



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
240th MEETING OF THE BOARD OF DIRECTORS
Thursday, March 1, 2018
9:30 a.m.
5000 Overlook Avenue, SW
Room 407**

- I. **Call to Order (Chairman Tommy Wells)**
- II. **Roll Call (Linda Manley, Board Secretary)**
- III. **Approval of February 1, 2018 Minutes**
- IV. **Chairman's Overview**
- V. **Committee Reports**
 1. **Environmental Quality and Operations Committee (James Patteson)**
 2. **DC Retail Water and Sewer Rates Committee (Rachna Bhatt)**
 3. **Finance and Budget Committee (TBD)**
- VI. **Issues of General Interest**
- VII. **CEO/General Manager's Report (Henderson J. Brown IV, Interim)**
- VIII. **Summary of Contracts (FYI)**
- IX. **Consent Items (Joint Use)**
 1. **Approval to Execute Contract No. 17-PR-DET-48, Accurate Conceptions, LLC – Resolution No. 18-17 (Recommended by the Environmental Quality and Operations Committee 02/15/18)**
 2. **Approval to Execute Option Year Two of Contract No. 15-PR-WWT-52, W.K. Merriman, Inc. – Resolution No. 18-18 (Recommended by the Environmental Quality and Operations Committee 02/15/18)**
 3. **Approval to Execute Contract No. 160190, IPR Northeast LLC – Resolution No. 18-19 (Recommended by the Environmental Quality and Operations Committee 02/15/18)**
 4. **Approval to Execute Contract No. 170170, Capitol Paving of DC Inc. – Resolution No. 18-20 (Recommended by the Environmental Quality and Operations Committee 02/15/18)**
 5. **Approval of Fiscal Year 2018-2027, Capital Improvement Program – Resolution No. 18-21 (Recommended by the Environmental Quality and Operations Committee 02/15/18 and Finance and Budget Committee 02/22/18)**

6. [Approval of Fiscal Year 2018-2027 Ten Year Financial Plan – Resolution No. 18-22](#) (Recommended by the DC Retail Water and Sewer Rates Committee 02/20/18 and Finance and Budget Committee 02/22/18)
7. [Approval of the Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing – Resolution No. 18-23](#) (Recommended by the Finance and Budget Committee 02/22/18)
8. [Approval of the FY 2019 Proposed Operating Budget – Resolution No. 18-24](#) (Recommended by the Finance and Budget Committee 02/22/18)
9. [Approval of Contract No. 17-PR-CFO-42, IBS Management & Consultant Services,LLc, Mb Staffing Services, SDA Financial, SPS Consulting and vTech Solution Inc. – Resolution No. 18-25](#) (Recommended by the Finance and Budget Committee 02/22/18)

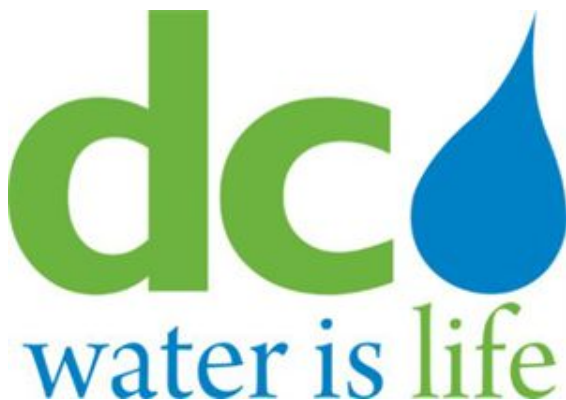
X. Consent Items Non-Joint Use

1. [Approval to Execute Additional Funding for Contract No. WAS-12-0092-AA-SH-1, Aclara Technologies – Resolution No. 18-26](#) (Recommended by Environmental Quality and Operations Committee 02/15/18)
2. [Approval of Proposed Fiscal Year 2019 and Fiscal Year 2020 Metered Water and Sewer Service Rates, Right-of-Way \(ROW\), Paymet-in-Lieu of Taxes \(PILOT\) Fee, and Clean Rivers Impervious Area Charge \(CRAIC\) – Resolution No. 18-27](#) (Recommended by DC Retail Water and Sewer Rates Committee 02/20/18)
3. [Approval of Proposed Notice of Rulemaking to Amend the District of Columbia Fire Protection Service Fee – Resolution No. 18-28](#) (Recommended by DC Retail Water and Sewer Rates Committee 02/20/18)
4. [Approval of Publication of the Notice to Proposed Rulemaking to Amend System Availability Fee \(SAF\) – Resolution No. 18-29](#) (Recommended by DC Retail Water and Sewer Rates Committee 02/20/18)

XI. Executive Session – To discuss legal, confidential and privileged matters pursuant to Section 2-575(b) of the D.C. Official Code¹

XII. Adjournment (Chairman Tommy Wells)

¹ 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.



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and Operations
Meeting**

Thursday, February 15, 2018

9:30 a.m.

MEETING SUMMARY

Committee Members

James Patteson, Chairperson
Ivan Frishberg (Teleconference)
Kendrick Curry
Howard Gibbs
Adam Ortiz
Anthony Giancola

DC Water Staff Present

Henderson Brown, Interim General Manager
Meena Gowda, Deputy General Counsel
Len Benson, Chief Engineer
Linda Manley, Secretary to the Board
Matthew Brown, Chief Financial Officer
Aklile Tesfaye, AGM, Wastewater Treatment

I. Call to Order

Mr. Patteson called the meeting to order at 9:30 A.M.

II. ACTION ITEMS

JOINT USE

1. Contract No. 17-PR-DET-48 – Accurate Conceptions, Technical Information Center (TIC) Document Management
2. Contract No. 15-PR-WWT-52 – W.K. Merriman, Supply and Delivery of Calcium Hydroxide
3. Contract No. 160190 – IPR Northeast LLC, B St./New Jersey Ave Trunk Sewer Rehabilitation & Cleaning Phase 1
4. Contract No. 170170 – Capital Paving of DC, Inc., Public Space Restoration

NON-JOINT USE

1. Contract No. WAS-12-002-AA-SH – Aclara Technologies, Meter Transmitter Units

Mr. John Bosley, Chief Procurement Officer, DC Water, presented Action Items 1, Joint-Use and 2, Non-Joint Use Action Item 1. Mr. Len Benson, Chief Engineer, DC Water presented Action Items 3 and 4.

JOINT USE

Action Item 1: Request to execute contract for document management services.

This contract will scan, digitize, attribute, inventory and upload approximately 8 million records into modern document management systems and optimize the existing physical content in DC Water's Technical Information Center (TIC). The contractor will also develop and implement processes that provide more effective record management within the TIC.

The Committee inquired if rules for archiving will be implemented. Mr. Bosley replied in the affirmative. The Committee also inquired as to what will be done with the originals after the scanning and digitizing is completed. Mr. Bosley replied that the original hard copies will be preserved for a set amount of time as a backup, while duplicates will be discarded immediately. Next, the Committee inquired who is responsible for the online security of the scanned and digitized documents. Mr. Bosley responded that DC Water's Department of Information Technology is responsible for cyber security of all Authority related systems and documents.

Action Item 2: Request to exercise option year 2 of a contract to supply and deliver calcium hydroxide.

The purpose of this contract is to provide calcium hydroxide to the Blue Plains Advanced Wastewater Treatment Facility for DC Water's Department of Wastewater Treatment (DWT). DWT has an ongoing need for calcium hydroxide in slurry form to feed the Nitrification Facility at the Blue Plains Wastewater Treatment Plant. This product is used in the Biological Nutrient Removal process for pH control.

Action Item 3: Request to execute a construction contract for the B Street/New Jersey Avenue Trunk Sewer. The scope of the contract includes rehabilitating approximately 4,350 linear feet of 10 ft span through 18 foot span arch sewer tunnel and approximately 15 sewer manholes using structural geopolymer.

The Committee inquired if DC Water has considered initially utilizing this relatively new rehabilitation technology on manholes before applying it to the pipeline. Mr. Benson replied that DC Water had done its due diligence in vetting this technology in addition to reaching out to other utilities that have implemented this rehab technology on their infrastructure. As a result, the Authority feels confident in the selection and application of the technology in the currently established sequence.

The Committee also inquired what DC Water's engineer's estimate for the construction was. Mr. Benson replied that DC Water estimated the job at \$13.7 million. The Committee next asked if the contractor has had a history of change orders in previous jobs. Mr. Benson replied that there was nothing out of the ordinary in their past performance. The Committee inquired what the expected service life of the geopolymer rehab was. Mr. Benson replied that it was comparable to other traditional methods of rehab such as shotcrete.

Action Item 4: Request to execute a construction contract for public space restoration.

The purpose of the contract is to permanently restore paved and non-paved surfaces in public space after the completion of repair and replacement activities by the Department of Water Services and the Department of Sewer Services.

NON-JOINT USE

Action Item 1: Request to add funding to contract for the purchase and disposal of Meter Transmitter Units (MTUs).

The scope of the contract is to provide 3400 Series MTUs for the purpose of replacing inoperable and aging equipment with new units to ensure correct measurements and meter readings on customer water consumption for billing. This contract also provides the safe disposal of MTUs removed as part of the Automated Meter Reading (AMR) Replacement Program.

The Committee recommended all joint use and non-joint use action items to the full Board.

III. RECOMMENDATION REGARDING CIP BUDGET & 10 YEAR FINANCIAL PLAN

Mr. Matthew Brown, Chief Financial Officer, DC Water, presented on DC Water's recommendation of the 10-year CIP budget and financial plan. He began by stating that this final recommendation comes after extensive meetings, workshops and discussions held with the Board of Directors, DC Water's Wholesale customers, the Environmental Quality & Operations (EQ&O) Committee members, the Joint DC Retail Water & Sewer Rates and the Finance & Budget Committees. The resulting recommendation is to approve the proposed Baseline 10-year CIP of \$4.0 billion and to advance asset management principles while addressing customer affordability.

Mr. Brown outlined the path to achieve asset management principles as follows:

- Explore investment in infrastructure
- Exploration of alternative revenue sources
- Community outreach and education
- Impact on the financial plan
- Customer affordability

Mr. Brown mentioned that DC Water management will propose work plans for each Board committee in March and that committees will have the opportunity to review the plans.

The Committee suggested that it is important for DC Water to define what "affordability" is and that definition be tailored to the District's residents and their financial situation. Mr. Brown agreed to the suggestion. The Committee inquired on how DC Water plans to make the budget implementation process a collaborative effort between the Authority, residents and ratepayers. Mr. Brown replied that the primary means of outreach to residents will be community townhall meetings but added that DC Water looks forward to suggestions by the Board and the Committee members on additional methods of outreach and engagement.

The Committee next inquired of the possibility of using the Authority's rate stabilization fund to offset some of the proposed increases in the new budget. Mr. Brown replied that although DC Water has a rate stabilization fund with approximately \$65 million, this amount is comparable to other peer utilities and that he would advise against utilizing that fund and thereby reducing it. The Committee also requested to see the testimony to be given by DC Water during the Oversight hearing to the DC Council on March 2, 2018. Mr. Henderson Brown, Acting General Manager replied that it will be provided.

Mr. Brown next mentioned that there will be a slight change in the figures that will be shared with the Retail Rates Committee (*an overall increase of 0.5%*) that resulted from revisions made by consultants that conducted the financial studies. In conclusion, Mr. Brown reiterated DC Water's recommendations as follows:

- Recommend approval of the management proposed FY2018 – FY2027 Capital Disbursements and Lifetime Project budgets, and
- Review of detailed management plan in committees in March 2018 to address attainment of an asset management principled CIP.

IV. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Aklile Tesfaye, Assistant General Manager for Wastewater Treatment reported on the performance of the Blue Plains Advanced Wastewater Treatment Plant (AWTP) (*by exception*). Mr. Tesfaye stated that all performance parameters were excellent and all permit requirements were met.

V. CIP QUARTERLY UPDATE

Mr. Paul Guttridge, Manager, Program Services, DC Water gave an update on the first quarter report for fiscal year (FY) 2018 regarding DC Water's Capital Improvement Program (CIP). Mr. Guttridge mentioned that the current approved capital disbursement plan as agreed by the DC Water Board of Directors on December 1, 2016 included an FY18 disbursement projection of \$342,642. Although the FY18-FY27 capital disbursement plan has not yet been adopted by the DC Water Board of Directors, the three plans currently proposed all include a projection of \$398,285 for FY 18.

Current projected FY 2018 CIP disbursements through the end of December 2017 were 5.5% above the baseline. Of the six (6) CIP service areas, the four that are contributing to the baseline overage were the Wastewater Treatment and Stormwater, Sanitary Sewer and Water service areas.

Mr. Guttridge stated that the 6-month look ahead for significant contract actions included the following projects:

- Low Area Trunk Sewer rehab
- Potomac Project 1(GI) PR-A
- 66 inch Steel Main at 8th Street, NE
- Upgrades to FIPS 1-10

Mr. Guttridge also highlighted the changes implemented to the KPI status summary page of the CIP report to make the information more understandable, as per the request of the Committee in a previous meeting.

VI. BLUE PLAINS FLOOD MITIGATION PLAN

Ms. Diala Dandach, Director, Wastewater Engineering, DC Water gave an update on the status

of Blue Plains' Flood Protection Plan. Ms. Dandach began her presentation by stating the 100-year (based on the 2010 Effective Flood Insurance Survey) and 500-year flood elevations (based on the 1985 Effective Flood Insurance Survey, adjusted for re-built Woodrow Wilson Bridge) were 10.1 feet and 14.2 feet, respectively. The current, interim floodwall at Blue Plains is at 13.1 ft elevation (10.1 ft + 3.0 ft freeboard) while the permanent floodwall is at 17.2 ft elevation (14.2 ft + 3.0 ft freeboard).

Ms. Dandach also mentioned that the Department of Wastewater Engineering is working with the Office of Emergency Management to update the Plan. Some of the current measures being taken include sandbagging and installing bin blocs and/or bulkhead gates at certain locations prior to a major storm event. The sandbag locations will be remediated with permanent fixes over the next two years.

An inundation study conducted as part of the 2011 Flood Risk Mitigation Report showed that a majority of Blue Plains facilities, including the interim floodwall at a top elevation of 13.1 ft, would be under the 500-year flood elevation (14.2 ft). As a result of the study, a planned mitigation design effort, funded partially by the Federal Emergency Management Agency (FEMA), to raise the current floodwall and bulkhead gates to 17.2 ft is underway with construction completion in December 2020. This mitigation is expected to protect the Filter Forebay and Secondary Treatment facilities. The construction and FEMA funding for these projects will be done in segments/phases with an approximate total project cost of \$4 million, of which \$2.4 million will be federally funded at 60%.

The Committee inquired why DC Water was opting to design these facilities to the 500-year flood elevations when that is not currently a requirement. Ms. Dandach replied that conversations with FEMA indicated that the current requirements and standards might change in the near future necessitating further updates and construction. In addition, the 'Critical Infrastructure' designation of the facilities and the availability of FEMA funding for the construction (up to 75% of total cost) were also factors that led DC Water to proceed with the design & construction. The Committee also inquired if the design accounted for potential ponding within facilities once the new bulkheads were constructed. Ms. Dandach replied that appropriate drainage of Blue Plains was a critical feature of the current design.

VII. OTHER BUSINESS/EMERGING ISSUES

None.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

Meeting adjourned at 11:24 a.m.

Follow-up Items

1. Chief Financial Officer, DC Water: Include a definition for “Customer Affordability” as part of the discussion on path to Achieve Asset Management.
2. Interim General Manager / CEO, DC Water: Provide the Committee with DC Water testimony prepared for DC Council’s Oversight hearing on March 2, 2018.
3. Chief Engineer, DC Water: Will brief the Cmte at May 2018 meeting regarding certain Engineering SOP pertinent to recommendations for contract award.
4. Interim General Manager / CEO, DC Water: Will brief the BOD on DC Water response to DOEE Public Notice of proposal to change WQS.
5. Chief Engineer, DC Water: Will brief noted in 3. above, SOP for projection of CIP Cashflow.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

DC Retail Water and Sewer Rates Committee

Tuesday, February 20, 2018

9:30 a.m.

MEETING MINUTES

Committee Members in Attendance

Rachna Butani, Chairperson
Howard Gibbs
Reverend Dr. Kendrick Curry
Ellen Boardman
David Franco
Ivan Frishberg
Krystal Brumfield
Jed Ross
Via Telephone:
Anthony Giancola

DC Water Staff

Henderson Brown, Interim CEO & General Manager
Matthew Brown, Chief Financial Officer
Meena Gowda, Acting General Counsel
Linda Manley, Secretary to the Board
Consultants
Jon Davis, Raftelis
David Fox, Raftelis
Ed Markus, Amawalk
Shan Lin, Amawalk

Call to Order

Chairperson Butani convened the meeting at 9:31 a.m.

FY 2018 Water, Sewer and CRIAC Cost of Service Review (Attachment A)

Mr. Brown gave a brief update to the Committee on the System Availability Fee (SAF) open house held on February 9, 2018. Mr. Brown mentioned that twenty-four individuals signed up to provide comments. Ten of those twenty-four individuals attended and provided comments. DC Water had received many of the comments before such as concerns about affordable housing, requests to provide credit for infrastructure and concerns regarding DC Water's communication about implementation and FAQs. Mr. Brown stated that it was a good opportunity to hear directly from those who were concerned. He informed the Committee of the organizations who provided comments.

Mr. Brown provided an overview of the FY 2018 Cost of Service (COS) Study and stated that Mr. Davis will explain why Raftelis made a recommendation to adjust the proposed FY 2019 water and sewer rates. Mr. Davis updated the Committee on the background of the COS Study. Mr. Davis stated the objectives of the COS Study were: 1) revenue sufficiency 2) cost of service recovery 3) simplicity and 4) affordability.

Regarding the revenue sufficiency analysis, Mr. Davis stated that the revenues under the proposed rate increases are sufficient to fund DC Water's cash needs in FY 2019, reserves funds can be maintained at target levels and debt service coverage is adequate to meet required bond covenants. Mr. Davis then

compared the Financial Plan numbers with those generated independently using RFC Model and noted that the difference was very small at \$156,734, which speaks for reliability and accuracy of Financial Plan numbers.

Mr. Davis updated the Committee on the cost drivers and trends. He mentioned that capital costs are increasing due to regulatory requirements and infrastructure rehabilitation and per capita consumption has continued to decrease causing overall billable consumption to decline.

Mr. Davis stated that a reallocation of costs associated with the Clean Rivers Impervious Area Charge (CRIAC) to the sewer utility resulted in a reduction in the CRIAC and an increase in the sewer volumetric charge. He further mentioned that as part of the last COS Study there was a resyncing of the water volumetric fee and the sewer volumetric fee. He stated that the water volumetric fee would go down slightly because of the revenue recovered by the Water System Replacement Fee (WSRF) and the sewer volumetric rate would go up. He added that although these two reallocations cause shifts in the cost structure, and subsequent rates, DC Water customers will see only minimal changes to their bills from what was originally projected.

Mr. Davis briefly described the existing and proposed rates. Mr. Brown informed the Committee that the reason there is not a one to one shift between water and sewer volumetric rates is because there are some water only customers such as those with only sprinklers systems and cooling towers. Mr. Davis updated the Committee on the average residential customer monthly bill and explained that the net impact of the changes to water volumetric rates decreasing and sewer volumetric rates increasing reflects an overall 5.9% increase for FY 2019 and 5.7% increase for FY 2020. Mr. Brown stated that the proposed average household total bill for FY 2019 is \$108.32 whereas the proposed budget included an average customer residential bill of \$107.99 which results in an increase of \$0.33 for FY 2019 to reflect the correction. The proposed average customer residential monthly bill for FY 2020 is \$114.48 and the proposed budget included a total bill of \$114.08 which results in an increase of \$0.40 to reflect the correction. Mr. Davis stated that the average CAP customer monthly bill net impact is 4.6% for FY 2019 and 5.8% for FY 2020.

Mr. Davis informed the Committee on the next steps which is to take any questions/feedback from the Committee and finalize the rate recommendations and COS Study and submit back to staff.

Mr. Franco inquired about DC Water expanding the COS Study to include a “what if” scenario surrounding the District paying its fair share of the CRIAC. Mr. Brown replied that Council Member Cheh specifically asked about this issue. Based on data from DC Water and the District we have calculated that if the District and Federal Government paid its share of approximately 38% to 40% of the Right-of Way (ROW) impervious area in the District they would pay somewhere between \$40 to \$45 million. The next step is to have conversations with the District. Mr. Franco asked about establishing an Ad Hoc Committee pertaining to this matter. Chairperson Butani replied that we can talk to Chairman Wells about establishing an Ad Hoc Committee. Mr. Brown mentioned that staff will bring a plan to each of the Committees in March to explore future capital expenditures, and alternative revenue sources would be part of that work.

Mr. Franco asked will these discussions go through the ANCs. Interim CEO & GM Brown replied that Chairman Wells should have conversations with his peers about the alternative revenue sources and our response to the Council Member Cheh letter is that the District’s share of the ROW impervious area should be explored.

Mr. Frishberg inquired about an assessment on the CRIAC that looks at the portion of a property’s runoff not going into the CSO system. Interim CEO & GM Brown responded that when the CRIAC was first implemented it was to satisfy all the revenue requirements for the entire CSO program. Chairperson Butani mentioned that it is cost prohibitive to measure each property owner’s impervious area to assess the portion of the runoff that does not go into the system. Mr. Giancola asked if there is a system in place to ask DC Water to validate the impervious surface and if there is a manual of criteria on ways of

measuring credits for impermeable materials. Interim CEO & GM Brown replied in the affirmative that DC Water can validate the impervious surface on a property. Mr. Kiely responded that when a property owner installs permeable materials, Department of Energy and Environment (DOEE) will go in and calculate the drainage credit and DC Water will apply that credit to their ERU.

FY 2019 & FY 2020 Proposed Rates, Charges & Fees (Attachment B)

Mr. Brown briefed the Committee on the multi-year rate proposal for FY 2019 and FY 2020. Mr. Brown provided an overview of the national/regional utilities with single and multi-year rates. Mr. Brown updated the Committee on the FY 2019 and FY 2020 rates, fees and charges, historical and projected customer bill, and historical and projected combined rate increases. Mr. Franco inquired about when will DC Water project a ten-year financial plan with a 3 percent CPI increase. Mr. Brown replied that the largest single budget driver is debt service whereas the operational costs grow at about 3 percent a year. Mr. Brown showed the projected water and sewer rates information and stated that with the re-calculation of the CRIAC made a one-time correction to the sewer rate in FY 2019, whereas in the out years of the financial plan the rates increase at 5 percent. Mr. Brown updated the Committee on the FY 2018 and FY 2019 operating revenues and stated that the rating agencies look favorably on the diversification of revenues. The proposed 2019 revenues increased by \$29.0 million from the current FY 2018. Mr. Brown briefed the Committee on the Wholesale customers slide. Mr. Brown informed the Committee on the FY 2019 Proposed vs. COS Study Rates which compares the proposed budget rate with the COS Study rate. He stated that the rates reflect the COS Study with the correction.

Mr. Brown stated that the COS Study is conducted every three years for the water and sewer rates and CRIAC to update actual and projected expenditures to ensure that these charges are appropriately recovering costs.

Mr. Brown updated the Committee on the proposed FY 2019 and FY 2020 rates, charges and fees and average residential customer monthly bill. Mr. Brown provided some statistics on the CAP customers. He mentioned that the CAP customers could have more members in their household that would drive their usage above 4 Ccf. The average usage for CAP customers is 6.06 Ccf and for all household customers it is 5.72 Ccf.

Mr. Brown informed the Committee on the recommendation to:

- Adopt the proposed FY 2019 and FY 2020 rates, charges and fees:
 - 13% increase in FY 2019
 - 5% increase in FY 2020
- Adopt FY 2018 – FY 2027 Financial Plan:
 - 10-year CIP disbursement budget
 - Projected water and sewer rate increases

FY 2018 Fire Protection Fee Cost of Service Review (Attachment C)

Mr. Brown introduced the consultants Mr. Ed Markus and Ms. Shan Lin from Amawalk to update the Committee on the 2018 Fire Protection Cost of Service Fees. Mr. Markus informed the Committee that Amawalk has prepared the COS Study since 2008. He further noted that DC Water has the legal authority to assess a fire protection fee and the COS Study is updated every three years. He mentioned that the 2013 Fire Protection MOU sets out a number of different tasks that DC Water has to perform including inspection, installation and preventative maintenance of fire hydrants. He stated that it was really the 2007 MOU that got things started in terms of investments. In 2007, 2008 and 2009 DC Water surveyed the hydrants and invested significantly to upgrade the hydrants. The 2013 MOU memorializes all the different steps that DC Water has to take on an ongoing basis to keep the fire protection service in good standing.

Mr. Markus described the methodology. He stated that they have tabulated historical fire service costs for FY 2013 – FY 2017. He mentioned that they compared DC Water costs with revenues received from the District. He noted that projections were developed based on FY 2017 for the period FY 2018 – FY 2021 and cost recovery options were developed for consideration by DC Water.

Ms. Lin informed the Committee that the prior report was presented in early FY 2015. She noted that since then DC Water has continued to use more in-house resources and less outside contractors for providing the services. Ms. Lin mentioned that the District has made payments annually of \$10.796 million from FY 2015 through the current fiscal year and that has enabled the District to catch up on its obligations to DC Water for fire protection. Ms. Lin stated that the shortfall at the end of FY 2018 is estimated to be about \$0.9 million, assuming capitalization of construction costs. Ms. Lin gave a brief update on the cost of service – historical and projected slide.

Mr. Markus briefed the Committee on the cost recovery recommendation. He noted that from FY 2006 through FY 2018 (estimated), DC Water expended approximately \$84.1 million (including allocated debt service for certain capital costs) to provide fire protection services to the District. The District has reimbursed DC Water approximately \$83.2 million for the same period, including the anticipated 2018 payment, leaving approximately \$0.9 million unrecovered. Mr. Markus recommended that the “true-up” of the shortfall in District reimbursements be spread over the next three years (FY 2019 – FY 2021) which, when added to the projected costs, results in a new fire protection service fee of approximately \$12.527 million per year, to be paid quarterly.

System Availability Fee Review (Attachment D)

Mr. Brown updated the Committee on the System Availability Fee (SAF). He noted that the recommendation incorporates the comments from the public, open house, Board of Directors and the District through the Deputy Mayor for Planning and Economic Development’s Office. He stated that the SAF is designed to recover the proportionate share of the system costs for new developments or redevelopments that require additional system capacity and is based upon meter size and average flow per meter size.

Mr. Brown gave an overview of the SAF calculation and stated that the SAF is a one-time fee based upon prior capital investments made by DC Water in certain system assets specifically, only “trunk and treatment” assets. He further gave a brief explanation to the Committee on how the SAF was calculated. Mr. Gibbs inquired if any of the money paid to the Washington Aqueduct figure into the SAF. Mr. Brown replied that DC Water pays about 75 percent of the capital contributions to the Aqueduct and that value has been included in the SAF. Mr. Brown updated the Committee on the proposed SAF schedule and stated that the SAF ranges from \$3,944 for the 1” or smaller residential meter size to \$796,654 for the 6” or larger non-residential meter size. The schedule reflects the demand that a new or larger development puts on DC Water’s system and recovers some of the costs paid over time.

Mr. Brown informed the Committee that the financial plan indicates that DC Water will recover about \$65 million over the next ten years from the SAF and said that the SAF will provide rate relief for our customers. He noted that the SAF is capped at \$796,653 because there are very few large meters in the system and as a result the average usage was quite variable and was not a reliable indicator of the capacity a new account of the size would command. Some of the larger meters were used on emergency connections to the water system and, under normal operations, had no flow at all. In FY 2016 and FY 2017, no meter greater than 6” was installed for new development. Due to these reasons, 6” meters and larger were grouped together to get a more consistent average. Mr. Franco inquired about the SAF collection over the next ten years and provided different figures in the first four years as compared to the SAF budget assumptions. Mr. Brown replied that the SAF budget assumptions have not changed in the FY 2018 financial plan. Mr. Brown noted that in the recommendation the SAF payment plan has been extended by 6 months and any developments with affordable housing units will pay zero. The revenue

projections are fairly conservative. Mr. Brown stated that we could not predict the number of developments that will take advantage of the SAF payment plan, number of developments scheduled to take place over the next three or four years and number of affordable housing units. Therefore, with all the uncertainties and variables the revenue projections were not adjusted. Mr. Franco indicated that high rise Multi-family buildings require 6" meters. Mr. McDermott replied that there are many projects that will require 6" meters or larger fire connections. Mr. McDermott noted that DC Water is seeing 3" and 4" meters much more than 6" meters, especially since DC Water allows downsizing. Mr. Brown informed the Committee that all SAF revenue would be allocated for PAY-GO capital contributions. Any SAF revenue would help to mitigate future required water and sewer rate increases resulting from lower debt service costs.

Mr. Brown gave an overview of the SAF recommendation:

Approval of the SAF

- Effective June 1, 2018

With changes that incentivize the creation of additional affordable housing units

- DC Water would provide credits equal to:
 - \$3,944 for each individually metered affordable housing residential structure of three units or less
 - The percent of affordable housing units in a residential structure of four or more units
- Affordable Housing Units defined consistent with Federal or District programs

Mr. Brown gave an update to the Committee on the oral and written comments received.

Mr. Brown presented the SAF Budget Assumptions slide. He noted that the Board resolution #16-39 gave approval to: (1) Delay the SAF effective date from April 1, 2016 until January 1, 2018; (2) DCRA Construction permit applicants that submitted the plans and specifications to DC Water prior to the effective date of the regulation, shall not be subject to the System Availability Fee (SAF). Mr. McDermott clarified that DC Water does not approve DCRA plans or permits, but only approves the plans that were submitted from DCRA and if there's a delay in the process it does not affect DC Water.

Mr. Brown mentioned that one suggestion from SAF comments from Notice Publications in DC Register suggested was to make refunds more easily. DC Water agrees with the need to issue refunds in a timely manner and if there is a change in the status of the permit or project, DC Water needs to be aware of the change. Chairperson Butani asked about the time frame to reissue refunds after customers have been notified. Mr. McDermott replied 60 days. Mr. Brown stated that the refunding as it relates to calculation and process will be included in the frequently asked questions memo. Mr. Boykin, Acting Director of Finance responded that it takes three to four weeks to process a refund.

Another suggestion was to spread out the payments or extend the payment plan period. DC Water's current SAF regulations enable payment in four equal installments through June 2021. Another suggestion was to provide a "credit" for water and sewer infrastructure work that was performed by developers. DC Water recommended no change as there is no "double count" as the SAF calculation does not include assets for local distribution of water and sewer. Mr. Brown mentioned that DC Water allows necking down of water laterals. Finally, DC Water is committed to provide accurate and timely information to potentially impacted customers and will provide updated FAQs on March 16, 2018 on the website when proposed regulations are published in the DC Register. Customer Service and Permit Center staff will answer additional questions as they arise.

Mr. Brown mentioned that DC Water agrees with the suggestion to provide a credit for creation of affordable housing. He stated that DC Water will provide affordable housing unit credit equal to \$3,944 for each individually metered affordable housing residential structure of three or less units and the percent

of affordable housing units in a residential structure of four or more units. Affordable housing unit is defined as a housing unit that is offered for rent or for sale for residential occupancy and as a result of a federal or District subsidy, incentive or benefit, and is made available and affordable to households whose income limit requirements are established by the federal or District program or agency or the Council for the District of Columbia. There were some internal discussion on how and what documentations will be provided or acceptable. DC Water included all pertinent documents which was discussed with the Deputy Mayor's Office. Also, a letter from the District financing agency at the time of project plan submission to DC Water would demonstrate the creation of affordable housing units. Mr. Franco asked if there were any collaboration among non-profit organizations. Mr. Brown replied yes, that there was one developer at the open house who is in the process of building an 18 single family townhouse unit.

Mr. Brown presented the changes to the proposed regulation: (1) Added Affordable Housing Credit procedures and requirements, (2) Clarified the documents needed to qualify for grandfathering projects, and (3) Clarified that any overdue payments for Payment Plan Agreement will be subject to DC Water's collection process. He recommended that the Board approve the Notice of Proposed Rulemaking (NOPR) that will change substantive provisions of the SAF regulations to accommodate impacts on projects with significant affordable housing components and/or other concerns (NOPR).

Mr. Brown updated the Committee on the new process that was presented to Environmental Quality and Operations Committee (EQ&OP) on the additional CIP spending that will occur in FY 2021 which is outside of the two year rate structure. There will be specific roles for each Committee in March assessing the needs and what investment is needed. Each committee will have a workplan addressing those areas. The process will run through the fall and will be reflected in the next year's budget proposal.

Reverend Curry voiced his concerns on the need for a more robust outreach program. He mentioned that DC Water needs to be more transparent to the public. In addition, DC Water should increase the customer base system and address affordable measures for those who cannot pay so that they will not be penalized. Interim CEO & GM Brown stated that a hardship fund would be helpful to lessen the burden on the customers.

Mr. Frishberg asked if there were any current plans to utilize the RSF over the next several years. Mr. Brown stated that the last Approved Financial Plan included 10-years of contributions between \$3.0 million to \$8.0 million per year. The revised Financial Plan took out the contributions due to budget constraints. The balance in the RSF is \$61.45 million over the 10-year Financial Plan. As part of the March workplan, the Committee can have a conversation on how the RSF will be utilized.

Action Items (Attachment E)

The Committee moved all action items 1, 2, 3 & 4 to the Board for adoption on March 1, 2018.

- Proposal of FY 2019 & FY 2020 Rates (Action item 1)
- Proposal of Ten Year Financial Plan FY 2018 – FY 2027 (Action Item 2)
- Fire Protection Fee proposal FY 2018 – FY 2021 (Action Item 3)
- Recommendation of Proposed Amendments to System Availability Fee (Action Item 4)

DC Retail Water and Sewer Rates Committee Workplan (Attachment F)

Mr. Brown gave a brief update on the Committee workplan.

Agenda for February 20, 2018 Committee Meeting (Attachment G)

There were no comments on the March 27, 2018 agenda.

Other Business

No other business

Executive Session

Adjournment

The meeting was adjourned at 11:30 a.m.

FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (February 20, 2018)

- 1) Provide the Committee an average customer monthly bill for all customer classes (Single family, Multi-family and Commercial) (Mr. Franco) **Status:** (March 2018)



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Meeting Finance & Budget Committees

Thursday, February 22, 2018

11:00 a.m.

MEETING MINUTES

Committee Member

Timothy Firestine, Committee Chairperson

Other Board member (via conference call)

Krystal Brumfield

DC Water Staff

Henderson Brown, Interim CEO/General Manager

Matthew T. Brown, Chief Financial Officer

Meena Gowda, General Counsel, Acting

Paul Guttridge, Manager, Program Services, DETS
Alfonzo Kilgore Stukes, Board Admin. Specialist

Other Presenters and Guests

Edward Markus, Amawalk Consulting Group LLC

Shan Lyn, Amawalk Consulting Group LLC

Call to Order

Chairperson Timothy Firestine called the meeting to order at 11:00 a.m.

January 2018 Financial Report

Mr. Matthew Brown, CFO, provided the monthly financial report, noting that DC Water is on track and in line with budgetary expectations with the exception of capital disbursements. With approximately 33 percent of the fiscal year completed, total operating revenues are at \$200.3 million, or 32.5 percent of budget, operating expenditures at \$168.9 million, or 30.1 percent of budget and capital disbursements at \$205 million, or 52.9 percent of budget in the respective categories.

Mr. Brown further explained that the lag in the residential, commercial and multi-family revenues is as a result of delayed billing due to the implementation of the new Customer Information System (eCIS), and other revenues from the Federal and Wholesale customers with quarterly billing cycles. He noted that the revenues are anticipated to be on track in subsequent months. The favorable position of the operating expenditures is as a result of the Cash Financed Capital Improvements (CFCI) which is not yet applied, but anticipated to be used at the end of the fiscal year. He noted that the higher spending in personnel services costs is due to the impact of the Board-ratified union labor contract, other salary adjustments and increased overtime costs during the very cold winter season for emergency work on historically high water main breaks and the Automated Meter Reader (AMR) program.

CFO Brown reported that Management had a meeting with Fitch Rating Agency for routine surveillance discussion in preparation for the upcoming bond issuance and possible upgrade of DC Water's bond rating. In response to Chairperson Firestine's inquiry, he noted that discussions were about the level of the Authority's debt and century bonds but there were no issues noted. He also apprised the Committee of the plan to issue Commercial Paper in March prior to the April 2018 bond sale. Chairperson Firestine, asked if staff is considering alternative debt structures, given the potential impacts from the tax reform bill in December 2017 on advance refunding of outstanding bonds. Mr. Brown answered affirmatively, and that staff is currently in discussion with its financial advisors on several different options.

FY 2019 Proposed Budget

Mr. Brown provided an overview of the budget proposal and budget adoption calendar. He reported that various committees have reviewed and provided their recommendations to proceed with the budget proposals as previously provided at the January budget briefing, to the full Board for action.

The FY 2018 – FY 2027 Capital Improvement Program (CIP) baseline proposal includes the disbursements budget of \$4.0 billion, which is \$250.5 million above the previously approved CIP, and a lifetime budget of \$11.1 billion. CFO Brown noted that the CIP proposal includes an increase of \$62.6 million in FY 2018. He reported that both the Environmental Quality & Operations and DC Retail Water & Sewer Rates Committees have had in-depth discussions on the different alternative scenarios for the CIP including the constrained CIP of \$4.6 billion, and Asset Management ramp-up CIP of \$5.1 billion, including the related customer impacts and affordability. He further explained that the path to achieve the Asset Management CIP would require collaborative and proactive efforts by the residents, ratepayers, Management and Board of Directors. Also, he explained that the core elements of the path include exploring investment in infrastructure, alternative revenue sources, community outreach, impact on the financial plan and customer affordability. Management will provide detailed work plan for review with the various committees in March 2018, with finalized plans incorporated with the next year's budget process anticipated later in the calendar year.

Next, Mr. Brown highlighted that the increase of \$20.8 million in the proposed FY 2019 operating budget (over the FY2018 level) of \$582.8 million is mainly for personnel services, which includes the full impact of the ratified union contract, and debt services costs for the CIP.

He also presented an overview of the operating revenue proposal which includes the revised FY 2018 budget of \$620 million, proposed FY 2019 budget of \$649.5 million, proposed two year water & sewer rate increases of 13% in FY 2019 and 5% in FY 2020, and reductions in the monthly Clean Rivers Impervious Area charge (CRIAC) to \$23.00 per ERU in FY 2019 and \$25.58 in FY 2020. He mentioned that there is a slight change in the retail water and sewer rates resulting from the completed cost of service study which was discussed in detail with the Retail Rates Committee. The Authority conducts a Cost of Service Study every three years on the water, sewer and impervious area charge rates to ensure that the actual and projected costs are appropriately reflected in the financial plan rates. DC Water has proactively made the adjustments between the sewer rates and the impervious area charge to appropriately reflect the debt service costs of the Clean Rivers program. A change recommended from the cost of service study was the application of the Water System Replacement Fee (WSRF). The WSRF has been in place for three years and the original calculation included the \$40.0 million taken from revenue and applied to both water and

sewer rates. Overall, the combined rate increase for water, sewer and CRIAC is lowered from 6.1% forecasted in last year's financial plan to 5.9%.

Capital Improvement Program Quarterly Update

Mr. Paul Guttridge, Manager, Program Services for the Department of Engineering & Technical Services, informed the committee that the current actual disbursements at the end of the first quarter is \$157.4M, and projected to end the fiscal year at \$420.3M or \$22.0M over the revised FY 2018 budget, pending Board approval of the ten-year CIP.

He provided an overview of the disbursement projections by the various service areas, noting that higher spending is due to the retention payments disbursed in FY 2018, but previously included in their FY 2017 projection for Solids Processing and ENR Facilities under the Wastewater Treatment service area. He also noted that higher than planned disbursements in the Water Service area is due to an error in the project planning system showing a much later end date for the St. Elizabeth Water Tank project. He further noted that adjustments have been made to their standard operating procedures to prevent future reoccurrence.

Mr. Guttridge apprised the committee on significant contract requiring actions within the next six months and reviewed changes to the Key Performance Indicator section of the quarterly report.

Reserves and Rate Stabilization Fund Study

Mr. Brown introduced the rate consultants, Mr. Edward Markus and Ms. Shan Lyn, from Amawalk Consulting Group LLC. They presented an overview of the purpose, historical performance, approach, peer comparisons, findings and recommendations from the cost of service study on DC Water's Operating Reserves, Renewal & Replacement (R&R) reserves, and the Rate Stabilization Fund (RSF).

Mr. Markus stated that the operating reserves serve a dual purpose of additional source of liquidity and contingency funds to meet any significant unanticipated events for DC Water. The Authority's total operating reserve Board policy is the greater of 120 days operations & maintenance (O&M) or \$125.5 million, and includes 60 days O&M reserve, the R&R reserve bond indenture requirement of \$35 million and undesignated moneys. The RSF provides additional source of liquidity, has greater flexibility and can be used at the Board's discretion to smoothen future rate increases; and is viewed by the bond rating agencies as a significant factor.

Mr. Markus reported that DC Water has exceeded its Board policy and maintained excess liquidity in excess of the \$125.5 million reserve requirement since 2013, and is projected to continue into the future due to Management's target of maintaining \$140 million cash balances. Maintaining strong levels of reserves supports the Authority's access to the credit markets at favorable terms.

Next, Ms. Shan Lyn reported on the findings from the study, highlighting that DC Water's customer base is stable, has better debt service coverage and higher cash reserves compared to 10 years ago, all of which have led to higher credit ratings and lower cost of borrowing. The Authority also has a track record of handling unexpected needs for capital funds and has not utilized the R&R reserve. She also provided the findings related to the RSF and that there have been contributions and withdrawals over the last ten years. She noted that the RSF policy and practices compares favorably with comparable utilities. The current financial plan does not include contributions nor withdrawals.

Mr. Firestine inquired if the reserve requirement included the 60 days liquidity. Mr. Markus answered in the affirmative and noted that though there is no uniformity or established levels within the utility industry, 60 days level is common. He further stated that DC Water has a more robust reserve requirement when compared to utilities with comparable credit rating and in the region. Mr. Firestine also noted that the triple A rating of the wholesale customers is also a strong factor for DC Water's revenues.

Mr. Markus stated that based on the Authority's historical performance of surpassing the operating reserves Board policy, their recommendation is to modestly increase the Board policy to a higher operating reserve of \$140.0 million or 140 days of O&M expenses, maintain the R&R cash reserve at \$35 million, maintain the RSF policy of allowing Management the discretion on deposits and withdraws, consider future contributions to the RSF, and review the reserve every five years or sooner in the event of changes in market conditions.

Chairperson Firestine inquired about the history of RSF reserves, and asked if the balance was higher at some point in the past. In response, Mr. Markus recalled that the FY 2008 report included a suggestion to reduce the levels based on extensive reserves at that time. Mr. Firestine also inquired if the rating agencies use the total reserves in their considerations. Mr. Markus informed that the agencies consider the entire cash on-hand. Mr. Firestine inquired if the Authority should continue to maintain a separate RSF rather than combining with the operating reserves. Mr. Markus explained the operating reserve is more restrictive than the RSF. Mr. Firestine also inquired if the operating reserve can be used for the same purposes as the RSF. Mr. Markus explained that the minimums in the operating reserves are required to be restored to the level of the 60 days requirement.

Action Items

The committee members reviewed the fact sheet for the financial staff augmentation services. Ms. Brumfield suggested that Management should conduct outreach programs to ensure future participation of other CBE firms, in addition to minority and locally owned businesses. Mr. Firestine commented on the contract scope and noted that using temporary positions for some positions, including internal controls and accounts payable should be considered carefully.

The committee members agreed to move all the action items for the FY 2019 budget proposals and the financial staff augmentation contract to the full Board.

Next, Mr. Brown reviewed the agenda for the February committee meeting which will also include Management's recommendation on the reserve levels and an update on the structuring of the planned debt issuance.

Adjournment

Hearing no further business Committee Chairperson Firestine adjourned the meeting at 12:06 p.m.



CEO and GENERAL MANAGER'S REPORT

Henderson J. Brown, IV (interim) – March 2018

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Interpretation of Charts A

Color Key

<p>Red</p> <p>Yellow</p> <p>Green</p> <p>Gray</p> <p><transparent></p>	<p>Did not meet Target</p> <p>Missed Target but within acceptable range</p> <p>Met/Exceeded Target</p> <p>Budget/Target Value</p> <p>Green/Yellow/Red based on comparison</p>
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Message from the CEO/GM

Oversight Hearing

On March 2, 2018, DC Water will appear before the DC Council's Transportation and Environment Committee for its annual oversight hearing. The Committee is chaired by Councilmember Mary Cheh who has been a long standing supporter of DC Water and has a good understanding of our operation and mission. However, given the intense scrutiny over rising CRIAC charges, rates and other issues such as lead service replacement legislation, we expect a great deal of interest from the Committee and the public. The DC Water team has worked hard to provide the committee with detailed information about our performance during 2017. We will be well prepared to describe successes of the past year and offer solutions to the challenges presented by increases in CRIAC.

System Availability Fee

Many utilities have implemented a fee assessed to new development (or redevelopment) to recover the investment in available system capacity, including water supply and treatment, water storage and distribution, wastewater and stormwater conveyance and wastewater treatment. DC Water's System Availability Fee (SAF) will recover the proportionate share of system costs for new developments or redevelopments that require additional system capacity. The fee is based upon domestic flow and meter size. All revenue will be applied to the capital program as PAYGO, to reduce debt service costs for all retail customers.

On February 1, 2018, the Board approved the final action to revise the effective date of the SAF in a Notice of Final Rulemaking (NOFR) from January 1 to June 1, 2018. During this period, DC Water staff engaged in public outreach including hosting an open house to solicit feedback on the SAF and its impacts, particularly on projects with significant affordable housing components.

Management is recommending that the Board approve changes to the SAF that incentivize the creation of additional affordable housing units. Any new premises, building or structure that includes one or more affordable housing unit (AHU), DC Water shall provide an AHU credit equal to 1) \$3,944 for each individually metered affordable housing residential structure of three (3) or fewer units and 2) the percentage of affordable housing units in a residential structure of four or more units. For renovation or redevelopment projects that include replacing existing affordable housing units and the construction of additional affordable housing units, DC Water shall provide a credit based on the net number of affordable housing units.

Clean Rivers Project: Anacostia River Project Completion

March 2018 represents a major milestone for the DC Clean Rivers Project, because the first major phase of the Anacostia River Projects will be placed into operation. This achievement is the culmination of two decades of planning, design, and construction, and an investment of over \$1.4 billion by DC Water and its ratepayers. The project is being delivered on time, and in accordance with the consent decree executed in 2005 between the District government, DC Water and the United States (modified in 2016). A celebration marking this achievement will be scheduled for late March, with invitees from the Board, DC Water, the District government, the Federal government, environmental groups, citizens, and other stakeholders.

The portion of the system being placed into operation in March 2018 consists of the following:

- Tunnels from Blue Plains to Main Pumping Station (near Nationals Stadium) and RFK Stadium
- Diversion facilities/drop shafts for each of the CSOs along the Anacostia River
- Two tunnel overflow structures

Message from the CEO/GM

- Tunnel dewatering pumping station and enhanced clarification facility at Blue Plains
- Replacement sanitary sewer pumping station at Poplar Point.

Completion of these projects will provide control for CSOs along the Anacostia River, reducing CSO discharge volume to the Anacostia by approximately 80% in an average rainfall year. Upon completion of the recently awarded \$579.9 million Northeast Boundary Tunnel (scheduled for 2023), CSO discharge volume reduction to the Anacostia will be further improved to 98%, placing DC Water at the forefront of nationwide efforts to reduce CSOs and improve water quality.

Washington Aqueduct

On March 12, 2018, the Trump Administration released its “Legislative Outline for Rebuilding Infrastructure in America.” In this release, the Administration outlined the disposition of federal assets to improve the allocation of economic resources in infrastructure investment, including the authorization for Federal divestiture of assets that can be better managed by state, local or private entities. On this list of assets for potential divestiture includes the Washington Aqueduct. DC Water’s Chief Operating Officer, Biju George will be taking the lead in monitoring this issue.

2018 Town Hall Meetings

DC Water has started planning for the spring Budget Town Hall Meetings. Interim General Manager Brown will co-host these meetings with each of the councilmembers in their respective wards beginning on March 27 and continuing until late April. There will be a presentation on the proposed rates for the next two fiscal years, and staff from across the Authority will be on hand to address customers’ questions and concerns.

External Affairs heavily promotes the Town Halls via multiple channels, including paid advertising in local newspapers, press releases, social media, email blasts, our website, neighborhood listservs, and robo-calls to all customers who have contacted DC Water over the past year with a complaint or to report an issue. EA also enlists the help of ANCs, the Mayor’s community liaisons and Council offices to spread the word about the meetings.

Town Hall Schedule:

- Tuesday, March 27 - Ward 2
- Thursday, March 29 - Ward 1
- Tuesday, April 3 - Ward 3
- Thursday, April 5 - Ward 4
- Tuesday, April 17 - Ward 6
- Thursday, April 19 - Ward 5
- Tuesday, April 24 - Ward 8
- Thursday, April 26 - Ward 7

Women in Water (WoW) Conference

In June 2013, Women of Water (WoW), the first DC Water Employee Resource Group (ERG) was launched to assist the Blue Horizon 2020 Goal to “develop, maintain, and recruit a high performing workforce.” WoW’s mission is to establish a sustainable affinity group that will improve the efficiency, reliability and

Message from the CEO/GM

quality of DC Water's workforce. WoW's programs and activities emphasize leadership and professional development opportunities, are open to and support all DC Water employees' career aspirations.

WoW is supported at the executive level by an executive sponsor and is directed by a steering committee of volunteer managers. On March 20th, WoW will host its second annual professional development conference – Understanding Influence. The conference provides opportunities for participants to build essential career skills, including connecting with other professionals, building networks (WoW Circles) and, most importantly learning and growing in a supportive environment. This year's theme focuses on how women in the workplace understand their sphere of influence regardless of position or title.

External Affairs

The cold weather snap in early January and resulting spike in water main breaks kept many departments at DC Water busy, and the Office of External Affairs (OEA) was no except. We fielded dozens of media and social media inquiries at all hours, and proactively distributed information about frozen pipes and service disruptions. OEA also participated on DC Water's Incident Management Team during the cold weather emergency.

Government Relations

- It has been a very busy stretch for government relations in the New Year representing the authority at outside events and monitoring several fast-moving and important issues, including the federal budget and the implications for the Clean Rivers appropriation. We worked to convey the importance of that funding to House and Senate reps, but also with the mayor and others.
- We supported the General Manager in several meetings with members of the DC Council which were mostly introductory but also substantive in content.
- We also reached out to the DC Office of the People's Counsel with respect to Council legislation that would empower that agency to represent DC Water customers in disputes against our entity.
- We worked to help review concepts for revising the CRIAC and offering strategies for moving forward with alternatives.
- We also supported Blue Drop by spending the better part of the day with an employee from Springfield Water, showing her how we do our job and introducing her to people at City Hall.
- Government affairs also attended the Mayor's announcement on Kingman Island and participated in the Yards Park BID annual meeting where DC Water and former GM George Hawkins were recognized for their efforts to revitalize the waterfront area.

Media Relations

- Our team was very busy responding to the freezing temperatures and also to another weekend of heavy rain and flooding.
- We worked with Donna Morelli at the Bay Journal on a story about GI and the Environmental Impact Bonds, due out in print in March.
- We managed several calls surrounding the South Dakota Ave water main break. Steve Burns at WMAL radio contacted us about regional drought and I alerted COG and the regional PIOs. Lisa Ragain was able to speak on the topic for the region.
- We also coordinated a story on innovation with interviews with Alan Heymann and Saul Kinter.

Message from the CEO/GM

- We were engaged in some conversations with reporters following the release of a letter from Council member Mary Cheh on the CRIAC charges. There were multiple media inquiries about that correspondence and our response.

Media Coverage

- [Putting wastewater to work: America's next great energy source](#)
(Building Design + Construction / January 16, 2018)
- [Councilwoman Calls Easing DC Water Fees a Top Priority, Sends Suggestions to Lower Bills](#)
(WRC-4 / January 17, 2018)
- [After eight years at helm of D.C. Water, Hawkins steps down](#)
(Washington Post / January 21, 2018)
- [Bad News About Water Bills](#)
(Washington Informer / January 24, 2018)
- [Lessons From DC Water's Rock Star, George Hawkins](#)
Water Online / January 31, 2018)
- [Historic DC cemetery digs up pavement to curb stormwater pollution](#)
Chesapeake Bay Journal / February 8, 2018)

Drinking Water Marketing and Communications

This year utilities nationwide will begin sampling and testing to comply with EPA's fourth Unregulated Contaminants Monitoring Rule. Both Arlington and DC Water are collaborating with the Washington Aqueduct to test for cyanotoxins (microcystins and cylindrospermopsin) in the same finished water at the point of entry for the distribution system; Arlington will sample from March to June, and DC Water will sample from July to October. External Affairs is working closely with the Division of Water Quality and Technology (formerly Division of Drinking Water) to produce DC Water's Cyanotoxin Response Plan, which includes sampling protocol and public notification. EA is incorporating EPA's non-regulatory health advisories and pertinent technical guidance into DC Water's Public Notification Plan. EA staff will continue collaboration with regional stakeholders and utilities (Washington Aqueduct, Fairfax Water, Washington Suburban Sanitation Commission, Loudoun Water, Arlington County) to ensure a comprehensive strategy for UCMR4 compliance and effective emergency preparedness.

External Affairs staff continue to have a strong presence in regional workgroups—including the Potomac River Basin Drinking Water Source Protection Partnership (DWSPP), the Council of Government's Chesapeake Bay Policy Committee, and COG's Community Engagement Campaign—to develop and contribute to various regional projects that affect our customers, and to share information on the progress of DC Water's wide-ranging initiatives. The National Park Service, conservation associations (i.e. Anacostia Watershed Society), DC Water, and other stakeholders are promoting the Year of the Anacostia (YOTA). EA staff have participated in several calls and meetings to assist with promotional efforts that include advertising YOTA on fences along Tingey Sq and First St, developing messaging and graphics for the YOTA campaign, highlighting YOTA-related events in "What's On Tap" and online, hosting AWS stewards at Blue Plains, and inviting groups to the Clean Rivers Celebration on March 23.

External Affairs staff gave an educational and interactive presentation to a senior community in Northeast related to the proper disposal of grease, wipes, and prescription medications. Staff are working with partnering agencies to plan and promote the NBC4 Health and Fitness Expo in March, and is engaged in proactive messaging to customers in advance of the upcoming disinfection switch.

Message from the CEO/GM

Meetings/Presentations/Events

- DC Water attended the January monthly meeting of the Dupont Park Civic Association to address resident concerns regarding meters and billing.
- DC Water attended the January monthly meeting of ANC 3F to provide updates on three of its recently completed, ongoing and upcoming water main replacement projects affecting this area.
- As one of its final outreach activities in support of the Anacostia 2nd High Residential Pressure Reducing Valve Installation Project, DC Water has been returning to all Ward 8 ANCs with a request that they assist us in reaching out to those remaining residents whom have not yet submitted signed agreements allowing installation of a PRV in their homes. As part of this, DC Water attended ANC 8A's January monthly executive meeting to share the list of those remaining residents specifically within ANC 8A.
- DC Water attended ANC 8D's January monthly meeting to share the list of those remaining residents specifically within ANC 8D.
- DC Water attended ANC 8A's February monthly meeting to make a formal announcement to the larger community regarding those remaining residents specifically within ANC 8A whom have not yet submitted signed PRV installation agreements.
- DC Water attended ANC 8C's February monthly meeting to share the list of those remaining residents specifically within ANC 8C.
- DC Water attended the Lincoln Heights and Richardson Dwellings New Communities February Monthly Meeting to address resident questions and concerns pertaining to frozen/burst pipes, reporting frozen/burst pipes, and notification for emergency vs. scheduled water shut-offs.

Customer Newsletter

The February issue of What's on Tap featured a GM message and accompanying article about the water main breaks during the cold snap, an article on the annual chlorine switch (and precautions special populations should take) as well as a recap of the completion of the Customer Information System (CIS) conversion.

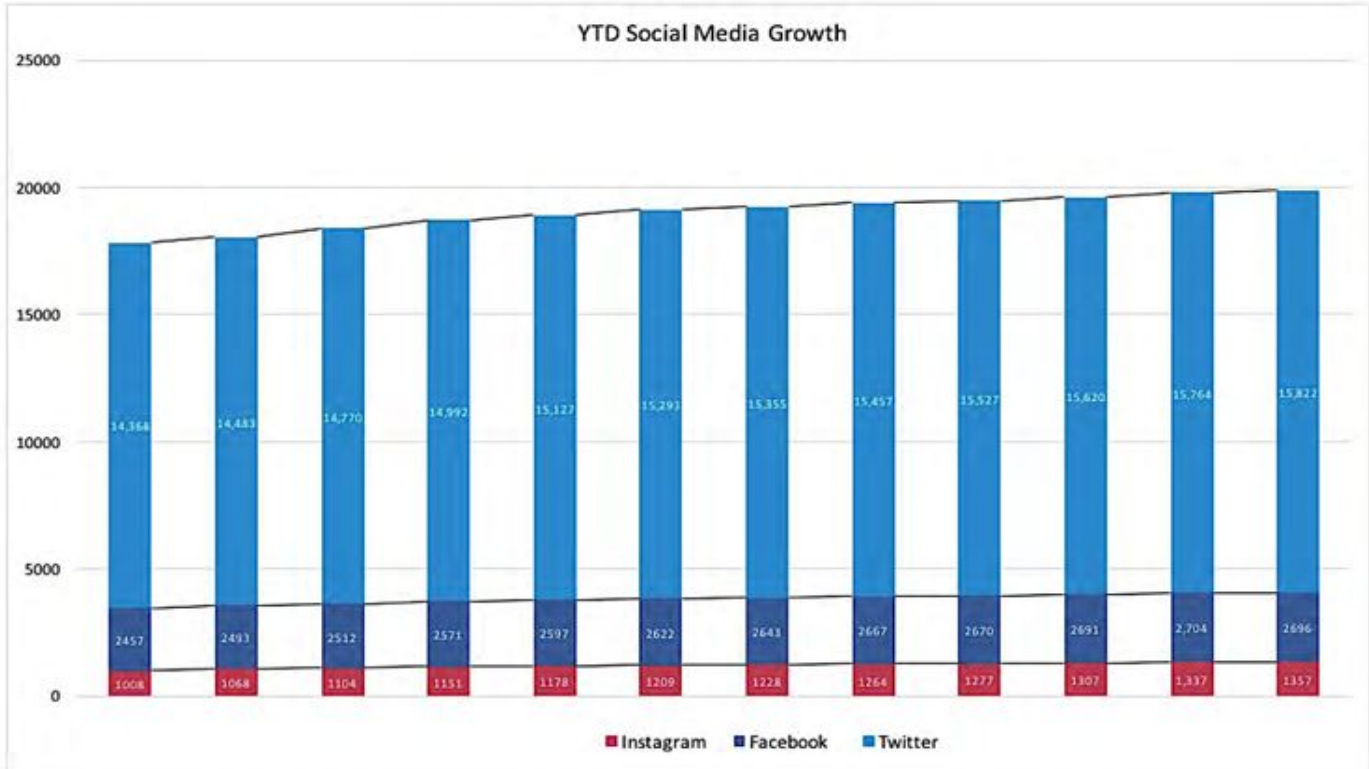
Tours

- 6 Adults from Arcadis School
- 9 Adults from Census Bureau
- 25 Finance Investors
- 4 Adults from Interstate Technology & Regulatory Council
- 5 Adults 7 Children Washington Mathematics Science Tech PCHS
- 13 Adults from Howard University
- 6 Adults from Climate Reality
- 12 Adults from Howard University
- 2 DC Residents

Message from the CEO/GM



Audience Growth Metrics	Totals	Change
Total Fans	19,951	▼ 11.3%
New Facebook Fans	-	
New Twitter Followers	138	▲ 0.7%
New Instagram Followers	22	▲ 1.6%
Total Fans Gained	164	▼ 11.3%



Message from the CEO/GM

www.dewater.com Overview

Sessions

75,186

■ Returning Visitor ■ New Visitor

Pages / Session

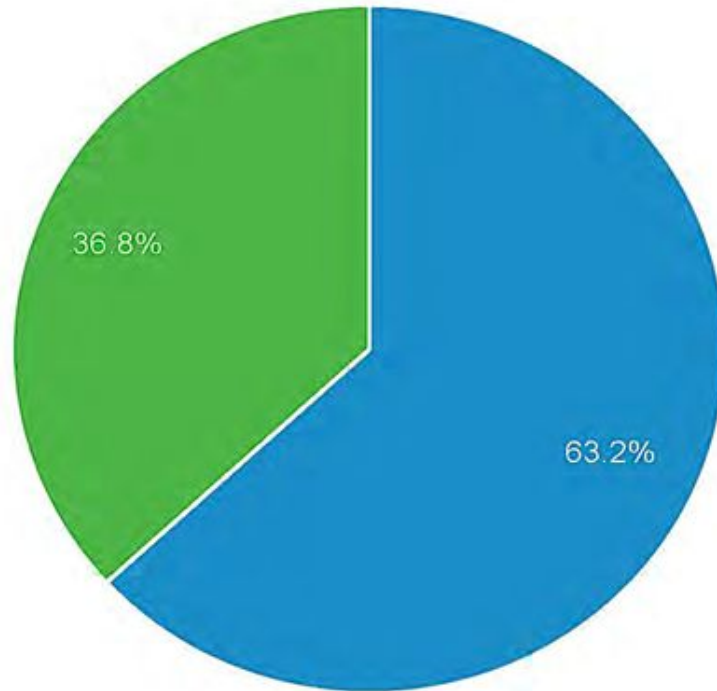
2.45

Avg. Session Duration

00:02:15

Bounce Rate

28.20%



Top 10 Visited Web pages






Page	Pageviews	% Pageviews
1. /default.cfm	45,870	24.92%
2. /my-dc-water-upgrade	42,050	22.85%
3. /paying-your-bill	13,906	7.56%
4. /careers	9,501	5.16%
5. /contact	6,528	3.55%
6. /payment-and-billing	3,330	1.81%
7. /projects	2,128	1.16%
8. /rates-and-billing	1,652	0.90%
9. /internal-job-board	1,625	0.88%
10. /board-of-directors	1,479	0.80%

ORGANIZATIONAL PERFORMANCE DASHBOARD (January 2018)

Financial Highlights

Net Operating Cash		Operating Revenues		Operating Expenses		Capital Disbursements	
Actual	38,194	Actual	200	Actual	169	Actual	205
Target	27,552	Target	206	Target	187	Target	129
	(\$ thou)		(\$ mil)		(\$ mil)		(\$ mil)
Operating Cash Balance		Delinquent Account Receivables		Core Investments Yield		Short Term Investment Yield	
Actual	153	Actual	3	Actual	1.52	Actual	1.14
Target	126	Target	3	Target	2.13	Target	1.34
	(\$ mil)		(%)		(%)		(%)

Customer Care and Operations Highlights





Call Center Performance		Command Center Performance		First Call Resolution		Emergency Response Time	
	Nov 82		Nov 84		Nov 82		Jan 78
85	(% of calls rec)		(% of calls rec)	75	(% of calls rec)	90	(% of calls rec)
Fire Hydrants out of Service		Fire Hydrant Insps. and Maint.		Fire Hydrants Replaced		Permit Processing within SLA	
	Jan 38		25		Jan 48		81
96	(count)		(count)	250	(YTD count)		(%)

Low Income Assistance Program

Splash Contributions		Customer Assistance Program	
Nov	18	Previous	1
Target		Nov	1
	(\$ tho)		(\$ tho)

(Dec 2017 and Jan 2018 data unavailable)

Operational Highlights

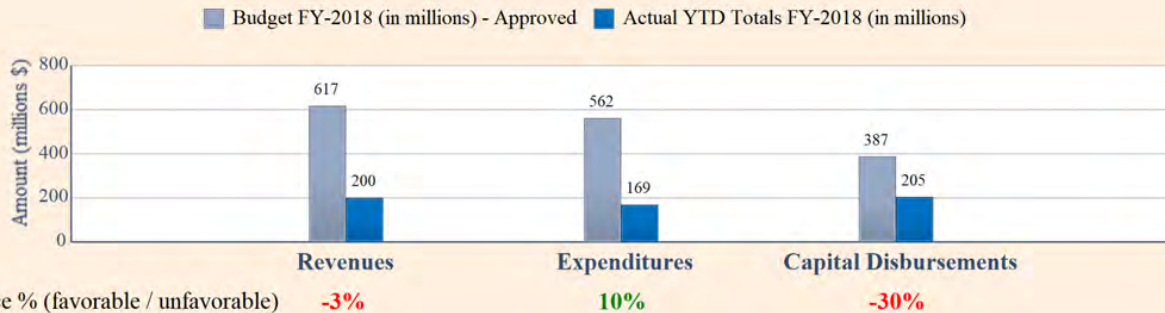
Lead Concentration (ppb)		Total Coliform Rule (%)		Biosolids Production		Total Nitrogen (lbs/yr mil)	
	3		0.4%		375		2.8
	(ppb)		(%)		(wet tons)		(lbs/yr mil)
Plant Effluent Flow (gal mil)		Excess Flow		Water Main Leaks		Water Valve Leaks	
	255.95		0		220		8
	(gal mil)		(gal mil)		(count)		(count)
Non-Revenue Water		Sewer Main Backups		Sewer Lateral Backups		Dry Weather CSO	
Sold	NA		6		104		0
Purchased	NA		(count)		(count)		(events)
	(CCF mil)						
Recruitment Activity		Electricity Usage		Employee Lost Time Accidents		Vendor Payments	
Filled	23		17		2	Actual	97
Open	90		(MWh)		(count)	Target	97
	(count)						(%)

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE SUMMARY

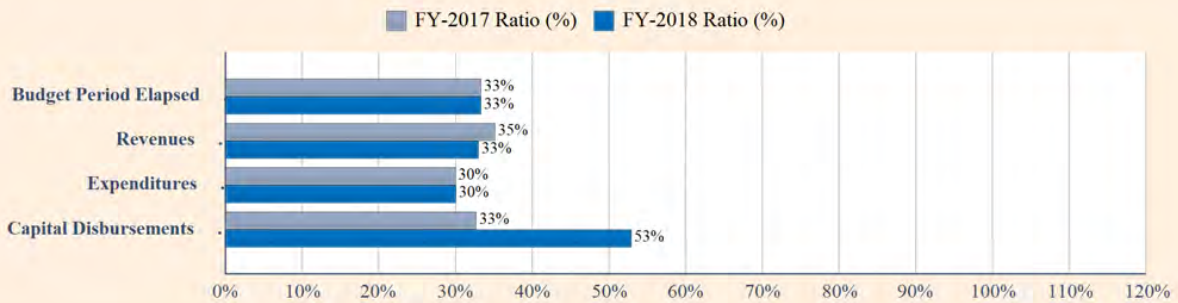
REVENUE, EXPENDITURE, CAPITAL DISBURSEMENT

Cumulative Revenue, Expenditure & Capital Disbursements compared to Budget



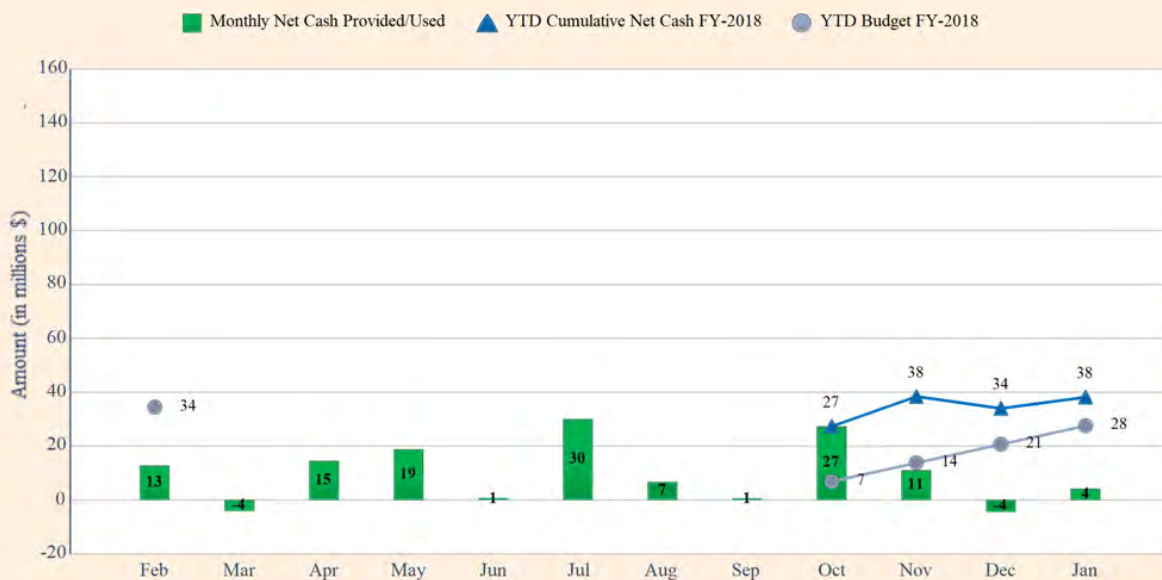
* Subject to revision as part of the ongoing FY 2019 budget review process

YEAR TO DATE ANALYSIS



NET OPERATING CASH

Monthly and YTD Net Operating Cash Provided / Used compared to Budget



Net cash to date for January was above budget by \$11

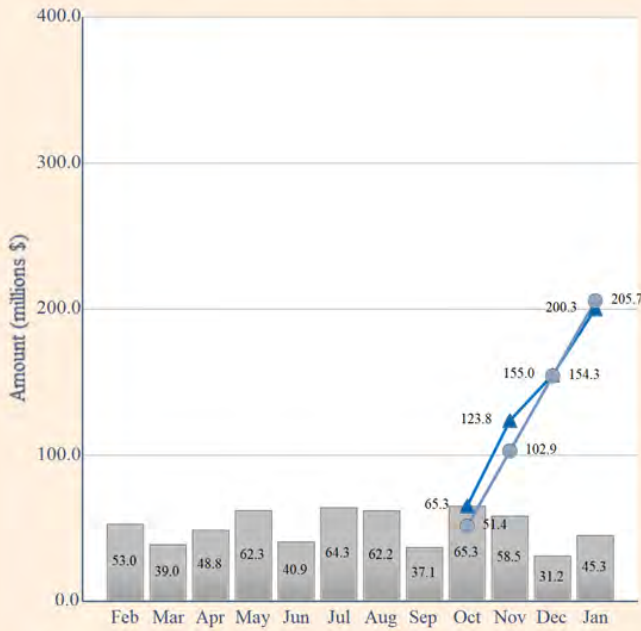
FINANCIAL HIGHLIGHTS

REVENUES AND OPERATING EXPENSES

OPERATING REVENUES

Monthly & Cumulative Revenue compared to YTD Budget

- Actual Monthly Revenue
- YTD Cumulative Revenue FY-2018
- YTD Cumulative Budget FY-2018

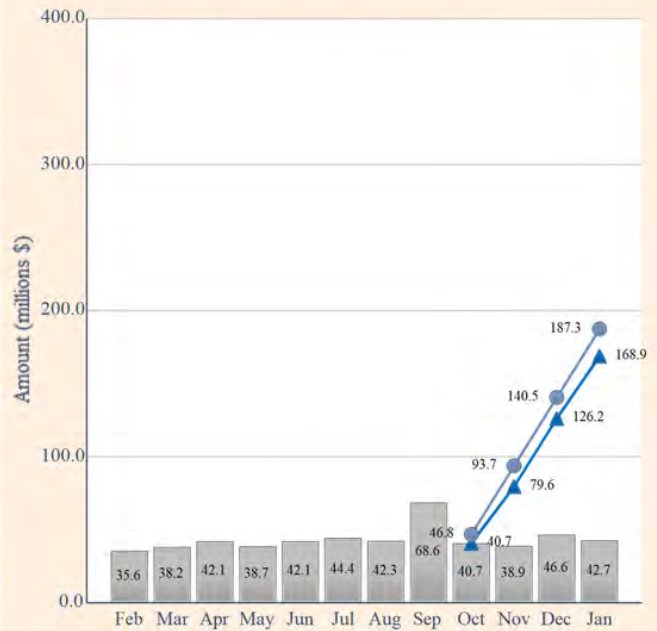


Revenue to date for January was below Budget by \$5 Million

OPERATING EXPENSES

Monthly & Cumulative Expenditure compared to YTD Budget

- Actual Monthly Expenses
- YTD Cumulative Expenditure FY-2018
- YTD Cumulative Budget FY-2018



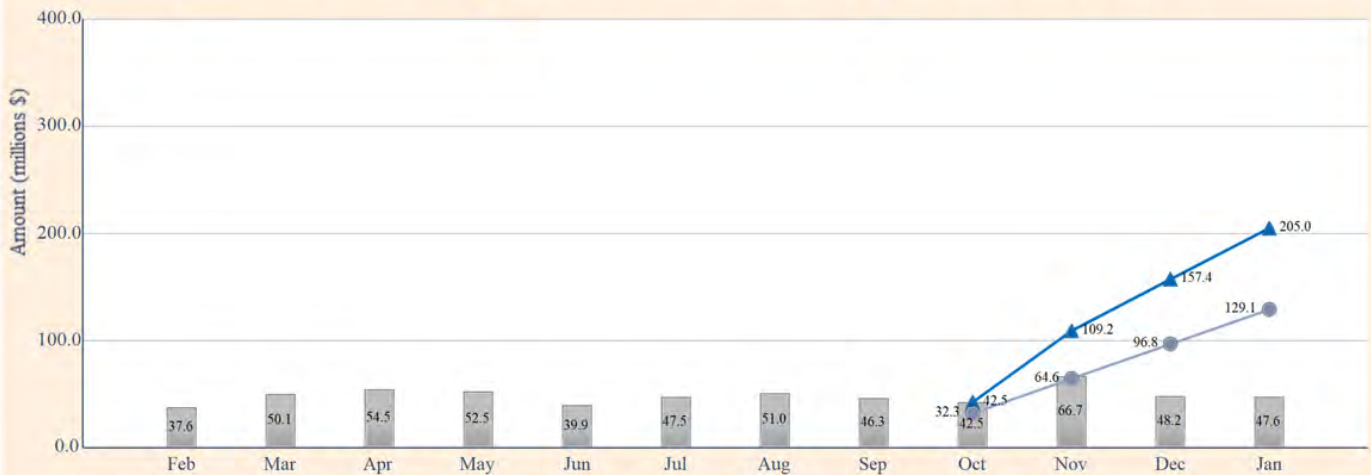
Expenditure to date for January was below budget by \$18 Million

CAPITAL SPENDING

CAPITAL DISBURSEMENTS

Monthly & Cumulative Disbursements compared to YTD Budget

- Actual Monthly Disbursements
- YTD Cumulative Disbursements FY-2018
- YTD Cumulative Budget FY-2018



Disbursements to date for January was above budget by \$75 Million. YTD Spending reflects comparison to the straight lined approved budget.

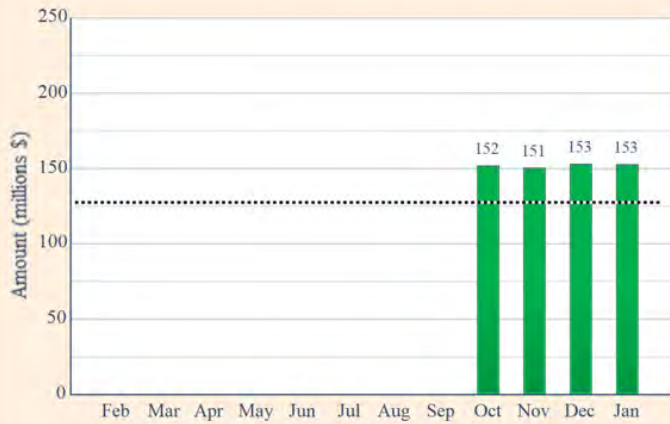
FINANCIAL HIGHLIGHTS

OPERATING CASH AND RECEIVABLES

OPERATING CASH BALANCE

Average Daily Cash Balance compared to Operating Reserve Target

- Actual Cash Balance FY-2018
- Operating Reserve Target - (126 Million)

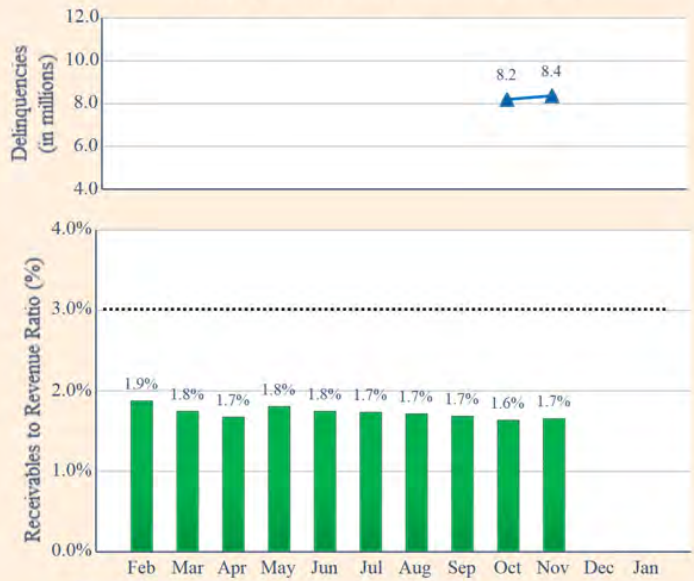


Cash Balance for January was above target by \$27 million

DELINQUENT ACCOUNT RECEIVABLES

Delinquency & Receivables to Revenue Ratio compared to Target

- Receivables to Revenue Ratio
- ▲ Delinquencies (in millions)
- Target: Receivables to Revenue Ratio (3%)



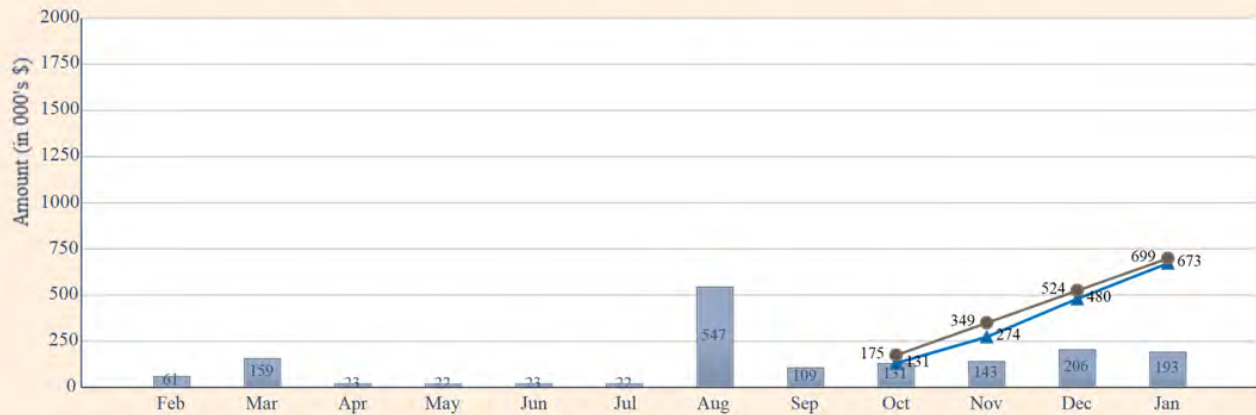
December and January delinquency data are pending.

INVESTMENT EARNINGS

INVESTMENT CASH EARNINGS

Monthly & Cumulative Earnings compared to YTD Budget

- Monthly Earnings
- ▲ YTD Cumulative Earnings FY-2018
- YTD Cumulative Earnings Budget FY-2018



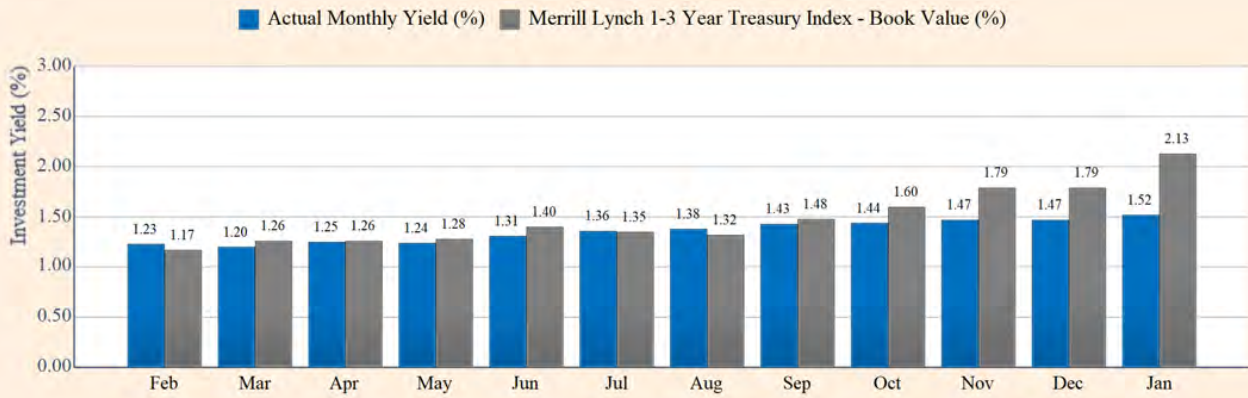
Earnings to date for January were below Projected Budget by \$26,000

FINANCIAL HIGHLIGHTS

INVESTMENT YIELD

CORE INVESTMENTS YIELD

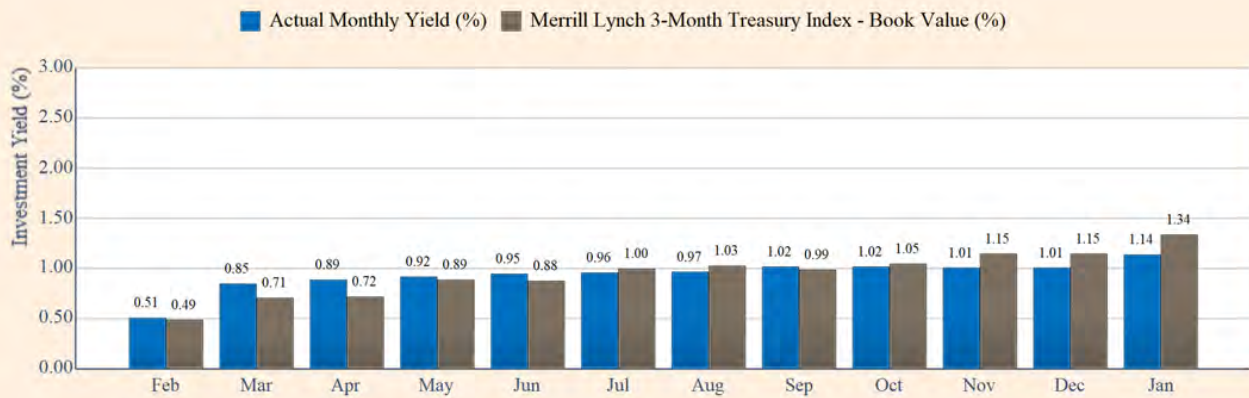
Monthly Yield compared to Merrill Lynch Benchmark



Yield for January was more than the treasury index by 0.61%

SHORT TERM INVESTMENT YIELD

Short Term Yield compared to Merrill Lynch Benchmark



Short Term Yield for January was less than the Merill Lynch yield by 0.19%

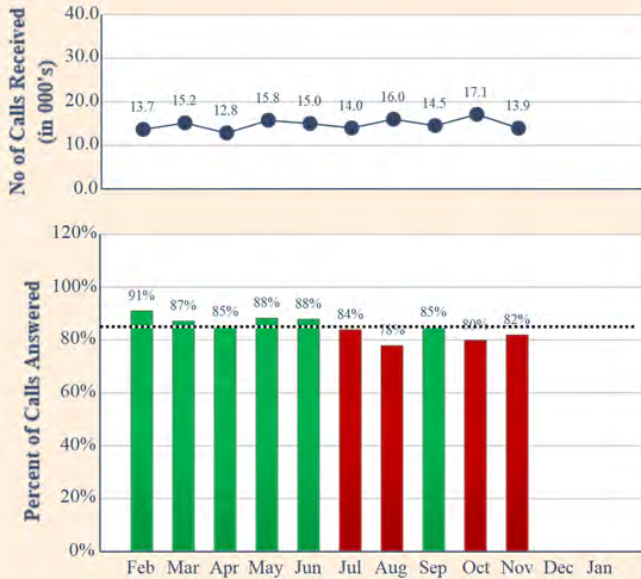
CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

CUSTOMER SERVICE

CALL CENTER PERFORMANCE

Calls Answered within 40 Seconds compared to Target

- Call Center: Calls answered (%)
- No of Calls - Call Center (in 000's)
- Target - Call Center (85%)

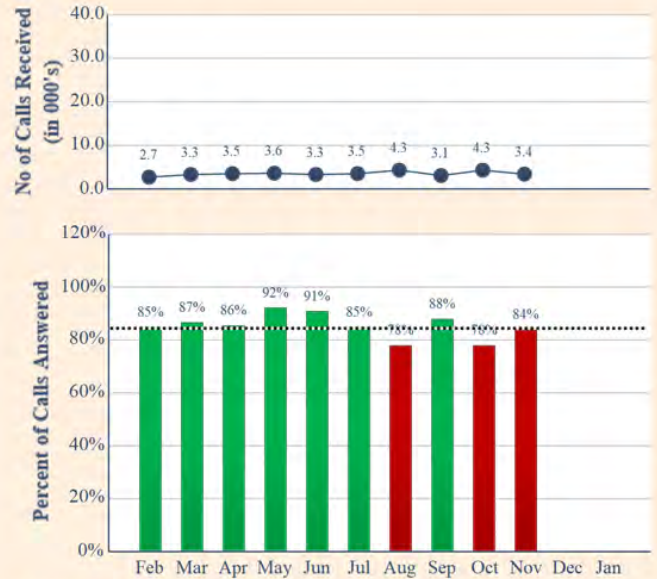


January data is unavailable.

COMMAND CENTER PERFORMANCE

Calls Answered within 40 Seconds compared to Target

- Command Center: Calls answered (%)
- No of Calls - Command Center (in 000's)
- Target - Command Center (85%)

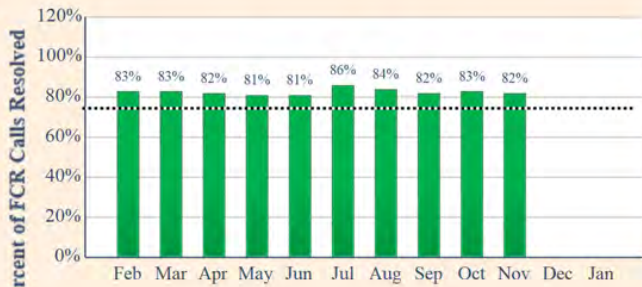


January data is unavailable.

FIRST CALL RESOLUTION (FCR)

Calls resolved on first contact compared to Target

- FCR (%)
- FCR Target (75%)

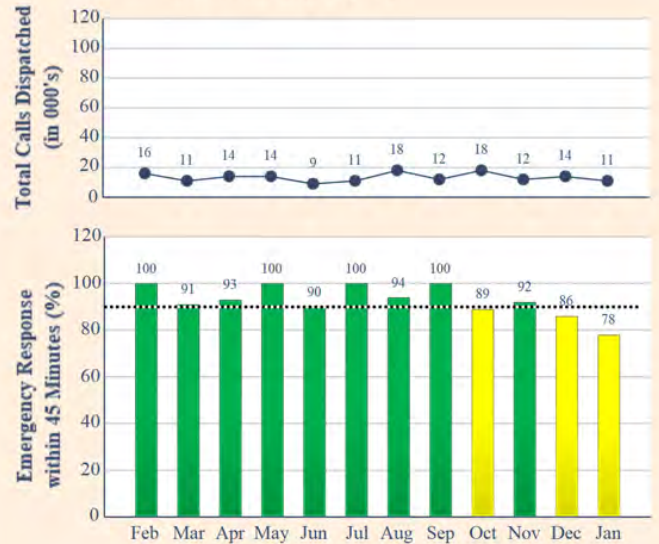


January data is unavailable.

EMERGENCY RESPONSE TIME

Calls responded to within 45 Minutes compared to Target

- Response (%) within Target
- Total Emergency Calls Dispatched
- Response Target (90%)



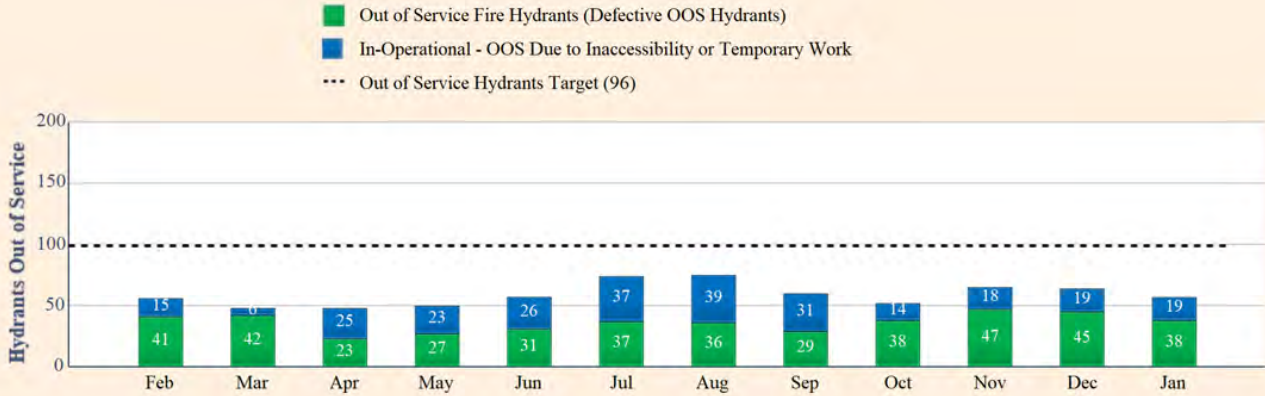
Performance for January was below target by 12%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

FIRE HYDRANTS

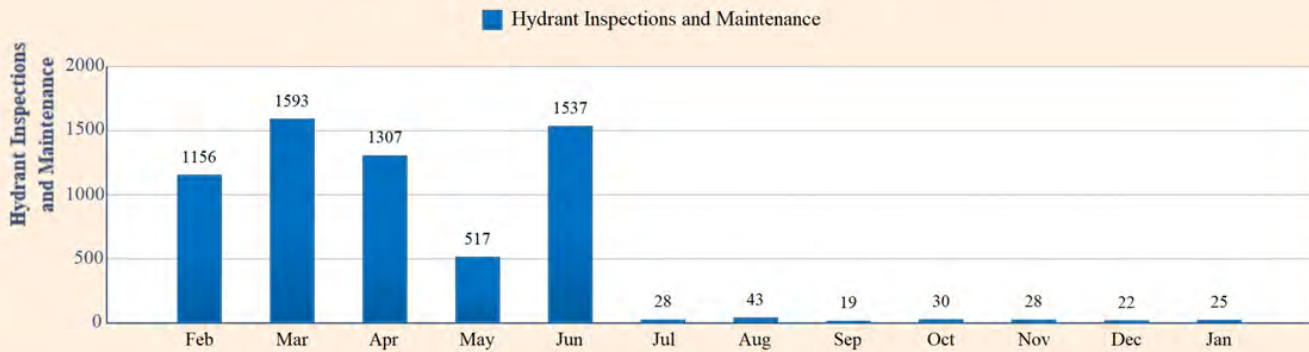
Fire Hydrants Out of Service (OOS)

Total Hydrants Out of Service against Target



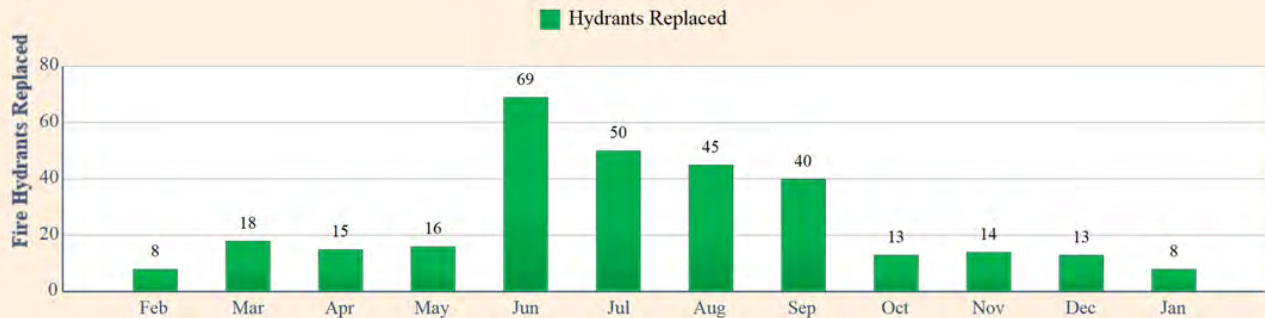
Fire Hydrant Inspections and Maintenance

Total Hydrant Inspection and Maintenance Work Orders Completed per Month



Total Hydrant Replacements Per Month

Annual Replacement Target (250)

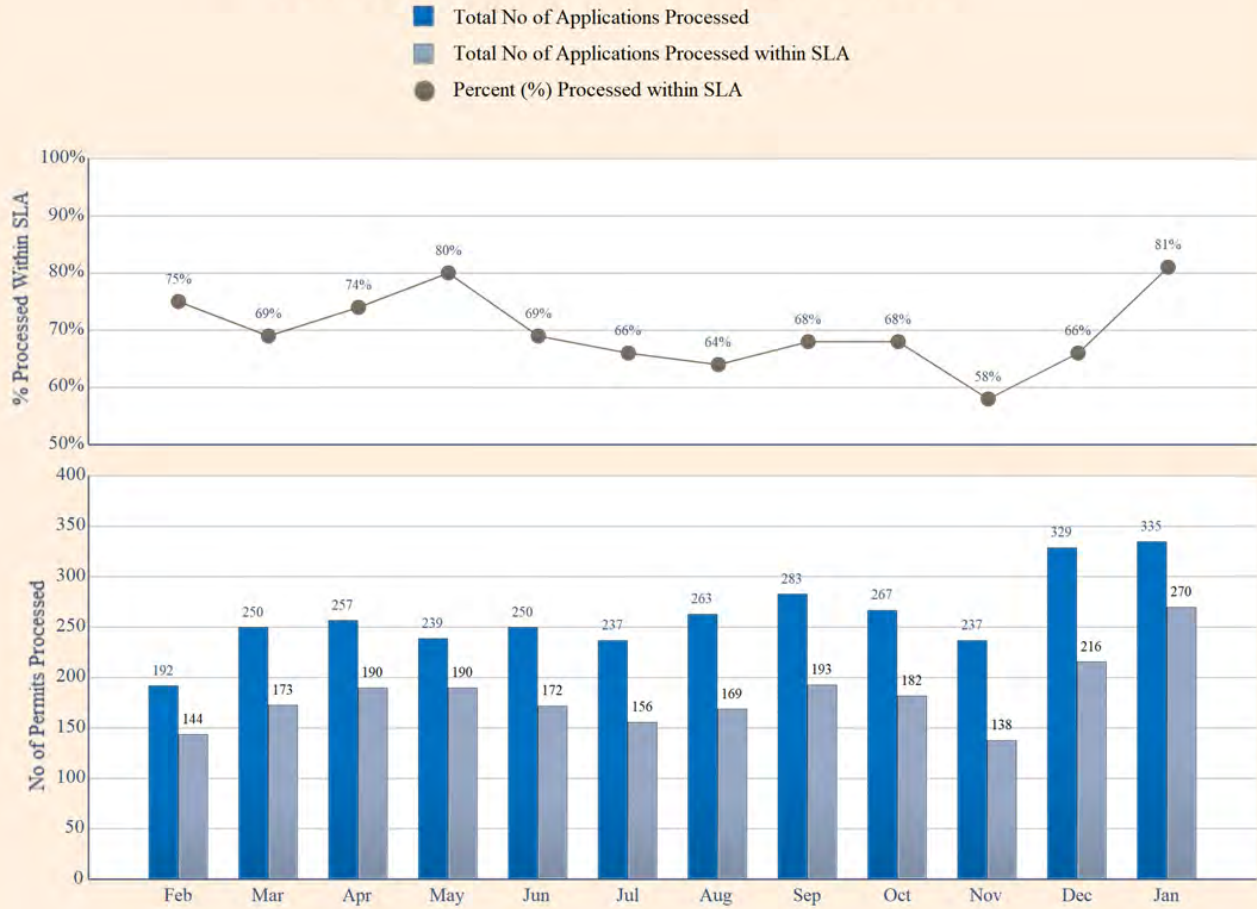


Total replacements as of January were 48 against annual projections of 250

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

PERMIT PROCESSING

PERCENT OF APPLICATIONS PROCESSED WITHIN SLA



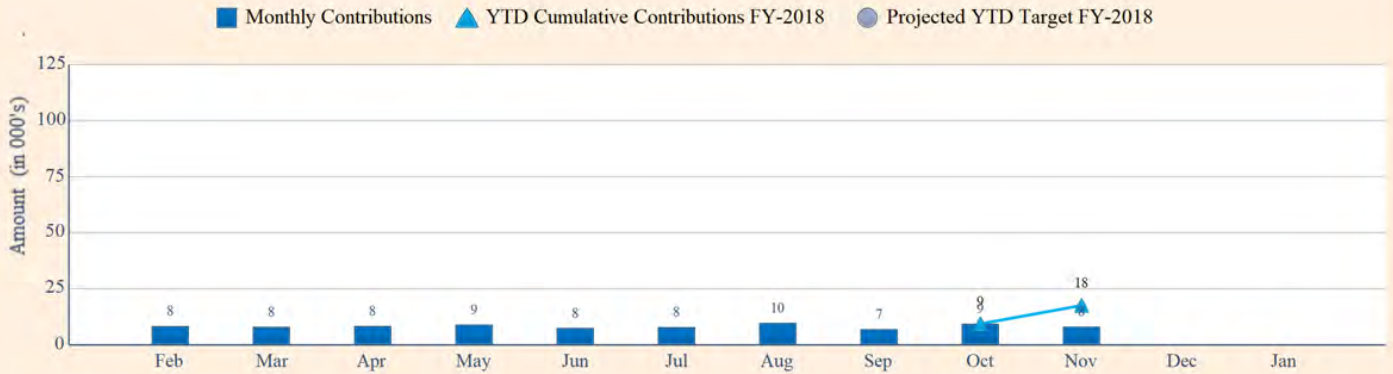
Permits not processed within SLA in January were 19% Note that different SLA's range from 7 days to 45 days

LOW INCOME ASSISTANCE PROGRAM

SPLASH PROGRAM

SPLASH CONTRIBUTIONS

Monthly and Cumulative Contributions compared to YTD Target

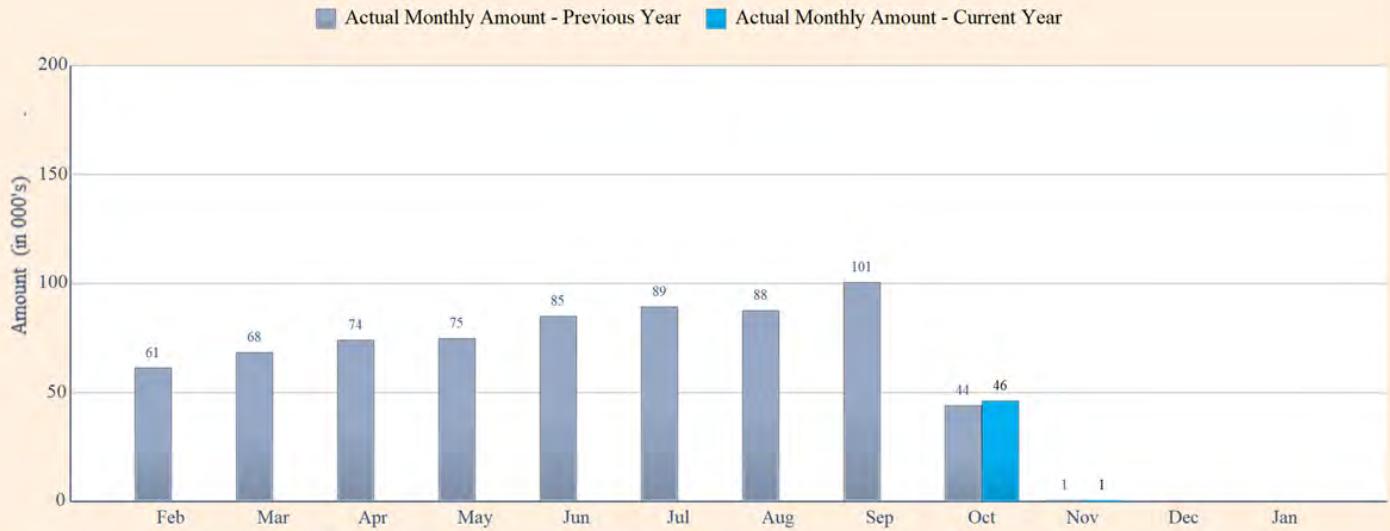


January data is unavailable.

CUSTOMER ASSISTANCE PROGRAM (CAP)

CUSTOMER ASSISTANCE PROVIDED

Monthly Assistance Provided compared to corresponding Previous Year Periods



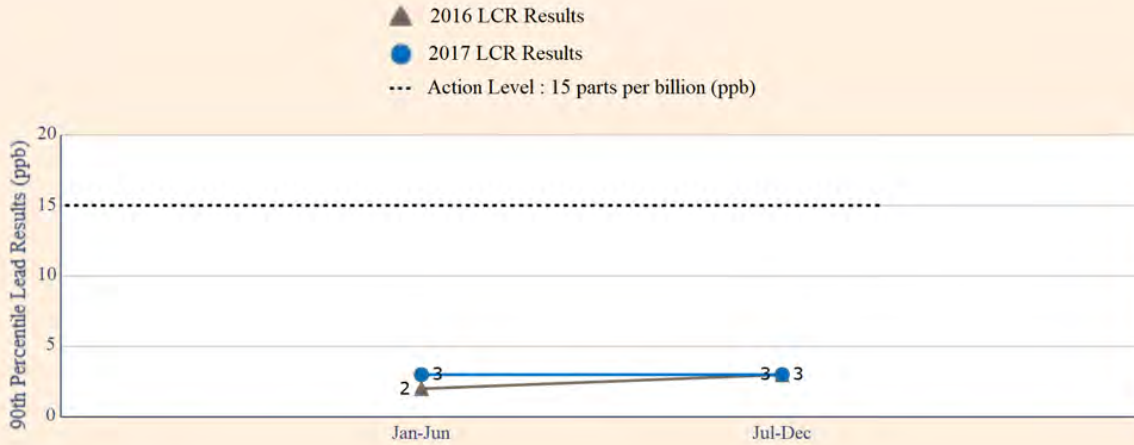
January data is unavailable.

OPERATIONAL HIGHLIGHTS

DRINKING WATER QUALITY

LEAD AND COPPER RULE (LCR) COMPLIANCE

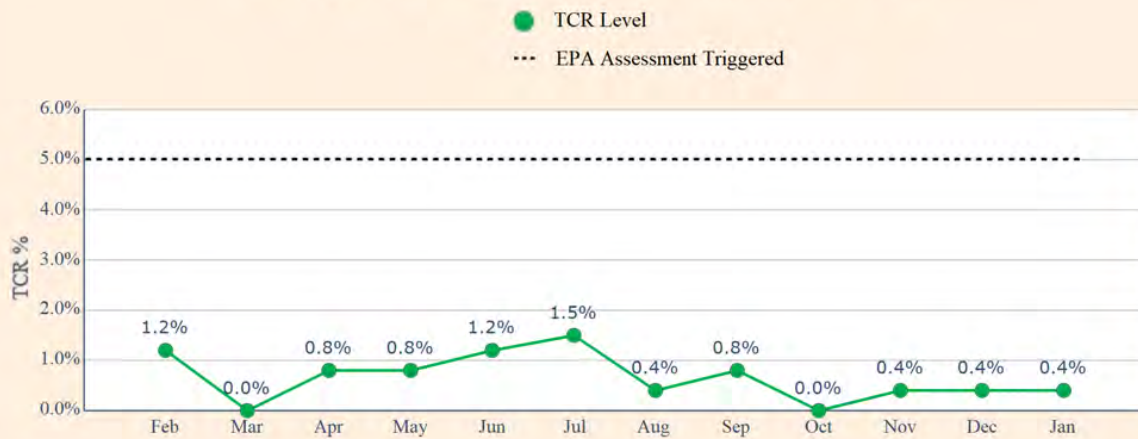
Semi-Annual LCR Monitoring Results



Jul-Dec 2017 results to date

TOTAL COLIFORM RULE (TCR) COMPLIANCE

Total Coliform Positives compared to EPA Maximum Contaminant Level (MCL)



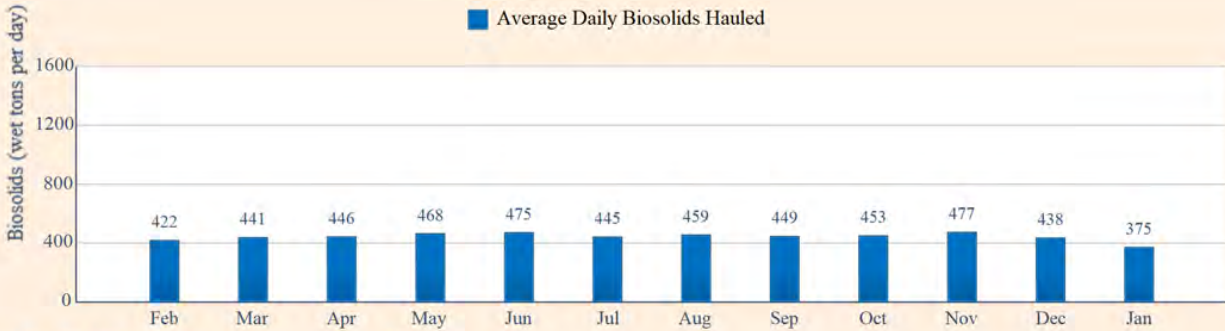
Coliform Positive was recorded at 0.4% in January

OPERATIONAL HIGHLIGHTS

WASTEWATER TREATMENT

BIOSOLIDS PRODUCTION, Jan - 2018

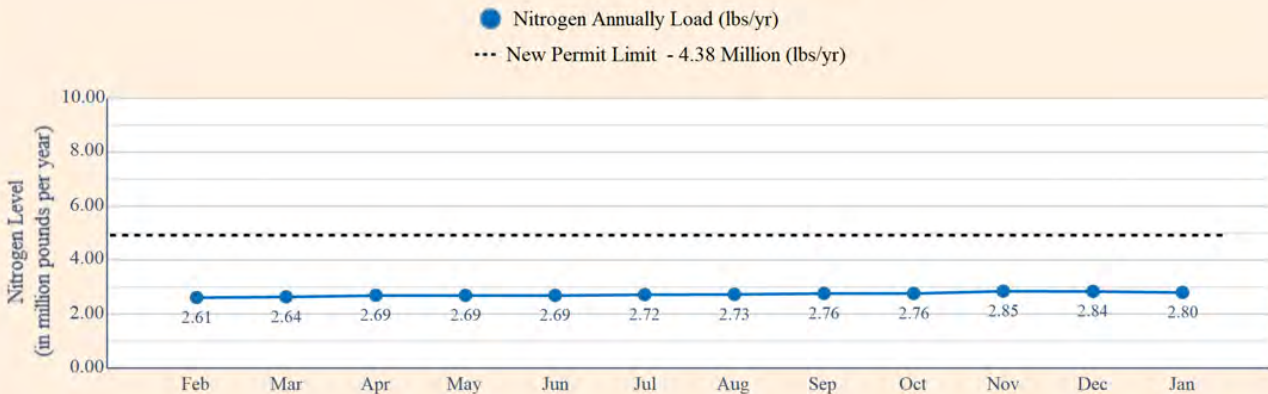
Average Daily Biosolids Production



Biosolids Daily Production for January were 375 wet tons per day

TOTAL NITROGEN

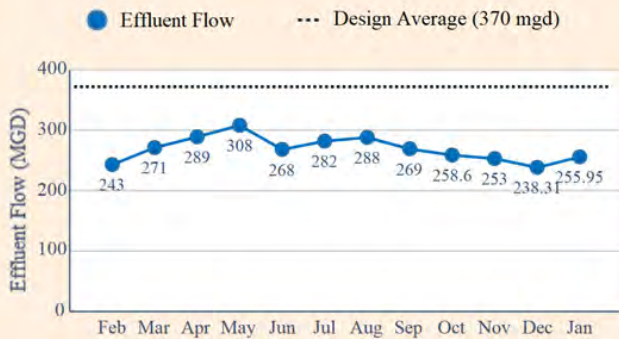
Total Nitrogen Compared to New Permit Levels



Nitrogen level for January was below permit by 1.58 million lbs/yr

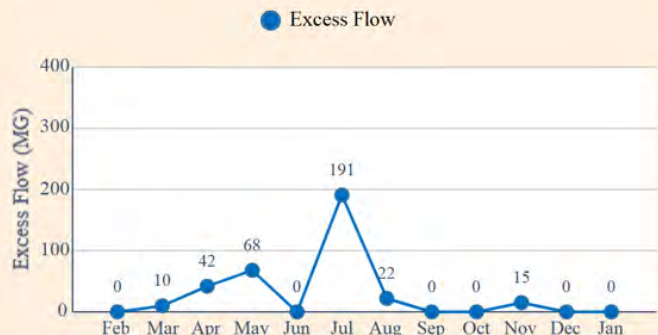
PLANT EFFLUENT FLOW

Effluent Flow compared to Plant Design Average Limit



In January, Influent flow was below design by 128 MGD

TOTAL EXCESS FLOW

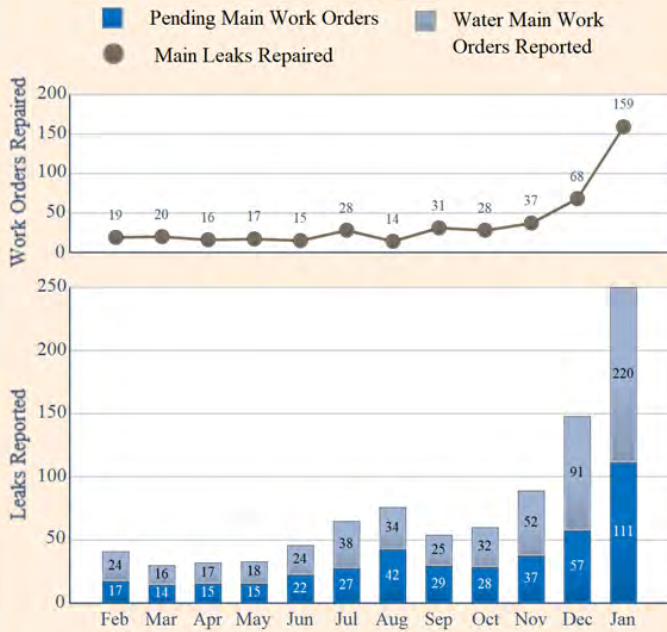


Excess flow events were recorded at 0 MG in January 2018

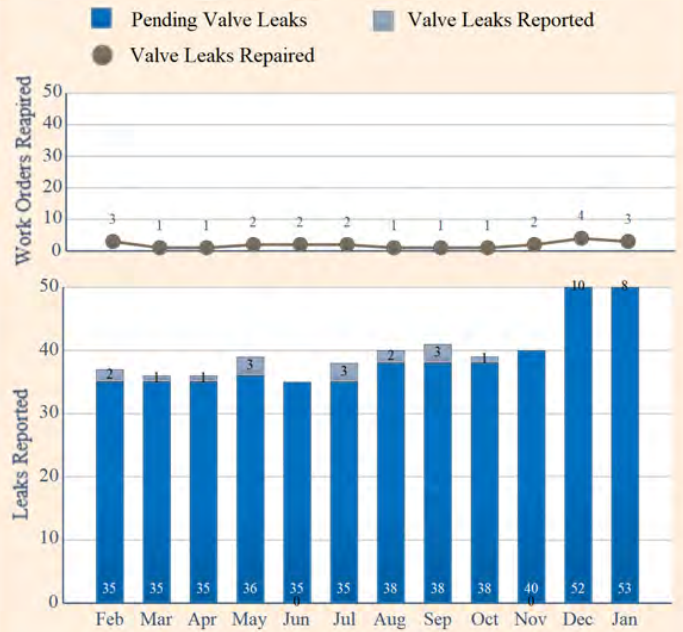
OPERATIONAL HIGHLIGHTS

WATER DISTRIBUTION OPERATIONS

WATER MAIN LEAKS



WATER VALVE LEAKS

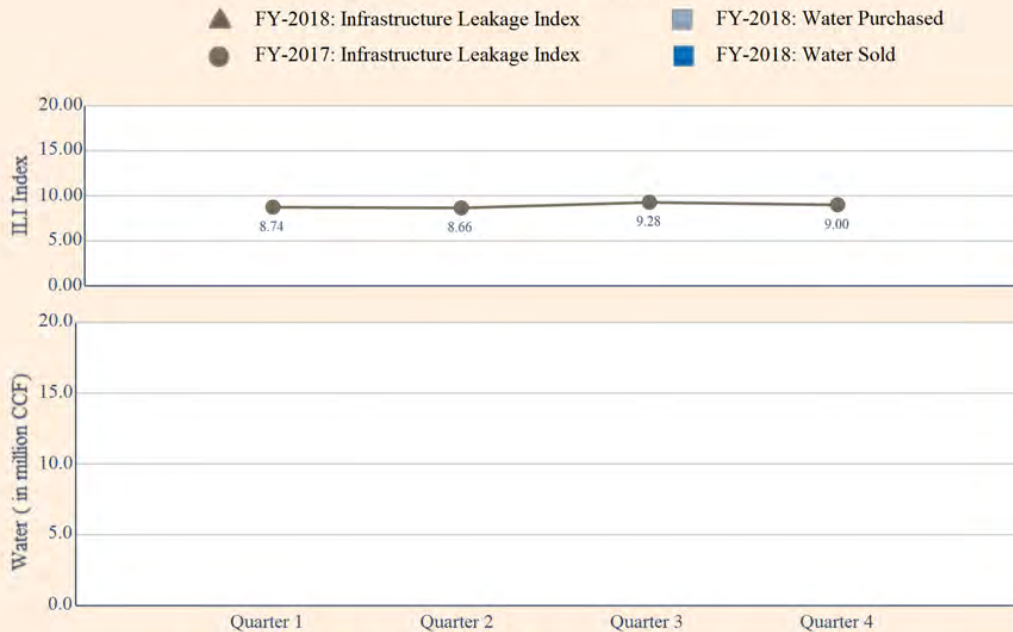


3 leaks were resolved in January

WATER BALANCE

NON-REVENUE WATER

Volume of Water Purchased and Sold per Quarter



Data is unavailable and will be provided next month.

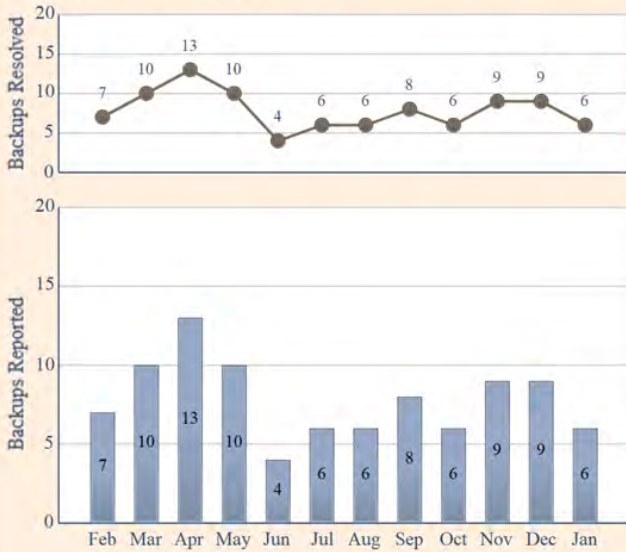
OPERATIONAL HIGHLIGHTS

SEWER SYSTEM OPERATIONS

SEWER MAIN BACKUPS

Sewer Mains Backed Up and Relieved per Month

- Pending Main Backups
- Main Backups Reported
- Main Backups Resolved

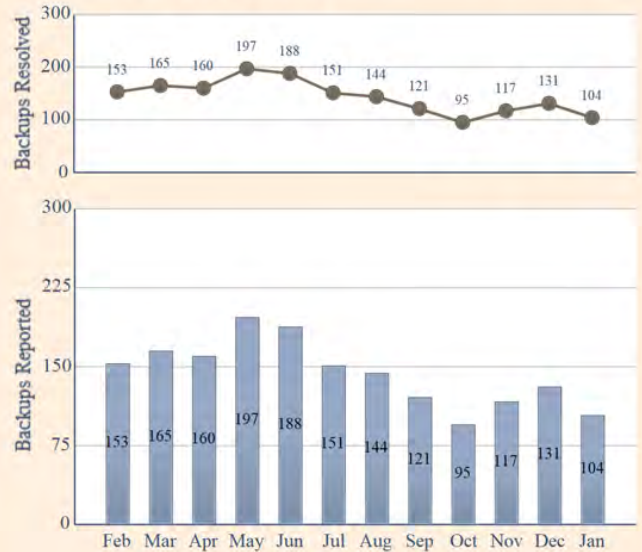


No pending main backups reported

SEWER LATERAL BACKUPS

Sewer Laterals Backed Up and Relieved per Month

- Pending Lateral Backups
- Lateral Backups Reported
- Lateral Backups Resolved



No pending lateral backups reported

COMBINED SEWER SYSTEM

DRY WEATHER CSO EVENTS

Combined Sewer Overflow Volume and No of Events per Month

- Overflow Volume (MG)
- Number of CSO Events



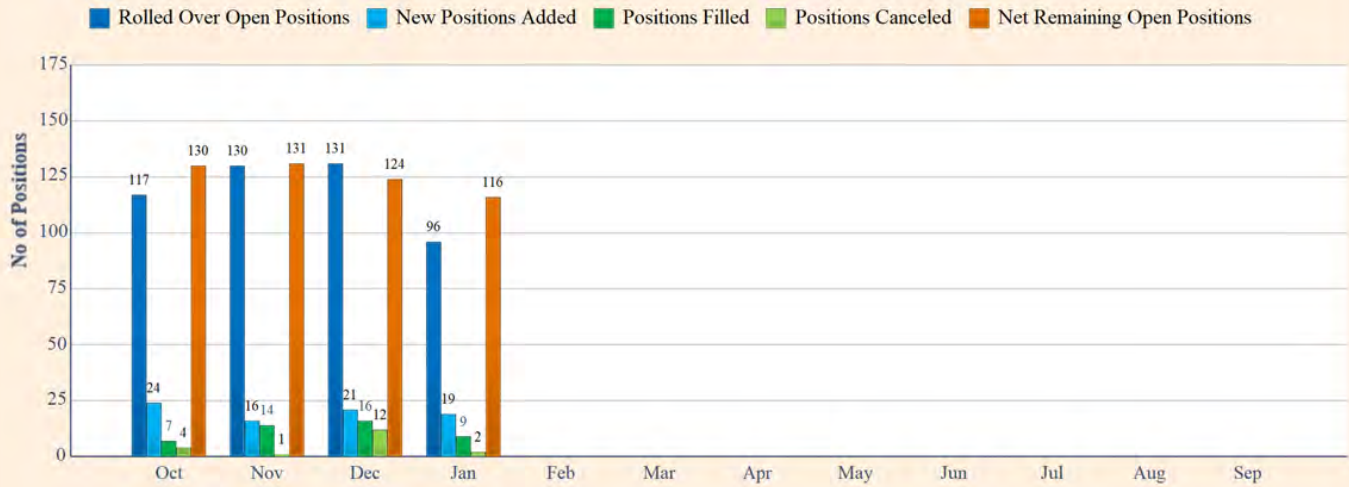
No dry weather Combined Sewer Overflow event were recorded in January 2018

OPERATIONAL HIGHLIGHTS

HUMAN RESOURCES

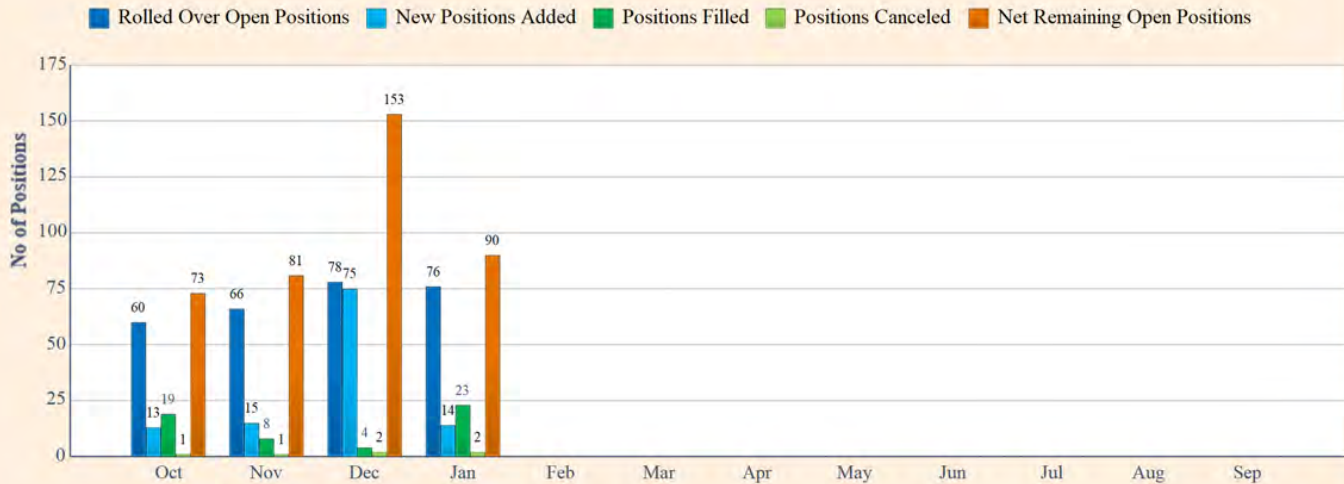
RECRUITMENT ACTIVITY

PREVIOUS FISCAL YEAR



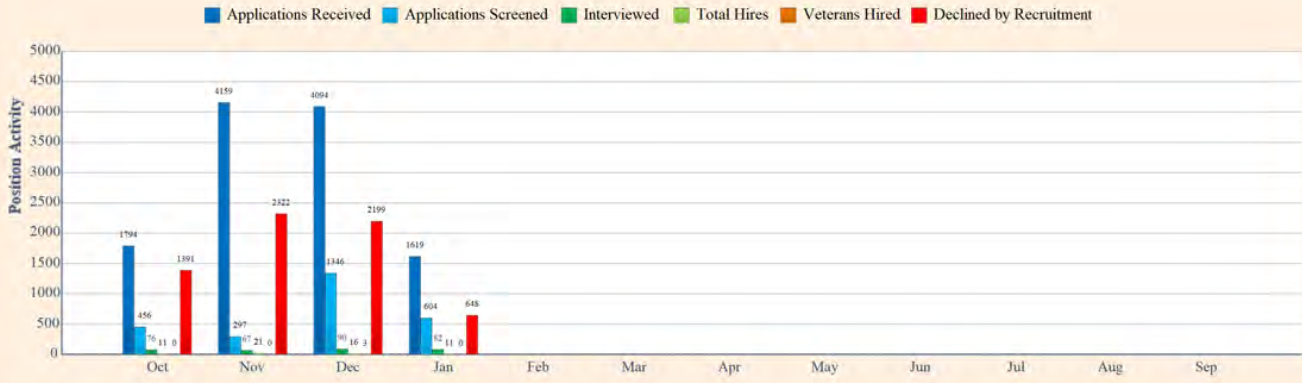
RECRUITMENT ACTIVITY

CURRENT FISCAL YEAR



RECRUITMENT PERFORMANCE METRIC

PREVIOUS FISCAL YEAR



RECRUITMENT PERFORMANCE METRIC

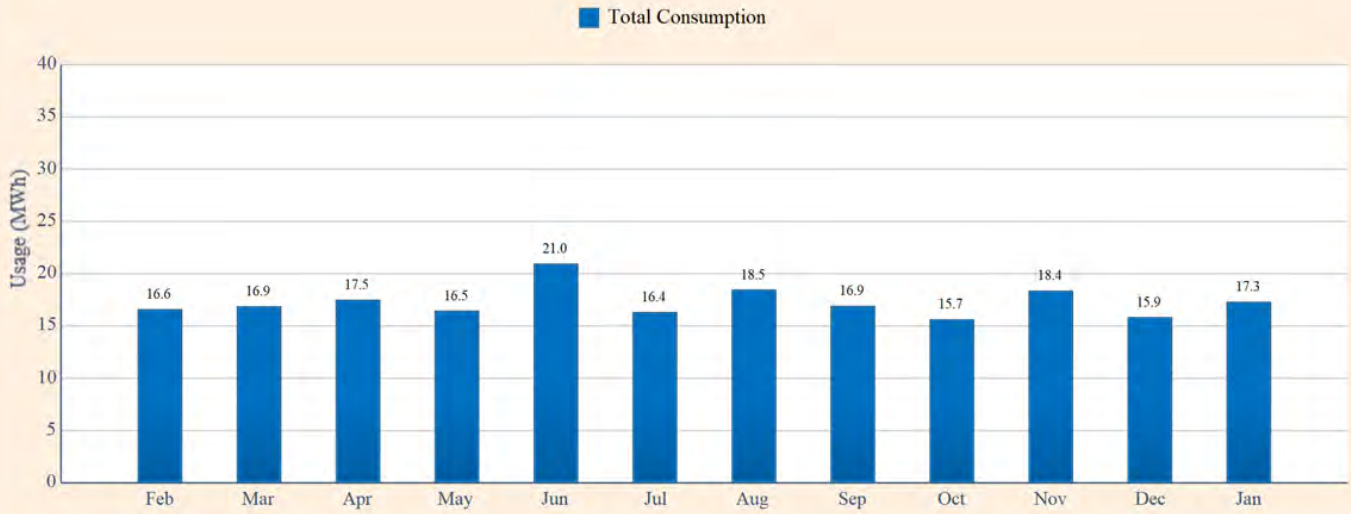
CURRENT FISCAL YEAR



OPERATIONAL HIGHLIGHTS

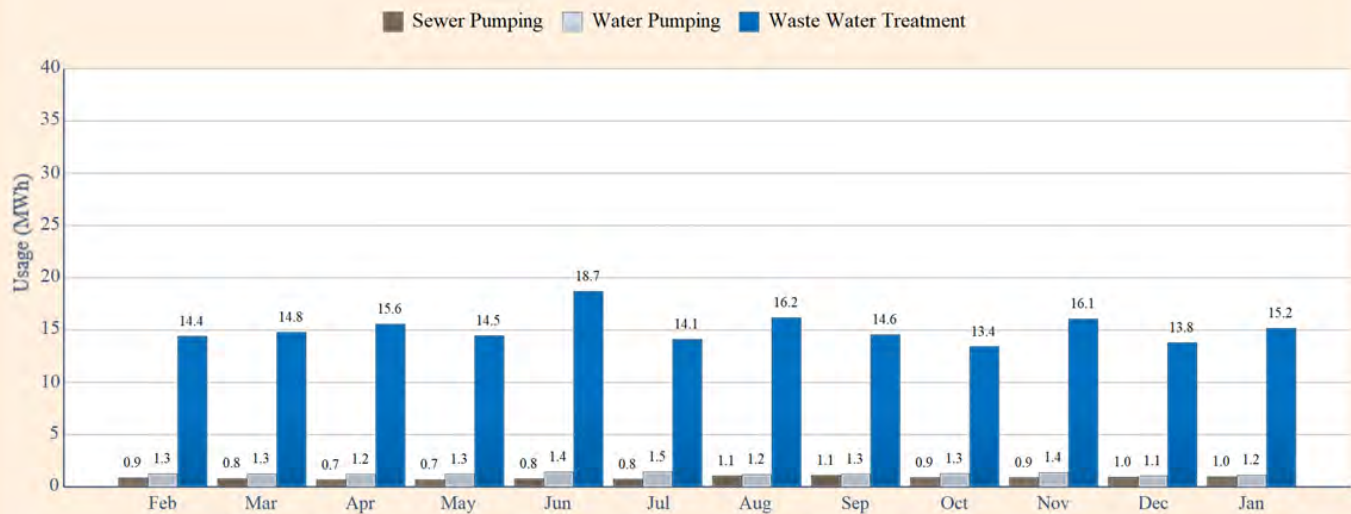
ENERGY CONSUMPTION

ELECTRICITY USAGE SUMMARY



Electricity Consumption in January was 17,328 KWh

ELECTRICITY USAGE BY SERVICE AREA



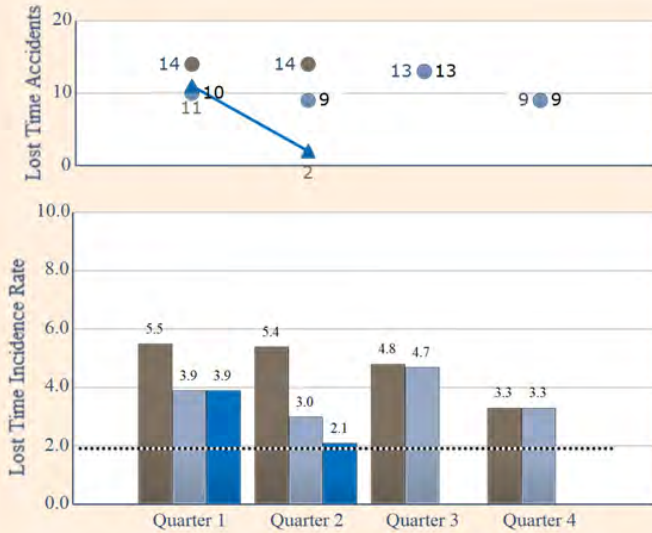
Waste Water treatment had the highest electricity consumption in January at 15,188 KWh

OPERATIONAL HIGHLIGHTS

SAFETY

EMPLOYEE LOST TIME INCIDENCE RATE

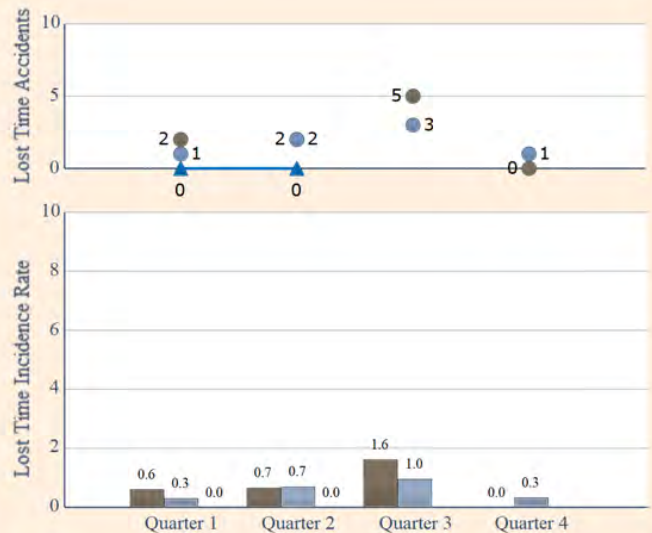
- FY-2016: No of LT Accidents
 - FY-2016: LT Incidence Rate
 - FY-2017: No of LT Accidents
 - FY-2017: LT Incidence Rate
 - ▲ FY-2018: No of LT Accidents
 - FY 2018 LT Incidence Rate
- Target/National: LT Incidence Rate



In the 2nd quarter, 2 lost time accidents were reported

CONTRACTOR LOST TIME INCIDENCE RATE

- FY-2016: No of LT Accidents
- FY-2016: LT Incidence Rate
- FY-2017: No of LT Accidents
- FY-2017: LT Incidence Rate
- ▲ FY-2018: No of LT Accidents
- FY 2018 LT Incidence Rate

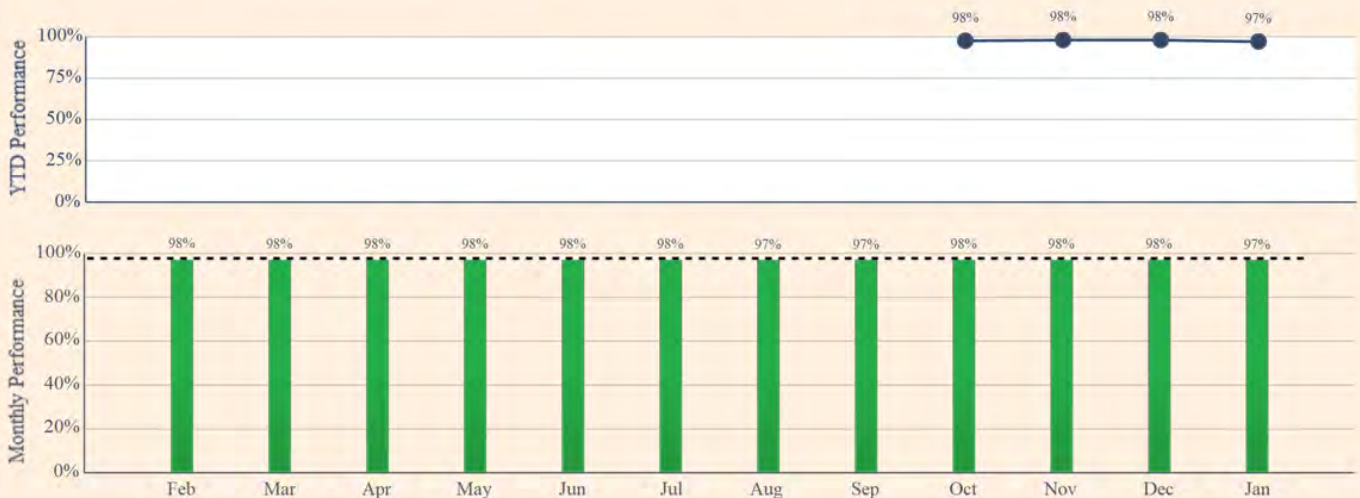


In the 2nd quarter, 0 lost time accident was reported

VENDOR PAYMENTS

VENDOR PAYMENT PERFORMANCE

- Monthly Performance (%)
- YTD Performance (%)
- Monthly Target - (97%)



Monthly performance for January was above Budget by 0.1%

INTERPRETATION OF CHARTS:

FINANCIAL HIGHLIGHTS

Revenue, Expenditure, Capital Disbursement

- Bulls eye shows the variance for YTD budget against actual for revenues, expenditures and capital disbursements
- Bar graph shows **total** for the fiscal year budgeted(grey)-revenues, expenditures and capital disbursements against YTD actual(blue)
- Horizontal line graph shows a YTD progress analysis as compared to the previous year

Net Operating Cash

- Bar graph shows monthly net operating cash provided/used
- Line graph denoted by (Δ) compares YTD actual against budget (O). This element is dynamically color coded*

Operating Revenues

- Bar graph shows monthly operating revenues
- Line graph denoted by (Δ) compares YTD revenue against budget (O). This element is dynamically color coded*

Operating Expenses

- Bar graph shows monthly operating expenses
- Line graph denoted by (Δ) compares YTD expenditure against budget (O). This element is dynamically color coded**

Capital Disbursements

- Bar graph shows monthly capital disbursements
- Line graph denoted by (Δ) compares YTD disbursements against budget (O). This element is dynamically color coded**

Operating Cash Balance

- Bar graph shows monthly average cash balance compared to the target of \$125 million; indicated by grey dotted line

Delinquent Account Receivables

- Bar graph shows monthly Receivables to Revenue ratio against target of 3%; indicated by grey dotted line. This element is dynamically color coded**
- Line graph denoted by (Δ) shows delinquency in actual dollars

Investment Cash Earnings

- Bar graph shows monthly investment cash earnings
- Line graph denoted by (Δ) compares the YTD earnings against budget (O). This element is dynamically color coded*

Core Investments Yield

- Bar graph shows the monthly investment yield compared to the monthly target (grey) benchmark as set by the US Treasury Bill. This element is dynamically color coded*

Short Term Investment Yield

- Bar graph shows the monthly short term investment yield compared to the monthly short term target (grey) benchmark as set by the US Treasury Bill. This element is dynamically color coded*

Dynamic Color Coding Legend

*	**
<p>Red - when the actual is lower than 3% of budget or target</p> <p>Yellow - when the actual is within 3% of budget or target</p> <p>Green - when the actual is equal to or higher than budget or target</p>	<p>Red - when the actual is higher than 3% of budget or target</p> <p>Yellow - when the actual is within 3% of budget or target</p> <p>Green - when the actual is equal to or lower than budget or target</p>

Symbols where the color code applies- (Δ, □)

A

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

Call Center Performance

- Bar graph shows monthly percentage of calls answered within 40 seconds against target of 85%; indicated by grey dotted line. This element is dynamically color coded***
- Line graph denoted by (O) shows the number of calls received by the call center every month

Command Center Performance

- Bar graph shows monthly percentage of calls answered within 40 seconds against target of 85%; indicated by grey dotted line. This element is dynamically color coded***
- Line graph denoted by (O) shows the number of calls received by the command center every month

First Call Resolution (FCR)

- Bar graph shows monthly percentage of calls resolved on first contact against target of 75%; indicated by grey dotted line. This element is color dynamically coded***

Emergency Response Time

- Bar graph shows the percentage of emergency calls responded to within 45 minutes against target of 90%; indicated by grey dotted line. This element is dynamically color coded***
- Line graph denoted by (O) shows the total calls dispatched per month

Fire Hydrants Out of Service (OOS)

- Bar graph shows total hydrants not available for use against target of 91; indicated by grey dotted line. This element is dynamically color coded****
- The bar graph is stacked (blue) to show hydrants that are inaccessible. Inaccessible hydrants are not measured against the target of 91

Fire Hydrant Inspections and Maintenance

- Bar graph shows the total number of fire hydrants repaired per month

Fire Hydrant Replacements

- Bar graph shows the total number of hydrants replaced per month against target of 21; indicated by grey dotted line. This element is dynamically color coded****

Total Applications Processed within Service Level Agreement (SLA)

- Bar graph shows
 - the number of permits processed per month(dark blue)
 - the number of permits processed within SLA per month(light blue)
- Line graph denoted by (O) shows the percentage of permits processed vs. processed within SLA

Dynamic Color Coding Legend

***	****
<p>Red- when the actual is lower than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or higher than budget or target</p>	<p>Red- when the actual is higher than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or lower than budget or target</p>

Symbols where the color code applies- (Δ, □)

LOW INCOME ASSISTANCE PROGRAM

SPLASH Contributions

- Bar graph shows monthly SPLASH contributions
- Line graph denoted by (Δ) shows the YTD contributions against target (O). This element is color coded***

Customer Assistance Program (CAP)

- Bar graph shows monthly CAP assistance
- Line graph denoted by (Δ) shows the YTD contributions against budget (O). This element is color coded***

OPERATIONAL HIGHLIGHTS

Lead and Copper Rule (LCR) Compliance

- Line graph denoted by (Δ, O) shows semi-annual LCR monitoring results against target of 15ppb; indicated by grey dotted line. This element is color coded****

Total Coliform Rule (TCR)

- Line graph denoted by (Δ) shows total coliform positives against the EPA maximum contaminant level of 5%. This element is color coded****

Biosolids Production

- Bar graph shows monthly average daily biosolids production

Total Nitrogen

- Line graph denoted by (Δ) shows monthly total nitrogen level against the current permit (dark grey) and 2015 permit (light grey) levels. This element is color coded****

Plant Effluent Flow

- Line graph denoted by (Δ) shows monthly influent flow against the plant design average limit of 370MGD. This element is color coded****

Excess Flow

- Line graph denoted by (Δ) shows monthly excess flow

Water Main Leaks

- Bar graph shows the water main leaks reported
- The bar graph is stacked(dark blue) to show the pending leaks carried over from the previous month if any; bar graph(light blue) shows new water main leaks reported for the given month
- Line graph denoted by (O) shows the number of main leaks repaired per month

Water Valve Leaks

- Bar graph shows the water valve leaks reported
- The bar graph is stacked(dark blue) to show the pending leaks carried over from the previous month if any; bar graph(light blue) shows new water valve leaks reported for the given month
- Line graph denoted by (O) shows the number of valve leaks repaired per month

Dynamic Color Coding Legend

***	****
Red- when the actual is lower than 5% of budget or target	Red- when the actual is higher than 5% of budget or target
Yellow- when the actual is within 5% of budget or target	Yellow- when the actual is within 5% of budget or target
Green- when the actual is equal to or higher than budget or target	Green- when the actual is equal to or lower than budget or target

Symbols where the color code applies- (Δ, □)

Non Revenue Water

- Bar graph shows the volume of water purchased(dark blue) and water sold(light blue) per quarter
- Line graph denoted by (Δ, O) shows the Infrastructure Leakage Index(ILI) for the current and previous year

Sewer Main Backups

- Bar graph shows the sewer main backups reported
- The bar graph is stacked(dark blue) to show the pending backups carried over from the previous month if any; bar graph(light blue) shows new sewer main backups reported for the given month
- Line graph denoted by (O) shows the number of main backups resolved per month

Sewer Lateral Backups

- Bar graph shows the sewer lateral backups reported
- The bar graph is stacked(dark blue) to show the pending backups carried over from the previous month if any; bar graph(light blue) shows new sewer laterals backups reported for the given month
- Line graph denoted by (O) shows the number of lateral backups resolved per month

Combined Sewer dry weather Overflow (CSO) Events

- Bar graph shows dry weather CSO events per month
- Line graph denoted by (O) shows the volume in Million Gallons(MG) per dry weather CSO event

Open Positions

- Bar graph (dark blue) shows open positions carried over from the previous month.
- Bar graph (light blue) shows new positions added in the given month.
- Bar graph (olive green) shows positions filled in the given month.
- Bar graph (orange) shows positions cancelled in the given month.
- Bar graph (light green) shows net remaining open positions at the end of the given month.

Electricity Usage Summary

- Bar graph shows total electricity consumption per month

Electricity Usage by Service Area

- Shows a monthly breakdown by service area of electricity usage
- Dark blue shows for Waste Water Treatment Service Area
- Light blue shows Water Pumping Service Area
- Brown shows Sewer Pumping Service Area

Employee Lost Time Incidence Rate

- Bar graph shows quarterly Employee Lost Time (LT) incidence rate as compared to the National average LT rate of 2.0; indicated by grey dotted line. Light blue represents the previous year, brown represents the year before previous and dark blue the current fiscal year.
- Scatter graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous years.

Contractor Lost Time Incidence Rate

- Bar graph shows quarterly Contractor Lost Time (LT) incidence rate. Light blue represents the previous year, brown represents the year before previous and dark blue the current fiscal year.
- Scatter graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous years.

Dynamic Color Coding Legend

***	****
<p>Red- when the actual is lower than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or higher than budget or target</p>	<p>Red- when the actual is higher than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or lower than budget or target</p>

Symbols where the color code applies- (Δ, □)

Vendor Payment Performance

- Bar graph shows monthly Vendor Payment Performance percentage against monthly target of 97%; indicated by grey dotted line. This element is dynamically color coded**
- Line graph denoted by (O) shows the YTD vendor payment performance %.

Dynamic Color Coding Legend

<p>***</p> <p>Red- when the actual is lower than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or higher than budget or target</p>	<p>****</p> <p>Red- when the actual is higher than 5% of budget or target</p> <p>Yellow- when the actual is within 5% of budget or target</p> <p>Green- when the actual is equal to or lower than budget or target</p>
---	--

Symbols where the color code applies- (Δ, □)



Consent Agenda

Summary of Contracts

240th Meeting of the DC Water Board of Directors

Thursday, March 1, 2018

Joint Use Contracts

1. **Resolution No. 18-17 - Execute Contract No. 17-PR-DET-48, Accurate Conceptions, LLC.** The purpose of the contract is to scan, digitize, attribute, inventory, and upload 8 million records into modern document management systems and optimize the existing physical content in TIC. The contract amount is \$1,189,011.38. **(Recommended by Environmental Quality and Operations Committee 02/15/18)**
2. **Resolution No. 18-18 - Execute Option Year Two (2) of Contract No. 15-PR-WWT-52, Merriman, Inc.** The purpose of the contract is to supply and deliver calcium hydroxide to the Blue Plains Advanced Wastewater Treatment Facility. The option amount is \$350,000. **(Recommended by Environmental Quality and Operations Committee 02/15/18)**
3. **Resolution No. 18-19 - Execute Contract No. 160190, IPR Northeast LLC.** The purpose of the contract is to rehabilitate (using structural geopolymer) approximately 4,350 linear feet of 10-foot span through 18-foot span arch sewer tunnel. The contract amount is \$6,065, 069. **(Recommended by Environmental Quality and Operations Committee 02/15/18)**
4. **Resolution No. 18-20 - Execute Contract No. 170170, Capitol Paving of DC Inc.** The purpose of the contract is to provide permanent restoration of paved and non-paved surfaces in public space after the completion of repair and replacement activities by the Department of Water Services and the Department of Sewer Services. The contract amount is \$21,584,324. **(Recommended by Environmental Quality and Operations Committee 02/15/18)**

5. **Resolution No. 18-25 - Execute Contract No. 17-PR-CFO-42, IBS Management & Consultant Services, LLC, Mb Staffing Services, SDA Financial, SPS Consulting and vTech Solution Inc.** The purpose of the contract is to fulfill the on-going need for staff augmentation services for special projects and staff vacancies within the Office of the Chief Financial Officer and the Department of Customer Service. The contract amount is \$1,600,000. **(Recommended by Environmental Quality and Operations Committee 02/15/18)**

Non-Joint Use Contracts

1. **Resolution No. 18-26, Contract No. WAS-12-0092-AA-SH-1, Aclara Technologies.** Execute additional funding to continue the purchase and disposal of Meter Transmitter Units. The additional funding amount is \$1,037,000. **(Recommended by Environmental Quality and Operations Committee 02/15/18)**

Presented and Approved: March 1, 2018
SUBJECT: Approval to Execute Contract No. 17-PR-DET-48, Accurate Conceptions, LLC

#18-17
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 1, 2018 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 17-PR-DET-48, Accurate Conceptions, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to Contract No. 17-PR-DET-48, Accurate Conceptions, LLC. The purpose of the contract is to scan, digitize, attribute, inventory, and upload 8 million records into modern document management systems and optimize the existing physical content in TIC. The contract amount is \$1,189,011.38.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT AWARD
TECHNICAL INFORMATION CENTER (TIC) DOCUMENT MANAGEMENT
(Joint Use)**

Approval to execute a new contract award for document management services in the amount of \$1,189,011.38.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Accurate Conceptions, LLC 19 O Street, SW Washington, DC 20024 LSBE	SUBS: N/A	PARTICIPATION: 100%
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DESCRIPTION AND PURPOSE

Base Period Contract Value:	\$1,189,011.38
Base Contract Period:	2 Years
No. of Option Years:	3
Contract Start Date:	March 1, 2018
Base Period End Date:	February 29, 2020
Proposal Closing Date:	10-27-2017
Proposals Received:	8
Proposal (Bid) Price Range:	\$1,189,011.38 - \$4,695,311.96
Preference Points Received:	10

Purpose of the Contract:

The Technical Information Center (TIC) is the document repository of all Engineering information and is in the process of moving the 30-year-old paper based document repository to a digital service center and enhancing its ability to provide document services to Engineering and its consultants in a more agile, cost effective manner. The documents are collections of planning, design, and construction material of the water, sewer, pumping stations and the Blue Plains WWTP. They include a wide variety of physical documents of differing types, sizes, conditions and sensitivity collected over more than one hundred years. This contract is an effort to modernize the availability, management, control, and security of these documents.

Contract Scope:

This contract will scan, digitize, attribute, inventory, and upload approximately 8 million records into modern document management systems and optimize the existing physical content in TIC. The Contractor will also develop and implement processes that provide more effective records management within the TIC.

Supplier Selection:

Procurement advertised and issued a Request for Proposal for the services. Eight (8) firms responded to the solicitation. The award recommendation is based on the overall highest rated offeror, Accurate Conceptions, LLC whom also offered the lowest price.

Rank	Firm	Rank	Firm
1	Accurate Conceptions, LLC (LSBE)	5	TAB Products Co. LLC
2	Scanning America, Inc.	6	National Office Systems, Inc.
3	Canon Solutions America, Inc.	7	GRM Document Management
4	Sourcecorp BPS, Inc.	8	Premier Reprographics, Inc. (LSBE)

PROCUREMENT INFORMATION


Contract Type:	Fixed Price	Award Based On:	Highest Rating
Commodity:	Goods and Services	Contract Number:	17-PR-DET-48
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Capital	Department:	Department of Engineering and Technical Services
Service Area:	Blue Plains	Department Head:	Craig Fricke
Project:	YD – Miscellaneous Projects		


ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.22%	\$490,110.49
Washington Suburban Sanitary Commission	45.84%	\$545,042.82
Fairfax County	8.38%	\$99,639.15
Loudoun Water	3.73%	\$44,350.12
Other (PI)	.83%	\$9,868.80
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,189,011.38

 / 2-8-18
 Leonard Benson
 Chief Engineer
 Date

 / 2/8/18
 Dan Bae
 Director of Procurement
 Date

 / 2/8/18
 Matthew T. Brown
 Chief Financial Officer
 Date

 / 2-22-18
 Henderson J. Brown, IV
 Interim General Manager
 Date

Presented and Approved: March 1, 2018
SUBJECT: Approval to Execute Option Year Two (2) of Contract No. 15-PR-WWT-52, W.K. Merriman, Inc.

#18-18
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 1, 2018 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Option Year Two (2) of Contract No. 15-PR-WWT-52, W.K. Merriman, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute Option Year Two (2) of Contract No. 15-PR-WWT-52, Merriman, Inc. The purpose of the contract is to supply and deliver calcium hydroxide to the Blue Plains Advanced Wastewater Treatment Facility. The option amount is \$350,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT OPTION YEAR

**Supply and Delivery of Calcium Hydroxide
(Joint Use)**

Approval to exercise option year 2 for the calcium hydroxide (also called "lime slurry") supply and delivery contract in the amount of \$350,000.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: W.K. Merriman, Inc. 8038 Front River Road Pittsburgh, PA 15225	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$1,334,400.00
Original Contract Dates:	03-07-2016 – 03-06-2017
No. of Option Years in Contract:	4
Option Year 1 Value:	\$0.00
Option Year 1 Dates:	03-07-2017 – 03-06-2018
Option Year 2 Value:	\$350,000.00
Option Year 2 Dates:	03-07-2018 – 03-06-2019

Purpose of the Contract:

To supply and deliver calcium hydroxide. The calcium hydroxide is used in the Nitrification Facility to adjust pH.

Contract Scope:

This contract is to provide calcium hydroxide to the Blue Plains Advanced Wastewater Treatment Facility for DC Water's Department of Wastewater Treatment (DWT). DWT has an ongoing need for calcium hydroxide in slurry form to feed the Nitrification Facility at the Blue Plains Wastewater Treatment Plant. The product is used in the Biological Nutrient Removal process for pH control.

Compared to what was projected from the base year, the consumption of calcium hydroxide has significantly reduced due to process and use optimization. This resulted in unused funds from the base year, so only \$350,000 is needed for option year 2. W.K. Merriman was selected from the solicitation bid that was issued on September 8, 2015. They manufacture calcium hydroxide, and specialize in wastewater treatment technology.

Spending Previous Year:

Cumulative Contract Value:	03-07-2016 to 03-06-2018: \$1,334,400.00
Cumulative Contract Spending:	03-07-2016 to 01-16-2018: \$984,850.00

Contractor's Past Performance:

According to the COTR, the Contractor's quality of products and services, timeliness of deliverables; conformance to DC Water's policies, procedures and contract terms; and invoicing all meet expectations and requirements.

No LSB/LSBE participation

PROCUREMENT INFORMATION


Contract Type:	Fixed Price	Award Based On:	Lowest Responsive
Commodity:	Good and Services	Contract Number:	15-PR-WWT-52
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Operating	Department:	Wastewater Treatment
Project Area:	Blue Plains AWTP	Department Head:	Salil Kharkar

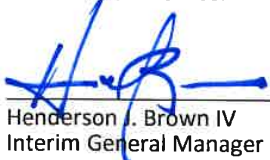
ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	41.92%	\$146,720.00
Washington Suburban Sanitary Commission	43.33%	\$151,655.00
Fairfax County	9.81%	\$34,335.00
Loudoun Water	4.29%	\$15,015.00
Potomac Interceptor	0.65%	\$2,275.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$350,000.00

 / 01/27/18
 Aklile Tesfaye
 Assistant General Manager,
 Blue Plains
 Date

 / 1/29/18
 Dan Bae
 Director of Procurement
 Date

 / 1/2/2018
 Matthew T. Brown
 Chief Financial Officer
 Date

 / 2/22/18
 Henderson L. Brown IV
 Interim General Manager
 Date

Presented and Approved: March 1, 2018
SUBJECT: Approval to Execute Contract No. 160190, IPR Northeast LLC

**#18-19
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 1, 2018 upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute Contract No. 160190, IPR Northeast LLC.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute Contract No. 160190, IPR Northeast LLC. The purpose of the contract is to rehabilitate (using structural geopolymer) approximately 4,350 linear feet of 10-foot span through 18-foot span arch sewer tunnel. The contract amount is \$6,065, 069.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT:

**B Street/New Jersey Avenue Trunk Sewer Rehabilitation & Cleaning Phase 1
(Joint Use)**

Approval to execute a construction contract for \$6,065,069.00

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
IPR Northeast LLC 10555 Tucker St Beltsville, MD 20705 <u>Headquarters</u> Conyers, GA	Savin Engineers Landover, MD	MBE 3.2%
	Reviera Enterprises Forestville, MD	MBE 3.9%
	JD Bellfield Enterprises Jessup, MD	MBE 1.8%
	CADED Consulting Gaithersburg, MD	MBE 0.4%
	Advantage Manhole & Concrete Services Inc. Houston, TX	WBE 2.1%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$ 6,065,069.00
Contract Time:	730 Days (2 Years, 0 Months)
Anticipated Contract Start Date (NTP):	04-02-2018
Anticipated Contract Completion Date:	04-01-2020
Bid Opening Date:	01-17-2018
Bids Received:	5
Other Bids Received	
Coastal Gunit Construction Co.	\$ 8,849,745.00
Spinello Companies	\$ 9,833,000.00
Northeast Remsco Construction	\$14,884,580.00
Sak Construction	\$16,980,375.00

Purpose of the Contract:

The B Street/New Jersey Avenue Trunk Sewer has a deteriorated tunnel lining with several areas at risk of structural failures if not addressed. In addition 15 manholes are in need of rehabilitation and at least 1,800 Cubic Yards of debris built up inside the sewer must be removed.

Contract Scope:

- Rehabilitating (using structural geopolymer) approximately 4,350 linear feet of 10-foot span through 18-foot span arch sewer tunnel (arch only).
- Rehabilitating approximately 15 sewer manholes and heavy cleaning.

Federal Grant Status:

- Construction Contract is eligible for Federal grant funding assistance; inclusion in grant is pending availability of grant funds.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	160190
Contractor Market:	Open Market		

BUDGET INFORMATION


Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Sanitary	Department Head:	Craig Fricke
Project:	J0, DN		


ESTIMATED USER SHARE INFORMATION


User	Share %	Dollar Amount
District of Columbia	85.20%	\$ 5,167,438.79
Federal Funds*	0.00%	\$
Washington Suburban Sanitary Commission	14.80%	\$ 897,630.21
Fairfax County	0.00%	\$
Loudoun County & Potomac Interceptor	0.00%	\$
Total Estimated Dollar Amount	100.00%	\$ 6,065,069.00

*Eligible for Federal Grant Funding at 45% of the District of Columbia share. Grant funding is insufficient to fund all eligible contracts. Federal Grant Funding may be used if additional funding becomes available or if other eligible projects are postponed.

 , 2/8/18
 _____ Date
 Matthew T. Brown
 Chief Financial Officer

 , 2/8/18
 _____ Date
 Dan Bae
 Director of Procurement

 , 2-6-18
 _____ Date
 Leonard R. Benson
 Chief Engineer

 , 2-22-18
 _____ Date
 Henderson J. Brown IV
 Interim CEO and General Manager

Presented and Approved: March 1, 2018
SUBJECT: Approval to Execute Contract No. 170170, Capitol Paving of DC Inc.

#18-20
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 1, 2018 upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute Contract No. 170170, Capitol Paving of DC Inc.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute Contract No. 170170, Capitol Paving of DC Inc. The purpose of the contract is to provide permanent restoration of paved and non-paved surfaces in public space after the completion of repair and replacement activities by the Department of Water Services and the Department of Sewer Services. The contract amount is \$21,584,324.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT:

**Public Space Restoration Contract FY18 – FY21
(Joint Use)**

Approval to execute a construction contract for \$ 21,584,324.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Capitol Paving of DC Inc. 2211 Channing St. NE Washington, DC 20018	Aves Construction Corporation Temple Hills, MD MBE	20.0%
	Myles Trucking, LLC Clinton MD MBE	12.0%
	Acorn Supply and Distribution, Inc. White March, MD WBE	6.0%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$21,584,324.00
Contract Time:	1096 Days (3 Years, 0 Months)
Anticipated Contract Start Date (NTP):	04-09-2018
Anticipated Contract Completion Date:	04-08-2021
Bid Opening Date:	01-17-2018
Bids Received:	3
Other Bids Received:	
Fort Myer Construction Corp	\$21,932,517.00
Civil Construction, LLC	\$24,806,200.00

Purpose of the Contract:

Permanent restoration of paved and non-paved surfaces in public space after the completion of repair and replacement activities by the Department of Water Services and the Department of Sewer Services.

Contract Scope:

- Restore and/or replacement of asphalt and concrete roadways, brick and concrete sidewalks, landscaped areas, and other miscellaneous repairs that result from excavations performed in public space.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	170170
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Water Services & Sewer Services
Service Area:	Water, Sanitary	Department Head:	Jason Hughes
Project:	BW, H5, HM, JH, LO, H6, HN, JI, LN, HY, JA, GQ, KW, 1300900		

ESTIMATED USER SHARE INFORMATION

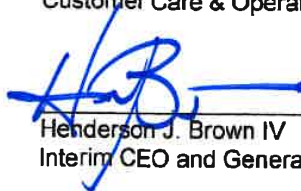
User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 21,584,324.00
Federal Funds	0.00%	\$
Washington Suburban Sanitary Commission	0.00%	\$
Fairfax County	0.00%	\$
Loudoun County & Potomac Interceptor	0.00%	\$
Total Estimated Dollar Amount	100.00%	\$ 21,584,324.00

* Work under this contract will be assigned as needed under specific task orders. It is anticipated that Joint Use work may be assigned during the contract period. As tasks are developed for work associated with specific facilities and costs are developed, the individual users will be notified and billed according to agreed cost sharing.

 2/5/18
 Matthew T. Brown Date
 Chief Financial Office

 2/8/18
 Dan Bae Date
 Director of Procurement

 2/5/18
 Charles Kiely Date
 Assistant General Manager
 Customer Care & Operations

 2/22/18
 Henderson J. Brown IV Date
 Interim CEO and General Manager

Presented and Adopted: March 1, 2018
Subject: Approval of Proposed Fiscal Year 2018 - 2027 Capital Improvement Program

#18-21
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority, (“DC Water”) at its meeting on March 1, 2018, upon consideration of a joint-use matter, decided by a vote of ____ () in favor and ____ () opposed, to take the following action with respect to the Fiscal Year 2018 - 2027 Capital Improvement Program (10-Year Disbursement Plan and Lifetime Budget).

WHEREAS, the Board’s financial policies require an annually updated 10-Year Financial Plan, which includes a 10-Year Capital Disbursement Plan; and

WHEREAS, on January 4, 2018, the Interim Chief Executive Officer and General Manager, Chief Engineer, Chief Operating Officer, and Chief Financial Officer, at the budget workshop briefed Board members on the Proposed 10-Year Disbursement Plan totaling \$4,002,125,000; and

WHEREAS, on January 18, 2018, the Environmental Quality and Operations Committee, reviewed the budget proposals and discussed in detail the alternative budget scenarios, budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, on January 23, 2018, the Finance & Budget and DC Retail Water & Sewer Rates Committees, in a joint meeting, reviewed the budget proposals and discussed in detail the alternative budget scenarios, budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, on February 15, 2018, the Environmental Quality and Operations Committee, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts and recommended that the Board adopt the Proposed 10-Year Disbursement Plan totaling \$4,002,125,000, related Lifetime Budget, which totals \$11,131,895,000; and

WHEREAS, on February 22, 2018, the Finance & Budget Committee, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts. The Finance & Budget Committee recommended that the Board adopt the Proposed 10-Year Disbursement Plan totaling \$4,002,125,000, and related Lifetime Budget, which totals \$11,131,895,000.

NOW THEREFORE, BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's Fiscal Year 2018 – 2027 Capital Improvement Program with the 10-Year Disbursement Plan totaling \$4,002,125,000, related Lifetime Budget which totals \$11,131,895,000 (Attachment A-1), and as further detailed in the Interim Chief Executive Officer and General Manager's Proposed Fiscal Year 2019 Budget, presented on January 4, 2018 and accompanying materials.

This resolution is effective immediately.

Secretary to the Board of Directors

Capital Improvement Program

10-Year Disbursement Plan - projected annual cash disbursements, \$ in thousands

Attachment A-I

	FY 2018 - FY 2027 Proposed Disbursement Plan										10-Yr Total	Lifetime Budget
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY2027		
NON PROCESS FACILITIES												
Facility Land Use	\$32,194	\$33,107	\$18,907	\$7,860	\$1,551	\$25	\$6,615	\$7,773	\$0	\$0	\$108,032	\$169,147
Subtotal	32,194	33,107	18,907	7,860	1,551	25	6,615	7,773	0	0	108,032	169,147
WASTEWATER TREATMENT												
Liquid Processing	18,554	30,869	37,604	38,228	44,507	35,458	29,607	31,846	74,033	109,131	449,838	1,224,582
Plantwide	12,099	15,060	19,331	32,895	35,204	30,100	18,795	17,671	20,384	10,534	212,072	488,216
Solids Processing	11,229	13,942	18,154	15,302	8,770	1,953	1,288	723	533	555	72,448	802,911
Enhanced Nitrogen Removal Facilities	53,603	14,746	2,763	1,535	1,339	2,049	1,918	11,932	22,673	9,032	121,590	1,036,089
Subtotal	95,485	74,617	77,853	87,960	89,820	69,560	51,607	62,172	117,623	129,252	855,948	3,551,799
COMBINED SEWER OVERFLOW												
DC Clean Rivers	168,314	189,392	148,042	138,289	192,859	151,111	59,569	50,018	128,404	87,197	1,313,196	2,764,255
Program Management	1,934	1,969	2,518	3,495	4,373	4,339	3,012	1,821	0	0	23,460	64,663
Combined Sewer	11,568	8,982	9,993	6,337	5,853	9,058	17,112	13,772	7,393	5,622	95,691	323,002
Subtotal	181,816	200,343	160,554	148,121	203,086	164,508	79,692	65,611	135,797	92,819	1,432,348	3,151,920
STORMWATER												
Local Drainage	92	75	354	69	629	267	861	1,050	219	0	3,617	14,230
On-Going	375	1,074	668	617	744	722	760	464	752	736	6,912	11,315
Pumping Facilities	69	3,410	375	1,134	4,065	19	0	0	305	1,397	10,774	25,232
DDOT	0	0	0	0	0	0	0	0	0	0	0	3,237
Research and Program Management	314	156	36	115	402	204	163	128	0	0	1,517	12,013
Trunk/Force Sewers	95	194	966	377	0	0	0	0	0	0	1,632	15,365
Subtotal	945	4,909	2,400	2,312	5,839	1,212	1,784	1,642	1,276	2,133	24,452	81,392
SANITARY SEWER												
Collection Sewers	4,488	1,244	1,088	7,929	19,594	9,139	11,139	25,253	31,888	18,343	130,105	407,999
On-Going	10,001	9,618	9,475	10,399	9,982	10,535	11,079	11,402	11,589	12,023	106,103	206,045
Pumping Facilities	1,294	428	842	2,332	1,005	1,559	214	0	0	0	7,674	36,151
Program Management	2,999	3,075	7,205	5,032	6,410	6,977	6,128	5,151	1,624	115	44,716	124,972
Interceptor/Trunk Force Sewers	11,019	18,583	15,436	27,358	37,501	45,706	47,353	17,076	15,667	8,191	243,890	754,870
Subtotal	29,802	32,947	34,046	53,050	74,492	73,917	75,912	58,882	60,769	38,672	532,490	1,530,036
WATER												
Distribution Systems	28,353	22,924	56,015	35,946	23,051	29,648	52,339	79,039	81,503	69,487	478,306	1,235,949
Lead Program	3,422	1,487	1,252	1,422	1,528	1,658	1,718	903	235	75	13,700	209,245
On-Going	11,079	11,044	7,569	9,982	9,930	10,183	10,793	11,157	12,429	12,636	106,802	143,288
Pumping Facilities	3,286	1,857	4,561	4,248	4,193	1,840	8,023	1,668	211	0	29,887	118,394
DDOT	904	486	208	2	2	0	0	0	0	0	1,604	33,933
Storage Facilities	7,560	4,967	8,088	3,488	2,099	5,106	9,371	2,343	0	0	43,021	107,520
Program Management	3,441	2,982	6,563	7,252	7,438	5,035	5,812	4,551	6,966	7,312	57,352	90,944
Subtotal	58,044	45,747	84,256	62,341	48,241	53,471	88,055	99,661	101,344	89,510	730,672	1,939,272
CAPITAL PROJECTS	398,285	391,670	378,015	361,644	423,029	362,694	303,666	295,742	416,809	352,386	3,683,941	10,423,566
CAPITAL EQUIPMENT	39,898	34,518	29,383	27,998	9,579	10,306	10,850	11,177	12,122	12,303	198,133	198,133
WASHINGTON AQUEDUCT	11,768	12,930	12,944	13,039	13,039	12,312	11,768	11,441	10,496	10,315	120,052	120,052
ADDITIONAL CAPITAL PROGRAMS	51,665	47,448	42,327	41,037	22,618	22,618	22,618	22,618	22,618	22,618	318,185	318,185
LABOR												390,145
TOTAL CAPITAL BUDGETS	\$449,950	\$439,118	\$420,342	\$402,681	\$445,647	\$385,312	\$326,284	\$318,360	\$439,427	\$375,004	\$4,002,125	11,131,895

Presented and Adopted: March 1, 2018
SUBJECT: Approval of Fiscal Year 2018 - 2027 Ten-Year Financial Plan

#18-22
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”) at its meeting held on March 1, 2018 upon consideration of a joint-use matter decided by a vote of ___ () in favor and ___ () opposed, to take the following action with respect to the Fiscal Year 2018 - 2027 Financial Plan.

WHEREAS, prudent utility financial management requires a long-term financial plan that integrates common elements of the ten-year capital improvement program, future capital financing plans, projected operating and maintenance budgets, revenue requirements and projected rate increases to support long-term capital and operating needs; and

WHEREAS, the Board, in Resolutions 11-10 and 13-57, adopted a series of financial policies in the areas of capital financing, long-term financial planning, and rate-setting to assure the short-term and long-term financial health of DC Water; and

WHEREAS, adherence to these financial policies has allowed the DC Water to receive strong bond ratings that will reduce debt service costs over the ten-year planning period; and

WHEREAS, consistent with the Board policies, the General Manager has prepared a ten-year financial plan in conjunction with the proposed FY 2019 operating and capital budgets; and

WHEREAS, the ten-year financial plan is based on assumptions detailed in the proposed Fiscal Year 2019 Operating and Capital Budgets; and

WHEREAS, the ten-year financial plan is consistent with projections appearing in the attached Schedules A, B and C of this resolution; and

WHEREAS, on January 23, 2018, the DC Retail Water and Sewer Rates Committee met and reviewed the proposed ten-year financial plan, but did not recommend the plan to the Board and asked staff to review the proposed \$4.0 billion Capital Investment Plan (CIP) baseline and alternative CIP scenarios; and

WHEREAS, on February 20, 2018, and February 22, 2018, the DC Retail Water and Sewer Rates Committee and Finance and Budget Committee, respectively, met and reviewed the proposed ten-year financial plan, and recommended that the Board adopt the plan as recommended by the General Manager.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby accepts and approves the proposed Fiscal Year 2018 - 2027 Financial Plan that is supported by the attached Schedule A, B and C and the proposed Fiscal Year 2019 Operating and Capital Budgets.

This resolution is effective immediately.

Secretary to the Board of Directors

Schedule A

**District of Columbia Water & Sewer Authority
FY 2018 - FY 2027 Financial Plan
(In 000's)**

OPERATING	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<i>Retail*</i>	\$ 515,466	\$ 539,982	\$ 571,113	\$ 602,587	\$ 629,109	\$ 656,446	\$ 678,437	\$ 696,598	\$ 718,313	\$ 742,257
<i>Wholesale*</i>	76,028	79,237	81,614	84,062	86,584	89,182	91,857	94,613	97,451	100,375
<i>Other</i>	28,978	30,249	33,041	39,588	42,764	43,199	42,708	42,789	44,418	44,803
<i>RSF</i>	-	-	-	-	-	-	-	-	-	-
Operating Receipts (1)	\$ 620,472	\$ 649,467	\$ 685,768	\$ 726,237	\$ 758,456	\$ 788,827	\$ 813,002	\$ 834,000	\$ 860,182	\$ 887,436
Operating Expenses	(320,146)	(338,499)	(348,335)	(358,462)	(368,891)	(379,628)	(390,684)	(402,068)	(413,790)	(427,381)
Debt Service	(184,278)	(199,025)	(214,119)	(232,128)	(245,477)	(258,537)	(267,811)	(275,215)	(283,955)	(292,699)
Cash Financed Capital Improvement	\$ (35,260)	\$ (26,999)	\$ (28,556)	\$ (30,129)	\$ (37,747)	\$ (45,951)	\$ (47,491)	\$ (55,728)	\$ (64,648)	\$ (66,803)
Net Revenues After Debt Service	\$ 80,789	\$ 84,944	\$ 94,758	\$ 105,518	\$ 106,342	\$ 104,711	\$ 107,017	\$ 100,989	\$ 97,788	\$ 100,553
Operating Reserve-Beg Balance	147,212	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(16,019)	(7,321)	(1,500)	-	-	-	-	-	-	-
Project Billing Refunds	(4,000)	(4,000)	(4,000)	-	-	-	-	-	-	-
Transfers To RSF	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(67,982)	(73,624)	(89,258)	(105,518)	(106,342)	(104,711)	(107,017)	(100,989)	(97,788)	(100,553)
Operating Reserve - Ending Balance	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Rate Stabilization Fund Balance RSF (2)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)	\$ (61,450)
Senior Debt Service Coverage	489%	561%	545%	544%	575%	559%	659%	674%	648%	624%
Combined Debt Service Coverage	164%	161%	165%	168%	168%	167%	166%	166%	166%	166%
Actual/Projected Water/Sewer Rate Increases	5.0%	13.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
*Operating Receipts \$ Increase/Decrease										
Retail	20,228	24,515	31,131	31,474	26,522	27,338	21,991	18,161	21,715	23,945
Wholesale	(5,108)	3,209	2,377	2,448	2,522	2,598	2,675	2,756	2,838	2,924
*Operating Receipts % Increase/Decrease										
Retail	4.1%	4.8%	5.8%	5.5%	4.4%	4.3%	3.3%	2.7%	3.1%	3.3%
Wholesale	-6.3%	4.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

(1) Includes interest earnings on senior lien revenue bonds' debt service reserve fund
(2) FY 2018 planned transfers of \$0.0 million to Rate Stabilization Fund will maintain the total fund balance at \$61.45 million

Schedule B

**District of Columbia Water & Sewer Authority
FY 2018 - FY 2027 Average Residential Customer Monthly Bill**

	Units	Current FY 2018	Proposed FY 2019	Proposed FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 60.13	\$ 68.27	\$ 71.73	\$ 75.33	\$ 79.12	\$ 83.10	\$ 87.26	\$ 91.67	\$ 96.27	\$ 101.13
DC Water Clean Rivers IAC	ERU	25.18	23.00	25.58	29.07	31.33	33.62	34.66	34.75	35.45	36.46
DC Water Customer Metering Fee	5/8"	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86
DC Water Water System Replacement Fee ⁽³⁾	5/8"	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 95.47	\$ 101.43	\$ 107.47	\$ 114.56	\$ 120.61	\$ 126.88	\$ 132.08	\$ 136.58	\$ 141.88	\$ 147.75
Increase / Decrease		\$ 5.82	\$ 5.96	\$ 6.04	\$ 7.09	\$ 6.05	\$ 6.27	\$ 5.20	\$ 4.50	\$ 5.30	\$ 5.87
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 3.04	\$ 3.10	\$ 3.16	\$ 3.22	\$ 3.29	\$ 3.35	\$ 3.41	\$ 3.47	\$ 3.53	\$ 3.60
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.12	1.12	1.18	1.18	1.18	1.18	1.24	1.24	1.24	1.24
District of Columbia Stormwater Fee ⁽²⁾	ERU	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.83	\$ 6.89	\$ 7.01	\$ 7.07	\$ 7.14	\$ 7.20	\$ 7.32	\$ 7.38	\$ 7.44	\$ 7.51
Total Amount Appearing on DC Water Bill		\$ 102.30	\$ 108.32	\$ 114.48	\$ 121.63	\$ 127.75	\$ 134.08	\$ 139.40	\$ 143.96	\$ 149.32	\$ 155.26
Increase / Decrease Over Prior Year		\$ 5.95	\$ 6.02	\$ 6.16	\$ 7.15	\$ 6.12	\$ 6.33	\$ 5.32	\$ 4.56	\$ 5.36	\$ 5.94
Percent Increase in Total Bill		6.2%	5.9%	5.7%	6.2%	5.0%	5.0%	4.0%	3.3%	3.7%	4.0%

(1) Assumes average monthly consumption of 6.2 Ccf, or (4,638 gallons)

(2) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(3) DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015

Schedule C

District of Columbia Water & Sewer Authority
Retail Rates, Charges and Fees

	Units		Current FY 2018		Proposed FY 2019		Proposed FY 2020
DC Water Retail Rates Water (Residential Lifeline 0 - 4 Ccf)	Ccf	\$	3.39	\$	2.91	\$	3.06
DC Water Retail Rates Water (Residential > 4 Ccf)	Ccf	\$	4.26	\$	3.90	\$	4.10
DC Water Retail Rates Water (Multi-Family)	Ccf	\$	3.80	\$	3.37	\$	3.54
DC Water Retail Rates Water (Non-Residential)	Ccf	\$	4.40	\$	4.05	\$	4.25
DC Water Retail Rates Sewer	Ccf	\$	6.00	\$	7.75	\$	8.14
DC Water Clean Rivers IAC	ERU	\$	25.18	\$	23.00	\$	25.58
DC Water Customer Metering Fee	5/8"	\$	3.86	\$	3.86	\$	3.86
DC Water Water System Replacement Fee	5/8"	\$	6.30	\$	6.30	\$	6.30
District of Columbia PILOT Fee	Ccf	\$	0.49	\$	0.50	\$	0.51
District of Columbia Right-of-Way Fee	Ccf	\$	0.18	\$	0.18	\$	0.19
District of Columbia Stormwater Fee	ERU	\$	2.67	\$	2.67	\$	2.67

Presented and Adopted: March 1, 2018
**SUBJECT: Intent to Reimburse Capital Expenditures with Proceeds
of a Borrowing**

#18-23
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”), at the Board meeting held on December 1, 2016, upon consideration of a joint-use matter, decided by a vote of ___() in favor and ___() opposed, to take the following action.

WHEREAS, DC Water intends to acquire, construct and equip the items and projects set forth in Exhibit A hereto (collectively, the “Projects”); and

WHEREAS, plans for the Projects have advanced and DC Water expects to advance its own funds to pay expenditures related to the Projects (“Expenditures”) prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of tax-exempt bonds or notes or taxable debt, or both.

NOW THEREFORE BE IT RESOLVED THAT:

1. DC Water utilizes the proceeds of tax-exempt bonds, taxable bonds or notes (the “Bonds”) or other debt in an amount not currently expected to exceed \$410,000,000 to pay costs of the Projects. These costs include amounts heretofore unreimbursed pursuant to Resolution 16-95 of the Board adopted on December 1, 2016, plus amounts projected to be reimbursed during Fiscal Year 2018 – 2019.
2. DC Water intends to use the proceeds of the Bonds to reimburse itself for Expenditures with respect to the Projects made on or after the date that is 60 days prior to the date of this Resolution. DC Water reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.
3. Each Expenditure was or will be, unless otherwise supported by the opinion of bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of DC Water so long as such

grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of DC Water.

4. DC Water makes a reimbursement allocation, which is a written allocation by DC Water that evidences DC Water's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The DC Water recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" and expenditures for any construction, the completion of which is expected to require at least five years.
5. The Board adopts this resolution confirming the "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

This resolution is effective immediately.

Secretary to the Board of Directors

EXHIBIT A — LIST OF PROJECTS

Blue Plains Plantwide Projects
Blue Plains Enhanced Nitrogen Removal Facilities
Blue Plains Liquid and Solids Processing Projects
Sanitary Sewer System Projects
Combined Sewer System Projects
DC Clean Rivers Project
Stormwater Sewer System Projects
Water Pumping, Distribution and Storage Projects
Metering and Capital Equipment
Washington Aqueduct Projects

Presented and Adopted: March 1, 2018
Subject: Approval of Proposed Fiscal Year 2019 Operating Budget

#18-24
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority, (“DC Water”) at its meeting on March 1, 2018, upon consideration of a joint-use matter, decided by a vote of ___ () in favor and ___ () opposed, to take the following action with respect to the Fiscal Year 2019 Proposed Operating Budget.

WHEREAS, on January 4, 2018, the Interim Chief Executive Officer and General Manager, Chief Engineer, Chief Operating Officer, and Chief Financial Officer, at the budget workshop briefed Board members on the Proposed FY 2019 Operating Budget that totaled \$582,781,000; and

WHEREAS, on January 18, 2018, the Environmental Quality and Operations Committee reviewed the budget proposals and discussed in detail the alternative budget scenarios, budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, on January 23, 2018, the Finance and Budget Committee and the DC Retail Water and Sewer Rates Committee, in a joint meeting, reviewed the budget proposals and discussed in detail the alternative budget scenarios, budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts; and

WHEREAS, on February 22, 2018, the Finance and Budget Committee further reviewed the budget proposals, budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the FY 2019 Operating Budget that totals \$582,781,000.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water’s Proposed Fiscal Year 2019 Operating Budget totaling \$582,781,000 and as further detailed in the Interim Chief Executive Officer and General Manager’s Proposed Fiscal Year 2019 Budget presented on January 4, 2018 and accompanying materials.

This resolution is effective immediately.

Secretary to the Board of Directors

Presented and Approved: March 1, 2018

SUBJECT: Approval to Execute Contract No. 17-PR-CFO-42, IBS Management & Consultant Services, LLC, Mb Staffing Services, SDA Financial, SPS Consulting and vTech Solution Inc.

**#18-25
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 1, 2018 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 17-PR-CFO-42, IBS Management & Consultant Services, LLC, Mb Staffing Services, SDA Financial, SPS Consulting and vTech Solution Inc.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute Contract No. 17-PR-CFO-42, IBS Management & Consultant Services, LLC, Mb Staffing Services, SDA Financial, SPS Consulting and vTech Solution Inc. The purpose of the contract is to fulfill the on-going need for staff augmentation services for special projects and staff vacancies within the Office of the Chief Financial Officer and the Department of Customer Service. The contract amount is \$1,600,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT AWARD
FINANCIAL STAFF AUGMENTATION SERVICES
(Joint Use)**

Approval to execute new contract awards for financial staff augmentation services in the amount of \$1,600,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
IBS Management & Consultancy Services, LLC* 1627 K Street, NW, Suite 5027 Washington, DC 20036	N/A	100%
Mb Staffing Services* 819 7th Street, NW Washington, DC 20001	N/A	100%
SOA Financial* 4200 Forbes Boulevard, Suite 101 Lanham MD 20706	N/A	100%
SPS Consulting* 1901 Research Blvd., Suite 320 Rockville, MD 20850	N/A	100%
vTech Solution Inc.* 1100 H Street, NW Suite 450 Washington, DC 20005 *LSBE	N/A	100%

DESCRIPTION AND PURPOSE

Base Period Contract Value:	\$1,600,000.00
Base Contract Period:	1 Year
No. of Option Years:	2
Contract Start Date:	April 2, 2018
Base Period End Date:	April 3, 2019
Proposal Closing Date:	9-5-2017
Proposals Received:	21
First Year Estimate	\$0.00 - \$1,600,000.00
Preference Points Received:	10

Purpose of the Contract:

DC Water's Office of the Chief Financial Officer (CFO) and Department of Customer Service requires the services of competent and qualified firms to fulfill its on-going need for staff augmentation services for special projects, long and short-term projects and staff vacancies. These services are used when it is not feasible for DC Water to permanently hire staff for project of short duration such as support for budget preparation and analysis, annual financial audit, year-end close, future upgrade and/or replacement of financial system, insurance and risk analysis, temporary meter readers, customer service support and other projects. The services may be used when specialized or unique skills are required. This amount currently exceeds the budget available for this contract, and anticipated cost reductions in other line items will be used, as needed.

Contract Scope:

This contract will provide on an as-needed basis staffing support for Accounts Receivables, General Accounting, Accounts Payables, Internal Controls, Customer Service and Support and Financial Analysis.

Supplier Selection:

Procurement advertised and issued a Request for Proposal for the services. Twenty-one (21) firms responded to the solicitation. The award recommendation is based on the overall highest rated offerors.

Rank	Firm	Rank	Firm
1	Mb Staffing Services*	12	US IT Solutions
2	SPS Consulting*	13	Ask IT Consulting, Inc.
3	IBS Management & Consultancy Services, LLC*	14	Anglin Consulting Group*
4	vTech Solution Inc.*	15	New Beginnings, LLC*
5	SOA Financial*	16	Beyond The Bottom Line, Inc.*
6	Worldwide Staffing Exchange, LLC*	17	Midtown Personnel, Inc.*
7	Kforce, Inc. (Finance & Accounting)	18	Noor Associates, Inc.
8	Federal Management Systems, Inc.*	19	Tai Pedro & Associates, P.C.
9	Accurate Conceptions, LLC*	20	Infojini, Inc.
10	The CTS Group, LLC*	21	MindFinders*
11	NRI Staffing Resources*		*LBE/LSBE

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Highest Rating
Commodity:	Goods and Services	Contract Number:	17-PR-CFO-42
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

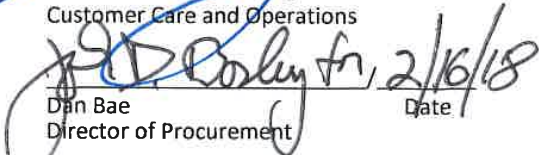
Funding:	Operating	Department:	Department of Customer Service and Office of the Chief Financial Officer
Service Area:	DC Water wide	Department Heads:	Carolyn A. MacKool and Matthew T. Brown

ESTIMATED USER SHARE INFORMATION

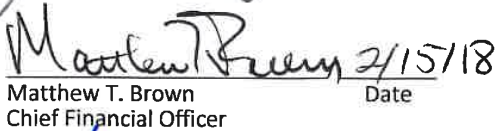
User	Share %	Dollar Amount
District of Columbia	83.65%	\$1,338,400.00
Washington Suburban Sanitary Commission	12.07%	\$193,120.00
Fairfax County	2.84%	\$45,440.00
Loudoun Water	1.25%	\$20,000.00
Other (PI)	.19%	\$3,040.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,600,000.00

 2/19/18
Date

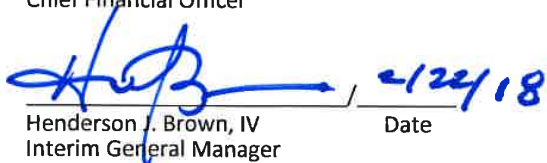
Charles Kiely
Assistant General Manager
Customer Care and Operations

 2/16/18
Date

Dan Bae
Director of Procurement

 2/15/18
Date

Matthew T. Brown
Chief Financial Officer

 2/22/18
Date

Henderson J. Brown, IV
Interim General Manager

Presented and Approved: March 1, 2018

**SUBJECT: Approval to Execute Additional Funding for Contract No.
WAS-12-002-AA-SH-1, Aclara Technologies**

**#18-26
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 1, 2018 upon consideration of a non-joint use matter, decided by a vote of __() in favor and __() opposed to execute additional funding for Contract No. WAS-12-002-AA-SH-1, Aclara Technologies.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute additional funding for Contract No. WAS-12-002-AA-SH-1, Aclara Technologies. The purpose of the additional funding is to continue the purchase and disposal of Meter Transmitter Units. The additional funding amount is \$1,037,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT FUNDING

Meter Transmitter Units

(Non-Joint Use)

Approval to add funding to contract #WAS-12-002-AA-SH for the purchase and disposal of Meter Transmitter Units in the amount of \$1,037,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Aclara Technologies 9900 A Clayton Road Saint Louis, MO 63124	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Base Year Contract Value:	\$490,000.00
Original Contract Dates:	12-16-2011—12-15-2012
No. of Option Years:	4
Prior Modification Values:	\$8,981,000.00
Prior Modification Dates:	12-16-2012 to 09-30-2018
This Modification Value:	\$1,037,000.00
This Modification Dates:	03-01-2018 to 09-30-2018

Purpose of the Contract:

This contract is to provide for the purchase and disposal of Meter Transmitter Units (MTUs) for the Department of Customer Care and Operations (CCO).

Contract Scope:

To provide 3400 Series MTUs for the purpose of replacing inoperable and aging equipment with new units to ensure correct measurements and meter readings on customer water consumption for billing. This contract also provides the safe disposal of MTUs removed as part of the Automated Meter Reading (AMR) Replacement Program.

This request includes \$847,000 for MTU purchases for both the AMR Program (\$716,000 worth, which have already been delivered) and ongoing meter program replacement requirements (\$131,000); and \$190,000 for MTU disposal for the AMR Replacement Program only.

Spending Previous Year:

Cumulative Contract Value:	12-16-2011 to 9-30-2018: \$9,471,000.00
Cumulative Contract Spending:	12-16-2011 to 12-31-2017: \$10,126,793.00

Contractor's Past Performance:

According to the COTR, the Contractor's quality of products and services, timeliness of deliverables; conformance to DC Water's policies, procedures and contract terms; and invoicing all meet or exceed expectations and requirements.

No LBE/LSBE participation.

PROCUREMENT INFORMATION			
Contract Type:	Firm Fixed	Award Based On:	Sole Source
Commodity:	Goods and Services	Contract Number:	WAS-12-002-AA-SH-1
Contractor Market:	n/a		

BUDGET INFORMATION			
Funding:	Capital	Department:	Customer Service
Service Area:	Capital Equipment	Department Head:	Carolyn Mackool
Project:	EQP2340STU & EQP2350STU	Use	AMR & Ongoing Meter Program

ESTIMATED USER SHARE INFORMATION		
User	Share %	Dollar Amount
District of Columbia	100.00%	\$1,037,000.00
Washington Suburban Sanitary Commission	0.00%	\$0.00
Fairfax County	0.00%	\$0.00
Loudoun County	0.00%	\$0.00
Other (PI)	0.00%	\$0.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,037,000.00



 Charles Kiely
 Assistant General Manager,
 Customer Care and Operations
 Date 2/1/18



 Matthew T. Brown
 Chief Financial Officer
 Date 12/1/2017



 Dan Bag
 Director of Procurement
 Date 2/1/18



 Henderson J. Brown IV
 Interim General Manager
 Date 2-22-18

Presented and Adopted: March 1, 2018

SUBJECT: Proposed Fiscal Year 2019 and Fiscal Year 2020 Metered Water and Sewer Service Rates, Right-of-Way (ROW), Payment-in-Lieu of Taxes (PILOT) Fee, and Clean Rivers Impervious Area Charge (CRIAC)

**#18-27
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”) at the Board meeting held on March 1, 2018 upon consideration of a non-joint use matter, decided by a vote of ___ () in favor and ___ () opposed, to approve the following action with respect to the proposed Fiscal Year 2019 and Fiscal Year 2020 Metered Retail Rates for Water and Sewer Service, Clean Rivers Impervious Area Charge (IAC), the Right-of- Way Occupancy Fee Pass Through Charge (ROW), and Payment In Lieu of Taxes Fee (PILOT).

WHEREAS, the Board has adopted a revised rate setting policy that calls for rates, charges and fees that, together with other revenue sources, yield a reliable and predictable stream of revenues that will generate sufficient revenues to pay for DC Water’s projected operating and capital expenses; and

WHEREAS, the Board has adopted various financial policies that require revenues to ensure compliance with Board policies regarding maintenance of senior debt coverage and cash reserves; and

WHEREAS, DC Water has three classes of customers: Residential, Multi-family and Non-Residential, in accordance with Section 4104 of Title 21 of the District of Columbia Municipal Regulations (DCMR); and

WHEREAS, on January 23, 2018, the DC Retail Water and Sewer Rates Committee met and reviewed proposed metered water and sewer service rates, ROW, PILOT and CRIAC and the proposed \$4.0 billion Capital Improvement Plan (CIP) baseline, but did not recommend the proposed rates fees and charges to the Board and asked staff to review the proposed \$4.0 billion CIP baseline and alternative CIP scenarios; and

WHEREAS, On February 20, 2018, the DC Retail Water and Sewer Rates Committee met, reviewed the proposed metered water and sewer service rates, ROW, PILOT and CRIAC and the proposed CIP Plan baseline as recommended by the General Manager; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.27 per one hundred cubic feet (“Ccf”) (\$1.70 per 1,000 gallons) for the first 4 Ccf of Residential customer’s water use (Lifeline) for FY 2019 and \$0.54 per one hundred cubic feet (“Ccf”) (\$0.72 per 1,000 gallons) for the first 4 Ccf of Residential customer’s water use (Lifeline) for FY 2020; and

WHEREAS, the increase in Lifeline water (Residential customer’s first 4 Ccf) and sewer rates will result in a combined water and sewer rate of \$10.66 per Ccf (\$14.25 per 1,000 gallons) of metered water and sewer use for FY 2019 and a combined water and sewer rate of \$11.20 per Ccf (\$14.97 per 1,000 gallons) for FY 2020; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.39 per Ccf (\$1.85 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2019 and a combined retail water and sewer rate increase of \$0.59 per Ccf (\$0.79 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2020; and

WHEREAS, the increase in water (Residential customers for water usage greater than 4 Ccf) and sewer rates will result in a combined water and sewer rate of \$11.65 per Ccf (\$15.57 per 1,000 gallons) of metered water and sewer use for FY 2019 and a combined water and sewer rate of \$12.24 per Ccf (\$16.36 per 1,000 gallons) of metered water and sewer use for FY 2020; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.32 per Ccf (\$1.77 per 1,000 gallons) for Multi-family customers for FY 2019 and a combined retail water and sewer rate increase of \$0.56 per Ccf (\$0.74 per 1,000 gallons) for Multi-family customers for FY 2020; and

WHEREAS, the increase in Multi-family customer water and sewer rates will result in a combined water and sewer rate of \$11.12 per Ccf (\$14.87 per 1,000 gallons) of metered water and sewer use for FY 2019 and a combined water and sewer rate of \$11.68 per Ccf (\$15.61 per 1,000 gallons) of metered water and sewer use for FY 2020; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.40 per Ccf (\$1.88 per 1,000 gallons) for Non-Residential customers for FY 2019 and a combined retail rate increase of \$0.59 per Ccf (\$0.78 per 1,000 gallons) for Non-Residential customers for FY 2020; and

WHEREAS, the increase in Non-Residential customer water and sewer rates will result in a combined water and sewer rate of \$11.80 per Ccf (\$15.78 per 1,000 gallons) of metered water and sewer use for FY 2019 and a combined water and sewer rate of

\$12.39 per Ccf (\$16.56 per 1,000 gallons) of metered water and sewer use for FY 2020; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment a monthly decrease in the Clean Rivers Impervious Area Charge of (\$2.18) per Equivalent Residential Unit (ERU) for FY 2019 and a monthly increase in the Clean Rivers Impervious Area Charge of \$2.58 per Equivalent Residential Unit (ERU) for FY 2020 to recover the \$2.6 billion costs of the Combined Sewer Overflow Long-Term Control Plan (CSO-LTCP); and

WHEREAS, the DC Retail Rates Committee recommended that the Board maintain the ROW fee at the current amount of \$0.18 per Ccf (\$0.24 per 1,000 gallons) of water used for FY 2019 and that the Board consider for public comment, an increase in the ROW fee of \$0.01 per Ccf (\$0.01 per 1,000 gallons) for FY 2020 to recover the full cost of the District of Columbia government; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the PILOT fee of \$0.01 per Ccf (\$0.01 per 1,000 gallons) for FY 2019 and an increase in the PILOT fee of \$0.01 per Ccf (\$0.01 per 1,000 gallons) for FY 2020 to recover the full cost of the District of Columbia government fees; and

WHEREAS, adoption of these rates and fee changes would increase the monthly bill of the average Residential customer using 6.20 Ccf (or 4,638 gallons) by approximately \$6.02 per month or \$72.24 per year for FY 2019 and by approximately \$6.16 per month or \$73.92 per year for FY 2020; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2019 reflect an approximate \$27.2 million increase due to the proposed \$37.9 million increase in retail water and sewer rates, an approximate \$0.1 million increase due to the proposed PILOT fee increase, and an approximate \$10.8 million decrease due to the proposed Clean Rivers IAC decrease; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2020 reflect an approximate \$26.8 million increase due to the proposed \$14.2 million increase in retail water and sewer rates, an approximate \$0.4 million increase due to the proposed PILOT fee increase, and an approximate \$12.2 million increase due to the proposed Clean Rivers IAC increase; and

WHEREAS, DC Retail Water and Sewer Rates Committee recommended that the Board take final action on the proposed rate and fee increases at the conclusion of the public notification and comment period, which will occur over the next several months.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board finds that DC Water’s projected expenditures require that it propose, for public comment, the rate and fee increases described below:

Retail Metered Water Service Rates

- a. An increase in the rate for metered water services:

	FY 2018		FY 2019		FY 2020		FY 2019 vs. FY 2018		FY 2020 vs. FY 2019	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers - (0 – 4)	\$3.39	\$4.53	\$2.91	\$3.89	\$3.06	\$4.09	(\$0.48)	(\$0.64)	\$0.15	\$0.20
Residential customers – (> 4)	\$4.26	\$5.70	\$3.90	\$5.21	\$4.10	\$5.48	(\$0.36)	(\$0.49)	\$0.20	\$0.27
Multi-Family customers	\$3.80	\$5.08	\$3.37	\$4.51	\$3.54	\$4.73	(\$0.43)	(\$0.57)	\$0.17	\$0.22
Non-Residential customers	\$4.40	\$5.88	\$4.05	\$5.42	\$4.25	\$5.68	(\$0.35)	(\$0.46)	\$0.20	\$0.26

**Retail Sewer Service Rates
(Metered and Unmetered)**

- b. An increase in the rate for metered sewer services:

	FY 2018		FY 2019		FY 2020		FY 2019 vs. FY 2018		FY 2020 vs. FY 2019	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$6.00	\$8.02	\$7.75	\$10.36	\$8.14	\$10.88	\$1.75	\$2.34	\$0.39	\$0.52
Multi-Family customers	\$6.00	\$8.02	\$7.75	\$10.36	\$8.14	\$10.88	\$1.75	\$2.34	\$0.39	\$0.52
Non-Residential customers	\$6.00	\$8.02	\$7.75	\$10.36	\$8.14	\$10.88	\$1.75	\$2.34	\$0.39	\$0.52

- c. A decrease in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$302.16 to \$276.00 per Equivalent Residential Unit (ERU) in FY 2019 and an increase in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$276.00 to \$306.96 per Equivalent Residential Unit (ERU) in FY 2020.

The charge per ERU will be billed monthly at:

	FY 2018	FY 2019	FY 2020	FY 2019 vs. FY 2018	FY 2020 vs. FY 2019
	ERU	ERU	ERU	ERU	ERU
Residential customers	\$25.18	\$23.00	\$25.58	(\$2.18)	\$2.58
Multi-Family customers	\$25.18	\$23.00	\$25.58	(\$2.18)	\$2.58
Non-Residential customers	\$25.18	\$23.00	\$25.58	(\$2.18)	\$2.58

**District of Columbia Pass Through Charge
Right-of-Way Occupancy / PILOT Fee**

d. There is no increase in the **Right-of-Way (ROW) Occupancy Fee** in FY 2019.

An increase in the **ROW Occupancy Fee** for FY 2020:

	FY 2018		FY 2019		FY 2020		FY 2019 vs. FY 2018		FY 2020 vs. FY 2019	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Incr. / (Decr.)	Incr. / (Decr.)	Incr. / (Decr.)	Incr. / (Decr.)
Residential customers	\$0.18	\$0.24	\$0.18	\$0.24	\$0.19	\$0.25	\$0.00	\$0.00	\$0.01	\$0.01
Multi-Family customers	\$0.18	\$0.24	\$0.18	\$0.24	\$0.19	\$0.25	\$0.00	\$0.00	\$0.01	\$0.01
Non-Residential customers	\$0.18	\$0.24	\$0.18	\$0.24	\$0.19	\$0.25	\$0.00	\$0.00	\$0.01	\$0.01

e. An increase in the **Payment-in-Lieu of Taxes (PILOT) Fee** for FY 2019 and FY 2020:

	FY 2018		FY 2019		FY 2020		FY 2019 vs. FY 2018		FY 2020 vs. FY 2019	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Incr. / (Decr.)	Incr. / (Decr.)	Incr. / (Decr.)	Incr. / (Decr.)
Residential customers	\$0.49	\$0.66	\$0.50	\$0.67	\$0.51	\$0.68	\$0.01	\$0.01	\$0.01	\$0.01
Multi-Family customers	\$0.49	\$0.66	\$0.50	\$0.67	\$0.51	\$0.68	\$0.01	\$0.01	\$0.01	\$0.01
Non-Residential customers	\$0.49	\$0.66	\$0.50	\$0.67	\$0.51	\$0.68	\$0.01	\$0.01	\$0.01	\$0.01

2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to initiate the public comment process and provide notice of the proposed rate adjustments and fees and public hearing in the manner provided by the District of Columbia's Administrative Procedure Act and 21 DCMR Chapter 40.

This resolution is effective immediately.

Secretary to the Board of Directors

Presented and Adopted: March 1, 2018

Subject: Approval for Notice of Proposed Rulemaking to Amend the District of Columbia Fire Protection Service Fee

**#18-28
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“the DC Water”) at the Board meeting held on March 1, 2018 decided, in a non-joint use matter, by a vote of ____ () in favor and ____ () opposed, to take the following action with respect to the proposed Fire Protection Service Fee.

WHEREAS, DC Water establishes rates, fees and charges in accordance with its Rate Setting Policy (Board Resolution #11-10), including the recovery of current costs to provide service; and

WHEREAS, DC Water provides Fire Protection Services to the District, including but not limited to the delivery of water for firefighting, inspection, maintenance and upgrading of public fire hydrants in the District of Columbia pursuant to a Memorandum of Understanding (MOU) between the DC Water and District of Columbia Fire Emergency Medical Services (FEMS) Department, effective May 3, 2013; and

WHEREAS, pursuant to section 3.0 of the MOU, DC Water is required to establish the amount of the payments “through the DC Rate Making process that applies to all DC Water rates and fees and is outlined in the DC Municipal Regulations”; and

WHEREAS, the MOU also requires the rates to be “reviewed and revisions proposed every three years through an independent Cost of Services study”; and

WHEREAS, DC Water has prepared a Cost of Services Study entitled, “Report Regarding Fire Services Charges,” dated February 13, 2018, which, based on the escalation of costs and past underpayments, recommends to maintain the Fire Protection Service Fee at Ten Million Seven Hundred Ninety Six Thousand Dollars (\$10,796,000) for fiscal year (FY) 2018, and increase the Fire Protection Service Fee to Twelve Million Five Hundred Twenty Seven Thousand Dollars (\$12,527,000) per fiscal year for FY 2019, FY 2020, and FY 2021; and

WHEREAS, the DC Retail Water and Sewer Rates Committee met on February 20, 2018 to consider the proposed Fire Protection Service Fee increase; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment an increase in the Fire Protection Service Fee as proposed by DC Water; and

WHEREAS, the Board wishes to proceed with this amendment to 21 DCMR Section 4103 (Fire Protection Service Fee).

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board finds that DC Water's cost of service study justifies the increase in the Fire Protection Service fee at 21 DCMR 4103 as provided below:

4103 FIRE PROTECTION SERVICE FEE

- 4103.1 The Charge to the District of Columbia for fire protection service, including, but not limited to the delivery of water flows for firefighting as well as maintaining and upgrading public fire hydrants in the District of Columbia, (plus the cost of fire hydrant inspections performed by the DC Fire and Emergency Medical Services) shall be Ten Million Seven Hundred Ninety Six Thousand Dollars (\$10,796,000) for fiscal year (FY) 2018 and Twelve Million Five Hundred Twenty Seven Thousand Dollars (\$12,527,000) per fiscal year for FY 2019, FY 2020, and FY 2021.
 - 4103.2 The fee may be examined every three years to determine if the fee is sufficient to recoup the actual costs for providing this service.
 - 4103.3 In the event the actual costs are not being recouped, the District of Columbia shall pay the difference and the fee will be appropriately adjusted pursuant to the rulemaking process.
 - 4103.4 In the event the costs paid by the District of Columbia exceed DC Water's actual costs, the fee shall be adjusted pursuant to the rulemaking process.
2. The General Manager is authorized to take all steps necessary in his judgement and as otherwise required, to publish the Notice of Proposed Rulemaking in the *D.C. Register* and receive comments in the manner provided by the District of Columbia Administrative Procedure Act.
 3. This resolution shall be effective immediately.

Secretary to the Board of Directors

Presented and Adopted: March 1, 2018

SUBJECT: Approval for Publication of the Notice of Proposed Rulemaking to Amend the System Availability Fee (SAF)

**#18-29
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“the Authority”) at its meeting held on March 1, 2018 upon consideration of a joint-use matter decided by a vote of ___ () in favor and ___ () opposed, to take the following action with respect to authorizing the publication of the Notice of Proposed Rulemaking to Amend the System Availability Fee (SAF).

WHEREAS, on June 17, 2016, DC Water published a Notice of Final Rulemaking for amendments to the System Availability Fee (SAF) and relevant definitions in the *D.C. Register* at 63 DCR 8505, effective January 1, 2018; and

WHEREAS, in November 2017, the Authority received reports from the Board Chair, the Mayor’s Office and the development community that implementing the SAF regulations on the effective date of January 1, 2018 could present significant fiscal impacts to the District’s New Communities Initiative, which includes development and redevelopment (one for one replacement and/or augmentation) of affordable housing units in the Barry Farm, Lincoln Heights/ Richardson Dwellings, NW1, and Park Morton communities; and

WHEREAS, each of the above redevelopment projects are projected to increase the availability of affordable housing units in the District and it is possible that negative fiscal impacts will impede these redevelopment these projects and may have an immediate impact on preservation of the public peace, health, safety, welfare, or morals; and

WHEREAS, on December 7, 2017, the DC Retail Water and Sewer Rates Committee recommended that the Board amend the SAF regulations through an Emergency and Proposed Rulemaking to revise the effective date of the SAF regulations from January 1, 2018 to June 1, 2018 in order to allow sufficient time for the Board to evaluate the potential for and likelihood of negative fiscal impacts to affordable housing, and consider options to lessen such impacts, yet still achieve the purposes of the SAF; and

WHEREAS, the Board, after consideration of the recommendations of the DC Retail Water and Sewer Rates Committee, and upon further consideration and discussion, agreed to approve the amendment of the SAF regulations through an Emergency and Proposed Rulemaking to revise the effective date of the SAF regulations from January 1,

2018 to June 1, 2018 for the immediate preservation of public peace, health, safety, welfare, or morals; and

WHEREAS, on December 22, 2017, DC Water published a Notice of Emergency and Proposed Rulemaking to revise the effective date of the SAF regulations from January 1, 2018 to June 1, 2018 in the *D.C. Register* at 64 DCR 013134, effective January 1, 2018.

WHEREAS, on January 23, 2018, the DC Retail Water and Sewer Rates Committee met to consider the comments received during the public comment period, and recommended that the Board amend the SAF regulations through a Notice of Final Rulemaking to revise the effective date of the SAF regulations from January 1, 2018 to June 1, 2018 in order to allow sufficient time for the Board to evaluate the potential for and likelihood of negative fiscal impacts to affordable housing, and consider options to lessen such impacts, yet still achieve the purposes of the SAF; and

WHEREAS, after consideration of the recommendations of the DC Retail Water and Sewer Rates Committee, the District members of the Board of Directors, upon further consideration and discussion, agreed to take final action to amend the effective date for the SAF regulations from January 1, 2018 to June 1, 2018; and

WHEREAS, On February 9, 2018, DC Water conducted an open house to receive comments on the SAF regulations from the development community and specifically impacts of the SAF on affordable housing units; and

WHEREAS, on February 20, 2018, the DC Retail Water and Sewer Committee met to consider the comments received during the open house, and the General Managers proposed revisions to the SAF regulations, and recommended that the Board amend the SAF regulations through a Notice of Proposed Rulemaking to address impacts on projects with significant affordable housing components and other issues.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby adopts and approves the proposed revisions to the SAF regulations.
2. The Board directs the General Manager to amend the Authority's Water Supply regulations at 21 DCMR § 112.11 as provided in Attachment A, and to take all steps necessary in his judgment and as otherwise required, to publish the Notice of Proposed Rulemaking for public comment in the manner provided by the District of Columbia's Administrative Procedure Act.

This resolution shall be effective immediately.

Secretary to the Board of Directors

Attachment A – SAF Notice of Proposed Rulemaking

Chapter 1, WATER SUPPLY, of Title 21 DCMR, WATER AND SANITATION, is amended as follows:

Section 112, FEES, is amended by revising the effective date of Subsection 112.11 to read as follows:

112.11 Effective June 1, 2018, DCRA Construction Permit Applicants and federal facilities shall be assessed a System Availability Fee (SAF) for new water and sewer connections and renovation or redevelopment projects for existing connections to the District’s potable water and sanitary sewer systems based on the SAF meter size in accordance with the following fee schedule and requirements:

- (a) Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
5/8"	\$ 1,135	\$ 2,809	\$ 3,944
3/4"	\$ 1,135	\$ 2,809	\$ 3,944
1"	\$ 1,135	\$ 2,809	\$ 3,944
1"x1.25"	\$ 2,047	\$ 5,066	\$ 7,113
1.5"	\$ 5,491	\$ 13,591	\$ 19,082
2"	\$ 11,125	\$ 27,536	\$ 38,661
3"	\$ 32,500	\$ 80,442	\$ 112,942

- (b) Multi-Family and all Non-Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
1" or smaller	\$ 1,282	\$ 3,173	\$ 4,455
1"x1.25"	\$ 2,047	\$ 5,066	\$ 7,113
1.5"	\$ 5,491	\$ 13,591	\$ 19,082
2"	\$ 11,125	\$ 27,536	\$ 38,661
3"	\$ 32,500	\$ 80,442	\$ 112,942
4"	\$ 83,388	\$ 206,394	\$ 289,782
6"	\$ 229,246	\$ 567,408	\$ 796,654
8"	\$ 229,246	\$ 567,408	\$ 796,654
8"x2"	\$ 229,246	\$ 567,408	\$ 796,654
8"x4"x1"	\$ 229,246	\$ 567,408	\$ 796,654
10"	\$ 229,246	\$ 567,408	\$ 796,654
12"	\$ 229,246	\$ 567,408	\$ 796,654
16"	\$ 229,246	\$ 567,408	\$ 796,654

- (c) The SAF meter size shall be computed for the peak water demand, excluding fire demand in accordance with D.C. Construction Codes Supplement, as amended, Chapter 3 (Water Meters) of this title, and DC Water's Meter Sizing Instructions and Worksheets.
- (d) The System Availability Fee shall be assessed for any premise, building or structure that requires a new metered water service connection to the District's potable water and/or sanitary sewer systems.
- (e) The System Availability Fee shall be assessed for renovation or redevelopment projects for any premise, building or structure that uses an existing metered water service connection to the District's potable water and/or sanitary sewer systems.
- (f) For a renovation or redevelopment project on a property that already had/has a DC Water meter(s) and account(s), DC Water shall determine the net System Availability Fee based on the difference between the property's new System Availability Fee determined by the SAF meter size(s) and the System Availability Fee determined by the old meter size(s) for the meters(s) being removed from the system.
- (g) Properties under renovation or redevelopment shall not receive a System Availability Fee credit for the DC Water account(s) that have been inactive for more than twenty-four (24) months prior to DC Water's issuance of the Certificate of Approval.
- (h) For any new premise, building or structure that includes one or more affordable housing unit (AHU), DC Water shall also provide a AHU Credit equal to:
 - (1) Three Thousand Nine Hundred Forty-Four dollars (\$3,944) for each individually metered affordable housing residential structure of three (3) or less units (e.g., single-family structure, townhouse, condominium, cooperative housing association unit, or apartment).
 - (2) The percentage of affordable housing units in a metered multi-family residential structure of four or more housing units (condominium, cooperative housing association, or apartment) determined as follows: % AHU (or % Net AHU) equals the number of AHUs (or Net AHU) divided by total number of residential units times one hundred (100).
- (i) For a renovation or redevelopment project that includes replacing existing affordable housing units and the construction of additional affordable housing units, DC Water shall provide a credit based on the Net AHU as provided in Section 112.11(g).

- (j) The Net AHU shall be determined based on the difference between the total number of affordable housing units existing prior to the renovation/redevelopment project and the total number of affordable housing units after constructed after completing the renovation/redevelopment project.
- (k) Projects that request AHU or Net AHU Credits shall submit one or more of the following documents:
 - (1) Land Disposition Development Agreement;
 - (2) Zoning Commission Order;
 - (3) Planned Unit Development Covenant;
 - (4) Certificate of Inclusionary Zoning; or
 - (5) Letter from the District financing agency that establishes the number of AHU in the property.
- (l) If the net System Availability Fee (less AHU or Net AHU Credits) is zero or less, no System Availability Fee shall be charged.
- (m) If the net System Availability Fee (less AHU or Net AHU Credits) is greater than zero, DC Water shall assess the System Availability Fee.
- (n) DC Water may request documentation to confirm the number of proposed affordable housing units that were actually constructed. If the number of constructed AHUs is less than the proposed AHUs, DC Water shall bill the property owner the amount of the AHU or Net AHU Credits for the unconstructed AHUs.
- (o) For DCRA Construction Permit applicants, payment of the System Availability Fee shall be a condition for DC Water's issuance of the Certificate of Approval.
- (p) DCRA Construction Permit applicants that submitted plans and specifications to DC Water prior to the effective date of these regulations, shall not be subject to the System Availability Fee provided:
 - (1) The DC Water Engineering Review fee(s) has been paid;
 - (2) The plans, specifications and other information necessary to meet the requirements listed in DC Water Project Submission Checklist has been accepted for review by DC Water in support of a DCRA Building Permit for the project, without substantial revisions that results in the change in the peak water demand for the project;

- (3) The DCRA Building Permit for the premise, building, or structure requiring water and sewer service is submitted to DCRA and accepted for review by DCRA within one calendar year after the effective date of these regulations; and
- (4) DC Water issues the Certificate of Approval within one calendar year after the effective date of these regulations, unless DC Water's review is delayed due to a force majeure event that closes DC Water's offices for one or more days one week before June 1, 2019.
- (q) For federal facilities, payment of the System Availability Fee shall be a condition of DC Water's issuance of the Certificate of Approval.
- (r) Before June 1, 2021, the property owner may request to pay the System Availability Fee in four equal installments, with the final payment due no later than one calendar year after the execution date of a Payment Plan Agreement. Execution of a Payment Plan Agreement and payment of the first installment payment, shall be a condition of DC Water's issuance of the Certificate of Approval. Any overdue payments under the Payment Plan Agreement shall be treated as overdue bill for water and sewer service charges as set forth in D.C. Official Code § 34-2407.02.
- (s) In the case that the DCRA Construction Permit is not issued or is revoked or the project is not constructed, upon written request from the property owner, DC Water shall issue the property owner a refund of the System Availability Fee.

Section 199, DEFINITIONS, is amended by adding the following terms and definitions to read as follows:

Affordable Housing Unit – a housing unit that is offered for rent or for sale for residential occupancy and as a result of a federal or District subsidy, incentive or benefit, and is made available and affordable to households whose income limit requirements are established by a federal or District program or agency or the Council for the District of Columbia.

Force Majeure Event - an event arising from causes beyond the control of DC Water or the control of any entity controlled by DC Water, which results in the closure of DC Water facilities.