



## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

### Board of Directors

*Finance and Budget Committee*

*Thursday, May 28, 2015*

11:00 a.m.

1. **Call to Order**.....Timothy L. Firestine, Chairperson
2. **April 2015 Financial Report (Attachment 1)**..... Mark Kim
3. **FY 2015 Year-End Budget Projections (Attachment 2)** ..... Mark Kim
4. **Capital Improvement Program Quarterly Update (Attachment 3)** .....Liliana Maldonado
5. **IAC Collections Processes and Policies (Attachment 4)** .....Lauren Preston
6. **Action Item**  
**Beveridge & Diamond, PC – Legal Services**.....Randy Hayman
7. **Agenda for June Committee Meeting (Attachment 5)** ..... Timothy L. Firestine
8. **Executive Session\***
9. **Adjournment**

#### ***FOLLOW-UP ITEMS –Follow-up Items from the meeting held April 23, 2015.***

1. Provide policy and practices regarding billing disputes with DC Water's large IAC customers.  
**(Mr. Firestine) Status: See Attachment 4**
2. Will the RFK IAC dispute with the District lead to a refund liability to DC Water, if so, how much and who will be billed? **(Mr. Mallett) Status: Update will be provided in Executive Session.**

\* The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.



Fiscal Year 2015

# Monthly Financial Report

Period Ending April 30, 2015

## DEPARTMENT OF FINANCE, ACCOUNTING & BUDGET

**Mark Kim**, Chief Financial Officer

**Gail Alexander-Reeves**, Director, Budget

**Robert Hunt**, Director, Finance

**Syed Khalil**, Manager, Financial Planning & Revenues

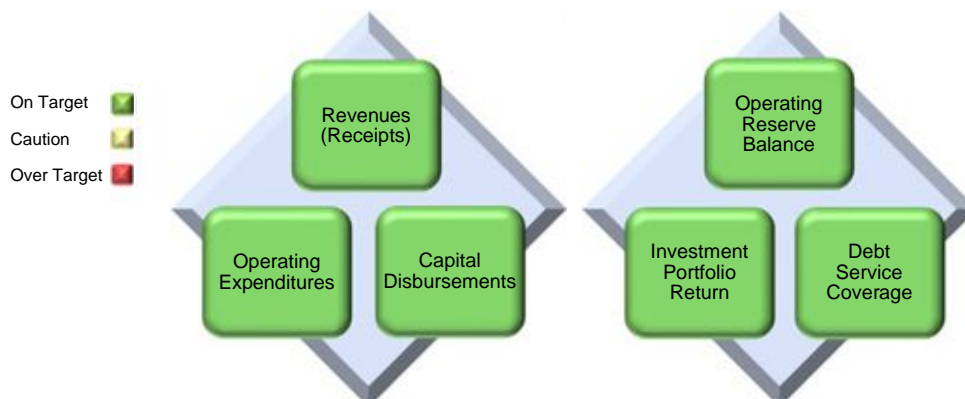
**John Madrid**, Controller

## Monthly Financial Report

APRIL 2015

## EXECUTIVE SUMMARY

For this reporting period, with approximately 58 percent of the FY completed, we are on track with budgetary expectations and targeted performance metrics. The table below summarizes detailed information provided in the report.



(\$ in millions)

	Revised Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	% Revised Budget	Year-End Projections
<b>Revenues (Receipts)*</b>	\$542.6	\$316.5	\$319.3	\$2.7	0.9%	\$546.2
<b>Expenditures*</b>	\$516.0	\$301.0	\$272.4	\$28.6	9.5%	\$497.4
<b>Capital Disbursements</b>	\$625.3	\$363.8	\$329.4	\$34.4	9.4%	\$583.9

\* *Straight-lined (7/12 of revised budget)*

## Highlights:

- Completion of preliminary FY 2015 year-end projections with revenues slightly above budget and expenses below budget
- Implementation of new Day Force workforce management system is underway, which will provide tangible efficiencies in workforce management, planning, scheduling and costing to DC Water. Go-live date is June 2015
- Completion of Public Hearing for the FY 2016 Proposed Rates - May 13, 2015
- Proposed FY 2017 Budget Kickoff by GM, COO & CFO on May 12, 2015 with departmental submissions and reviews anticipated in June/July 2015

Mark T. Kim, Chief Financial Officer

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2015

## Operating Revenues (\$000's)

Category	A FY 2015	B* YTD	C YTD	D = C/A YTD %	E = C-B YTD \$	F = E/B YTD %	G Year-End	H = G/A %
	BUDGET	BUDGET	ACTUAL	BUDGET	Fav/(Unfav)	Fav/(Unfav)	Projections	of Budget
Res. / Comm. / Multi.	\$291,347	\$169,953	\$167,579	57.5%	(\$2,374)	(1.4%)	\$292,579	100.4%
Federal	58,695	34,239	44,176	75.3%	9,937	29.0%	58,695	100.0%
Municipal (DC Govt.)	15,735	9,179	7,164	45.5%	(2,015)	(22.0%)	13,164	83.7%
DC Housing	7,472	4,358	4,442	59.5%	84	1.9%	7,757	103.8%
Metering Fee	10,776	6,286	6,657	61.8%	371	5.9%	11,151	103.5%
Wholesale	81,365	47,463	40,805	50.2%	(6,658)	(14.0%)	81,365	100.0%
PILOT/ROW	20,547	11,986	13,361	65.0%	1,375	11.5%	21,935	106.8%
All Other	56,706	33,078	35,071	61.8%	1,993	6.0%	59,515	105.0%
<b>TOTAL</b>	<b>\$542,643</b>	<b>\$316,542</b>	<b>\$319,255</b>	<b>58.8%</b>	<b>\$2,713</b>	<b>0.9%</b>	<b>\$546,161</b>	<b>100.7%</b>

*Straight-lined (7/12 of revised budget)*

## VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of April 2015, cash receipts totaled \$319.3 million, or 58.8 percent of the revised FY 2015 budget. Several categories of customers make payments on a quarterly basis, including the Federal and wholesale customers.

Residential, Commercial and Multi-Family – Receipts for this category are slightly lower at \$167.6 million or 57.5 percent of the revised budget. The lower receipts are on account of slightly lower consumption as compared to budget.

District Government – Receipts are lower at \$7.2 million or 45.5 percent of the revised budget. The short payment is due to DC Government disputing the Clean Rivers Impervious Surface Area Charges (CRIAC) associated with RFK Stadium. The DC Water Customer Care and General Counsel staff are discussing with the District's General Counsel for Convention Center (Washington Convention and Sports Authority). Additional information will be provided during the Executive Session at the meeting.

DC Housing – Receipts for this category are slightly higher at \$4.4 million or 59.5 percent of the revised budget.

Wholesale – The Wholesale customers' actual receipts through April total \$40.8 million or 50.2 percent of the revised FY 2015 budget. The wholesale customers will make their quarterly payment in May 2015.

Other Revenue – Receipts are higher than the straight-lined budget at \$35.1 million or 61.8 percent due to onetime contribution of \$15 million reflecting 50 percent of the reserves in the PILOT Fund as agreed to by the District Government as per PILOT MOU dated September 4, 2014.

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2015

## Operating Expenditures (\$000's)

Category	A FY 2015 BUDGET	B* YTD BUDGET	C YTD ACTUAL	D = C/A YTD % BUDGET	E = B - C YTD \$ Fav/(Unfav)	F = E/B YTD % Fav/(Unfav)	G Year-End Projections	H = G/A % of Budget
Personnel	\$135,544	\$79,067	\$76,960	56.8%	\$2,107	2.7%	\$136,750	100.9%
Contractual Services	76,944	44,884	35,782	46.5%	9,102	20.3%	68,017	88.4%
Water Purchases	28,831	16,818	15,548	53.9%	1,270	7.6%	27,672	96.0%
Supplies & Chemicals	36,187	21,109	18,949	52.4%	2,160	10.2%	31,767	87.8%
Utilities	30,416	17,743	19,211	63.2%	(1,468)	(8.3%)	31,587	103.8%
Small Equipment	1,028	600	324	31.5%	276	45.9%	823	80.1%
<b>SUBTOTAL O&amp;M</b>	<b>\$308,950</b>	<b>\$180,221</b>	<b>\$166,775</b>	<b>54.0%</b>	<b>\$13,446</b>	<b>7.5%</b>	<b>\$296,617</b>	<b>96.0%</b>
Debt Service	160,264	93,487	82,054	51.2%	11,433	12.2%	160,264	100.0%
PILOT/ROW	26,687	15,567	11,900	44.6%	3,667	23.6%	20,437	76.6%
Cash Financed Capital Improvements	20,058	11,701	11,701	58.3%	0	0.0%	20,058	100.0%
<b>TOTAL OPERATING</b>	<b>\$515,959</b>	<b>\$300,976</b>	<b>\$272,430</b>	<b>52.8%</b>	<b>\$28,546</b>	<b>9.5%</b>	<b>\$497,376</b>	<b>96.4%</b>
Capital Labor	(17,266)	(10,072)	(11,153)	64.6%	1,081	(10.7%)	(19,707)	114.1%
<b>TOTAL NET OPERATING</b>	<b>\$498,693</b>	<b>\$290,904</b>	<b>\$261,277</b>	<b>52.4%</b>	<b>\$29,628</b>	<b>10.2%</b>	<b>\$477,669</b>	<b>95.8%</b>

\*Straight-lined (7/12 of revised budget)

## VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of April 2015, with approximately 58 percent of the fiscal year completed, operating expenditures totaled \$272.4 million, or 52.8 percent of the annual budget. These numbers include estimated, incurred but unpaid, invoices and are subject to revision in subsequent months.

Personnel Services – The YTD spending is consistent with expectation and reflects an increase in hiring efforts to reduce authority-wide vacancies. Of the 1222 positions budgeted (1260 positions authorized), 1106 positions were filled and 154 authorized positions were vacant. As reported in prior months, overtime costs to date, at \$4.5 million, are higher than straight line budget primarily due to emergency responses related to infrastructure repairs, maintenance and water main breaks and snow removal. Staff will continue to monitor and report overtime activities and associated risks to budget.

Contracts - Underspending is attributable to various contracts throughout the Authority. This includes materialized savings from biosolids hauling costs and the impact of the delayed fee of \$4 million contract to operate the CHP Project and lag in contract ratification and invoices for other operational and maintenance contracts.

Supplies & Chemicals – Underspending in parts and supplies is primarily due to the new warehouse inventory system, processes and procedures. It is anticipated that parts needed for preventive maintenance may increase based on issuances from the warehouse during the latter part of the fiscal year. The year-to-date chemicals expenditures are also below budget.

Utilities – YTD overspending is mainly due to increased usage of natural gas to make steam for the new CHP process, and additional water usage needs for the digester project. A working team comprising of the Energy Chief and staff from the Department of Engineering and Technical Services (DETS), Wastewater Treatment Operations and Budget department continue to monitor the cost and reclassify all related capital charges as appropriate. We have 20MW or approximately 67 percent of the Authority's electricity load locked at an average Western Hub unit price of \$45.92/MWh for the remainder of the year, 15MW at \$40.43/MWh for FY 2016 and 5MW at \$37.35/MWh for FY 2017. Staff continues to work with Con Edison, our energy service provider, to keep abreast of markets and pricing, in an effort to take advantage of opportunities to lock future loads.

Debt Service – YTD underspending is primarily due to lower interest rates on existing debt and the issuance of additional debt later in the fiscal year than originally planned.

Payment In Lieu of Taxes (PILOT) – YTD expenditures of \$8.9 million is based on the current MOU with the District which totals \$15.3 million.

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2015

## Capital Disbursements (\$000's)

Service Area	A	B	C	D = C/A	E = B - C	F = EB	G	H = G/A
	FY 2015 BUDGET	YTD BUDGET	YTD ACTUAL	YTD % BUDGET	YTD \$ Fav/(Unfav)	YTD % Fav/(Unfav)	Year-End Projections	% of Budget
Wastewater	\$206,260	\$125,208	\$120,394	58.4%	\$4,815	3.8%	\$203,947	98.9%
Sanitary Sewer	40,258	21,383	19,617	48.7%	1,765	8.3%	30,063	74.7%
Combined Sewer Overflow	271,101	157,420	142,533	52.6%	14,887	9.5%	258,901	95.5%
Stormwater	2,559	1,743	370	14.4%	1,374	78.8%	643	25.1%
Water	65,006	35,502	33,129	51.0%	2,373	6.7%	59,658	91.8%
<b>SUBTOTAL: CAPITAL PROJECTS</b>	<b>\$585,183</b>	<b>\$341,256</b>	<b>\$316,043</b>	<b>54.0%</b>	<b>\$25,214</b>	<b>7.4%</b>	<b>\$553,212</b>	<b>94.5%</b>
Capital Equipment	22,191	12,945	5,200	23.4%	7,745	59.8%	15,287	68.9%
Automated Meter Reading (AMR)	5,314	3,100	2,180	41.0%	920	29.7%	5,300	99.7%
Customer Information System (CIS)	2,586	1,509	61	2.4%	1,447	95.9%	100	3.9%
Washington Aqueduct	10,000	5,000	5,956	59.6%	(956)	(19.1%)	10,000	100.0%
<b>SUBTOTAL: ADD'L CAPITAL PROGRAMS</b>	<b>\$40,091</b>	<b>\$22,553</b>	<b>\$13,396</b>	<b>33.4%</b>	<b>\$9,157</b>	<b>40.6%</b>	<b>\$30,687</b>	<b>76.5%</b>
<b>TOTAL</b>	<b>\$625,274</b>	<b>\$363,810</b>	<b>\$329,439</b>	<b>52.7%</b>	<b>\$34,370</b>	<b>9.4%</b>	<b>\$583,899</b>	<b>93.4%</b>

## VARIANCE ANALYSIS FOR MAJOR REPORTED ITEMS

At the end of April 2015, with 58 percent of the fiscal year completed, capital disbursements are at 53 percent of the FY 2015 budget. Current year-end projection is estimated at \$583.9 million with underspending in all service areas except the Washington Aqueduct. The capital projects projection of \$553.2 million includes projected labor cost of \$19.7 million.

Capital Projects – Capital projects implementation performance has been nominal. The year-to-date project performance and year-end projections will be reviewed in detail as part of the quarterly CIP update by DETS in the EQ and SS committee meetings.

Capital Equipment - The favorable position is driven by the unspent reserve funds in the Office of the CFO to accommodate requests for projects Authority-wide, if needed.

AMR/CIS - Lower than anticipated spending for Automated Meter Reading (AMR) and Customer Information and Billing System (CIS) driven by postponement of CIS project to FY 2016.

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2015

### Cash Investments and Insurance (\$ in millions)

#### Cash Balances

Rate Stabilization Fund Account (RSF)	\$22.5
DC Insurance Reserve	1.0
Operating Reserve Accounts	145.5
<b>Operating Cash Balance Including RSF</b>	<b>\$169.0</b>
Debt Service Reserve - Series 1998	23.4
CSO LTCP Appropriations Account	13.5
Bond Fund- Construction Fund 2014A	178.2
Bond Fund- Construction Fund 2014B	32.0
Reserves and Bond Proceeds	247.1
<b>Total All Funds</b>	<b>\$416.1</b>

#### OVERALL PORTFOLIO PERFORMANCE

- The operating reserve balance was \$145.5 million as compared to the operating reserve level objective of \$125.5 million for FY 2015
- Average cash balance for the month of April was \$168.3 million
- Total investment portfolio was in compliance with the Authority's Investment Policy
- Returns exceeded the established benchmarks for short term (less than one year) and core (one plus years) funds
- Operating funds interest income for April (on a cash basis) was \$71,583 and year-to-date total is above budget at \$597,129
- A detailed investment performance report is attached

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2015

## Cash Flow Summary (\$000's)

	Annual Budget Cash Basis	YTD 58% Cash Budget	YTD Actual Cash	Variance Favorable (Unfavorable)		FY 2015 Projection
<b>OPERATING BUDGET</b>						
<b>Cash Provided</b>						
Retail	\$384,025	\$224,014	\$230,018	\$6,003	3%	\$383,346
Wholesale	81,365	\$47,463	40,805	(6,658)	-14%	81,370
Other	69,634	\$40,620	48,331	7,712	19%	73,941
Transfer from Rate Stabilization Fund	7,500	\$4,375		(4,375)	-100%	7,500
<b>Total Cash Provided</b>	<b>542,524</b>	<b>316,472</b>	<b>319,154</b>	<b>2,682</b>	<b>1%</b>	<b>546,157</b>
<b>Operating Cash Used</b>						
Personnel Services	118,278	68,996	66,499	2,497	4%	117,043
Contractual Services	76,944	44,884	42,993	1,891	4%	68,017
Chemicals & Supplies	36,187	21,109	19,989	1,120	5%	31,767
Utilities	30,416	17,743	11,878	5,864	33%	31,587
Water Purchases	28,831	16,818	15,466	1,352	8%	27,672
Small Equipment	1,028	600	359	240	40%	823
<b>Total Operating Cash Used</b>	<b>291,684</b>	<b>170,149</b>	<b>157,184</b>	<b>12,965</b>	<b>8%</b>	<b>276,909</b>
Defeasance D.S./Cash Financed Capital Improvements	20,229	11,800		11,800	100%	20,229
<b>Other Cash Used</b>						
Debt Service	163,242	95,225	82,054	13,171	14%	160,265
Payment In Lieu of Taxes/Right of Way	20,437	11,922	10,219	1,703	14%	20,437
<b>Total Other Cash Used</b>	<b>183,680</b>	<b>107,147</b>	<b>92,273</b>	<b>14,874</b>	<b>14%</b>	<b>180,702</b>
<b>Total Cash Used</b>	<b>495,592</b>	<b>289,096</b>	<b>249,457</b>	<b>39,639</b>	<b>14%</b>	<b>477,840</b>
<b>Net Cash Provided (Used) by Operating Act.</b>	<b>46,931</b>	<b>27,377</b>	<b>69,697</b>	<b>42,321</b>		<b>68,317</b>
<b>CAPITAL BUDGET</b>						
<b>Cash Provided</b>						
Debt Proceeds	261,361	152,461	98,338	(54,123)	-35%	266,936
Transfer from Operations	20,229					20,229
EPA Grants	51,771	30,200	16,431	(13,769)	-46%	21,995
CSO Grants	22,200	12,950	32,887	19,937	154%	46,334
Interest Income	429	250	602	352	141%	950
Wholesale Capital Contributions	227,745	132,851	108,093	(24,758)	-19%	161,883
<b>Total Cash Provided</b>	<b>583,735</b>	<b>340,512</b>	<b>256,351</b>	<b>(84,161)</b>	<b>-25%</b>	<b>518,326</b>
<b>Cash Used</b>						
DC Water Capital Program	615,275	358,910	323,483	35,427	10%	571,458
Washington Aqueduct Projects	10,000	5,833	5,956	(122)	-2%	10,000
<b>Total Cash Used</b>	<b>625,275</b>	<b>364,744</b>	<b>329,439</b>	<b>35,305</b>	<b>10%</b>	<b>581,458</b>
<b>Net Cash/PAYGO Provided (Used) by Cap. Act.</b>	<b>(\$41,540)</b>	<b>(\$24,232)</b>	<b>(\$73,088)</b>	<b>(\$48,856)</b>		<b>(\$63,132)</b>
<b>Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected</b>	<b>\$157,642</b>		<b>\$157,642</b>			<b>\$157,642</b>
Plus (Less) Operating Surplus	46,931	27,376	69,697	21,386		68,317
Wholesale Customer Refunds from Prior Years/ROW	(18,100)	(10,558)	(5,100)	10,730		(7,370)
Interest Earned From Bond Reserve	120	70	101	31		151
Transfer to Rate Stabilization Fund				(7,500)		(7,500)
Prior Year Federal Billing Reconciliation	(5,053)	(2,947)	(3,790)	()		(5,053)
Customer Rebate						
Cash Used for Capital	(41,540)	(24,232)	(73,088)	(21,592)		(63,132)
<b>Balance Attributable to O&amp;M Reserve</b>	<b>\$140,000</b>		<b>\$145,463</b>	<b>3,055</b>		<b>\$143,055</b>
<b>OTHER CASH RESERVES</b>						
<b>Rate Stabilization Fund</b>	<b>\$22,450</b>					
<b>DC Insurance Reserve</b>	<b>\$1,039</b>					
<b>CSO Long-Term Control Plan Appropriation</b>	<b>\$13,448</b>					



## Monthly Financial Report

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### APPENDIX

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## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2015

## Operating Revenues Detail

(\$ in millions)

Revenue Category	Budget	YTD Budget	YTD Actual	Variance Favorable / (Unfavorable)		YTD % of Budget	Year End Projections	Variance Proj v. Bud	% of Budget
Residential, Commercial, and Multi-family	\$291.3	\$169.9	\$167.5	(\$2.4)	-1.4%	57.5%	292.6	1.3	100.4%
Federal	58.7	34.2	44.2	10.0	29.2%	75.3%	58.7	0.0	100.0%
District Government	15.7	9.2	7.2	(2.0)	-22.7%	45.5%	13.2	(2.6)	83.7%
DC Housing Authority	7.5	4.4	4.4	0.1	2.0%	59.5%	7.8	0.3	103.8%
Customer Metering Fee	10.8	6.3	6.7	0.4	6.3%	61.8%	11.2	0.4	103.5%
Wholesale	81.4	47.5	40.8	(6.7)	-14.1%	50.2%	81.4	0.0	100.0%
Right-of-Way Fee/PILOT	20.6	12.0	13.4	1.4	11.7%	65.0%	21.9	1.4	106.8%
<b>Subtotal (before Other Revenues)</b>	<b>\$485.9</b>	<b>\$283.4</b>	<b>\$284.1</b>	<b>\$0.7</b>	<b>0.2%</b>	<b>58.5%</b>	<b>\$486.7</b>	<b>\$0.7</b>	<b>100.2%</b>
Other Revenue without RSF									
IMA Indirect Cost Reimb. For Capital Projects	10.0	5.8	0.0	(5.8)	-100.0%	0.0%	10.0	0.0	100.0%
DC Fire Protection Fee	6.90	4.0	5.39	1.4	33.9%	78.1%	10.8	3.9	156.5%
Stormwater (MS4)	1.00	0.6	0.67	0.1	15.5%	67.0%	0.9	(0.1)	89.5%
Interest	0.63	0.4	0.70	0.3	89.2%	111.1%	1.0	0.4	160.3%
Developer Fees (Water & Sewer)	7.70	4.5	4.96	0.5	10.5%	64.4%	8.2	0.5	106.6%
Others	23.00	13.4	23.34	9.9	74.0%	101.5%	21.2	(1.9)	92.2%
<b>Subtotal</b>	<b>\$49.2</b>	<b>\$28.8</b>	<b>\$35.1</b>	<b>\$6.3</b>	<b>21.7%</b>	<b>71.3%</b>	<b>\$52.0</b>	<b>\$2.8</b>	<b>105.7%</b>
Rate Stabilization Fund Transfer	\$7.5	\$4.4	\$0.0	(\$4.4)	-100.0%	0.0%	\$7.5	\$0.0	100.0%
<b>Other Revenue Subtotal</b>	<b>\$56.68</b>	<b>\$33.1</b>	<b>\$35.06</b>	<b>\$2.0</b>	<b>6.0%</b>	<b>61.8%</b>	<b>\$59.5</b>	<b>\$2.8</b>	<b>105.0%</b>
<b>Grand Total</b>	<b>\$542.6</b>	<b>\$316.5</b>	<b>\$319.3</b>	<b>\$2.7</b>	<b>0.8%</b>	<b>58.8%</b>	<b>\$546.2</b>	<b>\$3.5</b>	<b>100.7%</b>

**BREAKDOWN OF RETAIL RECEIPTS BY CUSTOMER CATEGORY**  
(\$ in 000's)

Customer Category	FY 2015 Budget	Year-To-Date Budget	Actual Received	Variance Favorable / <Unfavorable>	Variance % of YTD Budget	Actual % of Budget
Residential	\$21,241	\$12,391	\$12,916	\$525	4%	61%
Commercial	26,211	15,290	17,546	2,256	15%	67%
Multi-family	8,199	4,783	4,651	(131)	-3%	57%
Federal	15,787	9,209	11,841	2,631	29%	75%
District Govt	9,434	5,503	3,984	(1,519)	-28%	42%
DC Housing Authority	981	572	577	5	1%	59%
<b>Total:</b>	<b>\$81,853</b>	<b>\$47,748</b>	<b>\$51,514</b>	<b>\$3,766</b>	<b>8%</b>	<b>63%</b>

Customer Category	Water	Sewer	Clean Rivers		Total
			IAC	Metering Fee	
Residential	\$17,825	\$21,698	\$12,916	\$2,950	\$55,389
Commercial	29,704	30,631	17,546	2,068	79,948
Multi-family	14,870	17,739	4,651	695	37,956
Federal	16,588	15,747	11,841	610	44,786
District Govt	1,431	1,749	3,984	253	7,417
DC Housing Authority	1,751	2,114	577	80	4,522
<b>Total:</b>	<b>\$82,168</b>	<b>\$89,679</b>	<b>\$51,514</b>	<b>\$6,657</b>	<b>\$230,018</b>

Note: The breakdown of Collections into Residential, Commercial, & Multi-family and Water and sewer is approximate as it is based on percentages of historical data and does not take into account adjustments and timing differences

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2015

### Retail Accounts Receivable (Delinquent Accounts)

The following tables show retail accounts receivable over 90 days including a breakdown by customer class.

#### Greater Than 90 Days by Month

	\$ in millions	# of accounts
September 30, 2012	\$5.5	13,063
September 30, 2013	\$4.9	11,920
September 30, 2014	\$5.3	12,442
October 31, 2014	\$5.4	12,034
November 30, 2014	\$5.6	12,261
December 31, 2014	\$6.5	13,180
January 31, 2015	\$6.5	13,111
February 28, 2015	\$6.2	13,132
March 31, 2015	\$6.2	12,866
April 30, 2015	\$6.1	12,187

#### Greater Than 90 Days by Customer

	Number of Accounts			Month of April (All Categories)				Total Delinquent				
	W & S a/c	Impervious Only a/c	Total No. of a/c	Active		Inactive						
				No. of a/c	Amount (\$)	No. of a/c	Amount (\$)	No. of a/c March	Amount (\$)	No. of a/c April	Amount (\$)	%
Commercial	12,127	3,381	15,508	1,046	1,734,355	154	98,048	1,496	\$ 1,701,319	1,200	\$ 1,832,403	30%
Multi-family	7,388	412	7,800	674	1,286,998	146	60,995	866	1,525,472	820	\$ 1,347,993	23%
Single-Family Residential	104,853	3,304	108,157	7,912	2,334,828	2,255	585,068	10,504	2,950,165	10,167	\$ 2,919,896	48%
Total	124,368	7,097	131,465	9,632	\$ 5,356,181	2,555	\$ 744,112	12,866	\$ 6,176,956	12,187	\$ 6,100,292	100%

Notes: Included in the above \$5.36M (or 9,632 accounts) of the DC Water Over 90 days delinquent accounts, \$1,786,685.27 (or 1,947 accounts) represents Impervious only accounts over 90 days delinquent.

-Reportable delinquencies do not include balances associated with a long standing dispute between DC Water and a large commercial customer.

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2015

## Overtime by Department

Department	FY 2015			
	Budget	Actual	Actual % of Budget	% of Regular Pay
Office of the Board Secretary	\$4,000	\$8,185	204.6%	6.6%
General Manager	5,000	4,586	91.7%	0.5%
General Counsel	2,000	0	0.0%	0.0%
External Affairs	27,000	345	1.3%	0.0%
Internal Audit	0	0	0.0%	0.0%
Information Technology	20,000	7,663	38.3%	0.5%
Procurement	30,000	9,086	30.3%	0.7%
Customer Service	240,000	125,903	52.5%	2.6%
Finance, Accounting & Budget	30,000	23,195	77.3%	0.8%
Assistant General Manager - Support Services	1,030	1,563	151.7%	0.8%
Human Capital Management	5,000	1,667	33.3%	0.1%
Occupational Safety and Health	2,000	160	8.0%	0.0%
Facilities Management	200,000	216,352	108.2%	9.4%
Department of Security	0	57	0.0%	0.0%
Distribution and Conveyance System	553,000	486,646	88.0%	14.1%
Engineering and Technical Services	1,070,000	670,120	62.6%	6.6%
Water Services	960,000	1,049,588	109.3%	15.4%
Clean Rivers	5,000	0	0.0%	0.0%
Sewer Services	767,000	539,451	70.3%	11.9%
Wastewater Treatment - Operations	1,233,890	695,051	56.3%	12.2%
Wastewater Treatment - Process Engineering	100,000	34,651	34.7%	2.3%
Maintenance Services	800,000	635,378	79.4%	12.8%
Permit Operations	11,000	384	3.5%	0.1%
Fleet Management	2,000	2,167	108.3%	0.6%
<b>Total DC WATER</b>	<b>\$6,067,920</b>	<b>\$4,512,197</b>	<b>74.4%</b>	<b>8.1%</b>

**Notes:**

- FY 2015 actual includes accruals for twelve days (04/19/15 - 04/30/15)
- Engineering and Technical Services department includes overtime that will be charged/transferred to capital projects

## Monthly Financial Report

Fiscal Year-to-Date  
As of April 30, 2015

## Capital Disbursements Detail by Program (\$000's)

Service Areas	Budget		Actual				Year-End		
	Annual	YTD	Oct. 2014 - Mar. 2015	Apr. 2015	YTD	% of YTD Budget	Projection	Variance Budget to Projection	% of Budget
<b>WASTEWATER TREATMENT</b>									
Liquid Processing Projects	\$20,566	\$11,671	\$9,026	\$1,435	\$10,461	89.6%	\$17,556	\$3,010	85.4%
Plantwide Projects	18,322	11,651	8,955	1,691	10,646	91.4%	18,004	318	98.3%
Solids Processing Projects	58,333	40,587	29,189	3,906	33,095	81.5%	60,978	(2,645)	104.5%
Enhanced Nitrogen Removal Facilities	109,039	61,300	55,551	10,641	66,192	108.0%	107,410	1,629	98.5%
<b>Subtotal</b>	<b>206,260</b>	<b>125,208</b>	<b>102,721</b>	<b>17,673</b>	<b>120,394</b>	<b>96.2%</b>	<b>203,947</b>	<b>2,313</b>	<b>98.9%</b>
<b>SANITARY SEWER</b>									
Sanitary Collection Sewers	5,933	2,023	417	1	417	20.6%	2,494	3,439	42.0%
Sanitary On-Going Projects	8,256	4,541	6,180	995	7,175	158.0%	8,294	(38)	100.5%
Sanitary Pumping Facilities	1,377	958	552	64	616	64.3%	1,453	(76)	105.5%
Sanitary Sewer Program Management	10,106	5,943	4,290	517	4,808	80.9%	6,966	3,140	68.9%
Sanitary Interceptor/Trunk Force Sewers	14,586	7,918	3,956	2,645	6,601	83.4%	10,856	3,730	74.4%
<b>Subtotal</b>	<b>40,258</b>	<b>21,383</b>	<b>15,395</b>	<b>4,223</b>	<b>19,617</b>	<b>91.7%</b>	<b>30,063</b>	<b>10,195</b>	<b>74.7%</b>
<b>COMBINED SEWER OVERFLOW</b>									
CSO Program Management	4,423	3,525	3,837	316	4,153	117.8%	4,729	(306)	106.9%
Combined Sewer Projects	10,769	6,662	6,049	650	6,699	100.6%	10,228	541	95.0%
D.C. Clean Rivers Project	255,909	147,233	109,086	22,595	131,681	89.4%	243,944	11,965	95.3%
<b>Subtotal</b>	<b>271,101</b>	<b>157,420</b>	<b>118,972</b>	<b>23,560</b>	<b>142,533</b>	<b>90.5%</b>	<b>258,901</b>	<b>12,200</b>	<b>95.5%</b>
<b>STORMWATER</b>									
Stormwater Local Drainage	28	16	202	0	202	1256.0%	211	(183)	752.4%
Stormwater On-Going Program	489	243	131	8	139	57.3%	153	336	31.2%
Stormwater Pumping Facilities	-	-	-	-	-	0.0%	-	-	0.0%
DDOT Stormwater Program	27	12	-	-	-	0.0%	1	26	3.7%
Stormwater Research and Program Management	518	353	21	1	21	6.0%	271	247	52.3%
Stormwater Trunk/Force Sewers	1,497	1,119	7	-	7	0.7%	7	1,490	0.5%
<b>Subtotal</b>	<b>2,559</b>	<b>1,743</b>	<b>361</b>	<b>9</b>	<b>370</b>	<b>21.2%</b>	<b>643</b>	<b>1,916</b>	<b>25.1%</b>
<b>WATER</b>									
Water Distribution Systems	33,291	17,445	12,542	3,894	16,436	94.2%	31,520	1,771	94.7%
Water Lead Program	2,350	1,201	1,202	98	1,301	108.3%	2,168	182	92.3%
Water On-Going Projects	7,070	4,228	3,825	750	4,575	108.2%	6,639	431	93.9%
Water Pumping Facilities	6,074	3,697	4,158	370	4,529	122.5%	6,710	(636)	110.5%
DDOT Water Projects	2,121	1,313	247	1	248	18.9%	147	1,974	6.9%
Water Storage Facilities	6,323	2,649	575	82	658	24.8%	4,957	1,366	78.4%
Water Projects Program Management	7,777	4,969	4,964	419	5,383	108.3%	7,517	260	96.7%
<b>Subtotal</b>	<b>65,006</b>	<b>35,502</b>	<b>27,514</b>	<b>5,615</b>	<b>33,129</b>	<b>93.3%</b>	<b>59,658</b>	<b>5,348</b>	<b>91.8%</b>
<b>Capital Projects</b>	<b>585,183</b>	<b>341,256</b>	<b>264,963</b>	<b>51,079</b>	<b>316,043</b>	<b>92.6%</b>	<b>553,212</b>	<b>31,972</b>	<b>94.5%</b>
<b>CAPITAL EQUIPMENT and AMR/CIS</b>									
Capital Equipment	22,191	12,945	4,646	554	5,200	40.2%	15,287	6,904	68.9%
Automated Meter Reading	5,314	3,100	1,636	544	2,180	70.3%	5,300	14	99.7%
Customer Information System	2,586	1,509	61	0	61	4.1%	100	2,486	3.9%
<b>Subtotal</b>	<b>30,091</b>	<b>17,553</b>	<b>6,343</b>	<b>1,098</b>	<b>7,441</b>	<b>42.4%</b>	<b>20,687</b>	<b>9,404</b>	<b>68.7%</b>
<b>WASHINGTON AQUEDUCT</b>	<b>10,000</b>	<b>5,000</b>	<b>5,956</b>	<b>-</b>	<b>5,956</b>	<b>119.1%</b>	<b>10,000</b>	<b>-</b>	<b>100.0%</b>
<b>Additional Capital Projects</b>	<b>40,091</b>	<b>22,553</b>	<b>12,299</b>	<b>1,098</b>	<b>13,396</b>	<b>59.4%</b>	<b>30,687</b>	<b>9,404</b>	<b>76.5%</b>
<b>Total</b>	<b>\$625,274</b>	<b>\$363,810</b>	<b>\$277,262</b>	<b>\$52,177</b>	<b>\$329,439</b>	<b>90.6%</b>	<b>\$583,899</b>	<b>\$41,376</b>	<b>93.4%</b>



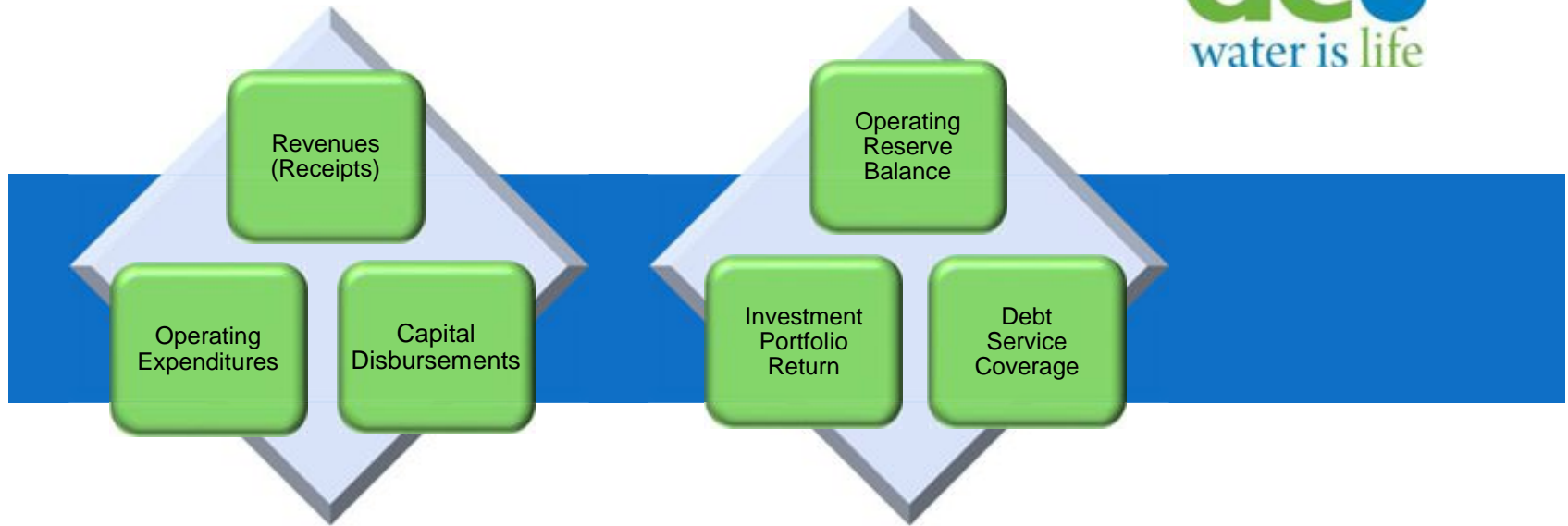
# FY 2015 Operating and Capital Budget Projections

Presentation to the Finance & Budget Committee

Mark Kim, Chief Financial Officer

May 28, 2015

## Summary (as of April 30, 2015)



(\$ in Millions)	Revised Budget	YTD Actual	Year-End Projections	Projected Variance (\$)	Projected % of Budget
Revenues/Receipts	\$542.6	\$319.3	\$546.2	\$3.5	0.7%
Operating Expenditures	\$516.0	\$272.4	\$497.4	\$18.6	3.6%
Capital Disbursements	\$625.3	\$329.4	\$583.9	\$41.4	6.6%
Net Cash Position	\$140.0	\$145.5	\$143.1	\$3.1	2.2%



# OPERATING REVENUES (\$000'S)

Category	Revised Budget	YTD Actual	Year-End Projections	Projected Variance (\$)	Projected % of Budget
Residential, Commercial, and Multi-family	\$291,347	\$167,579	\$292,579	\$1,232	0.4%
Federal	58,695	44,176	58,695	-	0.0%
District Government	15,735	7,164	13,164	(2,571)	-16.3%
DC Housing Authority	7,472	4,442	7,757	286	3.8%
Customer Metering Fee	10,776	6,657	11,151	375	3.5%
Wholesale	81,365	40,805	81,365	-	0.0%
Right-of-Way Fee/PILOT	20,547	13,361	21,935	1,387	6.8%
<b>Subtotal (before Other Revenues)</b>	<b>\$485,937</b>	<b>\$284,183</b>	<b>\$486,646</b>	<b>\$709</b>	<b>0.1%</b>
Other Revenue without RSF:					
IMA Indirect Cost Reimb. For Capital Projects	9,950	-	9,950	-	0.0%
DC Fire Protection Fee	6,885	5,398	10,796	3,911	56.8%
Stormwater (MS4)	1,000	674	894	(106)	-10.6%
Interest	631	698	1,009	378	59.8%
Developer Fees (Water & Sewer)	7,700	4,962	8,212	512	6.6%
Others	23,039	23,339	21,154	(1,886)	-8.2%
<b>Subtotal</b>	<b>\$49,206</b>	<b>\$35,071</b>	<b>\$52,015</b>	<b>\$2,809</b>	<b>5.7%</b>
Rate Stabilization Fund Transfer	7,500	-	7,500	-	0.0%
<b>Other Revenue Subtotal</b>	<b>\$56,706</b>	<b>\$35,071</b>	<b>\$59,515</b>	<b>\$2,809</b>	<b>5.0%</b>
<b>Grand Total</b>	<b>\$542,643</b>	<b>\$319,255</b>	<b>\$546,161</b>	<b>\$3,518</b>	<b>0.7%</b>





# OPERATING EXPENDITURES (\$000'S)

Category	Revised Budget	YTD Actual	Year-End Projections	Projected Variance (\$)	Projected % of Budget
Personnel	\$135,544	\$76,960	\$136,750	(\$1,206)	(0.9%)
Contractual Services	76,945	35,782	68,017	8,928	11.6%
Water Purchases	28,831	15,548	27,672	1,159	4.0%
Supplies & Chemicals	36,187	18,949	31,767	4,420	12.2%
Utilities	30,416	19,211	31,587	(1,171)	(3.8%)
Small Equipment	1,028	324	823	205	19.9%
<b>SUBTOTAL O&amp;M</b>	<b>\$308,950</b>	<b>\$166,775</b>	<b>\$296,617</b>	<b>\$12,333</b>	<b>4.0%</b>
Debt Service	160,264	82,054	\$160,264	0	0.0%
Cash Financed Capital Improvements	20,058	11,701	20,058	0	0.0%
PILOT/ROW	26,687	11,900	20,437	6,250	23.4%
<b>TOTAL OPERATING</b>	<b>\$515,959</b>	<b>\$272,430</b>	<b>\$497,376</b>	<b>\$18,583</b>	<b>3.6%</b>
Capital Labor	(17,266)	(11,153)	(19,707)	2,441	(14.1%)
<b>TOTAL NET OPERATING</b>	<b>\$498,693</b>	<b>\$261,277</b>	<b>\$477,669</b>	<b>\$21,024</b>	<b>4.2%</b>



# CAPITAL DISBURSEMENTS (\$000'S)

Service Area	Revised Budget	YTD Actual	Year-End Projections	Projected Variance (\$)	Projected % of Budget
Wastewater	\$206,260	\$120,394	\$203,947	\$2,313	1.1%
Sanitary Sewer	40,258	19,617	30,063	10,195	25.3%
Combined Sewer Overflow	271,101	142,533	258,901	12,200	4.5%
Stormwater	2,559	370	643	1,916	74.9%
Water	65,006	33,129	59,658	5,348	8.2%
<b>SUBTOTAL: CAPITAL PROJECTS</b>	<b>\$585,183</b>	<b>\$316,043</b>	<b>\$553,212</b>	<b>\$31,971</b>	<b>5.5%</b>
Capital Equipment	22,191	5,200	15,287	6,904	31.1%
Automated Meter Reading (AMR)	5,314	2,180	5,300	14	0.3%
Customer Information System (CIS)	2,586	61	100	2,486	96.1%
Washington Aqueduct	10,000	5,956	10,000	0	0.0%
<b>SUBTOTAL: ADD'L CAPITAL PROGRAMS</b>	<b>\$40,091</b>	<b>\$13,396</b>	<b>\$30,687</b>	<b>\$9,404</b>	<b>23.5%</b>
<b>TOTAL</b>	<b>\$625,274</b>	<b>\$329,439</b>	<b>\$583,899</b>	<b>\$41,376</b>	<b>6.6%</b>



# CASH POSITION (\$000S)

***\$3.1M excess cash above the operating reserve requirement is projected at year-end***

	Revised Budget	YTD Actual	Year-End Projections	Projected Variance (\$)	Projected % of Budget
<b>OPERATING BUDGET</b>					
Total Cash Provided	\$542,524	\$319,154	\$546,157	(\$3,634)	-0.7%
Total Operating Cash Used	291,684	157,184	276,909	14,775	5.1%
Total Other Cash Used	203,908	92,273	200,931	2,977	1.5%
<b>Total Cash Used</b>	<b>495,592</b>	<b>249,457</b>	<b>477,840</b>	<b>17,752</b>	<b>3.6%</b>
<b>Net Cash Provided (Used) by Operating Act.</b>	<b>\$46,931</b>	<b>\$69,697</b>	<b>\$68,317</b>	<b>(\$21,386)</b>	<b>-45.6%</b>
<b>CAPITAL BUDGET</b>					
Total Cash Provided	583,735	256,351	518,326	65,409	11.2%
Total Cash Used	625,275	329,439	581,458	43,817	7.0%
<b>Net Cash/PAYGO Provided (Used) by Cap. Act.</b>	<b>(\$41,540)</b>	<b>(\$73,088)</b>	<b>(\$63,132)</b>	<b>\$21,592</b>	<b>-52.0%</b>
<b>Beginning Balance, October 1 (Net of Rate Stab. Fund) Projected</b>	<b>157,642</b>	<b>157,642</b>	<b>157,642</b>	<b>-</b>	<b>0.0%</b>
Plus (Less) Operating Surplus	46,931	69,697	68,317	(21,386)	-45.6%
Wholesale Customer Refunds from Prior Years	(18,100)	(5,100)	(7,370)	(10,730)	59.3%
Interest Earned From Bond Reserve	120	101	151	(31)	-26.2%
Transfer to Rate Stabilization Fund	-	-	(7,500)	7,500	
Prior Year Federal Billing Reconciliation	(5,053)	(3,790)	(5,053)	-	0.0%
Transfer to Right of Way (ROW) Reserve	-	-	-	-	
Cash Used for Capital	(41,540)	(73,088)	(63,132)	21,592	-52.0%
<b>Balance Attributable to O&amp;M Reserve</b>	<b>\$140,000</b>	<b>\$145,463</b>	<b>\$143,055</b>	<b>(\$3,055)</b>	<b>-2.2%</b>

# **District of Columbia Water and Sewer Authority**

## **Capital Improvement Program Report**



**FY-2015 2<sup>nd</sup> Quarter  
January 1<sup>st</sup> through March 31<sup>st</sup>, 2015**

**Board of Directors  
Environmental Quality and Sewerage Services Committee**

**George S. Hawkins, General Manager  
Leonard R. Benson, Chief Engineer**

**May 2015**

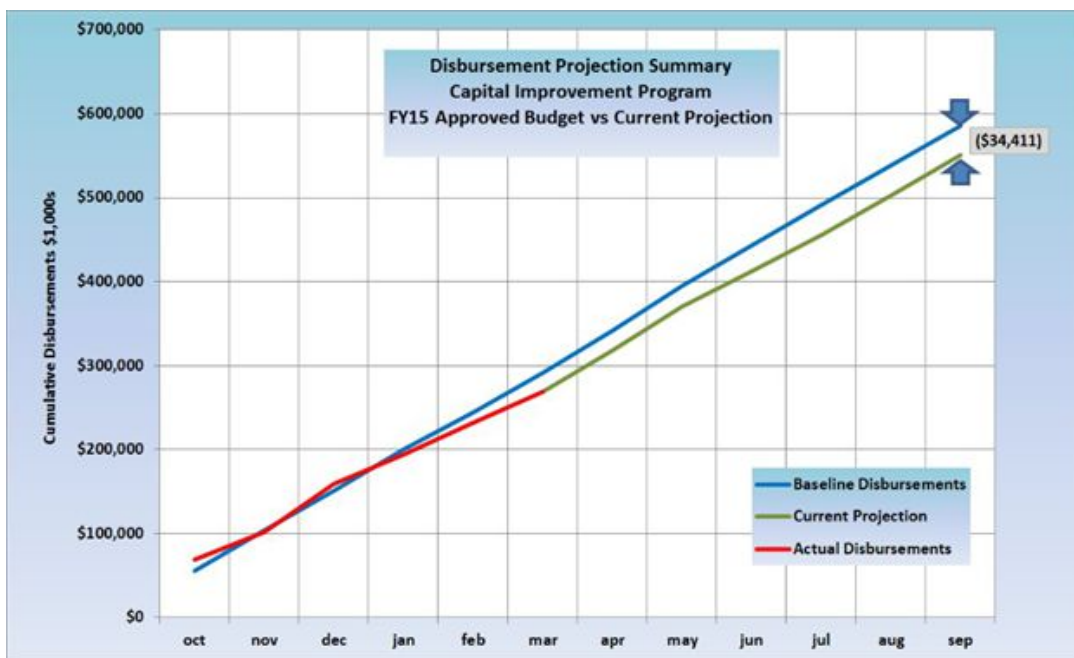


## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2015

### Program Performance

Current projected program disbursements through the end of the fiscal year compared with the approved FY15 projections are shown in the chart below:

### Disbursement Projections Summary



Current projected fiscal year 2015 CIP disbursements are \$550,771,000 through the end of March, which is 6% below the baseline disbursement projections of \$585,182,000.

Current disbursement projections within the service areas are as follows:

#### Wastewater Treatment Service Area

Baseline Disbursements \$206,259,000

Projected Disbursements \$203,085,000 (\$3.2M below baseline projection)

Significant project variances listed below

- *Liquid Processing Program Area – (Projected to be \$3.1M below baseline)*
  - The projected disbursements for Project OZ are projected to be \$2.6 million less than expected partly due to the change in procurement method from sole source to competitive bid requiring more time.



## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2015

- *Enhanced Nitrogen Removal Program Area – (Projected to be \$2.1M below baseline)*
  - The projected disbursements are expected to be \$14.2 million below baseline for Project EE - Filtrate Treatment Facilities, this is a result of undocumented underground utilities encountered during site preparation, that delayed the mass excavation start by 2.5 months, and slower than expected major process equipment submittal approval that has delayed the payment schedule for those items. It is anticipated the contract will be complete within budget.
  - Project EG - Blue Plains Tunnel is proceeding favorably with mining expected to be complete mid to late summer 2015 when disbursements are projected to reduce, in addition a conservative approach to projection of retention under estimated disbursements, contributing to anticipated fiscal yearend disbursements of \$9.3 million above baseline projection.
  - Disbursements are projected to be \$2.5 million above baseline on project BI Enhanced Nitrogen Removal (ENR) North partly due to Favorable construction progress and additional scope required during blower renovation.

### CSO Service Area

Baseline Disbursements      \$271,100,000

Projected Disbursements      \$257,725,000 (\$13.3M below baseline projection)

Significant project variance listed below:

- *Clean Rivers Program – (Projected to be \$13.1M below baseline)*
  - Currently projected disbursements in Project CY – Anacostia LTCP Projects are below baseline disbursements partly due to the ground inflow incident at the Anacostia River Tunnel (ART) Inter Shaft Connecting Tunnel at the CSO 019 construction site, disbursements for this contract are expected recover in the next fiscal year. In addition, the First Street Tunnel (FST) Design/Builder is currently behind his baseline schedule thus also contributing to the less than baseline disbursements. DC Water is working with Design/Builder for the ART to mitigate delays caused by the ground inflow incident; moreover, DC Water requested the FST Design Builder to recover current schedule delays. DC Water is expected to meet all its consent decree milestones.

### Stormwater Service Area

Baseline Disbursements      \$2,559,000

Projected Disbursements      \$640,000 (\$1.9M below baseline projection)

- Stormwater Trunk/Force Sewers
  - The emerging needs that Project BO – Future Stormwater Projects was created to fund have not materialized this fiscal year to date and as a result disbursements are predicted to be \$1.5 million less than baseline projection.

### Sanitary Sewer Service Area

Baseline Disbursements      \$40,258,000

Projected Disbursements      \$29,938,000 (\$10.3M below baseline projection)



## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2015

- *Sanitary Collection Sewers Program Area – (Projected to be \$3.5M below baseline)*
  - Currently projected disbursements are \$1.8 million below baseline in Project G1 – Small Local Sewer Rehab 1 due to delayed construction procurement resulting from development of the Cured in Place Pipe specifications to better align level of quality with economic viability.
- *Sanitary Interceptor/Trunk/ Force Sewers – (Projected to be \$3.8M Below Baseline)*
  - Preliminary inspection in Project IN – Upper East Side Trunk Sewer Rehabilitation revealed less debris than anticipated and therefore, the cost for full cleaning and inspection was greatly reduced. As a result projected disbursements are \$1.3 million below baseline.
- *Sanitary Sewer Management – (Projected to be \$3.1M Below Baseline)*
  - Projected disbursements for Project DN – Sewer Inspection Program are \$2.3M below baseline projections partly due to deferral of funds from FY15 to FY16 in order to procure an unusually large heavy cleaning and inspection contract for the Upper Potomac Interceptor Relief Sewer due to an emerging need.

### Water Service Area

Baseline Disbursements	\$65,006,000
Projected Disbursements	\$59,383,000 (\$5.6M below baseline projection)

- *Water Storage Facility Program Area – (Projected to be \$1.4M below baseline)*
  - Projected disbursements are \$1.0 million below baseline projections in Project FA – Water Storage Facility Upgrades due to construction delays caused by permitting and other construction issues.
- *Water Distribution Program Area – (Projected to be \$1.9M below baseline)*
  - Projected disbursements are \$2.0 million below baseline in Project O1 – Small Diameter Water Main Rehab 9 due to slow construction progress at the start of the year partly attributed to quality control concerns that are now largely resolved.
- *DDOT Water Program Area – (Projected to be \$2.0M below baseline)*
  - Most of the under spending in the Water Service area is under the DDOT program which is currently projected to be about \$2.0 million below the baseline projection. This is mainly due to DDOT concentrating on major projects and not constructing road projects which include water main work.



## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2015

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### **Priority 1 Projects (Court Ordered, Stipulated Agreements, etc)**

All priority 1 projects are on schedule and within budget.

### **Large Contract Actions Anticipated – 6 Month Look-Ahead**

- Project MA – Saint Elizabeth’s Water Tank  
Construction Contract (\$20M - \$25M), WQ&WS Sep, BOD Oct
- Project J3 – National Arboretum Sewer Rehab Contract 1  
Construction Contract (\$5M - \$10M), EQ&SS Oct, BOD Nov
- Project O3 – Small Diameter Watermain Rehab 11a  
Construction Contract (\$5M - \$10M), WQ&WS Jul, BOD Sep
- Project CY – Div U - Advance Utility Relocations for NEBT  
Construction Contract (\$15M - \$20M), WQ&WS Dec, BOD Jan
- Project DR – Low Area Trunk Sewer - Rehabilitation  
Construction Contract (\$10M - \$15M), EQ&SS Nov, BOD Dec
- Project DZ – Div RC-A - Piney Branch Early Action  
Construction Contract (\$5M - \$10M), EQ&SS Sep, BOD Oct
- Project O3 – Small Diameter Watermain Rehab 11b  
Construction Contract (\$5M - \$10M), EQ&SS Dec, BOD Jan
- Project G1 – Lining & Repair of Local Sewers  
Construction Contract (\$5M - \$10M), EQ&SS May, BOD Jun

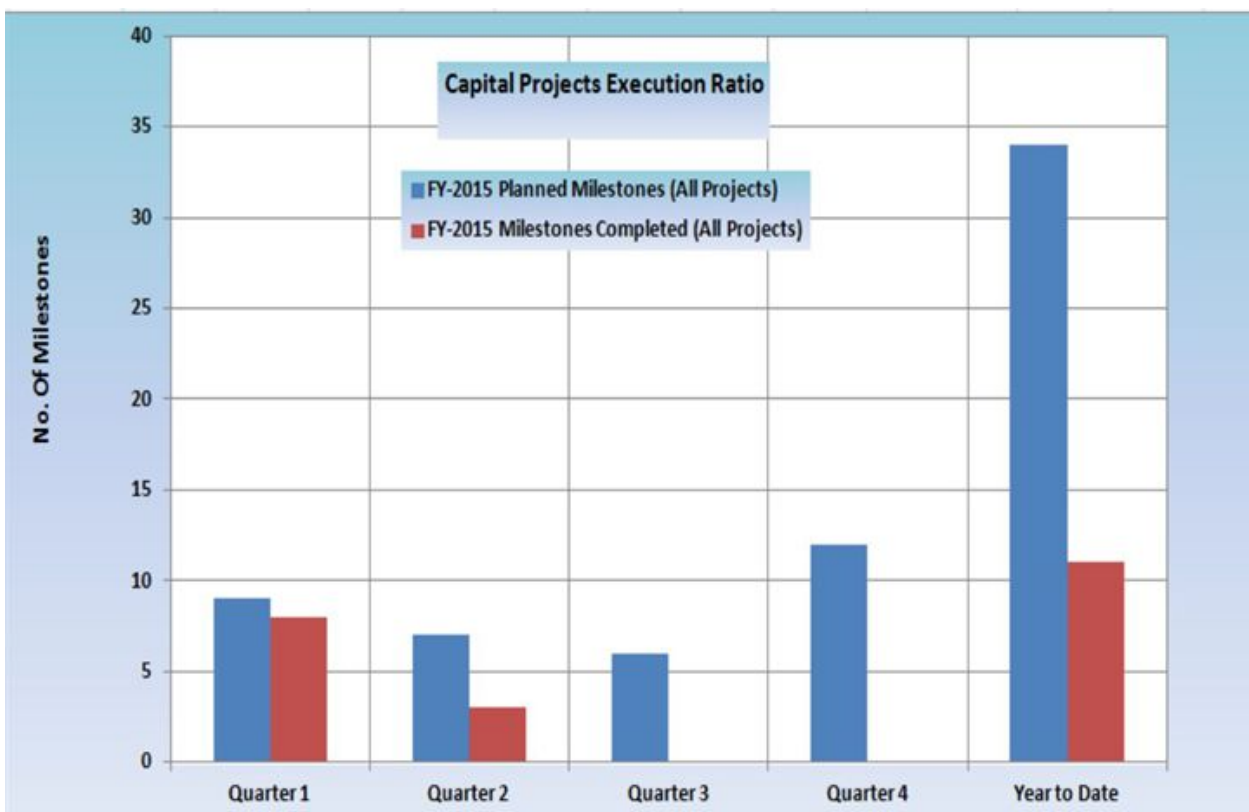




## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2015

### Key Performance Indicators, Capital Improvement Program

Key performance indicators related to the Capital Improvement Program are shown below.

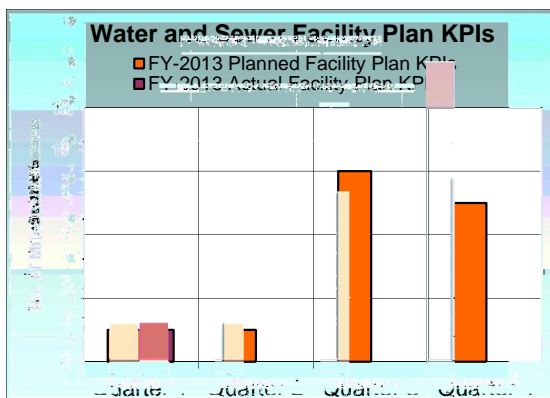


Note: Capital Projects Execution Ratio measures the completion of critical project milestones for large capital projects during the fiscal year. Critical project milestones include: Design Starts, Construction Starts and Construction Substantial Completions as well as Consent Decree and Permit mandated milestones.

For the 2<sup>nd</sup> Quarter, four of the scheduled Key Performance Indicators (KPIs) had already been achieved in the first quarter; the remaining three planned KPIs were achieved. These included the construction start milestone for Div Z - Poplar Point Pumping Station Replacement, the design start milestone for Small Diameter Water Main Replacement 12A, and the design start portion of the New Headquarters Building progressive design/build.



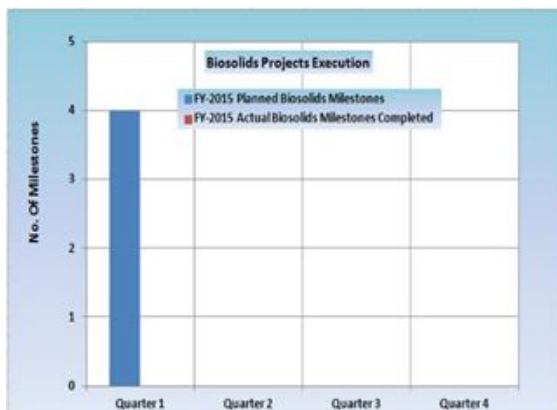
## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2015



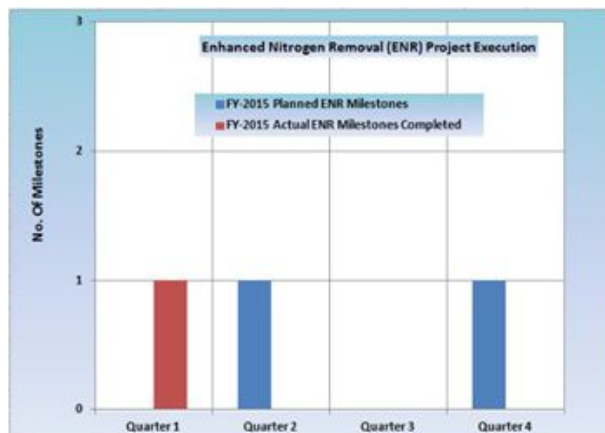
Note: Water and Sewer Facility Plan KPIs measure the completion of critical project milestones for projects developed through either the Water or the Sewer Facility Plan. For variance, see note above.



Note: LTCP Project Execution measures the completion of critical project milestones for the LTCP projects during the fiscal year. Critical project milestones include all those required to meet Consent Decree dates. For variance, see note above.



Note: Biosolids Project Execution measures the completion of critical project milestones for the Biosolids projects during the fiscal year. For variance, see note above.

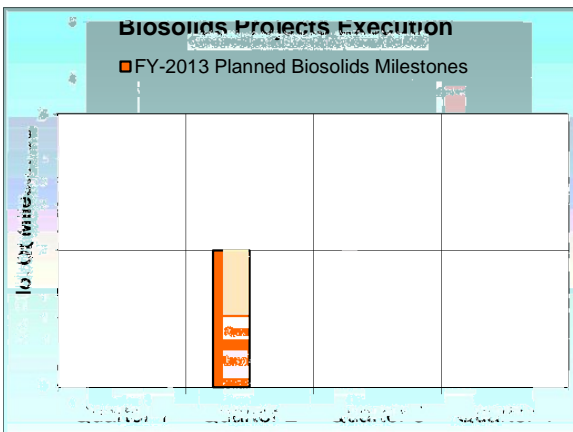
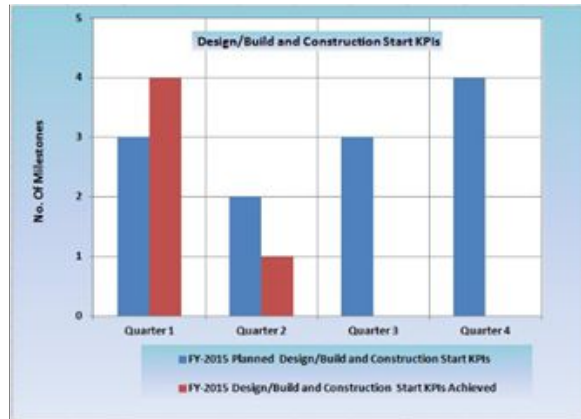
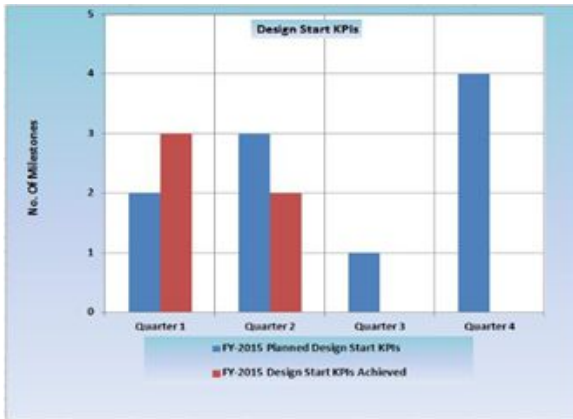


Note: Enhanced Nitrogen Removal Execution measures the completion of critical project milestones for the Enhanced Nitrogen Removal (ENR) projects during the fiscal year. For variance, see note above.



## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2015

Key Performance Indicators by category: Design Start, Construction Start and Construction Substantial Completion





## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2015

**For FY15, the following KPI Milestones will be monitored:**

Qtr.	Project	Job Name	KPI Name	KPI Achieved?
1st	XA12	Biosolids Final Dewatering	Construction Substantial Completion	N
1st	XA08	Biosolids Main Process Train (MPT)	Construction Substantial Completion	N
1st	XA10	Biosolids Combined Heat and Power (CHP)	Construction Substantial Completion	N
1st	XA12	Biosolids Final Dewatering	Construction Substantial Completion	N
1st	FY01	Rehab Upper Part of Rock Creek Main Interceptor	Design Start Milestone	Y
1st	FA06	Brentwood Reservoir Upgrade	Construction Start Milestone	Y
1st	FA04	Ft. Stanton Reservoir No. 1 Upgrade	Construction Start Milestone	Y
1st	FS01	Div D - JBAB Overflow and Diversion Structures	Construction Start Milestone	Y
1st	IF02	Sanitary Sewer Rehab and Repair Phase 6	Design Start Milestone	Y
2nd	CY04	Div E - CSO 015-017 Structures/Diversions	Construction Substantial Completion	Y (1st Q)
2nd	E901	Nitrogen Removal Facilities - Contract 2	Permit Compliance	Y (1st Q)
2nd	CY21	Div Z - Poplar Point Pumping Sta. Replacement	Construction Start Milestone	Y
2nd	DE01	Small Diameter Water Main Repl 12A	Design Start Milestone	Y
2nd	IL07	Creekbed Sewer Rehabilitation Bingham Drive	Design Start Milestone	Y (1st Q)
2nd	DS01	New Headquarters Building	Design Start Milestone	Y
2nd	O202	Small Dia Watermain Repl 10b	Construction Start Milestone	Y (1st Q)
3rd	F603	Steel Water Mains Contract 3	Design Start Milestone	
3rd	GA01	Small Local Sewer Rehab 4	Construction Start Milestone	
3rd	O001	Small Dia Watermain Rehab 8-1	Construction Substantial Completion	
3rd	BZ03	Large Valve Replacements 10	Construction Substantial Completion	
3rd	Q302	Pope Branch Stream Restoration	Construction Start Milestone	
3rd	G100	Lining & Repair of Local Sewers	Construction Start Milestone	
3rd	J306	National Arboretum Sewer Rehab	Construction Start Milestone	
4th	MA01	St. Elizabeth Water Tank	Construction Start Milestone	
4th	N712	Potomac Sewer - Odor Remedy (VA Sites)	Construction Substantial Completion	
4th	E901	Nitrogen Removal Facilities - Contract 2	Construction Substantial Completion	
4th	FA02	Ft. Reno Reservoir No. 1 Upgrade	Construction Substantial Completion	
4th	FH01	Discharge Piping Bryant Street Pump Station	Construction Substantial Completion	
4th	O301	Small Dia Watermain Repl 11a	Construction Start Milestone	
4th	I802	Large Valve Replacements 12	Construction Start Milestone	
4th	I803	Large Valve Replacements 13	Construction Start Milestone	



## Capital Improvement Program Report 2<sup>nd</sup> Quarter FY2015

Qtr.	Project	Job Name	KPI Name	KPI Achieved?
4th	FA03	Soldiers Home Reservoir Upgrade	Design Start Milestone	
4th	DE02	Small Diameter Water Main Repl 12B	Design Start Milestone	
4th	BP01	Grit Chamber Facilities Phase II	Design Start Milestone	
4th	BQ01	Primary Treatment Facilities Ph II	Design Start Milestone	



# **DC Water Finance and Budget Committee**

## **Bill Dispute Procedures for Clean Rivers Impervious Area Charges**

**May 28, 2015  
Lauren Preston  
Director, Customer Services**



# Agenda

- Stand Alone Impervious Area Billing
- Arrears Summary
- Bill Dispute Procedures
- Administrative Hearings
- Pending Appeals and Disputes
- Confidential Discussion



# Impervious Area Only Revenue Summary

## Stand Alone Impervious Area Billing

Customer Type	# Accounts	Aggregate ERUs	Aggregate monthly billing at \$16.75/ERU	90+ Day Arrears	Secured with lien	# Months revenue in 90+ day arrears
Residential	2,864	2,894	48,475	901,679	976,691	20
Non-Residential *	3,228	27,545	461,378	1,063,662	695,119	2
Federal	606	18,388	307,999	1,196,628		4
Municipal	872	14,537	243,495	3,453,184		14
Housing	137	675	11,306	1,379		
<b>Total</b>	<b>7,707</b>	<b>71,493</b>	<b>1,072,653</b>	<b>6,616,532</b>		<b>6</b>

\* Includes Multi-Family and Non-Residential Customers

<i>Standalone ERU Analysis</i>							
<b>Premise Type</b>	<b>Total # of Accounts</b>	<b># of Accts Secured with Lien*</b>	<b>Dollar Amount</b>	<b># of Accts Unsecured*</b>	<b>Dollar Amount</b>	<b># of Accts on Hold**</b>	<b>Dollar Amount</b>
<b>Residential</b>	2,864	846	\$976,691.67	52	\$17,093.39	0	\$0.00
<b>Non-Residential</b>	3228	284	\$695,119.48	61	\$447,028.23	9	\$393,973.14
<b>Fed/Muni/Housing</b>	Exempt from Collections						
*Accounts Delinquent >60 Days/>\$200.00				**# of Accts on Hold included in # of Unsecured			





# Bill Dispute Procedures

- The bill dispute procedures are governed by 21 DCMR Chapter 4 Contested Water and Sewer Bills:
  - ❖ The Customer must notify DC Water that they are challenging their bill within 10 days of receipt by either phone, email, or letter; or
  - ❖ The Customer must pay the bill under protest and notify DC Water that they are challenging their bill before receipt of the next bill.
- The Customer must challenge each bill in dispute.



# Types of CRIAC Bill Disputes

Disputes tend to be over:

- Ownership and responsibility;
- Accuracy of our data in calculating bill;
- Their classification as residential versus non-residential;
- Categorizing construction material as pervious versus impervious;
- Location of property being near or contributing to combined sewer runoff; and
- Fairness of the CRIAC charge.



## Dispute Procedures – cont'd

- Upon receipt of a CRIAC bill challenge, DC Water will:
  - ❖ Place a collections hold on the account suspending the obligation to pay the charges;
  - ❖ Request Non-residential and Multi-family Customers to submit a site survey showing the impervious surfaces, and any other information; and
  - ❖ Conduct an investigation to determine whether the CRIAC charges are correct.



## Dispute Procedures – cont'd

- If the investigation confirms that the bill is incorrect, the bill is adjusted accordingly and the owner is notified in writing; or
- If the investigation confirms that the bill is correct:
  - ❖ The Customer is notified of the findings in writing and informed that they may appeal the decision within 15 days of receipt by submitting a written request for an administrative hearing; and
  - ❖ DC Water will also try to negotiate a settlement (this is rare and usually only applies to metered accounts).



# Administrative Hearings

- An independent Hearing Officer will hear the evidence from each party and render a decision.
- If the Hearing Officer finds for the Customer, DC Water will adjust the bill in accordance with his or her decision; or we may appeal it to the Court of Appeals (this is rare);
- If the Hearing Officer finds for DC Water, the Customer is required to pay the bill or they may appeal the Administrative Hearing decision by filing a Petition for Review within 30 business days with the Court of Appeals



# Pending Appeals & Disputes

- To date, six Administrative Hearing appeals have been filed: three decided in our favor and three are pending.
- Two significant disputes remain in discussion and investigation – one over ownership, the other over an engineering technical determination regarding impervious construction materials.

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

**ACTION REQUESTED**

**GOODS AND SERVICES CONTRACT MODIFICATION:**

**Legal Services  
(Joint Use – Indirect Cost)**

Approval to execute a modification for legal services in the amount of \$1,100,000.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b> Beveridge & Diamond, PC 1350 I Street, NW Suite 700 Washington, DC 20005	<b>SUBS:</b> N/A	<b>PARTICIPATION:</b> N/A
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**DESCRIPTION AND PURPOSE**

Original Contract Value:	\$1,500,000.00
Original Contract Dates:	10-01-2011—09-30-2012
No. of Option Years in Contract:	N/A
Contract Modification Value:	\$2,900,000.00
Contract Modification Dates:	10-01-2013—09-30-2014
This Contract Modification Value:	\$1,100,000.00
This Contract Modification Dates:	10-01-2014 —06-30-2015

**Purpose of the Contract:**

To contract for the provision of legal services for the District of Columbia Water and Sewer Authority's General Counsel.

**Contract Scope:**

To provide legal services in lead litigation and environmental matters.

**Spending Previous Year:**

Cumulative Contract Value:	10-01-2011 to 09-30-2014—\$4,400,000.00
Cumulative Contract Spending:	10-01-2011 to 09-30-2014—\$4,108,363.93

**Contractor's Past Performance:**

The contractor's past performance has been satisfactory.

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Labor Hour	<b>Award Based On:</b>	Non-Competitive
<b>Commodity:</b>	Legal Services	<b>Contract Number:</b>	Not Applicable
<b>Contractor Market:</b>	Not Applicable		

**BUDGET INFORMATION**

<b>Funding:</b>	Operations	<b>Department:</b>	General Counsel
<b>Service Area:</b>	DC Water wide	<b>Department Head:</b>	Randy Hayman

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	100%	\$ 1,100,000.00
Washington Suburban Sanitary Commission	0%	0.00
Fairfax County	0%	0.00
Loudoun County	0%	0.00
Potomac Interceptor	0%	0.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$1,100,000.00</b>

 5/20/15  
 \_\_\_\_\_  
 Dan Bae Date  
 Director of Procurement

 5/20/15  
 \_\_\_\_\_  
 Gail Alexander-Reeves Date  
 Director of Budget

 5/20/15  
 \_\_\_\_\_  
 Randy Hayman Date  
 General Counsel

\_\_\_\_\_  
 George S. Hawkins Date  
 General Manager





**ATTACHMENT 5**

**D.C. WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS  
FINANCE & BUDGET  
JUNE COMMITTEE MEETING**

Thursday, June 25, 2015; 11:00 a.m.  
Blue Plains Wastewater Treatment Plant  
5000 Overlook Avenue, SW, DC  
**AGENDA**

<b>Call to Order</b>	Chairman
<b>May 2015 Financial Report</b>	Budget Director, Finance Director
<b>Agenda for July Committee Meeting</b>	Chairman
<b>Adjournment</b>	Chairman

\*Detailed agenda can be found on DC Water's website at [www.dewater.com/about/board\\_agendas.cfm](http://www.dewater.com/about/board_agendas.cfm)