maintenance scheduling.

DC Water continued to advance our Authority-wide approach to AI to drive greater efficiency,

productivity, and advance our capabilities. Fifty employees from across the utility were trained on and are now using an enterprise AI platform. Survey results from users showed evidence of efficiency and productivity gains compared to conventional means. A utility-wide AI Community of Practice of approximately eighty employees enabled greater use and benefit from AI-enabled technology.

As an early adopter of AI, DC Water is sharing a \$100K grant award to advance Generative AI technology across the water sector.

Through the Water Research Foundation, this grant will help educate and promote Generative AI across the industry through new guidelines, best practices, and the sharing of use cases.

In FY24, DC Water also developed prototypes for two AI-enabled technologies to help improve the efficiency of operations. The first is a chatbot for procurement to make it easier for employees to understand and follow procurement policy. The Authority is also developing a customer care chatbot which will help enhance customer experience by providing quick, accurate, and consistent messaging, reducing staff workload and improving operational efficiency.

Progress also continued on the short-cut nitrogen removal technology known as PdNA or DETOUR in wastewater

treatment. We advanced the design and procurement for a pilot demonstration program to implement this technology at Blue Plains. This technology can help increase our nutrient removal capacity without additional infrastructure and can contribute to cost and energy savings.

Additionally, a manhole inspection program was piloted using high resolution imagery to assess manhole condition. This technology employs GIS and modeling to detect structural issues and provide precise measurements while reducing the need for manual inspections, enhancing worker safety.

In FY24 we launched a lead pipe detection pilot program using a low-voltage conductivity technology to identify pipe material, minimizing the need for extensive excavation and reducing physical strain on workers. The tool helps strategically target lead service line replacements and has been implemented as part of the LFDC Program, offering an alternative to digging test pits at customer locations.

DC Water has also implemented an enhanced metering data communication tool to connect thousands of subterranean water meters that currently are unable to transmit water consumption data. This technology aims to reduce the number of estimated readings from non-transmitting meters. By improving efficiency and accuracy in monitoring water consumption, this tool can also help detect issues such as leaks.

DC Water strives to continuously learn from and collaborate with peer utilities. In FY24, the Authority established a Regional Community

of Practice (CoP) in Innovation to learn from technologies and solutions from other utilities to help solve key problems for customers, employees, and communities. This exchange with partner utilities benefits DC Water by seeing and learning what others are doing with innovative technologies. Additionally, DC Water actively collaborates on new and emerging technologies with eighteen other utilities through a facilitated, global innovation network. Several innovative technologies, such as the knowledge management tool discussed in this section, have been discovered via this network and brought to DC Water for further evaluation.

Risk Management

Enterprise Risk Management (ERM) allows us to manage the Authority's biggest risks and support our strategic imperatives and objectives. During phase 1 of the ERM process, we captured 39 risks in our risk register and prioritized risks to align on the most critical risks that could impact our strategic objectives. In phase 2 of the ERM process, we took a deeper dive into our critical risks to get a better understanding of root cause drivers, made investments in a technology solution, and continued efforts to develop a risk-aware culture.

The highest priority risk drivers identified were non-revenue water loss and stakeholder relationships. Addressing non-revenue water is a critical opportunity to improve our financial sustainability, conserve water resources, and enhance the overall efficiency of our water infrastructure. We are advancing a plan to perform a top-down assessment of the current water

loss rate and total costs. This effort will aid in establishing DC Water's current state, identifying priority areas and steps for remediation. For the stakeholder relationships risk driver, we are developing a stakeholder mapping exercise to capture information about our stakeholders, their influence and impact, and develop a strategy to actively manage those relationships.

DC Water has also invested in a risk management software platform that has successfully enhanced the efficiency and effectiveness of our risk management efforts. In FY24, we fully implemented the new software solution, aligning it to our risk framework and processes. This solution provides a centralized platform for risk assessments, streamlining the data collection process, and providing real-time insights through dashboard functionalities. In FY24 we started developing risk treatment plan templates for employees to report on actions, initiatives, and investments to mitigate and monitor risks.

Our ERM team and governance structures were formally established in FY24 to support risk-informed decision-making, engage leadership, and establish responsibility and accountability for risk oversight. Additionally, we gathered and received feedback on the ERM program from across the organization. Through risk committees, we will use resources to track, monitor, and evaluate feedback.

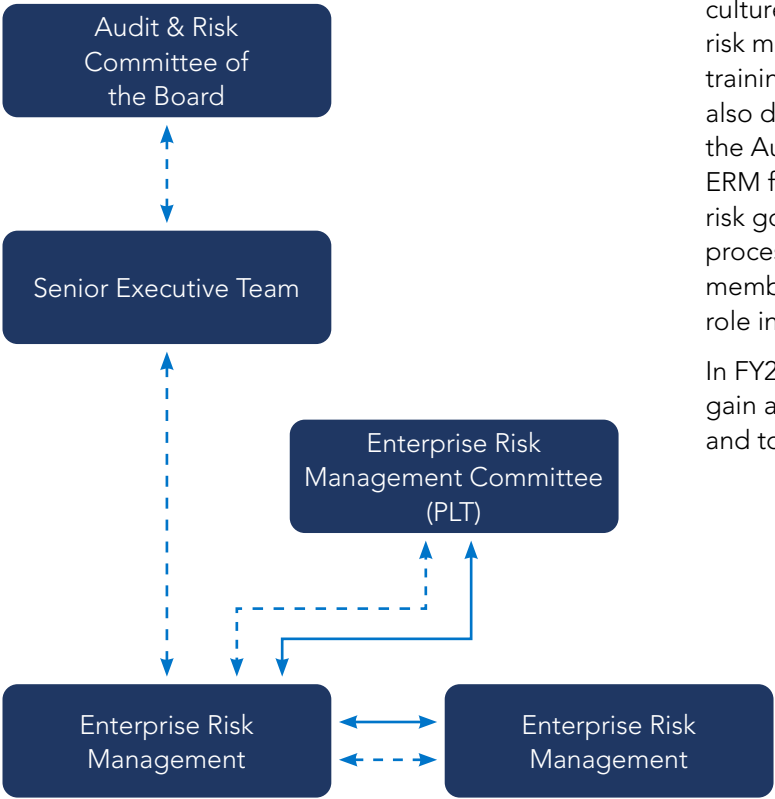


WEX award for Outstanding Community Contribution.



Contractors installing a sculpture at Cooper Gordon Park.

ERM Governance Structure



In FY24 we conducted a series of four ERM trainings across the organization to develop a more risk-aware culture that supports employees in becoming active risk managers. We advanced the ERM foundational training, achieving a 99% staff completion rate. We also delivered ERM trainings to over 80 leaders across the Authority. Topics covered in these trainings include ERM fundamentals, the value of ERM to DC Water, risk governance structures, and the risk management process. Finally, we extended ERM training to all board members informing them of the ERM process and their role in risk management oversight.

In FY25, we will advance a bottom-up risk approach to gain a more granular understanding of DC Water’s risks and to embed a risk perspective into daily operations.

Key

Collaborates

Risk updates & feedback

Regional Partnerships

DC Water operates not only in the District of Columbia but manages infrastructure in neighboring jurisdictions in the State of Maryland and the Commonwealth of Virginia. The vast majority of the Washington, DC metropolitan area relies on the sharing of our common drinking water source, the free-flowing, freshwater Potomac River.

The sharing of this resource along with other regional water resources is facilitated by inter-governmental agencies such as the Interstate Commission on the Potomac River Basin (ICPRB) and the Metropolitan Washington Council of Governments (MWCOG). DC Water actively participates in these entities, providing direction and input on regional water quality and quantity issues.

In FY24, DC Water worked with ICPRB, participating in the annual Low Flow Allocation Agreement partners’ meeting, the Potomac River Basin Drinking Water Source Protection Partnership, and in the promotion of awareness about the economic importance of the Potomac River to the region as its primary source of water. We also worked with MWCOG to amplify messaging on water quality issues related to EPA’s PFAS rule, freshwater salinization, and sourcewater protection.



A Blue Drop event at HQO.



Northeast Boundary Tunnel.



RESILIENCE

The future is never entirely predictable, and communities will always face unexpected challenges such as extreme weather, cyber threats, and economic shifts. DC Water strives to mitigate the impacts of these events through developing resilience across the Authority. As a strategic imperative, outlined in Blueprint 2.0, our efforts to become more resilient receive dedicated attention through our strategic management efforts.

Our resilience disclosure is organized under the following categories to showcase the factors we believe to be the most material to DC Water and the broader water and wastewater industry.

Extreme Weather

Impact related to extreme weather threatens water and wastewater utilities through floods, drought, fires, and other physical hazards that can be prepared for and mitigated.

Financial

Providing affordable services is paramount to what we do. Innovation helps us identify a diverse source of non-ratepayer revenue and manage existing obligations.

Operational

Maintaining agile operations allows us to quickly adapt to unexpected threats and changes such as pandemics and power outages.

Extreme Weather

DC Water continues to strengthen the resilience of its infrastructure against weather-related threats and other hazards. Specifically, we continue to pursue the completion of the floodwall at Blue Plains to improve the resilience of the wastewater treatment plant and ensure the availability of critical assets during extreme flood events. The floodwall will be delivered using a progressive design-build (PDB) delivery method. This approach involves two phases: pre-construction which is expected to start in June 2025 and construction which is expected to start in 2027. The PDB method offers greater collaboration and flexibility during the design phase, allowing for easier adjustments to plans and costs, which can lead to better project outcomes, reduced risk, and in theory, risk premiums. In FY24, we received notification of the first phase Building Resilient Infrastructure and Communities (BRIC) grant award for the final three segments of the floodwall.

The Authority's Hazard Mitigation Task Force meets quarterly to evaluate threats and hazards,

propose projects, and identify opportunities to mitigate risk. In FY24, the Task Force conducted an annual update of the DC Water Hazard Mitigation Plan, incorporating information from the 2023 Risk and Resilience Assessment and adding newly selected hazard mitigation strategies. We also held our first Integrated Preparedness Plan Workshop with input from DC Water departments and external partners to review our preparedness priorities. The workshop focused on enhancing DC Water's hazard preparedness capability through training, scenario response exercises, evaluation, continued education of Incident Management Team (IMT) members, coordination with local and federal partners, and coordination of funding for training and scenario response exercises. This resulted in our first Multi-Year Integrated Preparedness Plan. We also enhanced DC Water alerts and assisted with critical event management platform efforts, including quarterly tests and quality assurance within the platform's database.

In FY24, we conducted a self-assessment and completed documentation in preparation for a site assessment in FY25 for the Emergency Management Accreditation Program (EMAP) certification. This certification recognizes emergency management programs that comply with industry standards and demonstrate continuous improvement.

In an effort to increase water supply security, we have advanced our regional drought monitoring and water supply security efforts. In partnership with regional water suppliers, DC Water is participating in a multi-year U.S. Army Corps of Engineers feasibility study, through the Water Resources Development Act, to evaluate backup water supply options for the Washington, DC Metropolitan Area.

Financial

Our Board of Directors continually assesses key financial policies that help inform our financial planning, CIP, and operating budgets. In October 2023 we approved resolutions to revise our Statement of Financial Policies and the Rate Stabilization Fund

Operational resilience metrics in FY24

8%

Employee Turnover Rate.

\$120,000

of federal funding received for Hazard Mitigation Plan revisions.

Policy. Our financial policy includes maintaining strong cash reserves with a minimum of 250 days cash on hand, aiming to achieve 350 days by 2032, and a minimum combined debt service coverage of 1.60. These policies will help us improve our financial resiliency, address emergency situations, and maintain high bond ratings.

DC Water continues to demonstrate strong financial stewardship through effective bond management and strategic financial planning. In July 2024, the Authority completed a \$600m bond refinancing transaction which will save \$75m over 20 years, equating to \$3 to 4m in annual savings from FY2024 to FY2044. The transaction involved diverse underwriter participation, including minority-owned and veteran-owned firms, reflecting DC Water's commitment to inclusive business practices. DC Water's high bond ratings facilitated this refinancing, helping us reduce borrowing costs and, in turn, lower rate-payer costs in the long run. In FY24, we maintained high bond ratings, with ratings of AAA from S&P, Aa1 from Moody's, and AA+ from Fitch being reaffirmed. These

high ratings help keep borrowing costs lower and reflect DC Water's strong management and financial performance. This is particularly important as the Authority plans to borrow \$3.3b over the next ten years to implement its \$7.7b capital program.

In FY24, we also secured \$39.3m in federal funding from the EPA to study emerging contaminants. Additionally, we received notification of two grant awards from FEMA. Phase 1 of the Blue Plains floodwall received \$3.9m in federal Building Resilient Infrastructure and Communities (BRIC) funding. We also received \$120,000 for a Hazard Mitigation Plan Revision to reflect current hazard mitigation efforts and threats. These federal funds will help improve the resilience of our operations and critical assets.

For the 27th consecutive year, DC Water received an unmodified ("clean") audit opinion from its external auditor. This was the fourth audit completed in the Oracle financial system, further validating the Authority's financial integrity and transparency.



Blue Plains floodwall.



Blue Plains First Responder seminar.



Critical Customer Care event.

Financial resilience metrics in FY24

2.32

Combined Coverage Test
(Revenue/Debt Service).

323 Days

Cash on Hand.

\$2,290/million gallons

Water Services O&M
Monthly Costs.

In FY24, we maintained high bond ratings, with ratings of AAA from S&P, Aa1 from Moody's, and AA+ from Fitch being reaffirmed.

Operational

Succession planning helps improve the resilience of the organization and is vital to business continuity by identifying key positions and their potential successors. This process helps proactively address transfer risk and identifies key skills and knowledge needed for future external candidates.

At DC Water, succession planning is guided by three principles: people, process, and technology. We aim for the process to be empowering, inclusive, and transparent for all those involved. Our succession planning process is spread across six stages. After successors are identified, we create robust talent pipelines and strengthen training and development efforts to align them with succession needs. Our goal is to leverage tools such as Oracle, to make the experience simple and intuitive. In FY24, we identified 82 critical positions and 164 successors. We also use three categories to identify successor readiness:

- Ready Now: 59 people
- Ready 1 to 2 years: 99 people
- Ready 3 to 5 years: 67 people

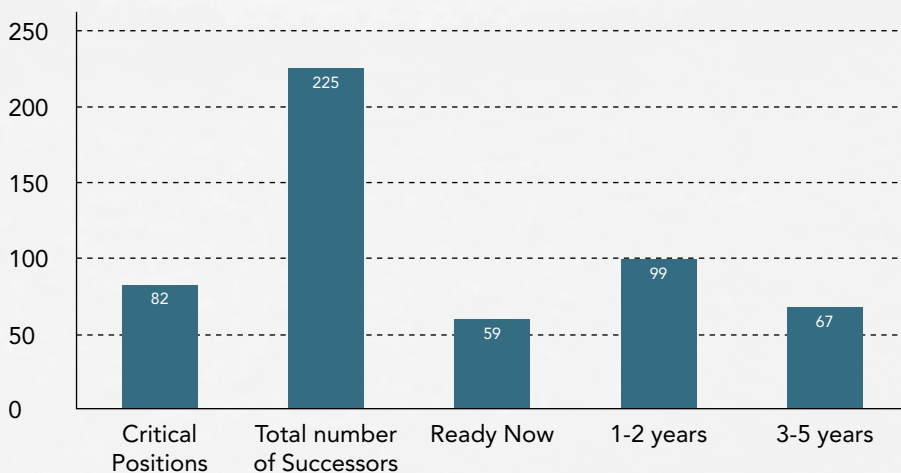
DC Water has implemented comprehensive emergency response and preparedness measures to ensure operational continuity during crises. Throughout FY24, DC Water conducted five full incident management team activations and participated in 40 special events with local, state, regional, and federal partners. The Authority also produced 13 after-action reports for emergency responses and conducted 68 training exercises for DC Water employees and first responders, including evacuation drills at key facilities and hazardous material exercises.

DC Water hosted our Eighth Annual Critical Customers Event and Emergency Preparedness Exercise at our headquarters. This year's event brought together 68 participants, representing 37 different local, state, regional, and federal agencies, businesses, and non-profit organizations. The forum also provided an opportunity for participants to provide updates to DC Water's Critical Customer Water and Wastewater Emergency Response Guide.

A notable exercise involved maintaining emergency communications with customers during a winter weather event. Another exercise tested the communications capabilities of DC Water's Mobile and Tactical Command Vehicles when the Central Maintenance Facility was simulated to be inaccessible.

DC Water also organized several events with first responders to enhance preparedness and coordination. The Blue Plains and Response Partners Hazardous Exercise Series helped first responders learn about Blue Plains and hazards that exist at the plant. We also hosted an EPA Water and Healthcare Coordination Workshop, bringing together partners from public health organizations, emergency management, and others to discuss water preparedness. The workshop included over 20 agencies and featured case studies related to lead contamination, water outages during storms, and pipe failures, as well as a tabletop exercise on a hypothetical boil water advisory and "Do Not Consume" scenarios.

FY24 Successors by readiness





SASB INDEX

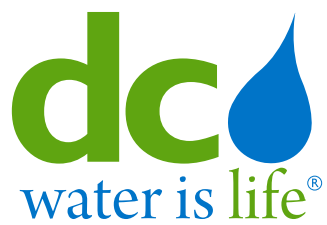
The Sustainability Accounting Standards Board (SASB) Standard provides organizations with an industry comparable disclosure to present. We present our FY24 SASB disclosure in-line with the Water Utilities (WU) SASB Standard to provide our stakeholders with transparency related to the risks and opportunities facing our organization through metrics designed specifically for water utilities.

SABS Code	Accounting Metric	FY21	FY22	FY23	FY24
Energy Management					
IF-WU-130a.1	1) Total energy consumed	1,300,000 GJ at Blue Plains	1,550,000 GJ for all DC Water	1,335,047 GJ for all DC Water	1,018,800 GJ for all DC Water
	2) Percentage grid electricity	47% non-renewable use at Blue Plains	50% for all DC Water	57% for all DC Water	54% for all DC Water
	3) Percentage renewable	53% renewable use at Blue Plains	43% for all DC Water	0% for all DC Water (48% renewable energy produced by DC Water as a % total of total energy consumed)	0% for all DC Water (35% renewable energy use for all DC Water)
Distribution Network Efficiency					
IF-WU-140a.1	Water main replacement rate (Length of water mains replaced (miles)/ Total length of water mains replaced (miles))	0.64%	0.65%	0.71%	0.76%
IF-WU-140a.2	Volume of non-revenue real water losses	45,000,000 m ³	40,000,000 m ³	37,285,545 m ³	40,560,010 m ³
Effluent Quality Management					
IF-WU-140b.1	Number of incidents of noncompliance associated with water effluent quality permits, standards, and regulations	0 incidents	0 incidents	0 incidents	0 incidents
IF-WU-140b.2	Discussion of strategies to manage effluents of emerging concern	Please see our statement on effluents of emerging concern	Please see our statement on PFAS and water	Please see our statement on PFAS and water	PFAS and Drinking Water DC Water
Water Affordability and Access					
IF-WU-240a.1	(1) Residential	i. Residential: 0-4 Ccf: \$3.49 ii. Residential: > 4 Ccf: \$4.50 iii. Multi-Family: \$3.96	i. Residential: 0-4 Ccf: \$3.49 ii. Residential: > 4 Ccf: \$4.50 iii. Multi-Family: \$3.96	i. Residential: 0-4 Ccf: \$4.28 ii. Residential: > 4 Ccf: \$5.58 iii. Multi-Family: \$4.90	i. Residential: 0-4 Ccf: \$4.38 ii. Residential: > 4 Ccf: \$5.70 iii. Multi-Family: \$5.00

SABS Code	Accounting Metric	FY21	FY22	FY23	FY24
IF-WU-240a.1	(2) Commercial and (3) Industrial customers	Non-Residential: \$4.65	Non-Residential: \$4.65	Non-Residential: \$5.78	Non-Residential: \$5.89
IF-WU-240a.2	Typical monthly water bill for residential customers for 10 Ccf of water delivered per month	\$179.41	\$191.98	\$205.86	\$215.30
IF-WU-240a.3	Number of residential customer water disconnections for nonpayment	We did not disconnect any customers in FY21 for non-payment	614 residential customers	2,766 residential customers	6,480 residential customers
	Percentage reconnected within 30 days	n/a. Please see above	Not currently tracked	87%	85%
IF-WU-240a.4	Discussion of impact of external factors on customer affordability of water, including the economic conditions of the service territory	Please see the Customer section of the FY21 ESG Report	Please see the Affordability and Customer Service section of the FY22 ESG+R report	Please see the Affordability and Customer Service section of the FY23 ESG+R report	Please see the Affordability and Customer Service section of the FY24 Impact + Resilience report
Drinking Water Quality					
IF-WU-250a.1	(1) Acute health-based violations	0	0	0	0
	(2) Non-acute health-based violations	0	0	0	0
	(3) Non-health-based drinking water violations	0	0	1	0
IF-WU-250a.2	Discussion of strategies to manage drinking water contaminants of emerging concern	Please see our statement on effluents of emerging concern	Please see our statement on PFAS and drinking water	Please see our statement on effluents of emerging concern	PFAS and Drinking Water DC Water
End-Use Efficiency					
IF-WU-420a.1	Percentage of water utility revenues from rate structures that are designed to promote conservation and revenue resilience	71.6% of revenue comes from volumetric revenue	71.5% of revenue comes from volumetric revenue	73.9% of revenue comes from volumetric revenue	74.2% of revenue comes from volumetric revenue
IF-WU-420a.2	Customer water savings from efficiency measures, by market (cubic meters)	Not reported	Not reported	Not reported	Not reported
Water Supply Resilience					
IF-WU-440a.1	Total water sourced from regions with High or Extremely High Baseline Water Stress, percentage purchased from a third party	0 m ³	0 m ³	0.09% or 111,558 m ³	18.87% or 26,270,565 m ³

SABS Code	Accounting Metric	FY21	FY22	FY23	FY24
IF-WU-440a.2	Volume of recycled water delivered to customers	0 m ³	0 m ³	0 m ³	0 m ³
IF-WU-440a.3	Discussion of strategies to manage risks associated with the quality and availability of water resources	Please see the Water and Resource Management section of the FY21 ESG Report	Please see the Water and Climate Resilience sections of the FY22 ESG+R Report	Please see the Water and Climate Resilience sections of the FY23 ESG+R Report	Please see the Regional Partnerships and Extreme Weather sections of the FY24 Impact + Resilience Report
Network Resiliency and Impacts of Climate Change					
IF-WU-450a.1	Wastewater treatment capacity located in 100-year flood zones	2.5 million m ³ per day	2.5 million m ³ per day	2.5 million m ³ per day	2.5 million m ³ per day
IF-WU-450a.2	(1) Number of sanitary sewer overflows	54	37	44	32
	(2) Volume of sanitary sewer overflows	804 m ³	219 m ³	299 m ³	3,887 m ³
	(3) Percentage of volume recovered	66% volume recovered	91% volume recovered	53% volume recovered	55% volume recovered
IF-WU-450a.3	(1) Number of unplanned service disruptions	Not reported	Not reported	1,469	1,643
	(2) Customer affected, each by duration category	Not reported	Not reported	73 (0 to 4 hours) 1,249 (4 to 12 hours) 147 (>12 hours)	82 (0 to 4 hours) 1397 (4 to 12 hours) 164 (>12 hours)
IF-WU-450a.4	Description of efforts to identify and manage risks and opportunities related to the impact of climate change on distribution and wastewater infrastructure	Please see the Risk Management section of the FY21 ESG Report	Please see the Risk Management section of the FY22 ESG+R Report	Please see the Risk Management section of the FY23 ESG+R Report	Please see the Extreme Weather section of the FY24 Impact + Resilience Report
Activity Metric					
IF-WU-000.A	Number of (1) Residential customers for water	107,800 customers	107,100 customers	107,231 customers	107,491 customers
	Number of (1) Residential customers for wastewater	109,000 customers	109,200 customers	109,368 customers	109,453 customers
	Number of (2) Commercial customers for water	9,100 customers	9,100 customers	9,051 customers	9,011 customers
	Number of (2) Commercial customers for wastewater	11,300 customers	11,200 customers	11,054 customers	10,915 customers
	Number of (3) Industrial customers for water	Not reported	Not reported	Not reported	Not reported

SABS Code	Accounting Metric	FY21	FY22	FY23	FY24
IF-WU-000.A	Number of (3) Industrial customers for wastewater	30 customers	30 customers	28 customers	30 customers
	Number of (4) Other customers for water	10,500 customers	10,700 customers	10,743 customers	10,832 customers
	Number of (4) Other customers for wastewater	12,200 customers	12,300 customers	12,330 customers	12,375 customers
IF-WU-000.B	Total water sourced, percentage by source type	131,425,000 m ³ purchased from Washington Aqueduct	131,592,000 m ³ purchased from Washington Aqueduct	130,400,546 m ³ purchased from Washington Aqueduct	139,232,101 m ³ purchased from Washington Aqueduct
	Percentage from purchased water	100%	100%	100%	100%
IF-WU-000.C	Total water delivered to: (1) Residential	18,800,000 m ³	17,900,000 m ³	17,408,232 m ³	17,563,185 m ³
	Total water delivered to: (2) Commercial	25,800,000 m ³	29,900,000 m ³	30,199,357 m ³	32,780,958 m ³
	Total water delivered to: (3) Industrial	n/a	n/a	n/a	n/a
	Total water delivered to: (4) All other customers	46,400,000 m ³	44,100,000 m ³	45,507,412 m ³	48,327,951 m ³
IF-WU-000.D	Average volume of wastewater treated per day, by (1) Sanitary sewer	1,068,000 m ³	1,001,000 m ³	973,825 m ³	997,590 m ³
	Average volume of wastewater treated per day, by (2) Stormwater	79,5000 m ³	79,500 m ³	79,500 m ³	79,500 m ³
	Average volume of wastewater treated per day, by (3) Combined sewer	1,147,000 m ³	1,080,000 m ³	1,053,325 m ³	1,077,090 m ³
IF-WU-000.E	Length of (1) Water mains	2,100 km	2,100 km	2,100 km	2,100 km
	Length of (2) Sewer pipe	3,200 km	3,200 km	3,200 km	3,200 km



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
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