



Water Equity for All

ANNUAL REPORT 2023





CEO and Interim Chair Message



It is my pleasure to welcome you to DC Water's 2023 Annual Report. The theme of this report is 'Water Equity for All' and throughout you will find stories that not only highlight our accomplishments, but also reveal how the Authority is delivering water equity for our employees, our customers, and our communities.

In recent years, DC Water has established itself as the national gold standard when it comes to delivering water equity. We deliver equity to our employees through having an executive team that resembles the staff they lead, and the communities they serve. Through our focus on equity, we now have more women in leadership roles across the Authority than ever before. Our emphasis on 'People, Place, and Pay' has made the Authority an employer of choice because we offer applicants the best teams and talent, world-class work sites, and we set the standard for equitable pay.

Our customers are very familiar with DC Water's equity efforts and programs. When the COVID pandemic struck, the Authority was among the first nationwide to not only announce a moratorium on service disconnections, but we also reinstated service to previously disconnected homes. We also broadly expanded our Customer Assistance Programs to help customers manage water payments during and after that public health crisis.

We are also committed to delivering equity to the community. This year, DC Water completed the Northeast Boundary Tunnel (NEBT) – the final segment of the Anacostia River Tunnel System, which is now reducing combined sewer overflows to the once neglected Anacostia by 98 percent. DC Water Works, and our apprenticeship and training programs, are creating new jobs for District residents. We have also made it far easier for minority and women-owned businesses to compete for contract opportunities, offering a lifeline to certified small, local, and disadvantaged firms.

I invite you to explore this report and learn more about the many ways DC Water proudly delivers 'Water Equity for All.'

David L. Gadis
CEO and General Manager



On behalf of my fellow Board members, I am pleased to share the Authority's 2023 Annual Report. Inside these pages, you will find stories that might surprise, should please, and may even inspire you. That's not hyperbole; the programs and efforts described throughout this report have certainly inspired many of our employees and Board members.

This report shines a light on the many ways that DC Water delivers more than just exceptional drinking water and wastewater services to the nation's capital. The Authority truly delivers 'Water Equity for All' at each touchpoint with the community, and across every Ward and neighborhood of the District.

Through efforts like the Clean Rivers Project, the Lead Free DC program, DC Water Cares, DC Water Works, the apprenticeship program, and so many other ways, the Authority has set the national standard in delivering water equity. This report highlights the exceptional people and celebrated programs that have built that reputation.

While our progress is a tremendous credit to the employees who comprise Team Blue, and advance these efforts daily, I must acknowledge the leadership and remarkable service of Tommy Wells to both the Authority's Board of Directors, and the District of Columbia.

Mr. Wells stepped down as Chair of the DC Water Board of Directors in November 2023, and leaves as the longest serving chair in the history of the Authority, and with a tremendous legacy of service to the District. In a career spanning nearly 40 years, Mr. Wells served the District in numerous roles, most notably as a member and chair of Advisory Neighborhood Commission (ANC) 6B, and as a member of the DC Board of Education. He also was twice elected to the DC Council, and subsequently served as Director of the District Department of Energy and Environment (DOEE) for eight years.

The Board gratefully acknowledges his leadership and oversight through the delivery of the Authority's headquarters, the completion of the Anacostia River Tunnel System, and through the many challenges presented by the COVID pandemic.

Rachna Butani Bhatt
Interim Board Chair



WATER EQUITY FOR ALL

Customer Equity

Embedding Equity and Improving Lives Through Capital Programs

Our commitment to delivering equity extends beyond our customer assistance programs, apprenticeships, and outreach to the local, small, and disadvantaged business community. Thanks to DC Water's innovative approach to asset management and capital improvement planning, you could say that equity is embedded in the upgraded infrastructure the Authority is delivering to previously underserved communities.

The core foundation of this approach is ensuring that capital spending and infrastructure decisions are made equitably. We're not just analyzing customer experiences and the risks of infrastructure failures, we're also evaluating those issues within the context of social and environmental vulnerabilities. The focus of this work is to protect the needs of the most vulnerable communities from impacts such as flooding and sewage overflows, transportation and daily life disruptions from emergency repairs, and water pressure and water quality that doesn't meet established levels of service. Our aim is to also engage and empower communities, while ensuring our rates remain affordable.

The Lead Free DC program delivers equity through prioritizing and expediting lead service line replacements for vulnerable populations and historically underserved communities. Through a partnership with the District government, DC Water offers free service line replacements to homeowners.

The Soapstone Valley Park Sewer Rehabilitation Project has also been an excellent showcase for the Authority's commitment to inclusive engagement. This major project is coordinated with transparency to encourage the participation of local stakeholders and better address neighborhood concerns through community and ANC meetings.

DC Water's renewed commitment to inclusivity is informed by community input and reflected in our capital planning. Our pursuit of improved water equity will address disparities in access to clean water and efficient infrastructure that have persisted across generations.

Northeast Boundary Tunnel Improves River Water Quality, Delivers Flooding Relief

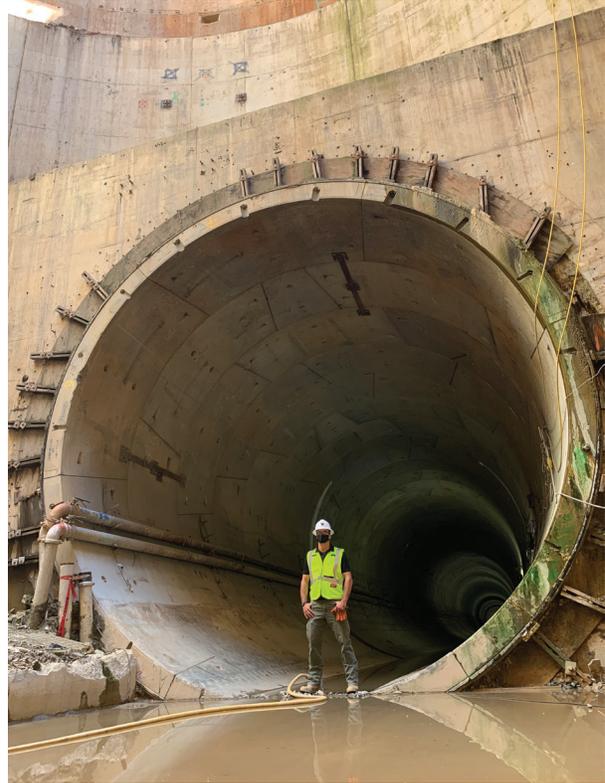
In September 2023, the Authority activated the Northeast Boundary Tunnel (NEBT), the longest and final segment of the Anacostia River Tunnel system (ART). With this tunnel in service, DC Water has achieved a major milestone – all of the combined sewer overflow (CSO) projects benefiting the Anacostia River have been placed in service.



DC Water began planning for CSO control in 1998, and the completion of the ART is a testament to the hard work, grit, and dedication of the many who contributed to its implementation. The controls for the Anacostia River were completed first because this receiving water

was most significantly impacted by CSOs. The NEBT was placed in operation ahead of the 2025 Consent Decree deadline.

The first leg of the ART was commissioned in March 2018 and the addition of this tunnel brings the total system storage to about 190 million gallons. Now fully operational, the ART is reducing combined sewer overflows by 98% and diverting captured combined sewage to the Blue Plains Advanced Wastewater Treatment Plant, where it is treated to a nearly potable standard, and returned to the Potomac River. Since the ART was placed in service, it has made a significant impact on water quality in the Anacostia by capturing more than 15 billion gallons of CSO and removing more than 10,000 tons of trash from the river.



A unique feature of the NEBT is that it is a dual-use facility. The tunnel both controls combined sewer overflows and provides flooding mitigation for neighborhoods in Northeast Boundary such as Bloomingdale, LeDroit Park, Ivy City, and areas adjacent to the Rhode Island Avenue Metro station. One facility that performs two functions is an efficient use of ratepayers' capital resources.

A similar effort is now underway, with the beginning of construction of the Potomac River Tunnel, a large-diameter deep sewer tunnel that will capture CSOs along the Potomac. This tunnel will reduce CSO volume by 93% and decrease the number of overflow events from 74 to four in an average year of rainfall.

90 million

GALLONS OF CAPACITY ADDED TO EXISTING TUNNEL

98%

REDUCED CSOs IN THE ANACOSTIA

10,000

TONS OF TRASH REMOVED

93%

REDUCED CSOs IN THE POTOMAC

Customer Equity continued

Equity in Water Quality

One of the most direct ways DC Water delivers equity to customers is through the service lines that connect the water mains in the street to their homes and businesses. The Authority is in the process of replacing thousands of those service lines that are made of lead and is prioritizing replacements in areas that have vulnerable populations, a high number of lead pipes, and are historically underserved. This ambitious program, called Lead Free DC, aligns with the Biden-Harris Administration's Justice40 initiative to promote environmental justice.



Lead Free DC's new program manager, **Dr. Jeannie Purchase**, is committed to making a difference in the water sector, building trust with the community, and ensuring access to clean water for everyone.

Since DC Water launched Lead Free DC in 2019, crews have replaced more than 4,800 lead service lines with copper pipe. More than 1,300 of those replacements were completed in 2023. Leveraging federal and District funding, the Authority has saved customers \$7 million through discounted and free replacements. This year, DC Water also

released more user-friendly digital tools to ensure transparency, including an improved interactive map that allows customers to see if they have a lead service line, and a new construction dashboard to check if free replacements are scheduled for their area.

Another potential threat to water quality are per- and polyfluoroalkyl substances (PFAS), a group of manufactured chemicals used in many consumer products. Sometimes called "forever chemicals," they do not break down naturally and pose significant health risks. In 2023, DC Water began voluntary quarterly monitoring for PFAS in drinking water and sharing the results with customers on our website. We also teamed with the Metropolitan Council of Governments to host a regional summit on PFAS, bringing together researchers, utility leaders and government officials.





DC Water Cares

The way **Lei Marshall** sees it, DC Water's Customer Care Associates offer hope.

Marshall, a supervisor in the call center for 20 years, says, "People are very hesitant to ask for help so, when they do call, it is an opportunity for us to show them they do have options. There is a sense of relief when they realize there is a chance to get assistance, and they feel they are doing something, they are putting a dent in their bill."

This year, our DC Water Cares program assisted 5,313 customers who needed help paying their water bills. With more than \$8 million in aid provided in Fiscal Year 2023, DC Water Cares is among the most robust assistance programs offered by any water utility in the nation. Participants receive discounts on their monthly bills. They may also be eligible for an additional \$2,000 to help pay down past due balances.

"When they call in, we always try to work with them several ways and recommend they apply for one of the assistance programs," says **Birdina Miller**, coordinator in the collections program. "We also encourage them to get on a payment plan, so they won't continue to get charged late fees."

In 2023, DC Water also created a one-time "catch up" offer for customers with a past due balance. The Authority waived penalties and fees, and reduced outstanding balances by up to 10 percent. In all, the Authority was able to relieve roughly \$8 million of debt impacting more than 9,000 customers.



5,313

CUSTOMERS HELPED BY DC WATER CARES PROGRAM

\$2,000

AVAILABLE FOR EXTRA HELP

\$8M

IN AID PROVIDED

9,010

"CATCH UP" PARTICIPANTS



WATER EQUITY FOR ALL

Employee Equity

Cultivating Talent, Driving Equity and Innovation

Part of the remarkable strides made by Team Blue over the past year lies in fostering talent and steering initiatives that have improved equity and innovation within our operations.

Cultivating Leadership and Equity

The Women of Water (WOW) program stands as a testament to our unwavering commitment to talent development and equity in the water industry. Co-sponsored by CEO and General Manager **David L. Gadis** and **Kirsten Williams** (*Chief Communications & Stakeholder Engagement Officer and EVP / Marketing and Communications*), and steered by **Ivelisse Cassas** and **Toymeika Dingle**, the program aims to support, connect, and empower women across the Authority. It focuses on sponsoring programs emphasizing leadership, professional development, and advocating for greater equity. Under the WOW framework, Lead and Learn programs offer participating mentors and mentees valuable guidance and support, that fosters new skills and improved leadership acumen.

Pioneering Engineering Excellence

Dr. Rahil Fofana, currently a Process Engineer II in our Wastewater Process Engineering Team, made history as the inaugural recipient of Howard University's Ph.D. in Civil and Environmental Engineering in 2022. The Authority proudly celebrates her remarkable achievement, and is honored to have provided direct support with her tuition expenses, and a stipend to Howard that invests in their research and development programs. Dr. Fofana's groundbreaking work on advanced nitrogen removal at Blue Plains will help DC Water address environmental challenges and enhance operational efficiency.



Over the past year, our support and involvement in programs like Women of Water and direct investment in scholars like Dr. Fofana reflect our ongoing commitment to equity and talent development. These endeavors deliver equity to our employees and help create an inclusive, innovative, and forward-thinking working environment at the Authority.

People, Place, and Pay

Under the leadership of **CEO David Gadis**, DC Water has placed great emphasis on the importance of delivering equity for the Authority's workforce. Grounded in the belief that happy employees make for satisfied customers, DC Water has reimagined the employee experience with a focus on People, Place, and Pay. These three elements form the basis of job satisfaction for most employees.



People

Our emphasis on our people begins with the onboarding process and ensures that employees are thoroughly oriented to their role, their team, and the Authority's culture of equity. From the first day of orientation, we review DC Water's culture, teams, and employees to illustrate the connection between our equity initiatives and employee job satisfaction.

Place

In recent years, the Authority has also made tremendous progress improving work sites and adding new amenities for employees. DC Water's headquarters, affectionately known as 'HQO,' is a LEED Platinum certified office building full of environmental efficiencies and innovative technology to support our staff. In 2023, the Authority also completed a new building for our Fleet team that features an expanded set of vehicle bays, training space and meeting rooms that communicate a sense of dignity and respect for our employees.

Pay

DC Water offers pay that sets a regional standard within our industry. Perhaps more importantly, the Authority has eliminated the salary gap between male and female employees, and now features more women in leadership roles than ever before. We set our salaries at the top of the market so that not only are we able to attract the best and brightest applicants, we can retain them through equitable pay and an inclusive working environment.

94.4%

IMPROVED RETENTION RATE THROUGH CONTINUED TRAINING, BENEFITS, AND INCLUSIVE CULTURE

82%

BIPOC REPRESENTATION*

23,000

SQ. FT. AVAILABLE AT FLEET HQ

32%

FEMALE LEADERSHIP

* Black, Indigenous, and people of color

Employee Equity continued

Ensuring Equity for Employees

In 2020, DC Water created the One Water Council for Inclusion and Equity to build a council of leaders and strategic partners from each division to connect inclusion activities to a broader business strategy that emphasizes equity and inclusion.

“Creating the One Water Council has delivered numerous benefits for employees and sharpened the Authority’s focus on matters of equity and inclusion,” said **Kirsten Williams** (*Chief Communications and Stakeholder Engagement Officer and EVP / Marketing and Communications*), the executive champion for the Equitable imperative and related programs. “Leading in the equity space requires constant evaluation and engagement with employees to ensure that the Authority remains a leading industry model of equitable workplace practices.”

Today, the Council consists of 82 employees who collaboratively focus on three specific strategic areas:

1. Talent Marketplace

The Council identifies, evaluates, and closes gaps on inclusion and equity barriers that impact the recruitment process, employee retention, and advancement.

2. Employee Experience

The Council acts as change agents for the Authority, challenging the status quo, and championing an inclusive employee experience and culture. Through these inclusion efforts, DC Water has established itself as a regional employer of choice.

3. Organizational Culture

Council members periodically review processes, policies, and communications through the lens of inclusion and equity.

The Council meets monthly to reflect on approaches to improve employee equity at DC Water, discuss industry trends impacting equity, and develop equity-based exercises to educate our teams on the importance of diversity, equity, and inclusion.

In recent years, the Council has spearheaded the ‘We are DC Water’ social media campaign, which shines a light on our diverse employees, and celebrates the many cultures, languages, and ethnicities represented at the Authority. The Council also led a donation drive to increase employee contributions to our Supporting Others by Lending a Supportive Hand (SPLASH) campaign, which helps families facing financial hardship with subsidies of up to \$350 per year, per family.



“Creating the One Water Council has delivered numerous benefits for employees and sharpened the Authority’s focus on matters of equity and inclusion.”

– Kirsten Williams, Chief Communications and Stakeholder Engagement Officer and EVP

The Triumphant Return of Team Blue Wave

When one thinks of a water utility, competition is not the first thing that comes to mind. Because drinking water is essential to life, water utilities don't really compete for customers. However, that doesn't mean that the women and men of Team Blue aren't competitive.

In fact, DC Water has an operations challenge team that competes in regional and national competitions. These competitions pit Authority crews and technicians against other water utilities in several categories, including lab analyses, safety, process, maintenance, and collections.

After several years of inactivity, Team Blue Wave was reconstituted in 2021. Guided by the adept leadership of head coach **Gregory Stephens** (*Foreman, Operations / Pumping Operations*), the team had remarkable success at the Water Environment Federation's 96th Annual Technical Exhibition and Conference (WEFTEC), in Chicago.

"...we've got to practice, and we've got to continually recruit new employees to the team to field the strongest team possible. The goal isn't just to win, it's also important to us, as professionals, to be the best, and field a team that showcases our skills and abilities."

– Gregory Stephens, Head Coach



At WEFTEC, Team Blue Wave won the Collections competition for Division III, and re-established DC Water as one of the top teams competing nationally. Led by the exceptional performance of **Ron Sims** (*Utility Systems Operator 11 / Pumping Operations*), and **Antoine Wroten** (*Program Manager, Resource Recovery Compliance / Resource Recovery*), the win at WEFTEC was not only a return to form for the team; it also reflects on the Authority's commitment to excellence.

The team was tremendously proud of their WEFTEC performance and win, but Stephens is already looking ahead to upcoming competitions. "There really is no offseason for operations challenges," he explained. "But to stay on top, and build teams that provide best-in-class speed and service, we've got to practice, and we've got to continually recruit new employees to the team to field the strongest team possible. The goal isn't just to win, it's also important to us, as professionals, to be the best, and field a team that showcases our skills and abilities."

1st place

WIN IN THE COLLECTION COMPETITION DIVISION III AT WEFTEC'S OPERATIONS CHALLENGE 2023

2nd place

FINISH AT TRI-CON

2nd place

FINISH AT VWEA

11 champs

TEAM BLUE WAVE



WATER EQUITY FOR ALL

Community Equity

A Champion of Change



In the heart of DC Water's Lead Free DC (LFDC) program is a remarkable story of dedication, continuous learning, and community involvement. At 86 years of age, **Florecetine Preston** is leaving her mark on her community while championing DC Water's mission to ensure safe, lead-free water for the communities we serve.

Ms. Preston is one of 20 District residents recruited for the Community Activators Program, a workforce development training program in partnership with the District Department of Employment Services' (DOES) Division of State Initiatives (DSI).

Community Activators, like Ms. Preston, helped us expand our outreach to property owners this year to educate them about the initiative and encourage their participation, which is critical to the success of the LFDC initiative. Having had lead pipes in her own home replaced by DC Water, she brings a

personal perspective to the role, carefully leveraging her position as a respected community elder to actively engage with the public at health fairs and church events that attract people of all ages. This inclusive engagement helps Lead Free DC reach every corner of the communities we serve.

Ms. Preston's story underscores the importance of programs that open doors for people of all ages to explore new career paths, give back to their community, and foster lasting change. It shows that we can all work together to collaborate across boundaries and bridge generational gaps to promote vital initiatives like the removal of all lead service lines.

"In my work with LFDC, I've witnessed the impact of education. It's not just about replacing pipes; it's about empowering our community with knowledge to safeguard our water and our future."

– Florecetine Preston, Community Activator

Meeting the Community Where They Are

An important part of delivering water equity for our community is making the time and effort to meet customers where they are, whether in person or virtually. In 2023, the Authority's Outreach team hosted and/or attended about 100 public events across the city, providing information, distributing more than 20,000 reusable water bottles and other giveaways.

During 2023, DC Water extended outreach to new community events, including our first-ever appearances at the Capital Pride Block Party, Broccoli City Festival, World Rivers Day Celebration, and to other events coordinated in partnership with the Office of Mayor Muriel Bowser, Councilmembers, District government agencies, as well as faith and community-based organizations. Through our expanded outreach, we were able to personally engage with many customers, and encourage their participation in the Lead Free DC program and provide information on the DC Water Cares suite of customer assistance programs.

In addition to our expanded in-person outreach, the Authority also hosted and/or attended roughly 70 virtual and in-person community meetings in 2023. Our virtual meetings allow our teams to participate in a greater number of community events each year, communicate with residents and local businesses, and communicate updates on construction projects by neighborhood.

Although we have expanded our outreach focus, we continue to steadfastly partner with local and regional schools, agencies, education-based organizations, and fellow utility companies to ensure we are reaching our youngest customers – students!

This year, DC Water provided classroom lessons and demonstrations on topics like water testing and filtration, hosted live readings of our children's books and led school tours of our Headquarters and Main Pumping Station. We also hosted an 'Open House' event in collaboration with WSSC Water, Anne Arundel County Department of Public Works, Xylem, and others, to provide DCPS students with interactive activities, exhibits, and information on careers within the water industry.



100 events

HOSTED AND/OR ATTENDED ACROSS THE DISTRICT

20,000

REUSABLE WATER BOTTLES

2

LITTLE FREE LIBRARIES

70

VIRTUAL AND IN-PERSON MEETINGS



Community Equity continued

Charitable Programs Making Impact in the Community

Did you know that each year, DC Water employees participate in several programs designed to support the needs of the communities we serve?

Since 1999, Authority staffers have contributed to Bread for the Soul, a District-based organization that provides support services for families affected by HIV / AIDS. Each December, employees donate books, toys, coats, gloves, hats, and grocery gift cards to support these households and lift spirits during the holiday season. Led for the last 11 years by **Lisa Barton** (*Senior Executive Coordinator to the CEO / OCEO*), a team of employee volunteers gather and sort donations from Authority work sites and deliver the donations to very appreciative families. The effort has struck a powerful chord with **Mark Coghill** (*Sewer I-M Worker / Sewer Services*), who serves on the delivery team. “Either the first or second year I was participating, I delivered to the apartment complex I actually grew up in,” he explained. “It brought tears to my eyes because I grew up in the apartment and the people living there had HIV. It hit me hard, and some things came full circle for me.”



This spirit and generosity also extend to the Serving People by Lending a Supportive Hand (SPLASH) program. SPLASH allows Authority employees to make payroll deductions, which provide relief and payment assistance to customers facing financial hardship. Each year, more than 100 DC Water employees contribute to SPLASH, and the funds they generate provide up to \$350 every 12 months for income-qualified customers.

The Authority's workforce also enthusiastically supports Everybody Wins DC (EWDC), a non-profit that helps emerging young readers build the skills they need to succeed in the classroom and beyond. Our staff volunteers read with these students, both virtually and in-person, to improve reading comprehension and build the students' confidence. All EWDC programs are 100% free for families and schools.

“Either the first or second year I was participating, I delivered to the apartment complex I actually grew up in,” he explained. “It brought tears to my eyes because I grew up in the apartment and the people living there had HIV. It hit me hard, and some things came full circle for me.”

– Mark Coghill, Bread for the Soul delivery team

A Pathway to Business Equity

In 2023, DC Water made new progress in our efforts to ensure our local economy benefits from the economic activity generated by DC Water. The Authority uses a suite of programs that hire local residents, provide apprentice opportunities, job training, and connect the local, small business community to contract opportunities with DC Water.

This year, the Authority launched its second apprenticeship cohort. Ten District residents, including four women, were added as apprentices in one of four areas: Buildings and Grounds, Painting, Utility Services, and Utility Systems. Four more apprentices from our first cohort graduated from the program, and all four are now licensed and certified journeymen with the Authority.



Our commitment to providing equity to our community extends beyond job creation. The Authority continues to connect local, small, minority, and women-owned businesses with contract opportunities, and help these firms build capacity to fully capitalize on future opportunities.

Seventeen newly certified firms successfully competed for their first Authority contract in FY 2023, and four new Mentor Protégé relationships were established between Prime Contractors (mentors) and Certified Firms (protégés).

One such success story is SZ PM, owned by Suli Wang. SZ PM is a certified professional services firm that is also women and minority owned. When she first learned of the Authority's equity programs, Suli was effectively a marginalized subcontractor,



who struggled to get above 4% work on any project. Through our mentoring program, SZ PM was connected as a protégé for AECOM and the Ramboll/CDM Smith joint venture.

Since the Authority engaged SZ PM, they have been able to expand their capacity, hire additional staff, and take on larger projects, and were recently awarded a prime contract with DC Water. Today, SZ PM is taking on their own protégé, Hayat Brown, and building a brighter future for the business and their employees.

10 residents

ADDED AS APPRENTICES IN OUR SECOND COHORT

40%

WOMEN APPRENTICES

4

GRADUATES LICENSED AND CERTIFIED

17

NEWLY CERTIFIED FIRMS



WATER EQUITY FOR ALL

Leadership Team

The DC Water Board meets monthly. Board members are appointed by the Mayor of the District of Columbia. Currently, the Board has eight standing committees.

Principal Board Members

Tommy Wells, Board Chair
District of Columbia
Director, Office of Policy and Legislative Affairs

Rachna Butani Bhatt
District of Columbia
Director, HRGM Corporation

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

Wendell Felder
District of Columbia
Director of Regional Affairs, Howard University

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 Environmental Services

Fariba Kassiri
Montgomery County, MD
Deputy Chief Administrative Officer

Floyd Holt
Prince George's County, MD
Deputy Chief Administrative Officer for Infrastructure | Technology | Environment

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

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

Sarah Motsch, PE
Fairfax County, VA
Engineering Support Branch Manager

Adriana Hochberg
Montgomery County, MD
Assistant Chief, Administrative Officer

Steven Shofar
Montgomery County, MD
Chief Watershed Management Operations Division

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

Christopher Herrington, *Chair*

**DC Retail Water and
Sewer Rates**

Rachna Butani Bhatt, *Chair*

**Environmental Quality
and Operations**

Sarah Motsch, PE, *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 Officer and EVP,
Government and Legal Affairs*

Matthew T. Brown

*Chief Financial Officer and EVP,
Finance, Procurement
and Compliance*

Joy J. Dorsey, Esq.

*Chief People Officer and EVP,
People and Talent*

Wayne Griffith

*Chief Administration Officer and
EVP, Performance – Central
Administration*

Keith J. Lindsey

Chief of Staff and EVP

Jeffrey F. Thompson

*Chief Operating Officer and EVP,
Operations and Engineering*

Kirsten B. Williams, Esq.

*Chief Communications and
Stakeholder Engagement
Officer and EVP,
Marketing and Communications*

Awards

Training, Employment & Partner Award Authority Honored by Department of Employment Services

DC Water was honored with the Training, Employment & Partner Award by the District Department of Employment Services (DOES) at their Annual Shining Star Award Gala. This recognition celebrates partners exemplifying the DOES mission and goals through dedicated service to residents.

Institute of Supply Management Trailblazer Award

The Authority received the Supply Chain Trailblazer Award for the second consecutive year for the transformation of the Capital Procurement program. The award acknowledges organizational programs, teams, and initiatives that have addressed issues, optimized processes, and set benchmarks within supply chain management.

National Environmental Achievement Award

DC Water was honored by the National Association of Clean Water Agencies (NACWA) with a National Environmental Achievement Award, in the Research and Technology category, for the Authority's 'Taking a DETOUR for Shortcut Nitrogen Removal: Partial Denitrification-Anammox (PdNA)' program in partnership with the Hampton Roads Sanitation District (HRSD).

American Institute of Architects (AIA) National Innovation Award

HQO, the Authority's LEED Platinum Class building, won the American Institute of Architects (AIA) National Innovation Award for Holistic Design. The AIA Innovation Awards recognize the exemplary use and implementation of innovative technologies and progressive practices among architects, designers, collaborators, and clients. In announcing the award, the AIA noted that "...this new LEED Platinum-certified headquarters for Washington, D.C.'s sewer and water utility reimagines a water and sewage treatment facility and returns its landscape to a functioning ecosystem. Despite the challenge presented by site, budget, and critical existing infrastructure, the team found opportunities to deliver an elegant building that provides an architectural nexus for the surrounding neighborhood."



Photo courtesy of Emily Hagopian

"...this new LEED Platinum-certified headquarters for Washington, D.C.'s sewer and water utility reimagines a water and sewage treatment facility and returns its landscape to a functioning ecosystem. Despite the challenge presented by site, budget, and critical existing infrastructure, the team found opportunities to deliver an elegant building that provides an architectural nexus for the surrounding neighborhood."

– American Institute of Architects

Excellence in Financial Reporting

The Authority has once again been honored by the Government Finance Officers Association, with a Certificate of Achievement for Excellence in Financial Reporting for our annual comprehensive financial report, for the fiscal year ended September 30, 2022. The Certificate of Achievement is widely regarded as the highest form of acknowledgement in governmental accounting and financial reporting.

Distinguished Budget Presentation Award

The twenty third consecutive win for DC Water. The Government Finance Officers Association (GFOA) awarded DC Water for the Board-adopted FY 2024 Budget for the fiscal year beginning October 1, 2023. This award is the highest form of recognition in governmental budgeting and represents a significant achievement for the Authority.

Popular Annual Financial Reporting Award

DC Water received, for the first time, the Popular Annual Financial Reporting Award (PAFR) from GFOA for its fiscal year 2022 annual financial report.

Chesapeake Water Environment Association (CWEA) Hatfield Award



During the annual Tri-Association Conference in Ocean City, Maryland, **Gregory Stephens** (*Foreman, Operations / Pumping Operations*) was honored with the Hatfield Award. This award recognizes operators of wastewater treatment plants for outstanding performance and professionalism.

In 2018, Mr. Stephens became the first certified pumping operator at the Authority and, in the years since, he has championed the program and led the push for DC Water operators to become certified. Today, there are 23 certified pumping operators – an increase of 1,050% over five years.

“Today, we are far more prepared and resilient for the next pandemic thanks to our deeper bench of Pumping Operators.”

– Kenrick St. Louis, Vice President / Pumping and Sewer Operations

Outstanding Corporate Partner Award

During the DC Infrastructure Academy's annual recognition ceremony, the Authority received the 'Outstanding Corporate Partner' accolade for our continued collaboration with DCIA, providing career opportunities to underserved community members. Notably, this includes placing six DC Water apprentices and two Lead Free DC Community Activators.



Mr. Tamba House, a Lead Free DC Activator, was also honored by DCIA as an 'Outstanding Scholar.' Having completed the DCIA / Pepco 'Solar Works' training and participated in the inaugural DCIA Energy, Construction, and Utility (ECU) program, Mr. House joined DC Water Works following his graduation.

Innovation in Field Automation Award

The Authority was selected for the Innovation in Field Automation Award during Customer Service Week Magazine's annual Expanding Excellence Awards, covering a range of categories including CIS Implementation, Digital Engagement, and People and Process, among others.

The award acknowledges our move from a manually intensive patchwork of field processes to a holistic, digital, data-driven system known as a utility management program. The program is currently configured to manage hydrants, valves, catch basins, and event management, and is capable of integrating additional fixed assets.

Mid-Market Economic Justice Award

The Authority has been honored as an Economic Justice Champion by CEO Connection, receiving the 2023 Mid-Market Economic Justice Award. This recognition highlights the company's commitment to fostering equality and opportunity within its operations and community. Criteria for the award included evaluations on Board Diversity, C-Suite Diversity, Supply Chain Diversity, Workforce Diversity, and Community Engagement, distinguishing companies as either Economic Justice Champions or Economic Justice Advocates based on their scores.



WATER EQUITY FOR ALL

Financial Performance

DC Water ended fiscal year 2023 in a strong financial position. Results include a strong liquidity position and positive budget to actual results from management actions to operating within the budget while meeting customer needs. The Authority met or exceeded all financial targets and complied with Board policies and bond covenants.

Highlights

- Operating revenues increased by \$66.5 million to \$898.8 million or 8.0%, primarily due to the retail water and sewer rate increase of 9.5% and an increase of 6.0% in the Clean Rivers Impervious Area Charge (CRIAC), and consumption was higher as more people returned to work in the area offices and visited the District since the pandemic ended.
- Operating expenses, including depreciation, increased by \$36 million to \$536.6 million, or 7.2%, primarily due to increases in costs for personnel services, chemicals, and electricity.
- Capital assets, net of depreciation and amortization, increased by \$225.6 million to approximately \$8.2 billion, or 2.8%, as a result of capital additions of \$375.0 million net of depreciation and amortization of \$149.4 million. Capital additions incurred in 2023 were in line with the Authority's approved 10-year capital improvement plan to renew water and sewer infrastructure, upgrade the Blue Plains Wastewater Treatment Plant, and construct the Clean Rivers program.
- Current assets increased by \$125.3 million to approximately \$847.9 million or 17.3% primarily due to an increase of \$27.5 million in unrestricted cash and investments, a \$16.4 million increase in receivables from other jurisdictions, and an increase of \$60.8 million in receivables from the federal government like grant awards.
- The Authority's net position increased by \$266.2 million to \$3.1 billion, or 9.3%, as a result of the current year's operations and capital contributions.
- On March 12, 2021, DC Water entered into a WIFIA Loan Agreement with the United States Environmental Protection Agency for an amount up to \$156.4 million. The WIFIA Loan will provide partial funding for infrastructure repair, rehabilitation, and replacement projects within the District of Columbia at low interest rates which benefit retail ratepayers.
- 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 in 2023.
- DC Water received its 26th consecutive unmodified audit opinion.

September 30, 2023 and 2022 (in thousands)

Condensed Statements of Net Position

	2023	2022
Current assets	\$847,979	\$722,685
Capital assets, net	8,185,753	7,960,224
Non-current assets	338,241	463,079
Total assets	<u>9,371,973</u>	<u>9,145,988</u>
Deferred Outflows of resources	<u>85,588</u>	<u>90,196</u>
Current liabilities	491,059	503,352
Long-term debt outstanding	3,876,155	3,914,155
Long-term liabilities	1,931,226	1,924,666
Total liabilities	<u>6,298,440</u>	<u>6,342,173</u>
Net investments in capital assets	2,622,251	2,480,216
Restricted		
Capital Projects	7,958	7,287
Debt Service	76,260	62,586
Unrestricted	<u>426,035</u>	<u>316,216</u>
Total net position	\$3,132,504	\$2,866,305

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2023	2022
Operating revenues	\$898,763	\$832,210
Operating expenses	536,570	500,533
Net non-operating revenues (expenses)	<u>(125,513)</u>	<u>(158,410)</u>
Change in net position before capital contributions	236,680	173,267
Capital contributions	<u>29,519</u>	<u>31,434</u>
Change in net position	266,199	204,701
Net position - beginning of year	<u>2,866,305</u>	<u>2,661,604</u>
Net position - end of year	\$3,132,504	\$2,866,305

Condensed Statements of Cash Flows

	2023	2022
Net cash provided by operating activities	\$460,857	\$441,509
Net cash used in capital and related financing activities	(549,502)	(96,333)
Net cash used in investing activities	<u>(55,197)</u>	<u>(226,767)</u>
Net increase in cash and cash equivalents	(143,842)	118,409
Cash and cash equivalents - beginning of year	<u>611,542</u>	<u>493,133</u>
Cash and cash equivalents - end of year	\$467,700	\$611,542

For more information, visit dcwater.com/2023AnnualReport

WATER EQUITY FOR ALL

By The Numbers

The District of Columbia Water and Sewer Authority (DCWASA) was created by District law in 1996, with the approval of the United States Congress, as an independent authority of the District Government with a separate legal existence. In 2010 the Authority rebranded and became DC Water.



Water and Sewer Service

DC Water provides more than 700,000 residents and 21.3 million annual visitors in the District of Columbia with retail water and wastewater (sewer) service.



Service Area

With a total service area of roughly 725 square miles, DC Water also treats wastewater for approximately 1.8 million people in neighboring jurisdictions.



Blue Plains

The Blue Plains Advanced Wastewater Treatment Plant is located at the southernmost tip of the District, covering more than 150 acres along the Potomac River.



Wastewater Treatment

Blue Plains treats an annual average of 320 million gallons per day (MGD) and has a design capacity of 384 MGD.



Photo courtesy of Emily Hagopian



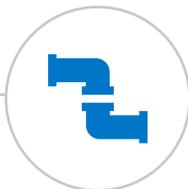
Pumped Water

During Fiscal Year 2023, DC Water pumped an average of more than 94.37 million gallons of water per day.



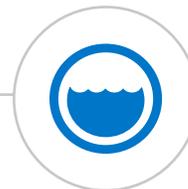
Treated Water Storage

DC Water stores 60 million gallons of treated water at its eight reservoirs and tanks. The Washington Aqueduct, which treats drinking water, stores 49 million gallons.



Water Distribution System

Water is delivered through roughly 1,300 miles of interconnected pipes, four pumping stations, four reservoirs, three elevated water tanks, 43,860 valves, and 9,510 fire hydrants.



Sewer System

DC Water operates about 2,000 miles of combined, separate, and stormwater sewers; 50,000 manholes and 25,000 catch basins; nine wastewater pumping stations; one combined sewer swirl facility; and 16 stormwater pumping stations.



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

