



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
283rd MEETING OF THE BOARD OF DIRECTORS
Thursday, February 3, 2022
9:30 a.m.
via Microsoft Teams**

The board meeting can be live-streamed at <https://dcwater.com/watch-board-meetings>

- I. **Call to Order (Chairperson Tommy Wells)**
- II. **Roll Call (Linda Manley, Board Secretary)**
- III. **Approval of the January 6, 2022 Meeting Minutes**
- IV. **Chairman's Overview**
- v. **Committee Reports**
 1. **Governance Committee (Joe Leonard)**
 2. **Human Resource and Labor Relations Committee (Adriana Hochberg)**
 3. **Executive Committee (Chairman Tommy Wells)**
 4. **Environmental Quality and Operations Committee (Howard Gibbs)**
 5. **DC Retail Water and Sewer Rates Committee (Rachna Bhatt)**
 6. **Joint Meeting of the DC Retail Water and Sewer Rates and Finance and Budget Committees (Rachna Bhatt)**
 7. **Finance and Budget Committee (Anthony Giancola)**
 8. **Audit Committee (Anthony Giancola)**
- VI. **Issues of General Interest**
- VII. **CEO/General Manager's Report (David Gadis)**
- VIII. **Contract Summary (FYI)**
- IX. **Consent Items (Joint Use)**
 1. **Approval of Appointment of the 2022 Officers of the Board - Resolution No. 22-08 (Recommended by the Executive Committee 01/18/2022)**
 2. **Approval to Execute Basic Ordering Agreement (BOA-9) of Contract No. DCFA #514 WSA, WSP USA, Inc. - Resolution No. 22-09 (Recommended by the Environmental Quality and Operations Committee 01/20/2022)**

3. [Approval to Execute Basic Ordering Agreement \(BOA-10\) of Contract No. DCFA #528 AECOM - Resolution No. 22-10](#) (Recommended by the Environmental Quality and Operations Committee 01/20/2022)
4. [Approval to add Funding for Temporary Services Contract No. 16PRHCM44AC/AD, Mb Staffing Services LLC and Premier Staffing Source Inc. – Resolution No. 22-11](#) (Recommended by the Environmental Quality and Operations Committee 01/20/22)
5. [Approval to Exercise Option Year Three of Contract No. WAS-12-063-AA-RA, Allied Universal Security Services – Resolution No, 22-12](#) (Recommended by the Environmental Quality and Operations Committee 01/20/22)
6. [Approval to Execute Contract No. 220010, RedZone Robotics, Inc. – Resolution No. 22-13](#) (Recommended by the Environmental Quality and Operations Committee 01/20/22)

X. Executive Session

XI. Adjournment (Chairperson Tommy Wells)

Upcoming Committee Meetings – (via Microsoft Teams)

- Environmental Quality and Operations Committee – Thursday, February 17th @ 9:30 a.m.
- DC Retail Water and Sewer Rates Committee – Tuesday, February 22nd @ 9:30 a.m.
- Finance and Budget Committee – Thursday, February 24th @ 9:30 a.m.

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)(2); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4)(A); 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); train and develop members of a public body and staff under D.C. Official Codes § 2-575(b)(12); 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
282nd MEETING
THURSDAY, JANUARY 6, 2022**

MINUTES

Present Directors

Tommy Wells, Chairperson
Rachna Bhatt, District of Columbia
David Franco, District of Columbia
Joe Leonard, Alternate for Vacant Principal, District of Columbia
Anthony Giancola, District of Columbia
Steven Shofar, Alternate for Vacant Principal, Montgomery County
Ivan Frishberg, Alternate for Vacant Principal, District of Columbia
Tara Jackson, Prince George's County
Christopher Herrington, Fairfax County
Fariba Kassiri, Montgomery County

Present Alternate Directors

Howard Gibbs, District of Columbia
Sarah Motsch, Fairfax County
Jared McCarthy, Prince George's County
Andrea Crooms, Prince George's County

D.C. Water Staff

David Gadis, CEO and General Manager
Matthew Brown, Executive Vice President for Finance and Procurement, Chief Financial Officer
Mark Battle, Executive Vice President for Legal Affairs
Kishia Powell, Executive Vice President for Operations, Chief Operating Officer
Linda R. Manley, Board Secretary

Call to Order and Roll Call

Chairperson Wells called the 282nd meeting of the District of Columbia Water and Sewer Authority's Board of Directors to order at 9:30 a.m. Ms. Manley was experiencing computer problems, so Alfonzo Kilgore Stukes, Board Operations Specialist, called the roll and a quorum was established. Ms. Manley was able to reconnect to the meeting.

Approval of the December 2, 2021 Meeting Minutes

Chairperson Wells asked for a motion to approve the December 2, 2021, meeting minutes. The motion to approve the December 2, 2021, meeting minutes was moved, seconded, and unanimously approved by the Board of Directors.

Chairperson's Overview

Chairperson Wells wished everyone a Happy New Year. He observed that it felt like everyone was in the same place as last year but that those in leadership positions were leading their staff through a kind of fatigue and some felt disappointment that things were going backwards with the pandemic. Chairperson Wells stated that as leaders the job is to bolster your employees to be productive, feel good and positive and healthy as they conduct the work on behalf of the public. This is what leadership at D.C. Water is responsible for doing, keeping customers in the forefront. He commended CEO Gadis and the leadership team for continuing to do this.

Chairperson Wells announced that there would be a survey going out to Board members so they can weigh in on what they think now and what should happen in the future. He asked if Board and committee meetings, public hearings, and community meetings should be virtual versus in person. They are planning to look at the bylaws to support modern technology and the most efficient use of time for serving on the Board. They will hear from the D.C. People's Council and the community on proposed changes.

Finance and Budget Committee

Reported by: Anthony Giancola, Chairperson

Chairperson Giancola stated that the Committee met on December 14, 2021. Ms. Oyeyemi, Budget Director, presented the November 2021 Financial Report. At the end of November 16.7 percent of the fiscal year had been completed. Operating revenue was \$186.3 million or 23.3 percent of the budget. Operating expenditures were at \$86.9 million or 13.2 percent of the budget. Capital disbursements were at \$43.3 million or 7.6 percent of the budget.

Ms. Oyeyemi informed the Committee that D.C. Water received a Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ending September 30, 2020. Controller Malasy and the entire Finance team was congratulated for achieving the award.

It was stated by Mr. Oyeyemi that the Proposed FY 2023 Budget is anticipated to be presented for Board review on January 6, 2022. It will include a two-year proposal for FY 2023 and FY 2024.

The Committee then discussed the operating budget cost drivers. Ms. Oyeyemi provided an overview of the annual budget process and highlighted major expenditure drivers and customer rates.

There is a two-month review period for the various Board committees and final recommendations will come in February 2022 and the budget option will come to the full Board in March 2022. The rate proposal portion will undergo the extensive public process prior to approval by the Board and approval by the Retail Rates Committee.

The components of the FY 2022 Budget were presented, including the core operational expenses of 57 percent, debt service of 39 percent, and payments to the District of 4 percent.

Ms. Oyeyemi indicated that there have been \$30.6 million in annual savings and avoided costs due to operational initiatives and process improvements in recent years. Customer rates would be approximately 5.9 percent higher without the initiatives.

CFO Brown reviewed the rates and water usage trends. He stated that D.C. Water is a cost recovery organization, so rates are based on how much is spent or is planned to be spent to provide its services. A large part of the rates are based on water consumption. D.C. Water and other cities nationwide have experienced a decline in water usage and aging infrastructure. CFO Brown also presented the rate projection increase of 6.7 percent in FY 2023 and 8.8 percent in FY 2024.

In closing her presentation, Ms. Oyeyemi highlighted major initiatives that are being undertaken by the Authority which include the Blueprint 2.0 update, Lead Free D.C., small diameter water main replacements, and the methanol reduction program.

Mr. Boykin, Director of Finance, provided background on the investment policy and reminded everyone that the current policy was adopted in May 2014. He discussed D.C. Water's investment objectives which include safety, liquidity, and return on investment. Mr. Bush, Consultant, provided a sensitivity analysis along with historical benefits of increased duration when questioned about the risks associated with the proposed changes to the policy. He also discussed what D.C. Water would expect as reasonable interest earnings based on the changes. The investment duration will be extended from a one to three year period to a one to five year strategy where \$400,000 in interest earnings may be generated based on the historical look back for the past ten years.

CFO Brown then reviewed the Environment, Social, and Governance (ESG) Report. D.C. Water has been a leader in the industry based on its infrastructure and the way it is funded as a result of its first green bonds in 2014, the environmental impact bond, the annual green bond report, the new green bond framework, and now the first ESG Report. CFO Brown commended Mr. Ries, Ms. Barrett, and other members of the Finance Team for their collaborative effort in producing the report. The ESG Report will be shared with investors, underwriters, and rating agencies in January 2022.

Mr. Brown from PMF Financial Advisors presented the FY 2022 transaction and market update and approval recommendation. The Committee was updated on the upcoming bond transactions and their approval was recommended. The request for authorization is to issue \$400 million in subordinate lien revenue bonds to fund the capital improvement projects (CIP), Washington Aqueduct projects, and other permanent funding for outstanding commercial paper related to the environmental impact bond.

The rise in total debt service costs and projections that show continued increases were discussed by Mr. Brown. The increases are a result of increased borrowing to support CIP. He stated that debt service costs have increased an average of 6.5 percent each year since 2016.

There were many action items discussed by the Committee which break down into the following series, several under each series: 1) Approval of the revised statement of investment policy, and (2) Approval of series bonds and bond resolutions. There was one follow-on action item which was requested by Chairperson Giancola. The item provided a cost savings analysis

related to Blue Drop biosolids hauling services. The Committee recommended the action items for Board approval.

Environmental Quality and Operations Committee

Reported by: Howard Gibbs

Mr. Gibbs indicated that the Committee met on December 16, 2021, via Microsoft Teams. Aklile Tesfaye, Vice President for Wastewater Operations, updated the Committee on Blue Plains Plant performance and again reported that performance parameters were excellent with a 100 percent capture rate. All operational and effluent parameters were well within the EPA permit limits. Energy generation was 27.3 percent, which is above the 20 percent monthly goal. Biosolids produced in November were all Class A Exceptional Quality.

Elaine Wilson, Manager of Water Quality and Pretreatment, presented a proposal to amend the regulations to revise pretreatment discharge standards and non-wastewater flow requirements. She discussed the need for the proposed changes and summarized the schedule for adoption of the changes. Non-permitted industrial commercial dischargers who cannot meet revised discharge limits and the molybdenum limit will be educated through a campaign.

The Committee recommended approval of the non-joint use contracts by the full Board.

Marlee Franzen, Senior Manager of Water Operations, briefed the Committee on the status of the fire hydrants. D.C. is below one percent of the established out-of-service level established the Memorandum of Understanding between D.C. Fire and Emergency Services and D.C. Water.

Maureen Schmelling, Director of Water Quality, briefed the Committee on the status of the EPA drinking water regulated monitoring from November 21. There was one positive total coliform result from samples collected and the sample was negative for e, coli. In comparable sampling it remained low at 2.6 parts per billion for the 90 percentile for the first raw sample which is well below the actual limit of 15 parts per billion. EPA is still planning to implement the proposed lead and copper rule revisions, so staff continues to evaluate how the revisions will impact D.C. Water.

Upon his retirement, Mr. Gibbs recognized Len Benson, Executive Vice President for Watershed Management, for his years of outstanding and dedicated service to the Board, the Committee and to D. C. Water. He stated that Len Benson had in various leadership positions performed invaluable work for the last 25 years. Chairperson Wells indicated that Len Benson had become a legend for D.C. Water and that they all were indebted to him. He oversaw the installation and development of the Cambi System, along with the biodigester, oversight of the Clean Rivers Project, and many more innovations. Chairperson Wells noted that he and the Board had never taken Len's leadership for granted, for how he has served the communities in all jurisdictions, and they have always understood how extraordinarily blessed they have been for Len's leadership.

There being no Issues of General Interest, Chairperson called for the CEO/General Manager's Report.

CEO/General Manager's Report

Reported by: David Gadis, CEO/General Manager

CEO Gadis stated that as usual he was providing his monthly State of the Utility update to the Board. This included an overview of relevant programs or initiatives that support D.C. Water's strategic objectives in keeping with the strategic plan, Blueprint 2.0 and its five imperatives.

CEO Gadis updated on D.C. Water's COVID-19 response and revised guidance issued to employees. He reminded everyone that they continue to monitor the latest health guidance from the Centers for Disease Control and the operating posture of the District Government to protect the workforce and align with District operations to the possible extent.

On January 3 CEO Gadis issued a communication to all employees that announced changes to the operating posture. The changes will remain in effect until January 31, 2022. Telework flexibility was increased for all eligible employees to work remotely up to five days per week. Critical operations staff will remain separated for continuity of operations. Use of staggered shifts and additional work muster stations for front line staff will continue. Face coverings are required inside all D.C. Water facilities, outside at all Authority worksites, and while traveling in D.C. Water vehicles. Indoor residential work will remain restricted to emergencies only with full PPE, social distancing, and all other safeguards.

CEO Gadis declared that one challenge for COVID is the speed at which pandemic conditions change. He thanked Kishia Powell, Chief Operating Officer, and her team for their effective oversight of recovery efforts from COVID-19.

CEO Gadis then presented updates on several long-term activities relating to resilient imperative. The Water Resilience Summit was held in December and was attended by D.C. Water staff. It was cohosted by the Association of Metropolitan Water Agencies and the National Association of Clean Water Agencies. Dr. Matt Ries, Director of Strategic Leadership and Sustainability, participated in a panel discussion on the importance of stakeholder communication and engagement. COO Kishia Powell also participated with Dr. Ries on a cross sector task force focused on establishing a vision for the water sector's push to meet zero.

The leadership team also participated in the District's resilience roundtable in December and the D.C. Council's public hearing on climate resilience. CEO Gadis testified during the hearing on D.C. Water's action plans following the September 10, 2020 flood event, water and resource development management efforts at Blue Plains, the Clean River Project, and green infrastructure planning. D.C. Water also participated in the Interstate Commission on Potomac River Basin Supplemental Storage Working Group.

Board Member Giancola had three items of concern he presented to CEO Gadis for comments. The first was on Page 12 of the CEO/General Manager's Report about Facilities Preventative Maintenance Program's big drop from 75 percent to 43 percent completion. There were many reasons given and among them is Fleet Maintenance continuously needing to assess resource needs. Board Member Giancola stated his concern about consistency in all preventative maintenance and wants to see a report that addresses the need for additional resources and that action is taken to get the resources whether it is staff or contract support.

On Page 37 of the overall report and Page 16 of the CEO/General Manager's Report, Board Member Giancola noticed a big increase in November of water line breaks. He asked to hear an assessment of what caused the large number of breaks.

On Page 40 of the overall report and Page 19 of the CEO/General Manager's Report there seemed to be a missing page on the open end high-risk audit items.

CEO/General Manager Gadis stated that COO Powell and Maureen Holman would assist in talking about the maintenance items. He indicated that COVID hit them very, very hard and they are continually assessing and doing the routine the needed maintenance. They have identified several valves that are showing as open but could be partially open or closed that sometimes cause main breaks because of having to increase the flow of pressure.

CEO Gadis turned the response over to COO Powell. She reported that they kicked off phase two of the organization assessment at the end of last year. It consisted of looking at the department level resource needs and organization improvements that are necessary. Facilities Management had already identified additional resources that are needed to manage the facilities and now the resources are being stretched due to the need because of COVID to do deep clean and meet other facilities concerns resulting from COVID. Due to an uptick in the number of cases that staff must address, a work plan has been developed and it is expected that the routine work on work orders will decrease. COO Powell stated that the work is being done and that they are measuring response times against service levels. However, it is not being done within the time specified. The service levels were set as what they believed to be reasonable targets to help them understand what the resources should be, how many teams were needed, and how many staff were needed. She declared that staff would continue to assess that under the organizational assessment.

COO Powell reported that the Fleet Management Department has been impacted because maintenance and repairs of the fleet is performed by contracted resources. At the end of calendar year 2021 they formed a task force with Procurement to look at how services will be provided going forward and assess resources. Additional resources are needed and have been requested in the FY 2023 budget.

For Water Services, they have identified some issues with older valves and older pipes that may impact water main break repairs in specific areas of the Distribution System. The team is drilling down on this and will provide more information on the state of the Water System for the next Committee meeting.

CEO Gadis provided information on the audit report. He stated that several items in the high-risk category have been closed, so the list was accurate.

Board Member Giancola had a follow-up question for COO Powell concerning COVID-19. Of the staff who are not working, he asked for the numbers of how many were unvaccinated. COO Powell replied that they are pulling that information together. CEO Gadis has required all staff to report their vaccination status by Friday, January 7, 2022. That data will be aligned with data on individuals impacted by COVID and who have tested positive.

COO Powell stated that they will make a detailed presentation on the Capital Improvement Projects (CIP) to the Environment Quality and Operations Committee which will include a more operational review and a look at the number of water main breaks trending time. All will be tied into the investment in the Water System.

Board Member Gibbs indicated that the Committee had some concerns about Fleet Maintenance being contracted out and where the company is located, out of the area. He stated that they are looking forward to their report.

CEO Gadis weighed in on Len Benson's retirement. He stated that Len had been a fantastic member of Team Blue, a legend, and they will honor Len and do so as part of the 25 year anniversary celebration. He will also be honored as 2022 moves forward.

Consent Action Items Joint Use

Chairperson Wells asked for a motion to approve joint use action items. Board Member Giancola moved to approve Resolution Nos. 22-00 through 22-03 and it was seconded. The motion to approve Resolutions 22-00 through 22-03 was unanimously approved by the members of the Board.

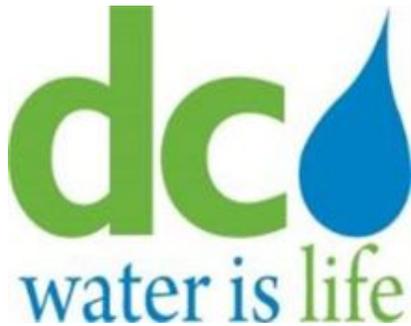
Consent Action Items (Non-Joint Use)

Chairperson Wells asked for a motion to approve non-joint use action items. Board Member Giancola moved to approve Resolutions Nos. 22-04 through 22-07 and it was seconded. The motion to approve Resolutions Nos. 22-04 through 22-07 was unanimously approved by the members of the Board.

Chairperson indicated that the Governance Committee will meet on Wednesday, January 12 at 9:00 a.m. The meetings will be virtual. The Human Resources and Labor Relations Committee, with union presidents, will meet on Wednesday, January 12 at 11:00 a.m. The Environmental Quality and Operations Committee will meet on Thursday, January 20 at 9:30 a.m. The D.C. Retail Water and Sewer Rates Committee will meet on Tuesday, January 25 at 10:15 a.m. The Finance and Budget Committee will meet on Tuesday, January 25 at 11:00 a.m. The Audit Committee will meet Thursday, January 27 at 9:30 a.m. Chairperson Wells encouraged all Board members to attend Committee meetings, whether they are on the committees or not.

There being no further business, the meeting was adjourned by Chairperson Wells at 10:15 a.m.

Linda Manley, Secretary to the Board



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Governance Committee

Wednesday, January 12, 2022

9:00 a.m.

MEETING MINUTES VIA MICROSOFT TEAMS

Committee Members

Joe Leonard, Jr., Chairperson
Rachna Bhatt
Christopher Herrington
Fariba Kassiri
Tommy Wells, Board Chairperson

DC Water Staff

David L. Gadis, CEO and General Manager
Marc Battle, Chief Legal Officer and EVP,
Government & Legal Affairs
Thomas Kuczynski, President, Blue Drop
Korey Gray, Director, Compliance
Linda Manley, Board Secretary

Call to Order

Chairperson Joe Leonard called the meeting to order at 9:01 a.m.

Agenda Item #1 – Blue Drop FY22 Q1 Update

Thomas Kuczynski, President of Blue Drop, presented Agenda Item #1 – Blue Drop Activity Update

Strategic Priorities

Blue Drop had a 62,000-ton target for Bloom sales for FY21 which was 40% higher than FY'21 actuals of 47,655 tons. While Blue Drop did not meet its tonnage goals, it exceeded its financial savings goal of \$2M for Blue Plains in hauling costs. Blue Drop has a 55,000-ton target for Bloom sales in FY'22. Blue Drop adjusted the FY'22 target to accommodate winter weather related anomalies and capacity for blending at Blue Plains.

Blue Drop is evaluating small offsite storage blending and curing options for Bloom to address the supply and demand imbalances. While a 10% fuel cost increase in the DMV impacted savings opportunities, Blue Drop is aggressively pursuing the target for FY'22

HQO events

Blue Drop continues to drive interest in HQO venue for events, averaging 75 inquires per month. Blue Drop has a target of 40 events for FY'22.

Blue Drop held 8 paid events, one of these on New Year's Eve with over 500 guests in attendance. Blue Drop has scheduled 9 events through the end of the calendar year, the second wedding is scheduled for June 2022, and a third wedding is scheduled for 2023.

Renewable Energy Credits Update

Blue Drop has a \$2,000,000 target for Renewable Energy Credits for FY'22. Blue Drop collected revenue from Renewable Energy Credits from Blue Plains through December 2021 at \$1,510,128 and processed \$510,250 in sales in FY'22.

Cell Tower Update

Blue Drop has a \$245,000 target for cell towers for F'Y22. Blue Drop collected \$218,373 from cell towers revenue in FY'21 against a goal of \$175,000. Several AT&T cell towers at Blue Plains came online earlier than expected significantly contributing to profits from cell tower implementation.

Blue Drop is negotiating with T-Mobile for two additional cell tower locations, one at Blue Plains and one at Good Hope Road facilities, that are valued at \$30,000 per site per year.

Blue drop collected \$36,488 in revenue from cell towers in FY'22.

Intellectual Property Update

Mr. Kuczynski provided an update on Intellectual Property (IP) activity.

- Blue Drop re-negotiated DC Water's inDense licensing agreement with ARA Consultants;
- The licensing agreement with Ovivo expired in September and Blue Drop requested an outstanding payment of \$250,000 for FY'21; and
- Blue Drop signed a marketing agreement with Layermark to market DC Water's mobile work management applications for hydrants, catch basins and valve applications; and an Emergency Event Management System that monitors and alerts DC Water of significant flooding and water related events and issues that impact DC Water's customers.

Blue Drop had a target of \$500,000 for IP in FY'21 and collected revenue from IP at \$362,408 in FY'21. Blue Drop has a \$650,000 target for IP revenue for FY'22.

Activity Books

Blue Drop published its second edition of Wendy the Water Drop's children's book series, *Wendy and the Curious Case of the Leak*. Blue Drop sold 387 copies of the book and distributed 250 free copies to schools and community groups. Blue Drop also sold 149 items of branded merchandise, with overall net sales of \$1,600.00. Ten percent of those sales were donated to the SPLASH program.

Blue Drop sold its first license for use of the children's book series to the City of Roseville, CA to use as a teaching aide in public schools.

Chairpersons Wells and Leonard commended Mr. Kuczynski on the thoroughness of the report and Blue Drop's progress to date.

Agenda Item #1 – FY 2021 Certified Business Utilization Report

Korey Gray, Director, Compliance, presented Agenda Item #2 – DC Water's FY 2021 Certified Business Utilization Report.

Overview

Mr. Gray began by reviewing several acronyms and definitions used and reported on the certified business enterprise (CBE) program, designed to encourage the participation, and support the utilization of certified firms on Goods and Services projects, and enhance the participation, growth and development of local business enterprises (LBE), local small business enterprises (LSBE), and local disadvantaged business (LDBE) firms owned by resident business owners on such projects.

Program Administration

Mr. Gray explained that after the implementation of the Business Development Plan (BD Plan), DC Water established similar programs to the District's program to give CBE's, specifically District based CBE's, the opportunity to compete for construction, goods and services and Architecture and Engineering projects awards through the application of preference points: LSBE preference program for discretionary projects under \$1 Million and Disadvantaged and Women Business Enterprises (DBE/WBE) utilization program for non-federal projects over \$1 Million, to establish utilization goals for certified firms on federally assisted programs.

The Fair Share Objectives program for certified DBE/WBE to conform to changes implemented in the Environmental Protection Agency's program has two separate components: 1) Construction projects, with a standing goal of 32% for DBE and 6% for WBE, and 2) Architect and Engineering for professional service projects, with 28% for DBE and 4% for WBE.

Performance Results

Contract Awards

Mr. Gray reported on contract awards, by category.

In FY 21, DC Water awarded a combined \$213.7 million in contracts, modifications and change orders. Of these, \$66 million (31%) were awarded to CBEs through the District Department of Transportation. The details of the Large Discretionary Awards – which include Large Goods and Services, A&E and Construction projects totals are:

- There were 19 Large Goods and Services contract awards, totaling \$39.5 million. Of this number, \$19.3 million (41.38%) were awarded to LSBEs,
- There were 21 Exempt Goods and Services contract awards, totaling \$60 million. Of this number, \$2 million (3.37%) were awarded to CBEs,
- There were 2 Green Infrastructure contract awards, totaling \$3.8 million. Of this number, \$2.1 million (54.44%) were awarded to CBEs,
- There were 3 Large Construction contract awards, totaling \$19.1 million. Of this number, \$6.1 million (32%) were awarded to DBEs, \$1.2 million (6.08%) were awarded to WBEs.
- There were 7 Non-Federal Architectural and Engineering (A&E) contract awards, totaling \$28.5 million. Of this number, \$7.99 million (28%) were awarded to DBEs, \$3.1 million (10.7%) were awarded to WBEs.
- The Non-Federal Construction contract awards totaled \$62.1 million. Of this number \$20.45 million (32.85%) were awarded to DBEs, \$6.8 million (10.9%) were awarded to WBEs.
- There were 19 Non-Federal Goods and Services contract awards, totaling \$39.5 million. Of this number, \$16.4 million (41.38%) were awarded to LSBEs and 13 were awarded to LSBE primes.

Responses to Questions by the Committee Members:

1. In response to Chairperson Leonard, Mr. Gadis and Mr. Gray explained that DC Water operates from a holistic approach that aligns with the Performance Plan Blueprint 2.0, to identify LSBE firms for utilization on contract awards.
2. In response to Committee Member Herrington's inquiry, Mr. Gray explained that WBE and DBE firms are classified separately, and a firm that qualifies as both will only be counted or classified as a WBE or DBE.
3. In response to Committee Member Bhatt's question regarding DC Water's policies on the impact of price escalation and supply chain issues to CBEs, Mr. Gray explained that DC Water provides training and education for best practices to get more competitive with pricing. Dan Bae added that DC Water monitors overall costs and alternative financing options on long-term projects.

Demographic Analysis

Mr. Gray provided a demographic analysis of the \$213.7 million in contract awards in FY'21. The details of these totals are:

- \$147.45 million (69%) were awarded to firms in the User Jurisdictions; and
- \$66.24 million (31%) were awarded to firms outside of the User Jurisdictions.

Highlights and Accomplishments

Finally, Mr. Gray discussed the FY'21 Accomplishments, including: 1) completing the updates to the Business Development Plan; 2) launching the Business Diversity and Inclusion Advisory Council; 3) establishing new standards for the Mentor Protégé relationships; and 4) Mr. Gadis and DC Water receiving recognition for its response to COVID-19 and our continued commitment to ensure certified firms have opportunities to compete for contract awards.

Follow-up Items

1. In response to Vice Chairperson Bhatt's inquiry, Mr. Gray will provide the Committee with a breakdown of the contracts awarded to smaller prime certified firms.
2. Chairperson Leonard asked Mr. Gray to discuss the exempt goods and services contract awards and categorization process.
3. In response to Chairperson Leonard's inquiry, Wayne Griffith will provide the Committee with a copy of DC Water's first Environmental, Social and Governance report.

Adjournment

There being no further business, the meeting was adjourned at approximately 10:08 a.m.



**D.C. WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS**

**HUMAN RESOURCES AND LABOR RELATIONS
COMMITTEE MEETING**

**January 12, 2022
11:00 a.m.
via Microsoft Teams**

MEETING MINUTES

Members Present

Adriana Hochberg, Chairperson
Jed Ross, Vice Chairperson
Tara Jackson
Sarah Motsch
Steven Shofar
Christopher Herrington

Other Member Present

Tommy Wells, Board Chair

Staff Present

David Gadis, CEO/General Manager
Marc Battle, EVP, Legal Affairs
Kishia Powell, EVP, Chief Operating Officer
Lisa Stone, Chief, People and Inclusion Officer, EVP, People and Talent
George Spears, Director of Labor Relations and Compliance Programs
Linda Manley, Secretary to the Board

Union Presidents

Michelle Hunter, NAGE R3-06
Barbara Milton, AFGE 631
Kevin Poge, AFSCME 2091
Jonathan Shanks, AFGE 872
Calvert Wilson, AFGE 2553

1. Call to Order

Chairperson Adriana Hochberg called the meeting to order at 11:00 a.m. The meeting was conducted via Microsoft Teams.

2. Roll Call

Board Secretary Linda Manley conducted a roll call of the Committee members, DC Water staff and Union Presidents.

3. Union Topics

a. Treatment of Union Employees

Mr. Shanks shared his concerns regarding the treatment of employees within the Customer Experience Department.

Mr. Gadis informed the Board that management investigated Mr. Shanks concerns and without providing specifics, including the names, instances, and dates of incidents, it is difficult for management to investigate further.

Mr. Spears stated that this item has been on the agenda since June 2021, and management has taken multiple steps to address this concern, including, training and other remedial actions and Ms. Powell has been working with leadership and front liner workers as well.

Ms. Powell shared that she has not received any specific examples or concerns except for one individual and that is currently being address.

Board member Ross stated that specific instances and issues need to be identified to allow further investigation by management. He noted if there are confidential concerns, they can be reported through several mediums, such as upper-level supervisors, Human Resources, and the EEO. He noted that employee morale and satisfaction should be addressed on a global perspective.

b. CDL Exemption Program – (Listening item, as there is a pending arbitration relating to CDL)

Mr. Shanks stated at the last Committee meeting Mr. Gadis said he had stopped the CDL Exemption program, and the program would be implemented later. However, the implementation did not take place. The CDL program is a high requirement for CDL drivers to keep their medical card. If employees are not able to keep their medical cards, DC Water will lose skilled workers. Mr. Shanks stated that the CDL Exemption Program is different from the grievance.

Mr. Spears noted that if the pending CDL arbitration is withdrawn then a discussion can occur.

Tara Jackson added that if there is a pending arbitration and this is related to that matter, it should not be discussed because it would be inappropriate.

5. Executive Session

There was no Executive Session.

6. Adjournment

There being no further business, Chairperson Hochberg adjourned the meeting at 11:49 a.m.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Executive Committee

Tuesday, January 18, 2022

3:00p.m.

MEETING MINUTES

Committee Members Via Teleconference

Tommy Wells, Chairman
Rachna Bhatt
Fariba Kassiri
Christopher Herrington
Tara Jackson

DC Water Staff Via Teleconference

David L. Gadis, CEO/General Manager
Linda Manley, Secretary to the Board

Other Board Member Present

Anthony Giancola

Call to Order

Chairman Wells convened the meeting at 3:09 p.m.

Roll Call

Linda Manley, Board Secretary conducted a roll call of the Committee members.

Discussion of Selection of Officers for 2022

Chairman Wells opened the committee by emphasizing the three primary roles of the Executive Committee were to (1) act as the performance review committee for the General Manager rather than the HR Committee (2) assist the chair in identifying chairs for standing committees and (3) guide the board in the instance of emergent circumstances so that decisions can be made quickly.

The Executive Committee proposed the following for the 2022 Officers of the Board

First Vice-Chairperson:
Second Vice-Chairperson
Vice-Chairperson Prince George's County
Alternate Vice-Chairperson Prince George's County
Vice-Chairperson Montgomery County
Alternate Vice-Chairperson Montgomery County

Rachna Bhatt
Fariba Kassiri
Tara Jackson
Floyd Holt*
Fariba Kassiri
(awaiting appointment of principal)

Vice-Chairperson Fairfax County
Alternate Vice-Chairperson Fairfax County

Christopher Herrington
Sara Mostch*

*The Committee agreed to recommend the 2022 officers to the full board for approval pending discussion within their jurisdiction.

The Committee discussed vacant positions within the following Committees which do not require Board approval:

Environmental Quality & Operations Committee Chair Chairperson
Governance Committee- Vice Chairperson
Strategic Planning Committee Vice Chairperson

The Committee appointed the following Board members.

Sarah Mostch, Fairfax County, Chair- Environmental Quality & Operations Committee
Christopher Herrington, Fairfax County, Vice Chair- Governance Committee
Tara Jackson, Prince George's County, Vice Chair- Strategic Planning Committee.

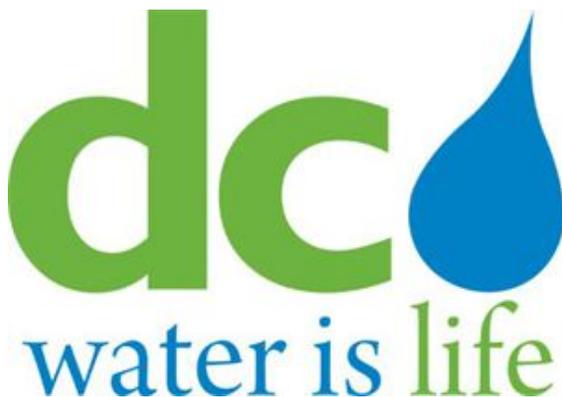
Chairman Wells noted that all other Committee assignments will remain the same and thanked the Committee for its continued hard work and support.

Executive Session

There was no executive session.

Adjournment

Chairman Wells adjourned the meeting at 3:35pm



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and Operations
Committee Meeting**

*Thursday, January 20, 2022
9:30am*

MEETING SUMMARY

Committee Members

Howard Gibbs
Steven Shofar
Christopher Herrington
Sarah Motsch

DC Water Staff Present

David Gadis, CEO & General Manager
Kishia Powell, Chief Operating Officer & EVP
Marc Battle, EVP, General Counsel
Linda Manley, Secretary to the Board
Aklile Tesfaye, VP, Wastewater Operations
Joel Grosser, Director, Procurement Good and Services
Salil Kharkar, Senior Technical Advisor to COO

I. CALL TO ORDER

Mr. Howard Gibbs called the meeting to order at 9:30 a.m. The meeting was conducted via Microsoft teams.

II. ROLL CALL

Ms. Linda Manley, Secretary to the Board, DC Water, conducted a roll call of the Committee members present for the meeting.

III. AWTP STATUS UPDATE

1. BPAWTP PERFORMANCE

Mr. Aklile Tesfaye, VP, Wastewater Operations, DC Water, briefed the Committee on the performance of the Blue Plains Advanced Wastewater Treatment Plant (BPAWTP). Specific details of the report can be found on pages three to ten of the EQ&Ops Meeting package 01.22.2022 (subsequently will be referred to as “meeting package”) posted on the DC Water website. The notes below abbreviate key topics discussed during the meeting.

Mr. Tesfaye highlighted the accomplishments of staff in the Department of Wastewater Treatment who effectively integrated a Management of Change (MOC) process into the asset management program for BPAWTP. Ms. Theresa Bruton, Manager, Asset Management, DC Water provided details of the MOC integration process for the management of over 40,000 assets in the asset management program. It was noted that the MOC process is a formalized process for identifying, assessing, and tracking modifications to assets, policies and procedures, documentation,

technology and training. Through the MOC process, all requests are initiated, tracked and documented electronically through DC Water's electronic maintenance management system. The imperatives of Reliable, Resilience, Sustainable and Health, Safe and Well are at the core objectives of the Blue Plains MOC process. The process is accessible to all Maximo users and has documented over 168 MOCs.

Mr. Tesfaye provided an update on BPAWTP performance for December 2021. It was reported that all performance parameters for the month were excellent with all operational and effluent and class A biosolids quality parameters were below or within permit limits. Mr. Tesfaye discussed Total Nitrogen Removal performance, noting that total nitrogen removal for 2021 was 1.21 million pounds below the permit limit of 4.37 million pounds per calendar year (lbs/year) required to protect the Chesapeake Bay. In response to a committee question on the average TN concentration corresponding to the lbs/year in the effluent from Blue Plains during calendar year 2021, Mr. Tesfaye stated that the average concentration is between 3.0 to 4.0 mg/L but will confirm the concentration to the Committee.

The electrical energy use and generation at BPAWTP was discussed. Energy generation onsite (between CHP and solar panels) for the month was 27% of the total consumption at BPAWTP, which is above the goal of 20% per month. Mr. Tesfaye also discussed biosolids production at BPAWTP, noting that during December all biosolids met Class A Exceptional Quality (EQ) requirements required by the EPA.

Mr. Tesfaye provided progress report on an innovative prototype under development by the R&D group to measure solids within the biosolids treatment facility. The prototype uses passive acoustic sensors for measuring and analyzing acoustic signals and correlates and determines the percent solids conveyed. Since the prototype is non-intrusive and measures solids in real time, it provides a low maintenance reliable, and more accurate tool for wastewater treatment operators to monitor solids and make process decision as opposed to the current labor-intensive method used by operators. This work demonstrates the determination of the R&D team to develop innovative tools and methods to support and enhance operations.

Mr. Chris Peot, Director, Resource Recovery, DC Water presented on Bloom Product Blending and Curing. He reported that during FY21, 48,000 tons of Bloom were sold, which was a record year for sales. Mr. Peot reported that the goal is to increase production of Bloom products to try and grow the biosolids program. To facilitate this growth, a curing pad will be designed starting 2022. The pad will allow for more cured Bloom products to be produced and bagged onsite. The pad is planned to be constructed in 2023, when completed the curing pad will cure approximately 22,000 tons of product per year.

IV. ACTIONS ITEMS:

Specific details of the report can be found on pages 11 to 21 of the meeting package. The notes below list the action items and highlight key topics discussed during the meeting.

JOINT USE

1. Contract No.: WAS-12-063-AA-RA – Protective Security Services, Allied University Security Services
2. Contract No.: 16-PR-HCM-44AC/AD – Temporary Staffing Services, MB Staffing and Premier Staffing
3. Contract No.: DCFA 514 - CM-BOA 9 – Wastewater Treatment Facilities, WSP USA, Inc.
4. Contract No.: DCFA 528 - CM-BOA 10 – Wastewater Treatment Facilities, AECOM
5. Contract No.: 220010 – Inspection & Cleaning of Small and Large Diameters Sewers, RedZone

NON-JOINT USE

No Joint Use items discussed.

Mr. Joel Grosser, Director, Procurement Good and Services presented Joint Use Action Items 1 and 2. Mr. Kishia Powell, Chief Operating Officer & EVP, DC Water, presented Joint Use Action Items 3, 4 and 5.

ACTION ITEM HIGHLIGHTS:

For Joint use action item 1, the Committee asked why the cost of option year 9 is larger than previous years. It was noted that security costs were reduced in light of DC Water operations during COVID. It is anticipated that increased security will be required when staff return to onsite working in earnest.

The Committee recommended all Action Items to the full Board.

V. FY22 TO FY31 PROPOSED CAPITAL BUDGET

Ms. Kishia Powell, DC Water, led a presentation on the proposed Capital Budget for FY2022-FY2031. Ms. Powell noted that the current approved ten-year Capital Improvement Program (CIP) budget for FY21-FY30 is \$4.9 billion and the proposed ten-year CIP Budget for FY22-31 is \$6.4 billion. Ms. Powell provided an overview of the proposed budget, noting high level proposed program increases and decreases, and discussed projected spending by fiscal year over the ten-year budget period. The following staff presented specific details of the proposed budget:

- Mr. David Parker, Director Wastewater Engineering, DC Water presented on the Wastewater Program and the Sewer Program Portfolios.
- Mr. Mark Babbitt, Acting Director Engineering and Technical Services, DC Water presented on the Water Program and Combined Sewer Overflow without Clean Rivers and Stormwater Program Portfolios.
- Mr. Moussa Wone, Director Clean Rivers, DC Water presented on the DC Clean Rivers Program Portfolio.
- Ms. Maureen Holman, EVP Administration, DC Water presented on the Non-Process Facilities Program and DC Water Capital Equipment Portfolios

Each of the presenters discussed details of the proposed budget changes in each of the program portfolios for FY22-FY31. The presenters discussed the drivers for proposed budget changes in each of the portfolios and provided details on ongoing projects and planned future projects. The slides for the presentation are shown on pages 22 to 67 of the meeting package.

Ms. Powell discussed the Infrastructure Investment and Jobs Act and the funding allocated for water infrastructure needs. It was noted that water infrastructure has been allocated \$55 billion of the \$550 billion of funding from the act over the next five years. DC Water anticipates receiving \$355 million through the Drinking Water and Clean Water State Revolving Funds (SRFs) over the next five years.

Mr. Rudy Chow, General Manager, Washington Aqueduct presented on the Washington Aqueduct's FY23 and FY24 CIP budgets. Mr. Chow discussed drivers for proposed increases to the CIP budgets to address the Aqueduct's infrastructure needs. It was noted that the proposed budget for FY23 is \$81.3 million (DC Water's share is \$59.5 million) and for FY24 is \$47.7 million (DC Water's share is \$34.7 million). Mr. Chow thanked Ms. Powell and her team for working with Aqueduct staff in the development of the Aqueduct's CIP budget.

The Committee inquired about the extent of value engineering incorporated in the development of the proposed CIP budget for FY21-FY30, and whether alternative levels of funding will be evaluated in an attempt to limit the increases required to fund the budget. Ms. Powell agreed to propose alternative options for the FY21-FY30 CIP budget with different levels of funding and document the resultant impacts of these levels of funding to the CIP.

VI. OTHER BUSINESS / EMERGING ISSUES

None.

VII. EXECUTIVE SESSION

No Executive Session held.

VIII. ADJOURNMENT

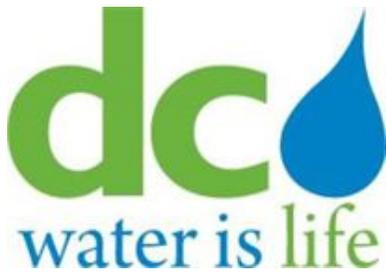
The Meeting was adjourned at 11:15 a.m.

Follow-up Items:

1. VP, Wastewater Operations: To confirm the average concentration of Total Nitrogen (TN) corresponding to the total annual pounds in the complete treatment effluent from BPAWTP **[Target: February EQ&Ops Committee Report]**
2. Chief Operating Officer (COO): To send the 2017 US Water Alliance Study on the economic impact of capital investment in the water sector across the United States. **[Sent to Board Secretary on January 25, 2022]**
3. Chief Operating Officer (COO): The Committee requested a presentation on CIPP (Cured-In-Place Pipe) rehabilitation methods on DC Water projects in response to the recent news article on the environmental effects of this methodology. Chief Operating Officer noted

that a presentation should be ready for presentation at the February EQ&Ops Committee Meeting **[Target: February EQ&Ops Committee Meeting]**

4. Chief Operating Officer (COO): To provide alternative options for the FY21-FY30 CIP budget with different levels of funding and document the resultant impacts of these levels of funding to the CIP. **[Target: February EQ&Ops Committee Meeting]**



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY
Board of Directors**

DC Retail Water and Sewer Rates Committee
Tuesday, January 25, 2022
9:30 a.m.

MEETING MINUTES

Committee Members Via Teleconference

Rachna Bhatt, Chairperson
Tommy Wells, Chairman
Howard Gibbs
Anthony Giancola
David Franco
Ivan Frishberg
Reverend Dr. Kendrick Curry

DC Water Staff Via Teleconference

David L. Gadis, CEO/General Manager
Matthew Brown, CFO/EVP, Finance & Procurement
Kishia Powell, COO/EVP
Marc Battle, EVP, Office of Legal Affairs
Linda Manley, Secretary to the Board
Meisha D. Lorick, Acting Director, Customer Care

Call to Order

Chairperson Rachna Bhatt convened the meeting at 9:30 a.m.

Roll Call

Linda Manley, Board Secretary conducted a roll call of the Committee members.

Monthly Report to DC Retail Water & Sewer Rates Committee (Attachment A)

Mr. Brown, CFO/EVP Finance and Procurement greeted the Committee and stated that there are two presentations: i) Monthly Report and ii) the 2023 Cost of Service Study Update to be presented by Mr. Jon Davis, a Consultant with Raftelis.

Mr. Brown provided the Monthly Report. He stated that the FY 2022 first quarter overall revenues were favorable by \$12.6 million or 5.5 percent over the budget. He mentioned that the major areas with favorable variances were in the Residential, Commercial, and Multi-family. He noted that there are some areas with under collection and the largest is the Federal category due to the disputed Soldiers Home accounts. Mr. Giancola inquired about the status of the dispute with Soldiers Home accounts and Mr. Marc Battle, EVP, Office of Legal Affairs, stated that there will be a legal update to the Board in February 2022.

Mr. Brown also provided an update on the 90-days delinquencies, which are measured from the bill date. He mentioned that the delinquencies at the end of December 2021 are \$27.6 million, which was a slight increase from the \$27.2 million in November 2021. He noted that the delinquent accounts represent about 10.8 percent of the total accounts, which also increased compared to the 9.9 percent in November 2021. He noted that growth in delinquencies slowed compared to the prior months during the pandemic because of proactive outreaches, payment plans and various customer assistance programs that DC Water was able to offer to its customers. Mr. Brown briefed the Committee on the CAP, CAP2 and CAP3 (Customer Assistance Programs) customers arrears by ward.

Mr. Brown updated the Committee on the Developer Deposits and mentioned that DC Water continues to work through the forfeiture process. He stated that there has been a significant amount of refund request that have come in, which gives the Permit's Department an opportunity to process those refunds. Mr. Franco inquired if there have been any new procedures put in place to expedite the return of customer deposits. Mr. Brown mentioned that DC Water is looking at the processes and making improvements. He noted that one of the procedures that DC Water put in place is that there will be an annual statement going out to all customers with balances regardless of the financial activity in the account. He stated that statements were mailed out to customers only if there was a financial transaction on an account in the past.

Mr. Brown gave a brief overview of the Disconnection Moratorium Legislation report that provides information on customers (Residential, Commercial and Multi-family categories) payment terms, 30-Day Accounts Receivable, Active Plans, Plans Defaulted and Non-Payment Disconnections by zip code.

2023 Cost of Service Study Update (Attachment B)

Mr. Brown noted that DC Water is a cost recovery organization and customers are charged for the cost of services provided to them. Mr. Brown introduced Mr. Jon Davis from Raftelis Consultants to present the 2023 Cost of Service study update.

Mr. Davis began the presentation by stating that the COS consists of three components: i) revenue sufficiency analysis - to ensure that the revenues cover the costs that DC Water incurs; ii) cost of service analysis/rate equity - to ensure that the rates are equitably recovering the cost of service provided to customers; and iii) alternative rate structure analysis - to ensure that DC Water meets its priority pricing objectives.

Mr. Davis provided the four major objectives of the COS study that are the priorities of DC Water Board Rate Setting Policies: i) revenue sufficiency; ii) cost of service recovery iii) simplicity; and iv) affordability. He noted that the main cost driver are increases in capital costs due to lead removal and sewer infrastructure rehabilitation. He stated that DC Water continues its efforts to lower operating and

maintenance expenses to keep rates reasonable for customers. Mr. Davis explained that the per capita consumption is continuing to decrease in the District. He mentioned that COVID-19 has contributed to redistribution of consumption among customer classes. Mr. Davis stated that the projected revenue based on the proposed rates for FY 2023 and FY 2024 is sufficient to fund the utility's cash requirements, maintain targeted reserve funds, and meet the required debt service coverage.

Mr. Davis stated that there are three initiatives going into the COS study: i) fully phased in reallocation of some costs associated with the Clean Rivers Impervious Area Charge (CRIAC) to the Sewer Volumetric Rate based on engineering assessment; ii) the revenue collected from the ongoing Water System Replacement Fee (WSRF), originally designed to fund the annual costs of one percent of DC Water's water renewal and replacement program; and iii) cost of service update of the Groundwater Charge (enacted in 2018) and the Washington Aqueduct Discharge Rate (enacted in 2022). He stated that historically, CRIAC recovered 100 percent of the capital costs, however, DC Water has implemented a change to allocate the cost between CRIAC and the sewer volumetric rate that was consistent with an engineering study based on wastewater flows.

Mr. Davis briefed the Committee on the proposed rates for FY 2023 and FY 2024. He also explained his observations from the Cost-of-Service study which included a slight cost recovery shift from sewer to water from FY 2022 to FY 2023 due to some operational reorganization, although metering and Water System Replacement Fee (WSRF) remained fixed.

Mr. Davis further stated that the current forecast is that CRIAC will increase from FY 2023 to FY 2024 due to changes in debt assumptions for bond refinancing. Mr. Davis explained the impact of the proposed rates on average residential and Customer Assistance Program bills. Mr. Davis briefed the Committee on the next steps which includes the presentation of the FY 2023 and FY 2024 proposed rates to the Committee on its February 22, 2022, meeting, and the subsequent Board meeting March 3, 2022 for approval and publication of the proposed rates. DC Water will then transmit the Cost of Service Study and the Independent Review of the Proposed Rates Report to the Mayor and Council on February 25, 2022, and a public hearing will take place on May 11, 2022.

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

Mr. Brown, CFO/EVP Finance and Procurement briefed the Committee on the FY 2022 Proposed Workplan.

Adjournment

Chairperson Bhatt adjourned the meeting at 10:22 a.m.

FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (February 22, 2022)

There were no follow-up items



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY
Board of Directors**

Joint Meeting of the DC Retail Water and Sewer Rates and
Finance and Budget Committees

Tuesday, January 25, 2022.

10:15 a.m.

MEETING MINUTES VIA MICROSOFT TEAMS

Board Members

Rachna Butani Bhatt, Chairperson
Anthony Giancola, Chairperson
Tommy Wells, Board Chair
David Franco
Ivan Frishberg
Howard Gibbs
Jared McCarthy
Sarah Motsch
Joe Lennard, Jr.
Jed Ross

DC Water Staff

David L. Gadis, CEO & General Manager
Matthew T. Brown, CFO & EVP, Finance and Procurement
Marc Battle, EVP, Legal Affairs
Kisha Powell, Chief Operating Officer, EVP
Lola Oyeyemi, Director, Budget
Linda Manley, Secretary to the Board

Call to Order

Chairperson Rachna Butani Bhatt called the meeting to order at 10:24 a.m.

Overview of Proposed FY 2023 Budget

Mr. Matthew T. Brown, Chief Financial Officer & Executive Vice President, Finance and Procurement, provided an overview including the major drivers and underlying assumptions of the Proposed FY 2023 budget. The budget proposal includes the FY 2023 operating expenditure budget of \$686.4 million, Ten-Year Capital Improvement Program (CIP) disbursement of \$6.4 billion, revenue requirements in the Ten-Year Financial Plan, and the two-year rate proposal.

Mr. Brown provided an overview of the FY 2023 budget and rates adoption calendar, which includes critical dates leading up to the Board adoption scheduled for March 3, 2022. He highlighted the importance of staying on schedule to approve the two-year rates by July 7, 2022, prior to the August recess, and the start of FY 2023 which will begin October 1, 2022.

Mr. Brown reviewed the major drivers and deliverables of the proposed budget. He stated that this budget has been aligned with the new Blueprint 2.0 Strategic Plan. He noted that Lead Free DC has been fully funded, which is a significant accomplishment within the proposed budget. The proposed budget also delivers lower than previously forecasted rates, supports the ongoing customer assistance programs, funds the consent decree modification for the Clean Rivers

program, provides additional funds for aging water and sewer systems, invests in the Washington Aqueduct's infrastructure, and expands the DC Water Works program.

Next, Mr. Brown provided an overview of the FY 2023 Proposed Budget. The Proposed Operating budget of \$686.4 million is \$28 million above the FY 2022 approved budget. The major components of the operating budget include \$382.0 million in Operations & Maintenance (O&M) costs, \$234.7 million in Debt Services, \$46.7 million in Cash Financed Capital Improvements (CFCI) - dually used to cash finance capital projects and support other unforeseen spending, and PILOT and ROW of \$23.1 million. In response to Mr. Franco's questions regarding inflation, Mr. Brown explained that the CFCI contains a contingency, which helps with cost pressures and serves as a PAYGO Account to help reduce borrowing for the capital program. The Proposed Capital Budget of \$6.4 billion is \$987 million above the approved budget, and includes \$5.79 billion for Capital Projects, \$375.3 million in Capital Equipment, and \$253.8 million for Washington Aqueduct improvements.

Mr. Brown discussed the multi-year rate proposal for FY 2023 and FY 2024. The rates and charges remain the same for the Customer Metering Fee (\$7.75 for 5/8" meters), Water System Replacement Fee (\$6.30 for 5/8" meters), and the Right of Way Fee (\$0.19 per Ccf). The proposed rate changes include the water and sewer rates, which increases to 9.50 percent for FY 2023 and 3.25 percent for FY 2024, and the proposed CRIAC of \$18.14 per ERU in FY 2023 and \$21.86 per ERU in FY 2024. The PILOT Fee for FY 2023 and FY 2024 will increase by \$0.03 and \$0.02 per Ccf, respectively. Mr. Brown informed the Committee that the Cost-of-Service Study has been aligned with the two-year rate proposal. He also highlighted that the combined rate increases are lower than last year's forecast.

Mr. Brown stated the key points in the FY 2023 operating sources and uses of funds of \$800.0 million, highlighting the diverse revenues and major expenditure categories, including Pay-Go. The ten-year CIP sources and uses of funds is \$6.42 billion. The primary sources of funds are debt financing at 36.3 percent including the \$400 million that is planned to be issued, Wholesale Capital Payments at 18.0 percent, and PAYGO at 37.5 percent.

FY 2023 Capital Improvement Program (CIP) Budget Highlights

Mr. Brown provided an overview of the capital program noting that detailed discussions on the capital projects were provided by the Engineering Department to the Environmental Quality & Operations Committee. The proposed FY 2023 CIP disbursement is \$647.0 million and \$6.4 billion over the ten-year period. This budget fully funds the removal of all lead service lines by 2030 (\$629 Million), aligns the Clean Rivers Program (\$232 Million), ramps up 1.5 percent replacement for small diameter water mains starting FY 2028, continues 1.0 percent small sewer line ramp up in FY 2024 and beyond. Additionally, this budget invests over \$1.2 billion over ten years for Blue Plains upgrades and major rehabilitation, allocations for non-process facilities in the amount of \$102 million, \$254 million for DC Water's share of the Washington Aqueduct's Infrastructure needs, innovation program needs of \$16 million for solar projects, fleet and heavy equipment purchases of \$18 million, and \$341 million for mechanical equipment, operational facilities, meter, office renovations, and IT projects.

Next, Mr. Brown reviewed the proposed ten-year CIP of \$6.4 billion and the proposed lifetime budget of \$13.4 billion. He noted that the proposed CIP is budgeted on a cash disbursement basis. Mr. Brown gave an overview of the projects that involve the most investments over the next five years. There will be an increase in investments over the next five years as DC Water advances the Leadfree DC and the Clean Rivers programs. He noted that the bulk of the spending across asset categories is notably on Water Projects, Sanitary Sewer, Blue Plains, and Clean Rivers/Combined Sewers LTCP (Long Term Control Plan). In response to Mr. Franco's inquiry regarding the debt service coverage ratio, Mr. Brown indicated that he would prefer to hold the management target at 33 percent for the revenue spent on debt service. He noted the budget and financial plan are above the debt service coverage minimum requirement of 1.6 percent.

Operating Budget

Next, Mr. Brown provided a detail overview of the proposed operating budget of \$686.4 million and the main highlights of the budget, which include 73 new positions to achieve greater efficiency to support compliance and safety, data analysis and other programs. He further highlighted the apprentice program that provides 14 apprentice positions. This budget further allocates \$1.2 million to implement new customer assistance programs to repair property side leaks that impact water billing and achieves a \$2.7 million savings in FY 2023, as compared to the Financial Plan forecast. Other highlights include the provision of \$720,000 for the Backwater valve program. It also includes \$1.3 million funding for the Green Infrastructure program, and the addition of \$3.3 million to expand various strategic programs such as government affairs coverage, Enterprise Risk Management, Diversity, Equity and Inclusion organizational assessment and leadership programs. This budget also provides for a Customer Assistance Program expansion of \$0.5 million.

Mr. Brown went on to briefly review the O&M budget drivers which remain consistent with the FY 2022 budget. As in FY 2022, the proposed FY 2023 personnel services budget remains at 27 percent of the total O&M budget. but increases by approximately 3.3 percent over the FY 2022 Approved budget. While contractual services remained relatively flat, there were slight increases in water purchases, chemicals and supplies, and utilities compared to the FY 2022 budget. He noted that core O&M costs have been consistently stable with an average growth of about three percent, which is below the previous financial plan forecast. Overall, the operating budget is projected to increase by approximately \$28 million or 4 percent over the FY 2022 Approved budget.

Next, Mr. Brown reviewed the headcount which includes 73 new positions for FY 2023. This comprises 39 positions insourced to reduce reliance on outside contractors, 27 positions to expand various programs, and 7 others designed to achieve savings through in-house support of various professional services. Mr. Brown further discussed the Authority-wide vacancy rates, which is currently at 12 percent, with 7 percent assumed for FY 2023 due to the new positions proposed. Mr. Giancola asked how feasible it was to achieve a vacancy rate of five to six percent during a pandemic year, as this was stated as a goal but was never achieved in prior years. Mr. Brown stated that this is a goal that continues to be important to the CEO & General Manager, Mr. David Gadis, and the Leadership team. The People and Talent department continues to focus on this issue and is making ongoing efforts to identify the critical vacancies and fill these positions. Mr. Franco followed up with a question regarding how feasible it was to attract and retain quality talent given the 73 new positions along with a four percent increase in personnel costs, while

keeping up with the competitive market. Mr. Brown stated that this is an ongoing process that we are working through with Human Capital Management. Mr. Gadis added that hiring and retaining good talent is tougher in the current market. He explained that DC Water continues to work to offer competitive pay.

In response to Mr. Franco's question regarding the maintenance cost variance between FY 2022 and FY 2023, Ms. Lola Oyeyemi, Director, Budget, stated that as part of the implementation of the ERP (Enterprise Resource Planning) system, improvements were made to the Chart of Accounts to properly classify costs in adequate categories, which caused some costs to be reclassified and reflected within professional services. Therefore, there wasn't a reduction within the maintenance cost.

Mr. Brown provided additional information on contractual services, notably professional services, which has the largest budgeted category at \$38 million, with several costs including security services, CHP (Combined Heat and Power) operation fees, general litigation, and credit card fees. Utilities increased by \$1.5 million, the purchase of drinking water from the Washington Aqueduct increased by \$5.1 million, which includes funding for DC Water's share of the cost to treat the backwash of the McMillan Sewer. The small equipment budget remained relatively flat at \$1.1 million.

Debt Service costs have increased and continues to be one of the fastest growing components of the operating budget, with the cap expected to hit in FY 2029, then decrease in FY 2030 and FY 2031. Debt service represents 35.8 percent of total operating expenditure and remains the largest driver in the Operating Budget. Mr. Brown highlighted the budget risks, such as COVID-19 impacts, possible higher overtime costs for emergencies, market volatility and its effect on chemicals and utilities, operation and maintenance of new facilities, Biosolids/BLOOM where hauling and marketing is anticipated for 60,000 tons, and possible unanticipated litigation and other unforeseen insurance issues.

Operating Revenues, Rates and Fees.

Mr. Brown briefly explained the combined rate increases, which were previously discussed. He further reiterated the expansion of the Customer Assistance Program, the extension of DC Water Cares (MAP and RAP) into FY 2022, Customer Metering and Water System replacement fees remaining the same, the Impervious Area Charge fee increase, which funds the Clean River costs, and Water and Sewer rate increases of 9.50 percent for FY 2023 and 3.25 percent for FY 2024. In response to Mr. Franco's question regarding the water and sewer rate increase, Mr. Brown clarified there was a 17.9 percent increase on the water rate and a 5.8 percent on the sewer rate, which has an average of 9.5 percent.

Customer Assistance Program (CAP)

Mr. Brown provided an overview of the customer assistance programs that DC Water offers and the various programs designed to ensure that DC Water remains one of the most financially supportive organizations to its customer base in the nation. These include the Lifeline Rate, CAP (Customer Assistance Program), the One-Time Assistance and Payment Terms programs. He

also highlighted the new customer assistance programs throughout the District and the Federal Government.

The Financial Plan

Mr. Brown provided an overview of the assumptions in the ten-year financial plan and management's targeted financial metrics, which includes maintaining debt service percentage of total operating revenues of 29.5 – 33.0 percent, combined coverage of 1.85X – 2.04X, and 250 - 253 days of cash, excluding Rate Stabilization Fund. Mr. Brown noted that the target of 10 percent has been removed from the Rate Stabilization Fund.

Mr. Brown also highlighted major lines on the ten-year financial plan, which include operating receipts, operating expenditures, debt service, ending balance and various metrics. Next, Mr. Brown highlighted the framework for innovation to fund the upcoming solar projects, which will provide energy savings and produce revenue.

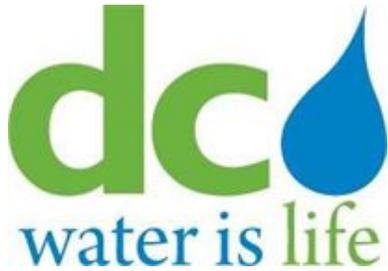
In closing, Mr. Brown discussed the intent to Reimburse Capital Expenditures, which will require the Board to approve reimbursements to DC Water for costs of the system also known as the Master Indenture. The amount for FY 2022 and FY 2023 is \$599.0 million. He reminded the Committee members to submit budget related questions to the Board Secretary and that the respective recommendations and actions from the various Committees are anticipated in February with final budget adoption by the full Board on March 3, 2022.

Follow-up Items

- Follow up and clarify the decreased revenues for Fairfax County (**Mr. Franco**)

Adjournment

Hearing no further business, Chairperson Anthony Giancola adjourned the meeting at 11: 27 a.m.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Finance and Budget Committee

Tuesday, January 25, 2022

11:00 a.m.

MEETING MINUTES VIA MICROSOFT TEAMS

Committee Members

Anthony Giancola, Chairperson
David Franco
Sarah Motsch
Jared McCarthy

DC Water Staff

Matthew T. Brown, CFO & EVP, Finance and Procurement
Marc Battle, EVP, Legal Affairs
Kisha Powell, Chief Operating Officer, EVP
Lola Oyeyemi, Director, Budget
Linda Manley, Secretary to the Board

Call to Order

Chairperson Anthony Giancola called the meeting to order at 11:29 a.m.

December 2021 Financial Report

Ms. Lola Oyeyemi, Director, Budget, provided the monthly report by exception. At the end of the first quarter of FY 2022, DC Water's operating revenues were \$240.6 million, or 30.2 percent of budget, operating expenditures were \$139.5 million, or 21.2 percent of budget, and capital disbursements were \$77.6 million, or 13.7 percent of budget.

Next, Ms. Oyeyemi provided some budget highlights. She reminded the Committee that the Proposed FY 2023 Budget was presented to the Joint Committees this morning (January 25) and management will provide detailed discussions on the budget proposal with Committee actions anticipated in February. Budget adoption by the full Board is anticipated on March 3, 2022.

Ms. Oyeyemi provided an update on the FY 2021 year-end closeout process. She announced that the Financial Statement audit has been completed and DC Water was issued an unmodified "clean" opinion on December 21, 2021. Details will be provided to the Audit Committee on January 27, 2022. Ms. Oyeyemi congratulated the Finance Team, acknowledging Mr. Genes Malasy (Controller), the accounting team, and various team members throughout the Authority for their hard work during the year-end close and audit processes.

Next, Ms. Oyeyemi reported that the FY 2021 Comprehensive Annual Financial Report is underway and will be available on DC Water's website when it is completed. The OMB Guidance Audit and the Green Bond report are underway with expected completion by the end of January.

Ms. Oyeyemi provided the rest of the financial report by exception. She informed the Committee that revenues were slightly higher overall. Total operating expenditures were \$139.5 million, which includes core Operations and Maintenance at 23.3 percent of budget, Debt Service cost at 21.0 percent, and PILOT/ROW at 24.8 percent of the FY 2022 approved budget. Of the 1241 positions authorized, 1096 were filled at the end of December with a vacancy rate of 12 percent. Management is continuing with their efforts to reduce the vacancy rate to achieve a single digit vacancy percentage. Disbursements for Capital Projects were \$74.6 million, or 14.6 percent of the budget. Capital Equipment disbursements ended the quarter at \$3.0 million, or 7.5 percent of the budget. She noted that DC Water recently received the Washington Aqueduct bills and disbursements will be reported within next month's report. Ms. Oyeyemi reminded the Committee that a detailed project performance will be provided by the Engineering Department at the February 2022 Committee meeting.

In closing, Ms. Oyeyemi reported that the total cash balance was \$495.4 million at the end of December. This is comprised of the operating cash balance of \$288.4 million, including the Rate Stabilization Fund (RSF) of \$46.1 million, and the remaining balances of the unrestricted (\$150.8 million) and restricted (\$56.2 million) reserve accounts. Delinquent accounts were at \$27.6 million, or 10.8 percent of total customer accounts at the end of December. She reported that the Accounts Payable performance was at 94 percent compared to the Authority's goal of 97 percent. Ms. Oyeyemi also provided highlights of the grants report for the first quarter and noted that DC Water received approximately \$3.0 million in January for the 2022 Congressional CSO appropriations, which will be updated in next month's report.

Before adjourning the meeting, Chairperson Giancola congratulated the Finance team for receiving another clean external audit report for the 24th consecutive year. He also requested the Committee receive a copy of the management report.

Adjournment

Hearing no further business, Chairperson Anthony Giancola adjourned the meeting at 11:40 a.m.

Follow Up Items

1. Provide the management (external audit) report to the Finance & Budget Committee members.
(Mr. Giancola)



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Audit & Risk Committee

Thursday, January 27, 2022

9:30 a.m.

Meeting Minutes

COMMITTEE MEMBERS PRESENT

Anthony Giancola, Committee Vice -
Chair

Howard Gibbs, Committee Member

Steven Shofar, Committee Member

Jed Ross, Committee Member

INTERNAL AUDIT STAFF PRESENT

Dan Whelan, RSM US LLP

Jill Reyes, RSM US LLP

Sophie Tomeo, RSM US LLP

Mercedes Sivels, TFC

DC WATER STAFF PRESENT

David Gadis, CEO

Linda Manley, Secretary to the Board

Genes Malasy, Controller

Wayne Griffith, EVP Performance

Matt Brown, EVP Finance &

Procurement

Marc Battle, EVP Legal Affairs

Dan Bae, VP Procurement &

Compliance

Francis Cooper, Director EPMO

EXTERNAL AUDIT STAFF PRESENT

Brian Grega, KPMG

Richard McLean, KPMG

Call to Order (Item 1)

Mr. Tony Giancola called the Audit & Risk Committee meeting to order at 9:30 AM.

FY 2021 Financial Statements (Item 2)

Mr. Genes Malasy presented that the Authority received an unmodified (“clean”) audit opinion from the external auditor, KPMG. Mr. Malasy noted that this year’s audit was the first year with the new Oracle financial system. Notably, the Authority received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 24th consecutive year for their 2020 Comprehensive Annual Financial Report.

Mr. Malasy also presented the Authority’s FY 2021 Financial Statement results by first mentioning the Authority’s financial position remains strong and is growing with a total net

position of \$2.7 billion, which is an increase of \$187.8 million (7.6%) from last fiscal year, largely due to an increase in capital assets. Operating revenue increased by \$33.7 million (4.6%), while operating expenses increased by \$18.2 million (4%) over the prior year.

Mr. Malasy expressed the importance of the net position line item on the financial statement. He explained that the main reason for the cash shortfall was due to the timing difference between the recognition of revenue and the receipt of receivables. Additionally, he explained that the largest increase in net position was from net investment in capital investments from Anacostia LTCP capital expenditures of \$136 million. For FY 2021, the Authority had a total of \$3.7 billion in long-term debt outstanding, a decrease of \$92 million (2.4%) from the prior year. This decrease was due to scheduled principal repayments as well as amortization of premium. There were no bonds issued in FY 2021. The Authority is scheduled to close on a transaction that includes \$400 million in new money in March 2022. Mr. Giancola asked if the transaction would close before the Fed raises interest rates. Mr. Matt Brown responded that the team was working as quickly as possible to complete the transaction.

Mr. Malasy then presented the increase in operating revenues, which remain diversified, with no category representing more than 25% of total operating revenues. Operating revenue increased by \$33.7 million (4.6%). Operating expenses increased by \$18.2 million (4%), caused by increases in personnel, chemical, supplies, small equipment and utilities, and rent. Nonoperating expenses were significantly impacted by GASB 89. Interest expense and other non-operating expenses increased by \$63.9 (69.7%). GASB 89 now requires the expensing of interest during the construction period rather than capitalizing the interest so that it becomes part of the asset's value. This new methodology was adopted alongside the transition to the new Oracle system.

Mr. Malasy then discussed unrestricted cash and investments, which can be used for routine operations and has no external restrictions (use is restricted by the Trust Indenture and Board policies). Restricted cash and investments are mainly from bond proceeds that will be drawn down to fund capital projects. Net capital assets, including construction in progress less depreciation, increased by \$261.2 million (3.5%). Blue Plains is the largest capital investment at \$3.3 billion. There is \$2.1 billion worth of construction in progress.

External Audit Update (Item 3)

KPMG Partner Mr. Brian Grega presented the DC Water FY 2021 external audit results. He informed the Board that KPMG issued a clean, unmodified opinion on the Authority's FY 2021 financial statements. He congratulated management on all their hard work. He also stated that no material weaknesses, significant deficiencies, or instances of noncompliance were identified regarding internal controls over financial reporting.

Mr. Richard McLean, KPMG Senior Manager, referred to the significant accounting policies that are described in Note 2 of the financial statements, and noted that there were no significant changes to accounting policies in FY 2021. Mr. McLean noted that no

significant accounting estimates or financial statement disclosures were identified in the audit, as in previous years.

Mr. McLean summarized the five new GASB standards that were implemented in FY 2021. Two additional GASB standards are to be implemented in FY 2022. Mr. Giancola asked what the Omnibus standard is for FY 2022. Mr. McLean responded and explained what the Omnibus standards will impact.

Mr. McLean noted three uncorrected audit misstatements identified during the FY2021 audit, but the misstatements resulted in negligible change. These three items related to an overstatement of the capital accounts payable accrual, an adjustment to the net book value of the remaining water meters based on an incorrect useful life estimate, and an understatement of IMA wholesale revenue. The overall effect of these misstatements and the change in net position are immaterial and inconsequential to DC Water's financial statements. There were no corrected misstatements identified in the audit this year.

Mr. McLean then reported on internal control related matters. Mr. McLean explained that no significant deficiencies or material weaknesses were reported. Any other control deficiencies that were identified but not considered significant or material were communicated via the letter to management. Mr. Giancola requested that the Audit Committee be provided with a copy of the management letter.

Mr. Brian Grega proceeded to provide an overview of external audit required communications, with no significant matters to report. Mr. McLean concluded that KPMG is currently performing the Uniform Guidance Compliance Audit which includes testing one major program, CFDA #66.468, Safe Drinking Water Act Program. The audit has been substantially completed but is currently undergoing internal reviews before finalization. KPMG will update the Audit Committee with results when available.

Management Briefing (Item 4)

Mr. Wayne Griffith provided an overview and status of the Enterprise Risk Management program. Mr. Griffith provided a reminder of the actions taken over the past six months, including the desire for a holistic risk management approach and a change in the role of the Audit Committee, creating the Audit & Risk Committee in order to include oversight of the Enterprise Risk Management program. In December 2021, the Authority developed a project plan and timeline. They have now commenced project mobilization. The EP MO within the Strategy & Performance cluster is leading the development of the program. They have conducted 18 stakeholder interviews with specific risk owners to leverage existing practices and resources. Next steps include the finalization of the governance structure and role and responsibilities, interviews with senior leadership and Board members, the delivery of foundational ERM training, and the facilitation of a workshop with the Senior Executive Team to prioritize risks.

Mr. Giancola asked if the Senior Executive team workshop should also include the Board, given the importance of Board oversight and involvement. Mr. Griffith explained that the plan was to allow the Senior Executive Team to prioritize the risks and then the risks would be presented to the Board on a routine basis. Mr. Francis Cooper also chimed in that Board training is a next step and the team is currently looking for an appropriate time to schedule that training. Mr. Griffith concluded by saying that they are on track with management's action plan, and it should be completed by the end of March 2022.

Mr. Giancola asked if the Audit & Risk Committee should plan to begin meeting monthly, as they currently only meet quarterly. Mr. Griffith said the Audit & Risk Committee should continue to meet quarterly at this time, but if the need arises for the team to begin meeting monthly, they can discuss it further. Mr. Griffith turned the meeting over to Mr. Dan Whelan to provide an update on internal audit activities.

Internal Audit Update (Item 5)

Mr. Dan Whelan, RSM Partner, presented the agenda and FY 2022 internal audit plan status update. Mr. Whelan noted the FY 2022 Contract Compliance Internal Audit will be discussed today, and the other upcoming audits are either in planning or haven't started yet. Mr. Whelan went through the timeline for each audit and noted that Internal Audit does not currently anticipate any changes to the schedule.

Ms. Sophie Tomeo, RSM Manager, presented the status of high-risk prior audit findings. Ms. Tomeo detailed that there are only four open high-risk prior audit findings at this time, which had been reduced from the seven presented at last quarter's Audit Committee meeting. The remaining open items include (1) Training, Licensing, and Certification related to the identification and monitoring of training requirements by position, (2) Entity Level Assessment related to the lack of a comprehensive risk management function to evaluate entity-wide risk, (3) Entity Level Assessment related to the lack of Authority-wide policy and procedure management function, and (4) Enterprise Work Order Management Assessment with Department of Water Operations related to inadequate capture of labor and materials cost data in Maximo work orders.

Mr. Giancola asked what the DC Water Policy Administrator position, in relation to the Entity Level Assessments, is going to be responsible for and who they would report to. Mr. Griffith responded that the question was premature, and the specifics had not been finalized. The general role of the DC Water Policy Administrator will be to oversee all the policies, accurate inventory of the policies, updates to the policies on a routine basis, and to work with specific departments to develop new policies when needed. Mr. Giancola asked how the Administrator part of the title fits into the role and whether the individual would report to Mr. Griffith. Mr. Griffith reiterated that the question was premature and does not know at this time if the individual will report to himself or sit under a different department. Mr. Giancola then congratulated management for resolving some of the prior high-risk audit findings and reducing the list down to four findings.

Ms. Tomeo went over the status update on prior audit findings prior to FY21. There were only two open items not already indicated on the high risk dashboard that remain open from audit reports issued prior to FY21: one finding related to Occupational Safety and Health and one finding related to SCADA ICS review. There are also five items pending testing. All other audit findings prior to FY2021 have been closed out. For FY21 audit findings, eight remain open, four have been closed, and six are in pending testing status. In summary, 93% of all prior audit findings from FY14-FY21 are closed. Management's target closure rate is 90%.

Mr. Jed Ross asked what impacts to operation the Water Operations work order internal audit finding was having. Ms. Tomeo explained the issue was around the data being captured in the Maximo system, specifically material cost and labor hours. Management is working to improve their processes around capturing this type of data to make more informed management decisions, but there are no impacts to day-to-day operations with the workflow and work order processing.

Ms. Tomeo reviewed the semi-annual follow up analytics summary and the time to closure by fiscal year. Management has significantly reduced the time it takes to close out open audit findings. For FY 2020, the average time to closure of a finding was approximately 3.2 quarters, whereas it took an average of 4.6 and 6.3 quarters respectively for FY 2018 and 2019. Ms. Tomeo pointed out management's increased diligence with respect to remediation and thanked them for their hard work.

Ms. Mercedes Sivels, TFC Senior Associate, shared the results of the Contract Compliance Internal Audit. Ms. Sivels discussed that the objective of the Contract Monitoring and Compliance audit was to understand how contracts are managed and to assess whether the system of internal controls is adequate and appropriate. Internal Audit selected two contracts to audit: Capitol Paving of D.C., Inc., and National Service Contractors (NSC), Inc. As a result of this internal audit, there are no high-risk findings to report. There was one moderate risk and two low risk findings included in the report.

Mr. Giancola inquired to hear more about the moderate finding regarding COTR training. Mr. Giancola stated that it is imperative that COTRs have adequate training to oversee contracts. He also pointed out the increase in contracts in the coming years and wanted to ensure that COTRs are fully trained to adequately perform their duties. Mr. Dan Bae explained that there was a lapse in the monitoring of COTR training during FY 2021. With the implementation of the new HR module in Oracle that will house training for DC Water moving forward, the team is working to close this issue. They are also adding additional steps to reinforce the monitoring process. Every COTR will be trained timely and as required in the next few months. Ms. Tomeo added that throughout the past 6 months, the Procurement team has created a virtual COTR training in DiveIn (DC Water's current learning management system) which had previously been administered live. All COTRs were assigned the training and able to access it.

Mr. Jed Ross said that in the next executive session he would like a presentation on whether the Authority had asserted any legal claims against contractors to enforce

compliance. He also stated that a summary of all change orders and associated costs would be helpful information. Mr. Giancola asked if it could be included in the Legal briefing Mr. Marc Battle will be providing in February. Mr. Battle said it can be incorporated into the February materials. Mr. Gibbs added that the EQ & Ops Committee would also be interested in receiving that briefing.

Ms. Jill Reyes, RSM Partner, then went over the hotline update. Two hotline calls have been received during FY 2022. The two calls were related to the same matter which was not fraud related so they were turned over to the appropriate management team and correspondingly closed out in the fraud hotline dashboard. In FY 2021 the hotline received 7 claims. Mr. Giancola asked if the line was working due to the small number of calls. Ms. Reyes said the vendor had recently updated the system and that there had been a few glitches with the line at the beginning of the system update, but all glitches were resolved in 24 hours. This concluded the Internal Audit update.

Mr. Giancola stated there was no need for an executive session.

Adjournment (Item 6)

The Audit & Risk Committee meeting adjourned at 10:43 AM.

Action Items:

- KPMG to distribute Management Letter to the Audit Committee
- Mr. Marc Battle to include contract claims against contractors in his Legal briefing scheduled for February



CEO's Report

FEBRUARY
2022

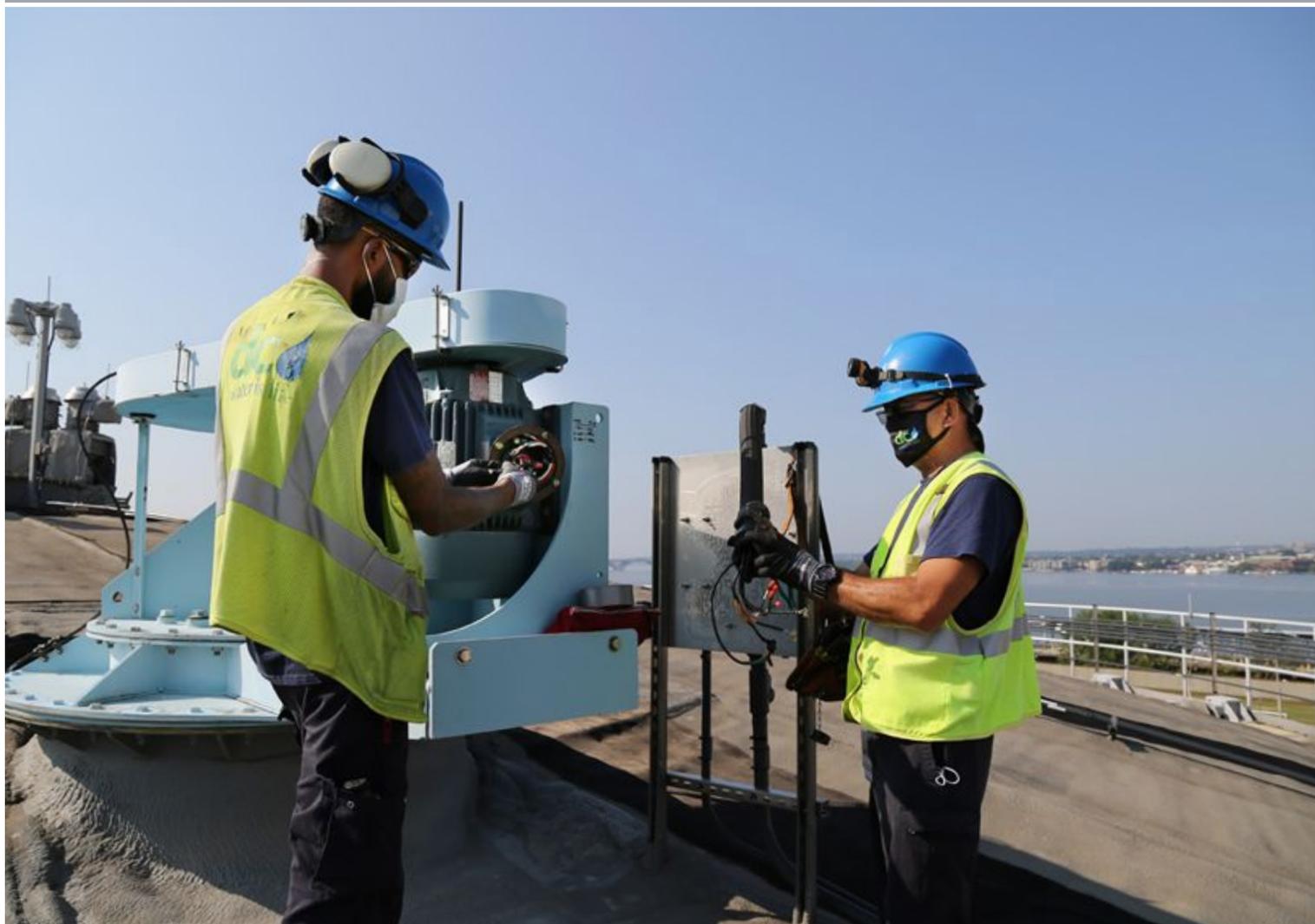


Teamwork!
Facilities collaborated with the Sewer Services department to support the Sewer Services move into their new location at 3101 Ames Place, NE.

ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING

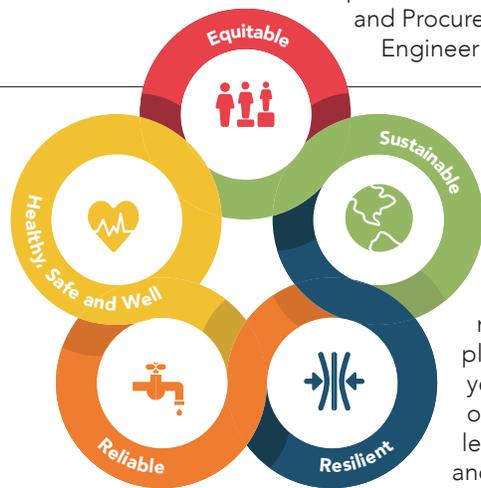
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dc Highlights

Chairman Wells and members of the Board, it is hard to fathom that we have been coping with the COVID-19 pandemic for close to two full years now. Yet, the public health crisis continues, forcing us to continuously adapt and take action to protect our employees so they can continue to serve our customers. In this report, I will update you on the proactive measures we are implementing, and also share highlights from our Finance and Procurement; Shared Services; Customer Experience; IT; and Operations and Engineering divisions.



Blueprint 2.0 Execution

Beginning this month, I will connect the highlights in my report to the five Imperatives in our strategic plan, Blueprint 2.0, so you can see some of the progress we are making in each of these core focus areas.

The Strategic Management Team took a significant step in advancing the strategic plan when we met for our first quarterly "Stat" (status) meeting on January 20. This meeting represents a shift from strategic planning and mobilization to executing the strategic plan over the next five years, including progress tracking and reporting. The meeting provided the opportunity for me and my Senior Executive Team to hear directly from our leadership with roles as theme responsible owners (TROs) who are advancing and tracking our strategic goals. I look forward to engaging with you in the future to share some of this progress and understand how we can most effectively engage with you in our strategic management journey.

Healthy, Safe and Well

COVID-19 Response and Authority-Wide COVID Safety Stand-Down

In light of the explosive spread of the Omicron variant, and the risk it poses to every employee, I issued an Emergency Declaration for the Authority in early January. In addition, the Authority partially re-activated the Incident Management Team (IMT) to leverage additional staff resources towards protecting our staff and ensuring continuity of operations. DC Water remains in a guarded posture, emphasizing telework to the greatest extent possible and separating and staggering frontline crews to slow the spread.

Given the seriousness of the situation, we held two virtual COVID Safety Stand-Down Meetings for Authority employees on January 5. More than 500 employees attended one of the two sessions, and quite a few expressed gratitude for the opportunity to discuss our policies and have their questions addressed.

During the meetings, **Lisa Stone** (Chief People and Inclusion Officer and EVP / People and Talent) highlighted recent COVID-related developments and updated Authority guidance on several points:

- Consistent with Mayor Muriel Bowser's Administrative Order (2021-147), DC Water is requiring all employees to be fully vaccinated against COVID-19;
- Unrepresented staff must be fully vaccinated by February 25, 2022;
- Represented staff will receive instructions after discussion with union leadership;
- Employees not in compliance will be subject to adverse employment action;
- Essential staff and those supporting critical operations will remain separated to support continuity of operations, and the use of staggered shifts and additional muster stations for frontline staff will continue; and
- Reiterating important information on hand washing, social distancing, testing options, and the use of face coverings in and around all DC Water worksites.

I would like to thank the team who prepared and led these important sessions, including Ms. Stone, **Kirsten Williams** (Chief Communications Officer), **David Gill** (Acting Director / Occupational Safety and Health) and **Adam Baron** (Coordinator, Emergency Planning / Office of Emergency Management) for helping to deliver clarity for our employees in a very fluid situation with many moving parts.

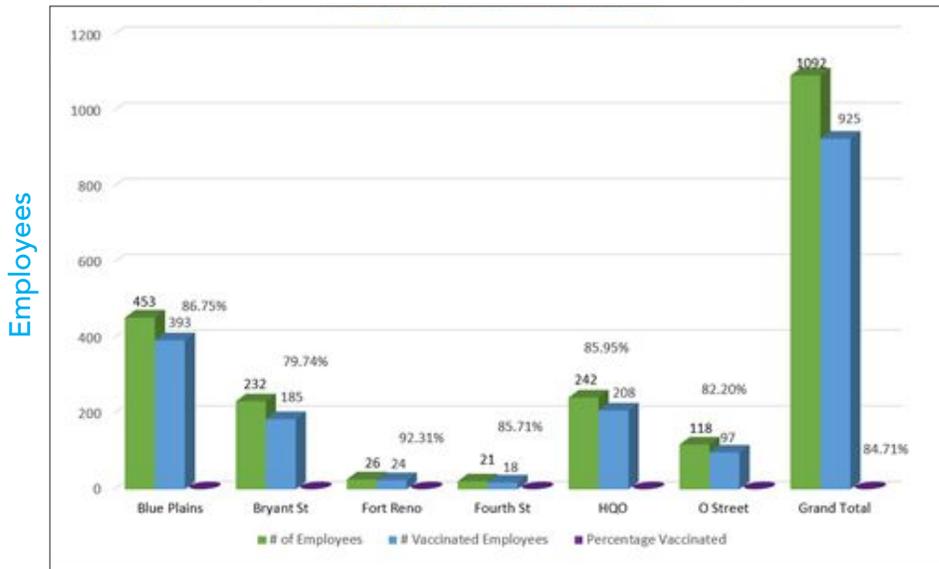
dc Highlights

Healthy, Safe and Well continued

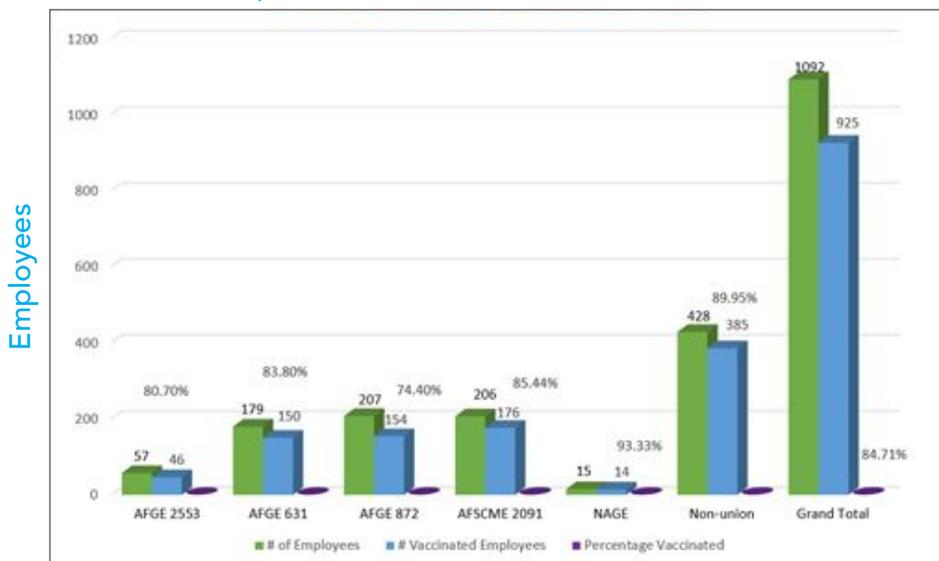
Vaccinations

Throughout the pandemic, DC Water is committed to keeping the Authority's employees Healthy, Safe and Well. All DC Water employees are required to be fully vaccinated by February 25, 2022, and weekly testing will only be an option for those with approved medical and/or religious exemptions. People and Talent have prepared a helpful FAQ on vaccination requirements, along with the new COVID-19 Vaccination Policy. Currently, we are up to 925 (84.71%) employees who are fully vaccinated.

DC Water – Employee vaccinations by location compared to total



DC Water – Employee vaccinations by non-union / union



dc Highlights



Sustainable

Briefing with Rating Agencies

In the second week of January, members of the Senior Executive Team (SET) met virtually with three ratings agencies – Standard & Poor's, Moody's, and Fitch – to update them on our plans to issue \$400 million in debt and to seek a rating for the transaction.



Supporting me on the three calls were **Matt Brown** (Chief Financial Officer and EVP / Finance and Procurement), **Kishia Powell** (Chief Operating Officer and EVP), **Wayne Griffith** (Chief Strategy and Performance Officer and EVP), **Kirsten Williams** (Chief Communications and Stakeholder Engagement Officer and EVP / Marketing and Communications), **Marc Battle** (Chief Legal Officer / Government and Legal Affairs), **Keith Lindsey** (Chief of Staff), **Ivan Boykin** (Director, Finance / Finance and Procurement), **Dr. Matt Ries** (Director, Strategic Leadership and Sustainability / Strategy and Performance), and **Lisa Stone** (Chief People and Inclusion Officer and EVP / People and Talent).

The meetings opened with the SET framing our organizational and financial posture in the context of the five imperatives of the Blueprint 2.0 strategic plan, followed by an overview of our inaugural Environmental, Social, and Governance (ESG) report. The team then discussed DC Water's financial stability, plans for rate increases to meet operating requirements and planned capital investments, and the capital improvement program.

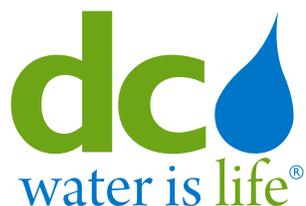
The Authority was supported by financial advisor Public Financial Management, and their MBE partner, Sustainable Capital Advisors. Final ratings on the series 2022 bonds are expected prior to the upcoming bond issuance in February 2022.

Council of Governments Presentation

On Friday, January 21, **Ms. Powell** and **Apera Nwora** (Director, Government Affairs and Policy / Government and Legal Affairs) represented the Authority at the Metropolitan Washington Council of Governments (MWCOG) during a meeting of the Chesapeake Bay and Water Resources Policy Committee (CBPC). Karyn Riley, Intergovernmental Relations Director, represented the Washington Suburban Sanitary Commission (WSSC) at the meeting.

During the session, Ms. Powell and Ms. Riley offered briefings on utility priorities for infrastructure funding, the needs of the communities we serve and the types of drinking water and wastewater projects that could be supported through the \$1.2 trillion bipartisan infrastructure bill.

My team continues to work closely with local authorities, including MWCOG and our partners in the Office of the Mayor and District government, to advocate on funding priorities and allocations. I will keep the Board updated on these activities in the weeks and months ahead.





Resilient

DC Water Staff Contribute to DC Commission on Climate Change & Resilience Forum

Councilmember Mary Cheh (Ward 3) provided opening remarks and **Director Wells** provided a keynote presentation to open the Forum. DC Water had two presentations accepted into the program exchange on the 'Adapting Water Systems' panel. **Maureen Holman** (Vice President / Shared Services), who also serves as a DC-CCCR Commissioner, presented 'Resilience at DC Water'. **Sheryl Ude** (Senior Advisor to the COO), **Apera Nwora** (Director, Government Affairs and Public Policy / Government and Legal Affairs), and **Dr. Ries** co-presented 'Centering on Equity and Environmental Justice When Prioritizing Project Opportunities: A DC Water Case Study on AEG Washington 21Q1 Task Force Challenge.'



These opportunities continue to highlight DC Water's commitment to centering on the District's human landscape while strengthening approaches as we seek to respond to both climate and social crises.



Reliable

COO Powell Nominated for Top 100 COO Recognition

On Monday, January 17, I learned that **Kishia Powell** (Chief Operating Officer and EVP) has been named as a finalist for the Top 100 COO Award and Operations professionals nationwide, regardless of industry, as part of the 2022 OnCon Icon Awards. Two hundred finalists were selected from a large number of applications and nominations and peer voting will determine which finalists are named to the Top 100 list.

Voting for the award is open to the COO/Operations community and professional colleagues of the finalists and reflects at least one of the following criteria:

- Made a considerable impact on their organization and/or previous organizations
- Made strong contributions to their professional community through thought leadership;
- Innovate in their role/career; and
- Exhibit exceptional leadership.

Congratulations to Ms. Powell on this well-deserved recognition.

Fleet Featured in Fleet Maintenance Magazine

I received word from **Maureen Holman** (Vice President / Shared Services) that DC Water's Department of Fleet Management was featured in the January issue of Fleet Maintenance magazine. The article highlights several innovative approaches, including the use of the Chevin FleetWave fleet management software, biofuel solutions and the Authority's emphasis on data and statistical analysis.

The article is the latest in a series of prominent industry pieces on the Authority's Fleet Management program. I would like to recognize the ongoing high performance of our Fleet team, led by **Timothy Fitzgerald** (Director / Fleet Management).



Divisions

The CEO report now includes service level based key performance indicators for our operations divisions. These are indicators for which the teams have established or confirmed response and resolution times in which to perform the related work. This is assisting us in identifying productivity impacts related to COVID-19 and resource needs as well as benchmarking ourselves against other utilities. It is important to note that where teams may not meet the Service Level Targets set for a specific metric, it does not mean the work is not getting accomplished. The teams are doing a tremendous job despite the pandemic and continue to strive to meet a high bar of performance.

Financial Metrics

Metric	Target	Sept-21	Oct-21	Nov-21	Dec-21
Operating Cash Balance (millions \$)	\$235.6	\$196.3	\$206.1	\$264.8	\$241.2
Delinquent Account Receivables (%)†	3.3%	4.5%	4.6%	4.6%	4.5%
On-time Vendor Payments (%)††	97.0%	93.0%	94.0%	94.5%	94.5%
Investment Earnings Data (Thousands \$)	\$2,234.0	\$3,433.0	\$160.0	\$214.6	\$49.8 ****
Core Investment Yield Data (%) - Merrill Lynch 1-3 Year Treasury Index	trend	0.3%	0.5%	0.5%	0.7%
Core Investment Yield Data (%) - Actual Monthly Yield	0.2%*	0.6%	0.6%	0.6%	0.5%
Short Term Investment Yield Data (%) - Merrill Lynch 3-Month Treasury Index		0.0%	0.1%	0.1%	0.1%
Short Term Investment Yield Data (%) - Actual Monthly Yield	0.1%*	0.1%	0.1%	0.1%	0.1%
Days of Cash on Hand	250.0**	329.0	371.0	390.0	335.0***

* Represent annual Treasury Index targets developed and provided by the Authority's investment advisor, and compared to the Monthly Treasury Index and the Actual Monthly Yield

** 250 days of cash represents the projection for annual days of operating reserves including the Rate Stabilization Fund

*** The 335 days of cash is made up of 53 days in the Rate Stabilization Fund and 282 days in the operating cash balance.

**** Investment Earnings Data for \$49 thousand due to lower yields on securities purchased several months ago. Security purchases made in December 2021 reflect greater yields for positive earnings in future months.

Metrics Explanations:

† Delinquent account receivables as a percentage of 12-month rolling average revenue. The delinquent account receivables increased due to the impact of COVID-19.

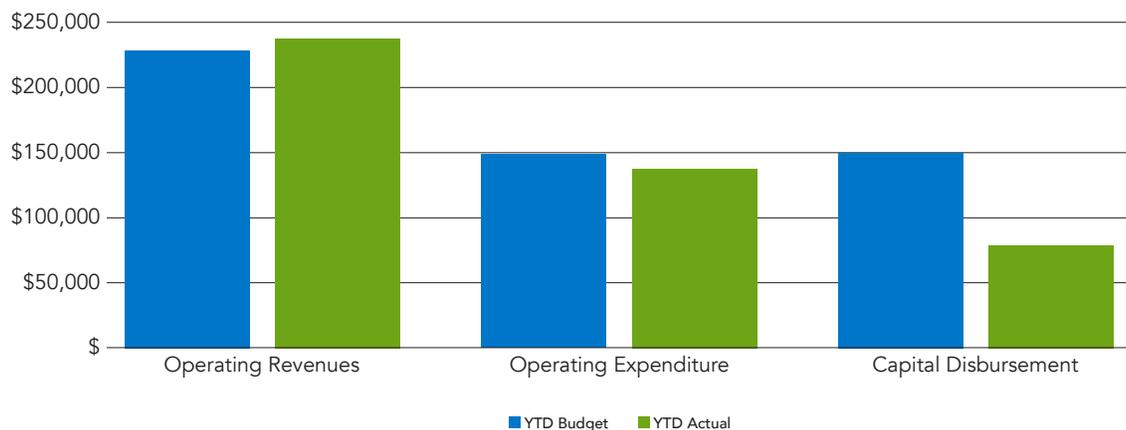
†† Vendor payments percentage is not at the desired target primarily due to performance related to the transition from the legacy system to the new system, which includes tolerance configuration (Materials Management invoices), retention invoices, or system entries (non-payment entries, e.g., ROCIP funding), and user training related to receipts issues.

Finance Highlights

FY 2022 Financial Performance

As of the first quarter, DC Water is on track with budgetary expectations and targeted performance metrics. As of the end of December 2021, total operating revenues are \$240.6 million or 30.2 percent of the approved budget. Total operating expenditures are \$139.5 million or 21.2 percent and capital disbursements are \$77.6 million or 13.7 percent of the respective budgets.

FY 2022 Year to Date Performance Budget vs. Actuals (\$000's)



FY 2023 Budget Proposal

The Proposed FY 2023 operating, FY 2022 – 2031 Capital Improvement program, FY 2023 & 2024 rates and fees and FY 2022 – 2031 Financial Plan have been formulated. This budget proposal was delivered to the Board of Directors during the Budget Workshop on January 6, 2022, immediately after the Board meeting. The proposed budgets and rates will be reviewed with the various Board Committees over a two-month process with budget adoption anticipated by the full board on March 3, 2022. Management and staff will then conduct extensive public outreach efforts which includes town hall meetings in each ward in the District and public hearing activities.

FY 2021 Financial Audit "Clean Opinion"

For the 23rd year in a row, the Financial Statement audit was completed with unmodified "clean" opinion issued on December 21, 2021, and results will be presented to the Audit Committee on January 27, 2021. This is a significant accomplishment because this is the first audit in the new Oracle financial system and because work in large part was done remotely. This puts DC Water in a good position as we move forward with the issuance of \$400 million of debt for the capital program. Investors value transparency, and like to ensure that finances are in good order.

The development of Annual Comprehensive Financial Report (ACFR) is underway, and the OMB Uniform Guidance Audit is ongoing with expected completion by the end of January. DC Water's Green Bond attestation engagement is also in progress.

FY 2022 CSO Grant Funding Received

DC Water received the first round of annual grant funding for Combined Sewer Overflow (CSO) projects in the amount of \$3,090,400 for FY 2022. Additional funding is anticipated to be available after February 18, 2022.



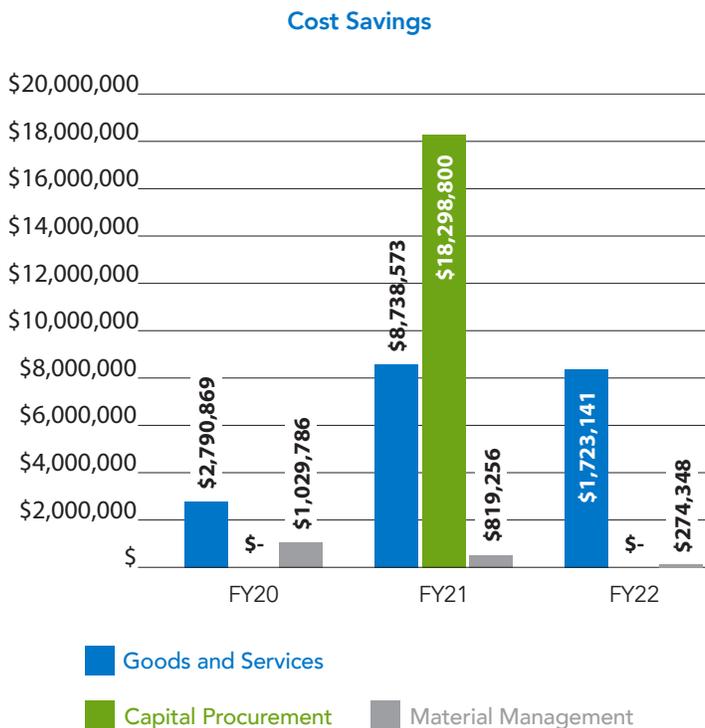
Procurement and Compliance

Key Activities:

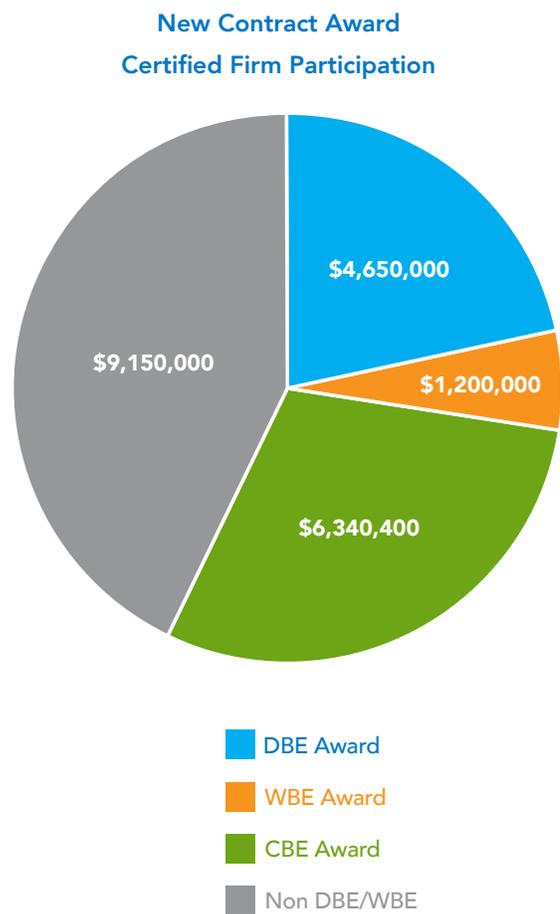
- Participated in the DC Chamber Annual Meeting on December 15, 2021 where Mayor Bowser presented the release of the Green Book.
- Served as an exhibitor at the Maryland Washington Minority Companies Association's Winter Expo on December 10, 2021.
- With successful implementation of its apprenticeship program, DC Water was contacted by the DC Department of Employment Services which is interested in supporting an expansion of the program. DOES is offering up to \$100k to support the classroom training of the apprentices this year.
- Conducted the outreach meeting for Lead-Free DC Program Management Service with over 100 attendees.

Cost Savings (negotiated savings and cost avoidance)

The chart shows the cost savings from FY20 to FY22 year-to-date achieved by Procurement through the competitive solicitation process in the Capital Project and Goods/ Service solicitations and the cost avoidance achieved in the Materials Management through the inventory optimization. The cost saving for Capital Procurement was not tracked in FY20.



Certified Firm Participation This Month:



Procurement and Compliance - continued

Upcoming Business Opportunities

All current and planned solicitations are available at dcwater.com/procurement. Those upcoming in the next two months are shown below:

Capital Procurement

Planned Solicitation	Project Title	Solicitation Type	Estimated Total Contract Value	Delivery Type	Eligible Inclusion Program
Dec 2021	Small Diameter Water Main Repl. 12C	IFB	\$10M	Bid Build	DBE/WBE
Jan 2022	Microgrid Feasibility Study at Blue Plain Advanced WWTP	RFP	\$400K	N/A	DBE/WBE
Jan 2022	Water and Sewer Assessment Support	RFP	\$6M	N/A	DBE/WBE
Jan 2022	Lead Free DC Program Management	RFP	\$40M	N/A	DBE/WBE
Jan 2022	Potomac River Tunnel Project (Tunnel)	RFP	\$500M	Design Build	DBE/WBE
Jan 2022	Lead Service Line Replacement Contract	RFP	\$10M	Bid Build	DBE/WBE
Jan 2022	Small Diameter Water Main Repl. 16A	IFB	\$10M	Bid Build	DBE/WBE
Jan 2022	Anacostia Elevated Tank 1 and 2 Project	IFB	\$2M	N/A	DBE/WBE
Feb 2022	Subsurface Utility Engineering BOA	RFP	\$2.5M	N/A	DBE/WBE
Feb 2022	Small Diameter Water Main Repl. 15D	IFB	\$10M	Bid Build	DBE/WBE
Feb 2022	Lead Free DC Construction Contract	RFP	TBD	Bid Build	DBE/WBE
Feb 2022	COF/IT Electrical System Upgrade	RFP	\$10M	Bid Build	DBE/WBE
Feb 2022	Water IR&R Contract	RFP	\$ 15 - \$ 20 M	Bid Build	DBE/WBE
Feb 2022	Small Diameter Water Main Repl. 16B	IFB	\$10M	Bid Build	DBE/WBE
Mar 2022	Sanitary Sewer Lateral Replacement Contract	RFP	\$ 10M	Bid Build	DBE/WBE

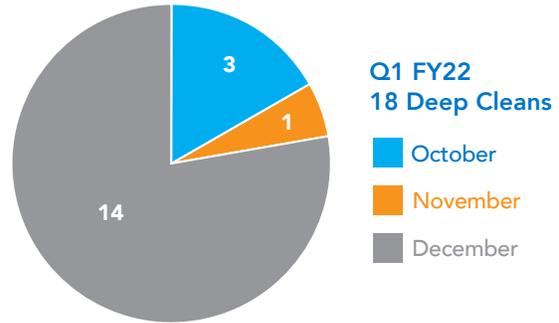
Goods and Services Procurement:

Planned Solicitation	Project Title	Solicitation Type	Estimated Total Contract Value	Eligible Inclusion Program
Dec 2021	Reservoir Cleaning	RFP	< \$1M	LSBE
Jan 2022	Medical Benefit Plans for Employees	RFP	> \$10M	DBE/WBE
Jan 2022	Security Systems integration and Management Services	RFP	\$1-\$5M	DBE/WBE
Jan 2022	Fire Protection Systems	RFP	\$1-\$5M	DBE/WBE
Feb 2022	IT Maintenance Renewal	RFP	< \$1M	LSBE
Mar 2022	Methanol	RFP	\$5-\$10M	DBE/WBE

Shared Services Spotlight: Department of Facilities Management

COVID-19 Impacts: Deep Cleaning

There has been a significant increase in deep cleans related to COVID-19, with January numbers on track to double December's 14 deep cleaning events. Deep cleaning events are recorded by department, though each deep cleaning event can consist of multiple 'locations.' In December, the 14 deep cleaning events spread throughout 12 buildings and 8 vehicles over a span of 13 days. Deep cleaning by the Clean Team is coordinated through the Department of Facilities Management. Deep cleaning by Service Master has been coordinated through the Department of Wastewater Treatment.



Sewer Services' Move to Ames Place, NE

Facilities collaborated with the Sewer Services department to support the Sewer Services move into their new location at 3101 Ames Place, NE. **RoDonna Brewster** (Facilities) and **Sercolia Newsome** (Sewer Services) were the team captains who managed coordination of the effort. Facilities provided crews, materials and installation to tweak the final product of the new location to meet the needs of Sewer Services, including an additional clothes washer & dryer, addition of industrial capacity ice machines, installation of TV monitors, reconfiguration of select spaces and installation of signage. Facilities provided the moving services needed to swift the workforce from their former locations to their new home. Additionally, Facilities provided and installed social distancing plexiglass and signage needed to mitigate the impact of the COVID virus.



Shared Services Metrics

Metric	Target	Sept-21	Oct-21	Nov-21	Dec-21
Security: Camera operational uptime	90%	96%	96%	97%	97%
Security: Smart card readers operational uptime	90%	99%	99%	100%	99%
Security: Percent of security investigations completed within 21 days	95%	100%	100%	95%	100%
Facilities: Preventive Maintenance Completion Rate	90%	34%	70%	68%	44%
Facilities: Service Request Completion Rate	90%	53%	44%	44%	63%
Fleet: Preventive Maintenance (PM) on Schedule	96%	69%	75%	43%	21%
Fleet: Priority Vehicles/Equipment (In-Service)	96%	83%	87%	86%	87%
Safety: DC Water Employee Recordable Incident Rate (RIR) (FY)	< 5.3	4.3	1.2	1.7	1.9
Safety: DC Water Employee Lost Time Incident (LTI) (FY)	< 2.1	2.4	1.2	1.1	1.6
Safety: Contractor/ROCIP Recordable Incident Rate (RIR) (FY)	< 2.8	1.1	0	4.3	3.5
Safety: Contractor/ROCIP Lost Time Incident (LTI) (FY)	< 1.1	0	0	0	0

Facilities

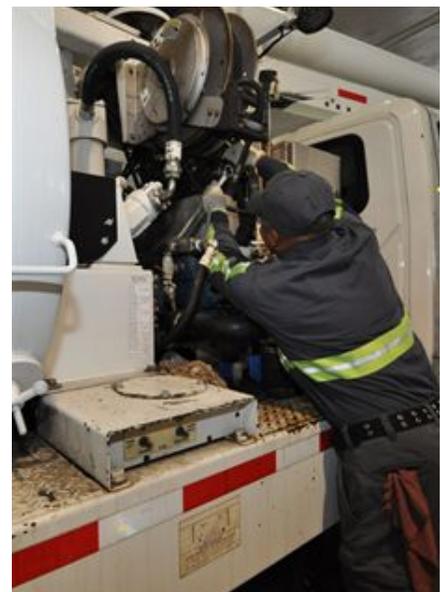
The completion rate for preventative maintenance dropped from 68% in November to 44% in December. In part this was due to the 159% increase in the number of PM's due in December (217 in November vs 562 in December). The completion rate for Service Requests rose significantly from 44% in November to 63% in December. Facilities will continue to work on tweaking the Maximo system with IT to increase usability. In addition, Facilities will be looking deeper into the PM history and monthly swings in PM quantity to smooth out the sharp increases/decreases and to also identify and confirm needs for additional resources to meet the overall PM demand.

Fleet

Fleet did not meet PM metric as there were 165 units scheduled for PM, of which only 35 units came in for services.

Safety

Contractors had 3 recordable injuries in the month of November, with no additional recordable injuries in December. Department of Occupational Safety and Health will continue to work with contractors and all DC Water staff to ensure safety is a priority.




Customer Experience
Customer Assistance Programs (CAP)

Though we waived the recertification requirements for FY21 CAP participants for FY22 participation, we have seen consistent new enrollments. We are still receiving Stay DC payments for customers that applied in FY21. Though the program is closed, DOEE received additional federal funding. Therefore, customers who applied and qualified but did not receive assistance in FY21 are receiving assistance in FY22. Additionally, in December, DOEE sent the first list of accounts that were deemed eligible for LIHWAP. Payment was received in January and enrollment and funding will be reflective in next months' report.

Customer Assistance Programs (CAP)

Program	FY2021 Enrolled	FY2021 Dollars	Dec # Enrolled	Dec Dollars	# FY22 Enrolled	FY2022 Dollars	FY2022 Budget
CAP I	4,453	\$2,378,326	172	\$410,058	5,718	\$1,072,338	\$2,737,865
CAP II	537	\$245,637	7	\$29,474	564	\$80,548	\$296,536
CAP III	191	\$36,059	5	\$2,667	190	\$10,913	\$100,000
Non-Profit CRIAC Relief	189	\$955,707	11	\$49,770	80	\$138,753	\$350,000
Emergency Relief Program	1,820	\$1,071,464	0	\$0	28	\$27,493	\$-
DC Water Cares Residential	2,842	\$1,892,843	3	\$4,252	16	\$12,468	\$3,000,000
DC Water Cares Multifamily (number of units)	5,978	\$2,507,484	944	\$277,445	2,212	\$876,248	\$6,223,837
STAY DC	304	\$352,419	534	\$458,829	824	\$752,447	N/A
Low Income Household Water Assistance Program	N/A	N/A	-	\$0	-	\$-	\$2,000,000

Customer Care metrics are trending the same as previous month, with a slight decrease in average talk time. With COVID constraints relative to residential inside meters, we are still working to manage the "Estimated Bills as a Percent of Meters Read." Additionally, the Meter Shop experienced major flooding that caused lost workdays. Other metrics are on target.

Key Performance Indicators

Metric	Target/ Service Level	Oct 21	Nov 21	Dec 21
% of Bills issued on time (w/in 5 days)	95%	98.6%	98.3%	99.3%
Estimated bills as a percent of meters read	4%	4%	4.1%	4.4%
Number of High Bill Complaints	trend only	186	112	128
% of OPC inquiries resolved within 14 days	90%	100	100%	100%
% of calls answered in 40 seconds (Call Center)	85%	95%	89%	94%
Monthly Call Volume Served	trend only	5,955	6,576	6,497
Average Talk Time (minutes)	5:30	5:55	6:32	6:01
Average Wait Time (minutes)	1:30	0:13	0:19	0:17
Abandoned Calls (%)	6%	2%	1%	2%

Three projects were completed in December

Brown Folder Enhancements

Added additional automation to workflow, adjusted workflow paths for organizational changes and added e-signature capabilities.

Back-up & Disaster Recovery

Cloud to cloud back-up and recovery capabilities were fully tested and all issues were resolved.

Fleetwave Oracle to SQL Conversion

Migrated Fleetwave database from Oracle to MS SQL Server to reduce on-premise Oracle database footprint. Target completion to eliminate Oracle databases is FY22 year-end.

Three new projects were launched In December

MTU firmware upgrades

Firmware upgrades to support the new meter reading system are being deployed to all series 2 MTU. As of this report, 40,000 of the 97,000 MTUs have been upgraded.

AlertUS

Deployment of the **Unified Mass Notification System** began. AlertUS integrates all communications channels including desktops, visual displays, phones, cellphones, radios, email, speaker systems and fire alarms to notifying staff with the push of a button in the event of an emergency.

Lawson Data Retention & Migration

The legacy financial system (Lawson) was migrated to a hosted cloud environment to eliminate on-premise support and maintenance (resulting in cost savings.)

In addition, work continued on the Event Management Platform with the initial release of the WaterWatch dashboard. Test of automated Everbridge notifications for events is underway with a target completion date of the end of January for both WaterWatch and Everbridge.

Cyber Security

During the month of December and early January, Information Technology applied a series of out-of-band patches to address new vulnerabilities that were identified in a number of products from Microsoft, Adobe, Google and others. The most significant threat was the Log4J Zero-day vulnerability that was identified in mid-December. Log4J is a logging program that is embedded in a significant number of 3rd party solutions. Given our extensive use of these programs, coordination with a number of our 3rd party suppliers was necessary to ensure the threat was eliminated. All patching was completed within a week of the identified threat and no exploits were detected.

IT Monthly Report

SR/WO Type	SL Target / SLA	Oct 21	Nov 21	Dec 21
Number of tickets submitted	Trend only	936	783	715
Number of open tickets	Trend only	75	72	85
Helpdesk SLA	96%	97%	99%	99%
Number of active projects	Trend only	20	17	16
Number of completed projects	Trend only	3	0	0
On schedule performance	90%	90%	90%	85%
On budget performance	90%	85%	85%	80%

Featured Projects of the Month – Wastewater Engineering Updates

Filter Influent Pumps 1-10 Rehabilitation (FIPRs) is approximately 64% complete. A 96-day time extension for schedule delays due to COVID impacts and pump equipment delays has been approved. Pumps 6, 9, 8 & 10 have been installed and with some testing complete. We are working on pipe support issues before we final test all pumps. Furthermore, FAT of pumps 1, 3, 5, & 7 will begin in early Feb 22. Miscellaneous electrical and structural work is proceeding in the filter gallery and electrical rooms, including panelboard upgrades and new equipment pads for the MCCs.

Gravity Thickener Upgrades is approximately 68% complete and on schedule. Project work occurring at the gravity thickeners include installation of the duct supports at GT-7 & 9 and continuing to apply the high-performance coating at GT-2. Mechanical installation at GT-2 is ongoing and includes the installation of the aluminum walkway.



FIP-8 Installation through Access Skylight with demolition of existing gates in Forebay



Gravity thickener Upgrades GT-9 Stack and Cover Installation

Key Performance Indicators

Metric	Target/Service Level	Sept-21	Oct-21	Nov-21	Dec-21
Wastewater Operations					
NPDES Permit Compliance	100%	100%	100%	100%	100%
Air Permit Compliance	100%	100%	100%	100%	100%
Biosolids Class A	100%	100%	100%	100%	100%
Tunnel Dewatering	100%	100%	100%	100%	100%
Combined Heat and Power	>20%	24%	25.4	27%	27%
Reactive Maintenance	<20%	31%	35%	35%	37%
Critical Asset Availability	>95%	97%	97%	97%	98%
Sewer Operations					
CSS Structures Inspection	100%	100%	100%	100%	100%
MS4 Area Catch basins Cleaning/Inspections	100%	64%	65%	78%	91%
CSS Area Catch basins to Anacostia – Cleaning/Inspections	100%	100%	100%	100%	100%
Non-Anacostia CSS Area Catch Basins – Cleaning/Inspections	85%	71%	90%	95%	98%
Sewer Cleaning and Inspection (Miles)	>12	2.24	1.36	2.85	2.22
Sewer Backup (Investigation to Resolution)	>95%	100%	100%	100%	100%
Sanitary Sewer Overflow	1.4 per 100 Miles	.62	.15	1.08	0.31
Combined Sewer Overflow	0	4	1	7	0

dc operations and Engineering

Water Services, Sewer and Pumping Operations, Wastewater Treatment, Engineering, DC Clean Rivers

Key Performance Indicators continued

Metric	Target/Service Level	Sept-21	Oct-21	Nov-21	Dec-21
Pumping Operations					
Firm Pumping Capacity Maintained	100%	100%	100%	100%	100%
Reactive Maintenance	<20%	35%	34%	34%	34%
Critical Asset Availability	95%	98%	98%	98%	98%
Water Operations					
Safe Drinking Water Compliance	100%	100%	100%	100%	100%
Replace Non-Standard Hydrants	>21/Month	13	7	14	23
Hydrant Flow Tests (Non-Winter Months)	>180	3	34	8	16
Fire Hydrants Operational	99%	99.59%	99.46%	99.69%	99.57%
Emergency Water Service Orders Completed	>90%	100%	100%	100%	100%
Water Quality Complaint Resolution (within 48 hours)	>90%	49%	43%	48%	83%
Water Main Breaks	<28/Month	14	22	66	55
Water Main Break Rate /100 Miles (National Average is 25)	25	35.52	19.41	36.06	33.78
% of Hydrant Leaks in Inventory that are not leaking	>90%	99%	99%	99%	99%
Permit Operations					
Overall On-time completion of Permit Reviews	90%	92%	94%	88%	94%



Explanation of Missed Targets

MS4 Area Catch Basin Cleaning/Inspection (100%)

The Department has an annual goal of 100% and expects to achieve this goal by year end. Our permit compliance period for the MS4 July 1, 2020 – June 30, 2021.

CSS Area Catch basins to Anacostia (100%) and Non-Anacostia CSS Area Catch Basins (85%)

We have a goal for 1st time inspections of the CSS Anacostia between January 1, 2021 -June 30, 2021. Our permit compliance period for cleaning the Non-Anacostia CSS is January 1, 2021 - December 31, 2021.

Sewer Cleaning & Inspection (>12 Miles)

This KPI is a measure of progress toward meeting an internally set goal of cleaning and inspecting 12 miles of our small diameter sewers per month. This is based on completing the cleaning and inspection of 1,400 miles of small diameter (< 24 in) sewer in an 10-year cycle. Due to our existing internal crews prioritizing response to service requests and permit required inspections, progress toward our overall goal is impacted. The Department is assessing the internal and external resources required to achieve the established target in the coming year.

Hydrant Flow Tests (Non-Winter Months) (>180)

The Department did not meet the monthly target due to limited staff availability and the need for additional resources. The Department anticipates an increase in performance as adequate levels of staffing are maintained.

Water Quality Complaint Resolution (within 48 Hours)

Although we addressed all customer complaints by phone and email, by flushing hydrants within the same day, we were unable to fully resolve 51% of the customer complaints since there were hydrants that needed to be rechecked and were still pending due to illness, scheduled leave and resource needs (staff). The Department is actively recruiting for several water quality positions and is looking forward to demonstrating improvement within the next year.

Wastewater Operations Reactive Maintenance (<20%)

DC Water has adopted a manufacturing industry best practice benchmark of less than 20 percent reactive maintenance hours as percent of total maintenance hours. To our knowledge, there is no similar benchmark used in the public water utility sector. Blue Plains manages around 45,000 assets within our asset management/maintenance management system, and this stringent industrial benchmark is tracked as a marker for continuous improvement. We observe a descending trend of percent of total reactive maintenance hours, measured as annual average during fiscal years 2019, 2020, and 2021 to date*, of 40%, 37% and 31% respectively, for assets at the Blue Plains Advanced Wastewater Treatment Plant. The reduction realized is attributed to enhanced proactive and predictive maintenance programs, training of staff on precision maintenance and reliability centered maintenance, optimization of existing preventive maintenance plans, and improvements in processes and equipment through the Capital Improvement Program. The goal is to remain on the reduction pathway towards a benchmark that is applicable for Blue Plains.

Pumping Operations Reactive Maintenance (<20%)

The reactive maintenance metric has slightly improved since last month but did not meet the target due to other prioritized work activities and/or emergencies. This is a new metric and to meet the goal we shall continue to enhance our proactive maintenance practices, complete scheduled precision maintenance training and remain focused on our reliability centered maintenance activities. We expect to see incremental improvements, year after year.



DC Water Capital Improvement Program

Water, Sewer, Blue Plains, Lead Free DC and DC Clean Rivers

Projects in Design

12th & Maine Stormwater Pump Station (Final Design Phase).

12th & Maine Stormwater Pumping Station Rehabilitation Final Design completion is pending coordination and approval of dual power service vault placement from NPS and Pepco. This project is partially funded by a FEMA grant. E&MD working on specifications, drawings, and coordinating with Pepco regarding their requirements.

Kenilworth Stormwater Pump Station

Kenilworth Pump Station Upgrade pending DDOT advertisement of the larger Kenilworth Avenue Project. DDOT is considering alternative packaging of work scopes, which may impact the advertisement schedule.

Projects in Planning

Blue Plains Floodwall Segments A, B and D

Planning is underway for the final segments of the floodwall that will mitigate impacts of a 500-year flood event on Blue Plains. FEMA has awarded DC Water a \$75,000 grant towards the planning phase of the project. DC Water submitted an application for a FEMA BRIC grant for the next phase of the project, which will be a design-build contract. Stakeholder engagement with the National Research Lab is ongoing as the project is adjacent to their property.



- Lead Free DC has continued ramp-up of block-by-block projects. Efforts have focused on obtaining signed agreements from homeowners to allow DC Water to do test-pitting and LSR work. The overall FY22 Goal assumes 100% participation and 1,600 LSRs through the block-by-block program. The current rate of participation is about 40%.
- Lead Free DC team is participating in the Council's Lead Task Force to identify challenges and interagency solutions to facilitate the acceleration of lead service line replacements.
- The LPRAP team has also focused on outreach to homeowners whose cases are flagged inactive to encourage re-engagement in the District-funded program.
- Design of traffic control plans and permitting documents for the Capital Improvement Project and Emergency Rehabilitation (CIPERR) Phase 2 program is on-going. Anticipate design completion by end of December.
- Construction has started with two contractors selected to replace lead and galvanized pipe and perform test pitting activities to bolster DC Water's inventory database. Service line replacements began in December.
- Resource identification for increased activity and work continues, including construction management and inspections and scheduling for replacement and test pitting activities.
- Considered a critical link in the success of the program, communications and outreach is building up with additional resources being added. This includes staff for more door-to-door campaigns, phone calls, and appointment scheduling.
- Data management staff continue to develop and refine dashboarding tools to allow for near real time updates for the program.

Fiscal Year	LPRAP (Assistance Program)	Voluntary Full	CIP Full	CIP Partials	Emergency Full	Emergency Partials	Total LSRs	FY21 Goal	Total Partials	Partials %	Goal %
FY2021	61	70	47	7	26	2	213	2393	9	4.2%	2.1%



High Risk Audit Findings

Open High Risk Prior Audit Findings

Audit FY	Issue Date	Audit Report	High Risk Open Finding	Original Target Date	New Target Date	# Extensions	
1	2016	7/28/2016	Training, Licensing, and Certification	Identification and monitoring of training requirements by position	9/30/2017	6/6/2022	5
<p><i>Status notes:</i> Three training buckets (safety, compliance, and technical) have been configured in Cornerstone LMS. Technical training requirements are being identified by department. Trainings will be assigned by role when the Oracle LMS module is implemented.</p> <p><i>Reason for extension:</i> Multiple changes in leadership within People & Talent, not prioritized under previous leadership, difficulty organizing technical trainings requiring cross-departmental support, delay in Oracle implementation go-live.</p>							
2	2017	10/26/2017	Entity Level Assessment	Lack of a comprehensive risk management function to evaluate entity-wide risk	10/1/2018	3/31/2022	3
3				Lack of Authority-wide policy and procedure management function	9/30/2018	2/28/2022	3
<p><i>Status notes:</i> EPMO has developed an Enterprise Risk Management (ERM) Policy to be institutionalized across the enterprise. EPMO has also developed a policy regarding policy and procedure administration to address Authority-wide policy development, issuance, and maintenance. A DC Water Policy Administrator position will be created.</p> <p><i>Reason for extension:</i> Continued change in ownership of action plans. Difficulty executing cross-departmental initiatives.</p>							
4	2018	1/24/2019	Enterprise Work Order Management Assessment	DWO – Inadequate capture of labor and materials cost data in Maximo work orders	9/30/2020	3/31/2022	3
<p><i>Status notes:</i> Pilot for hydrant program is complete. Roll out of valve application in progress; application is undergoing user acceptance testing in parallel with training for the field crew staff.</p> <p><i>Reason for extension:</i> Deprioritized due to COVID. Emergencies and vacations of field crew staff delayed user acceptance testing.</p>							

Legend	
	Past due
	Original target date has not yet come due





**CEO Report
Dashboard**

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Interpretation of Charts A

Color Key

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

ORGANIZATIONAL PERFORMANCE DASHBOARD (Dec 2021)

Financial Highlights

Net Operating Cash (\$m)		Operating Revenue (\$m)		Operating Expenses (\$m)		Capital Disbursement (\$m)		Operating Cash Bal (\$m)	
Actual	103.09	Actual	240.60	Actual	139.50	Actual	77.60	Actual	237.10
Target	28.76	Target	228.10	Target	149.20	Target	149.80	Target	194.00

Core Invest Yield (%)		Short Term Invest Yield (%)		Delinquent Acct Receivables (%)		On-time Vendor Payments (%)	
Actual	0.54	Actual	0.08	Actual	4.54	Actual	94.00
Target	0.70	Target	0.05	Target	3.00	Target	97.00

Operations and Engineering Highlights

Lead Concentration (ppb)	Total Coliform Rule (%)	Biosolids Production (wet tons)		Total Nitrogen (lbs/yr mil)
		Actual 431		
Plant Effluent Flow (gal mil)	Excess Flow (gal mil)	Water Main Leaks	Water Valve Leaks	
	0	55	1	
Fire Hydrants Insps. And Maint.	Fire Hydrants out of Service	Fire Hydrants Replaced (YTD)		
33	42	23		
Sewer Main Backups	Sewer Lateral Backups	Dry Weather CSO	Permits Processed within SLA (%)	Electricity Usage (Kwh)
2	130	0	94	18897

Customer Experience Highlights

Call Center Performance		Command Center Performance		Emergency Response Time	
Actual	94%	Actual	85%	Actual	91%
Target	85% ✓	Target	85% ✓	Target	90% ✓ (% of calls Received)

Low Income Assistance Program Highlights

SPLASH Contributions (\$tho)		Customer Assist. Program (\$tho)	
Actual	17.80	Current	410.06
Target	20.00	Previous	143.52

People and Talents Highlights

Recruitment Activity	
Filled	2
Open	77

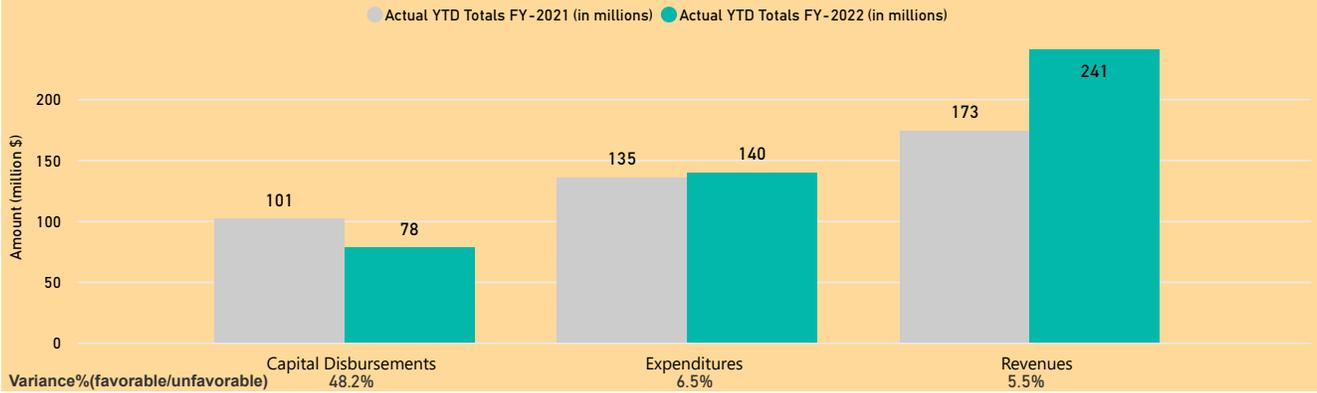
Administration Highlights

Employee Lost Time Incidence Rate	
1.60%	

FINANCIAL HIGHLIGHTS

Financial Performance Summary

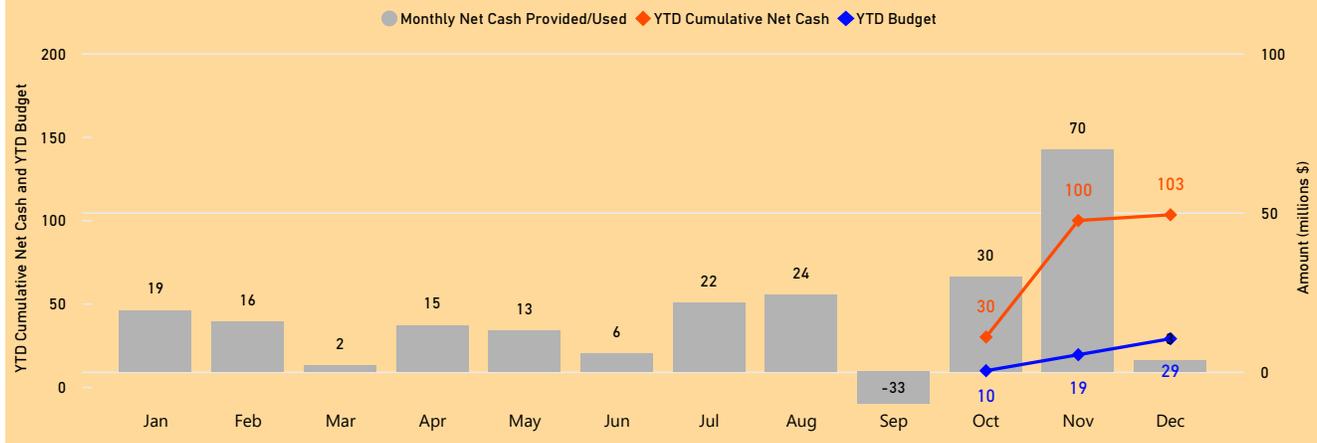
Revenue, Expenditure, and Capital Disbursement



Year to Date Analysis



Net Operating Cash

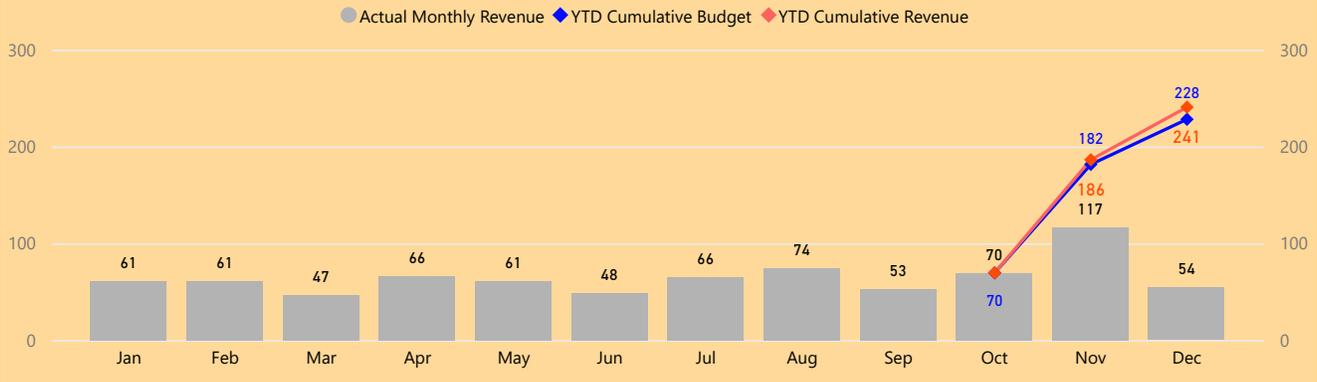


Net cash to date for November was above budget by \$74.3 Million

FINANCIAL HIGHLIGHTS

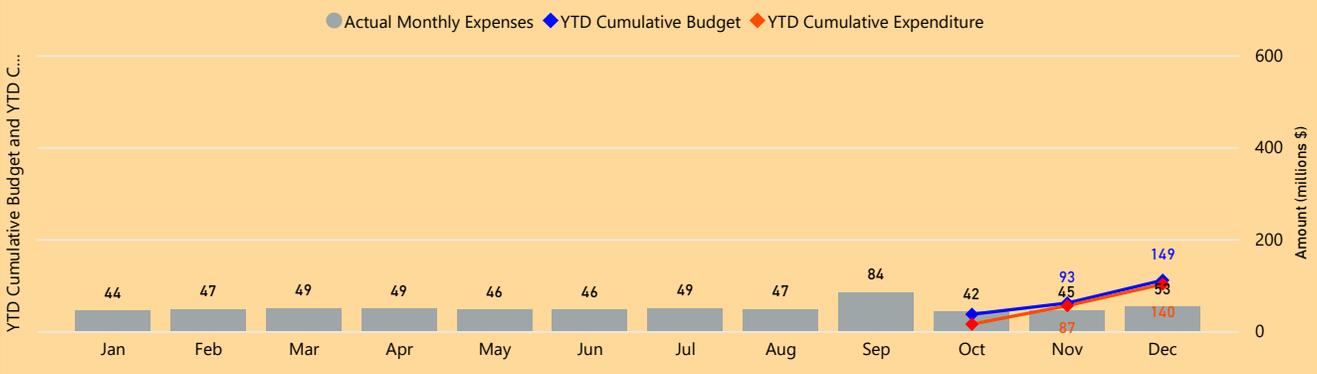
Revenues & Operating Expenses

Operating Revenues



Revenue to date for December was above budget by \$12.58 Million

Operating Expenses



Expenditure to date for December was below budget by \$9.6 Million

Capital Spending

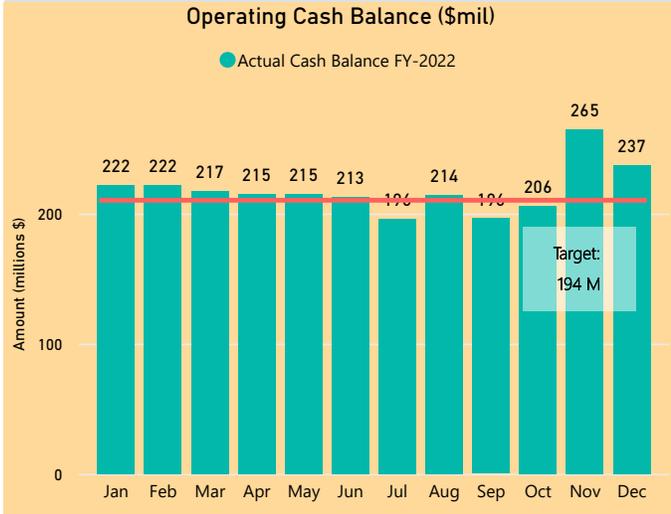
Capital Disbursement



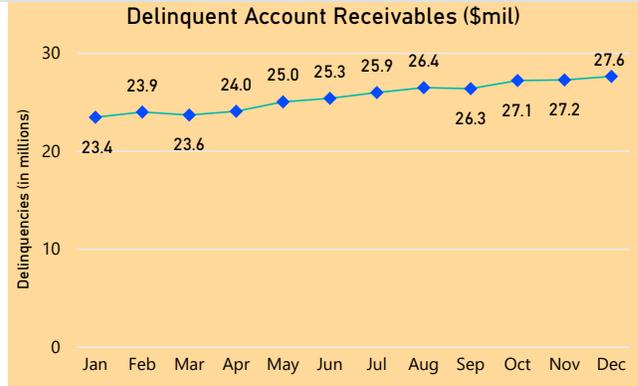
Disbursements to date for December was below budget by \$72.1 Million. YTD spending reflects comparison to the revised budget.

FINANCIAL HIGHLIGHTS

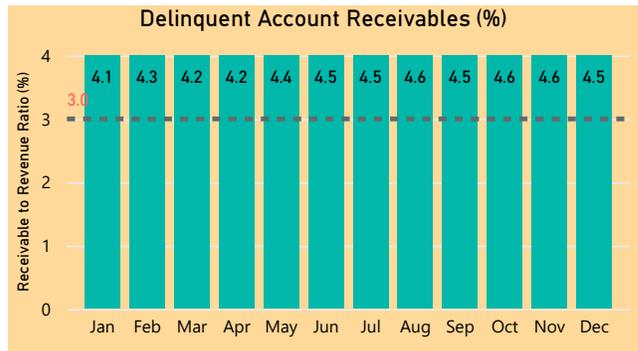
Operating Cash & Receivables



Cash Balance for December was above target by \$43.0 million

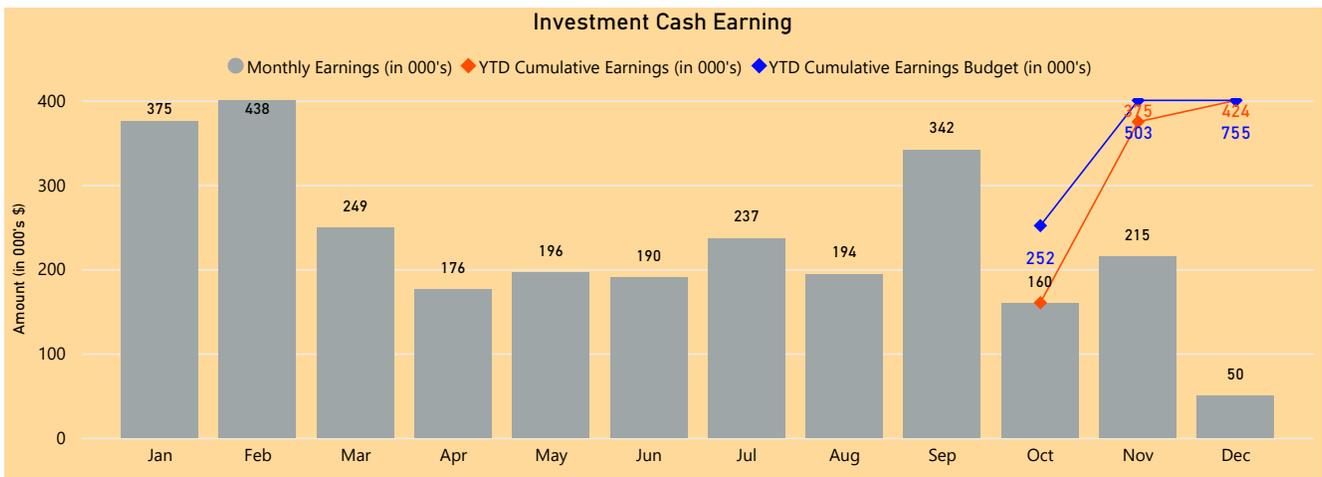


Starting March, the increase is primarily due to increased delinquencies and deferred payments resulting from the COVID-19 pandemic



December Receivables to Revenue Ratio is 4.54, Delinquency is \$27.56 milli...

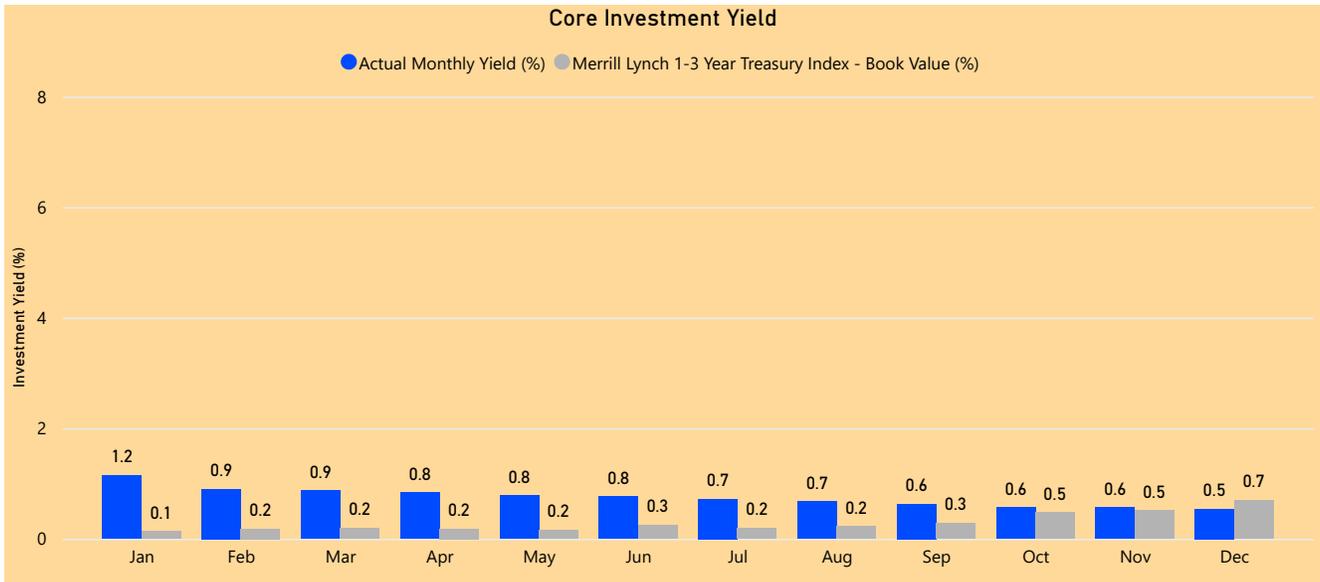
Investment Earnings



Earnings to date for December were below Projected Budget by \$330,143.

FINANCIAL HIGHLIGHTS

Investment Yields



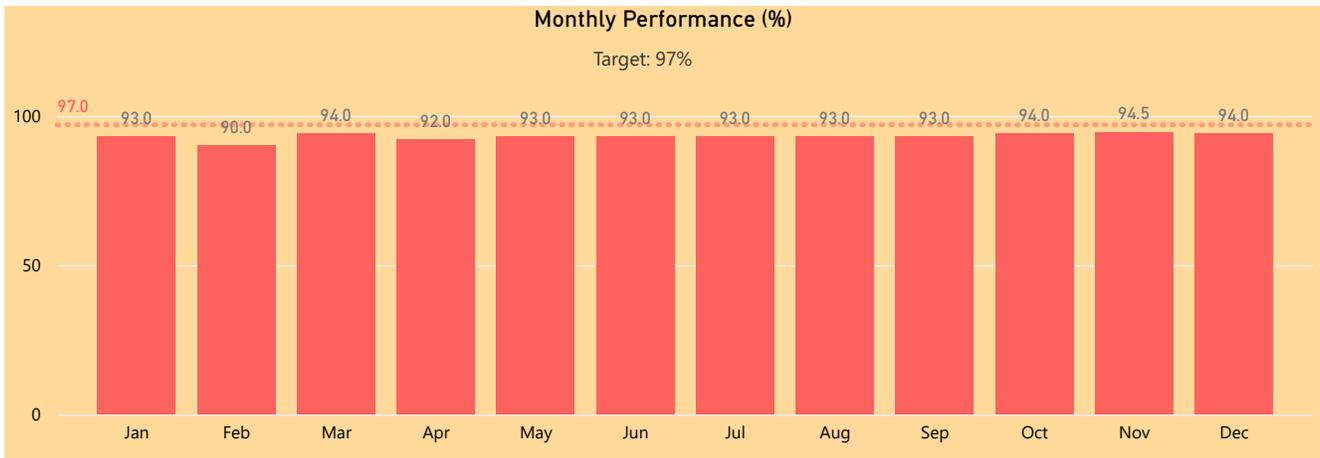
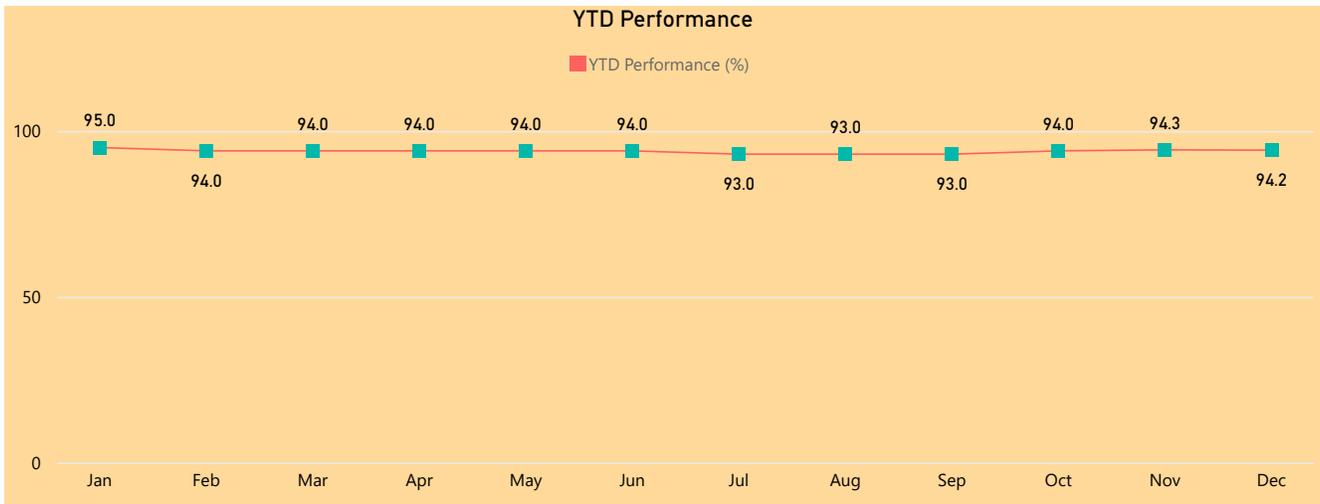
Yield for December was less than the treasury index by 0.16%



Short Term Yield for December was more than the Merrill Lynch yield by 0.03%

FINANCIAL HIGHLIGHTS

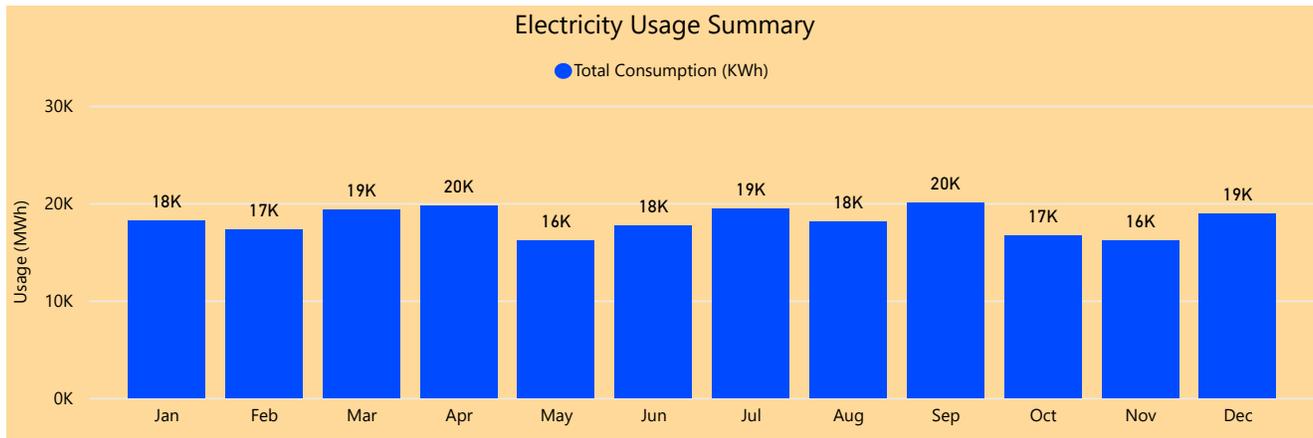
Vendor Payments



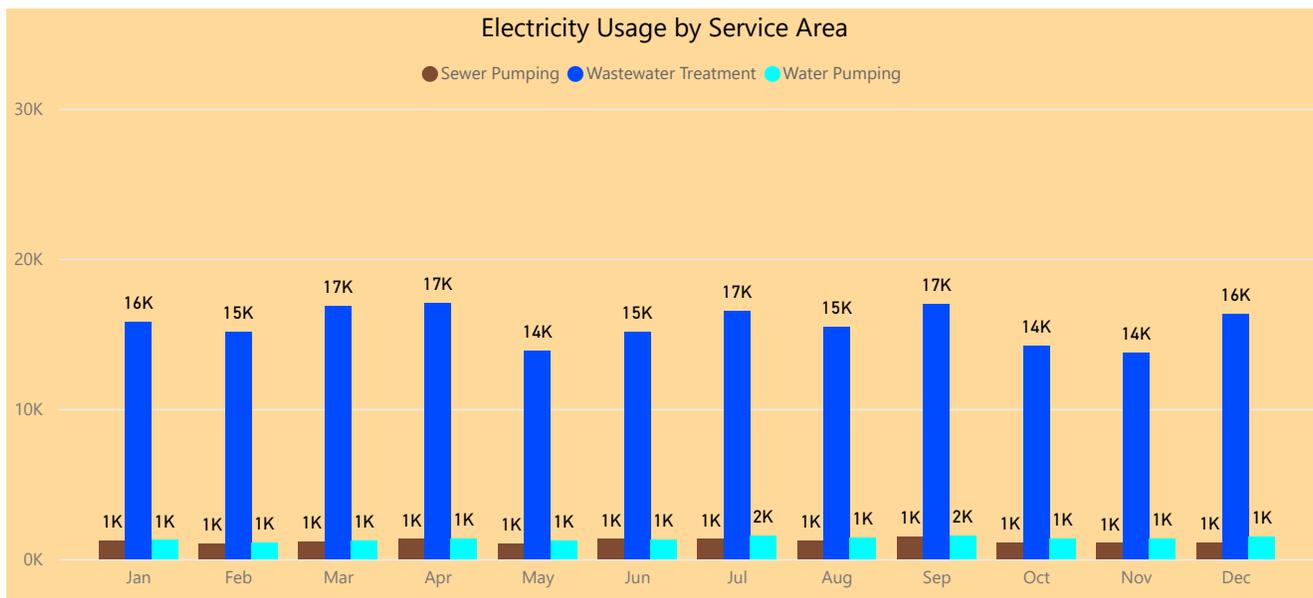
Performance for December was 3.0% below the monthly target of 97.0%

OPERATIONS AND ENGINEERING

Energy Consumption



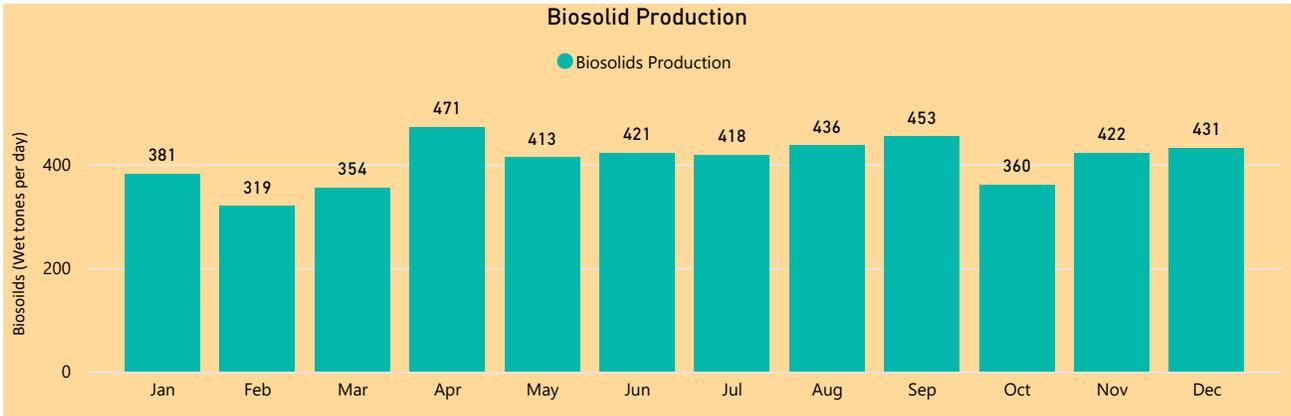
Electricity consumption in Dec 2021 was 18897 KWh.



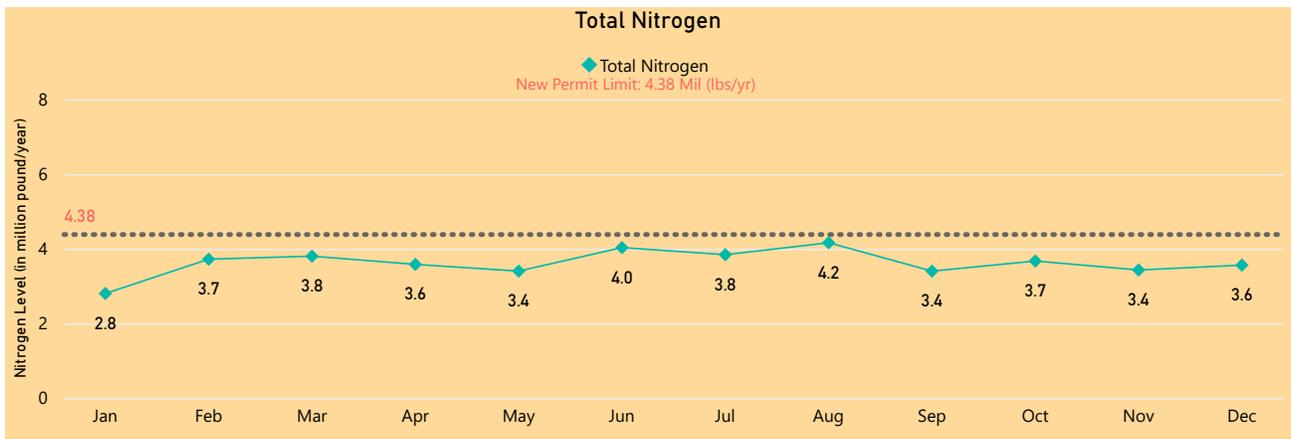
Wastewater treatment has the highest electricity consumption in Dec 2021 at 16309 KWh.

OPERATIONS AND ENGINEERING

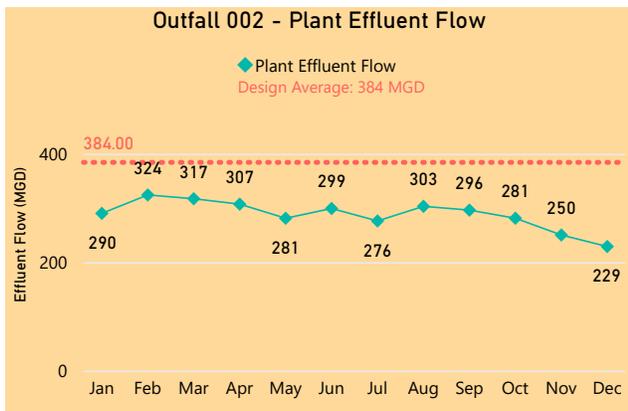
Wastewater Treatment



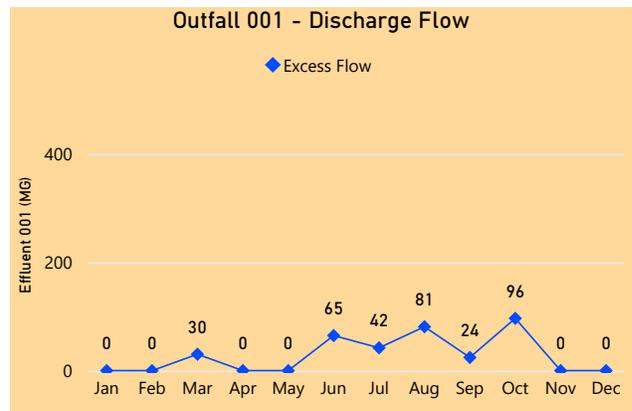
Biosolids daily production for Dec 2021 was 431 wet ton per day.



Nitrogen level for Dec 2021 was below permit by 0.82 million lbs/yr.



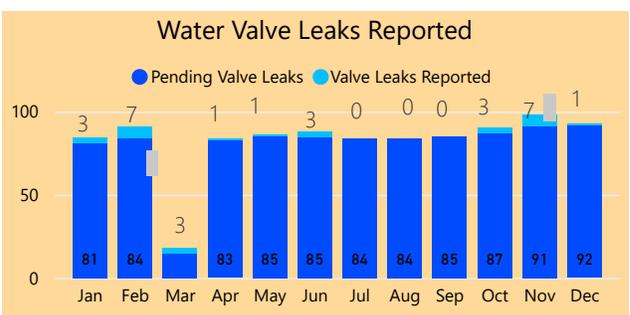
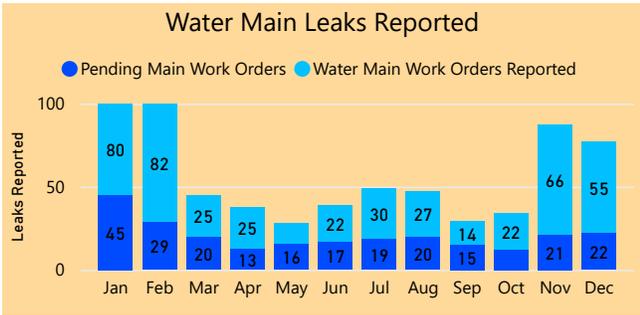
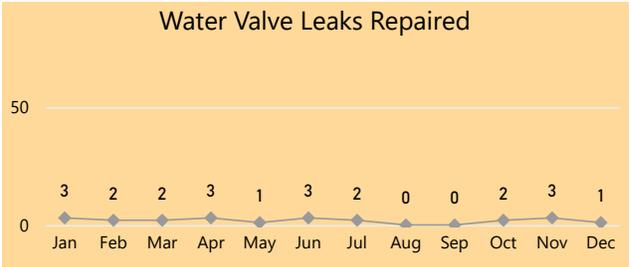
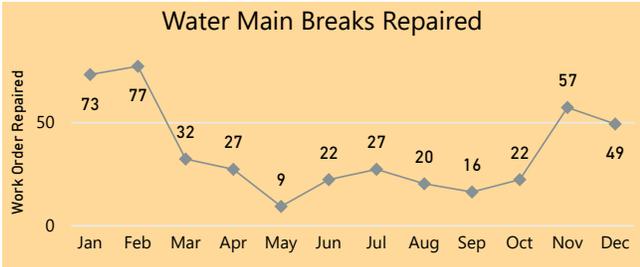
In Dec 2021 effluent flow was below permit by 155.1 MGD.



Excess flow events were recorded at 0 MG in Dec 2021.

OPERATIONS AND ENGINEERING

Water Distribution Operations



There were 55 Water Main Work Orders reported in December.

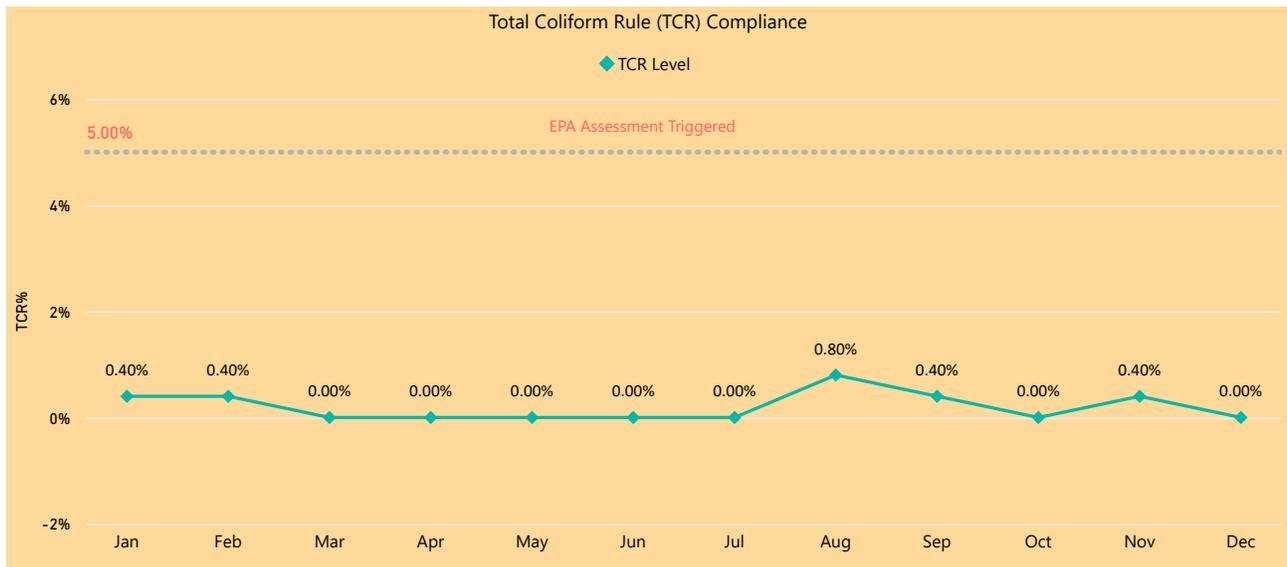
1 leak was reported in December.

OPERATIONS AND ENGINEERING

Drinking Water Quality



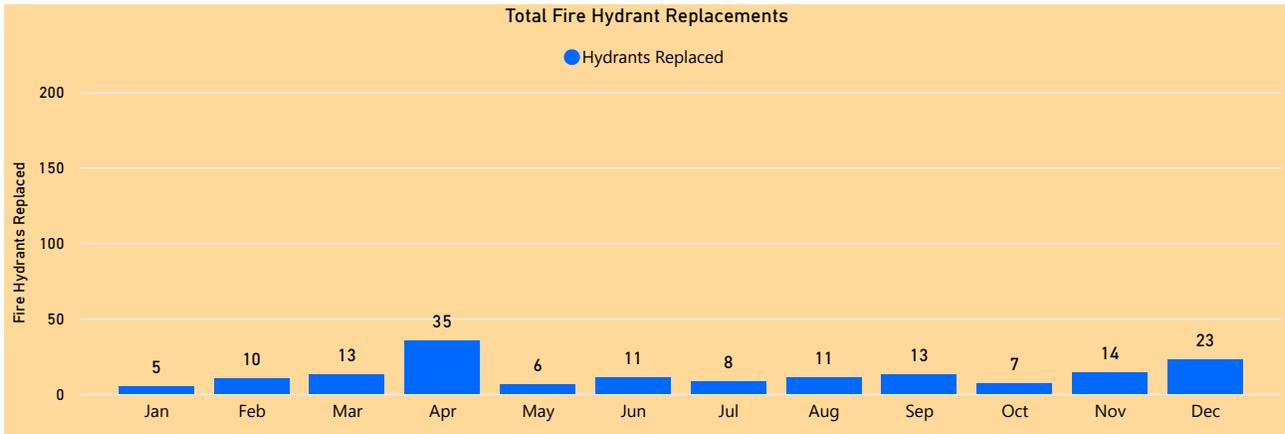
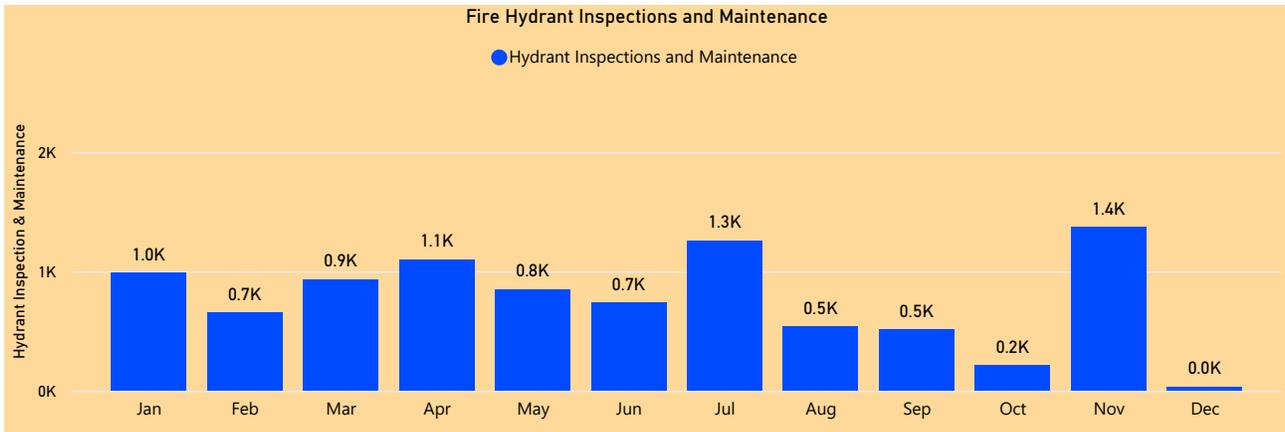
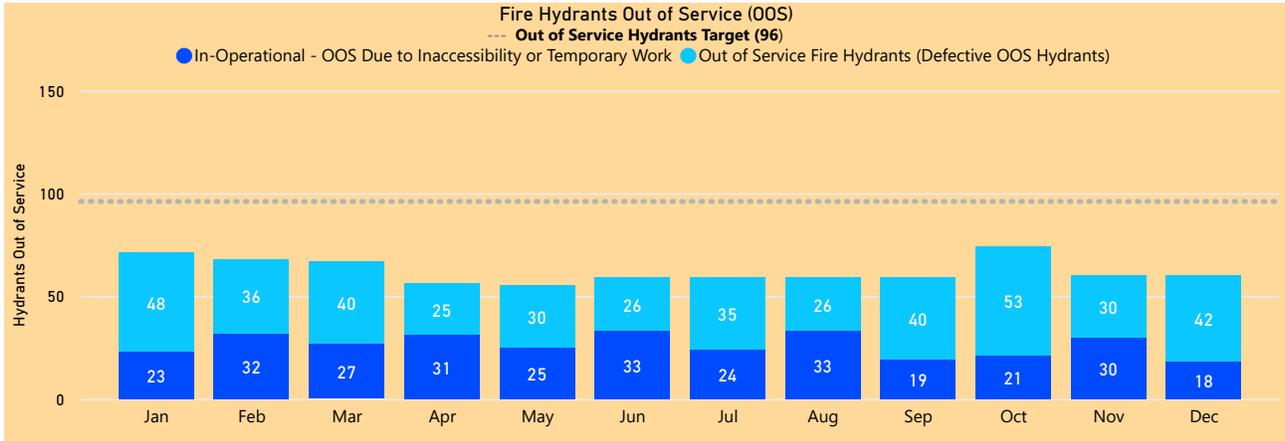
90th percentile of lead results for 2nd semester 2021 is 2.7 ppb



Coliform Positive was recorded at 0% for Dec 2021

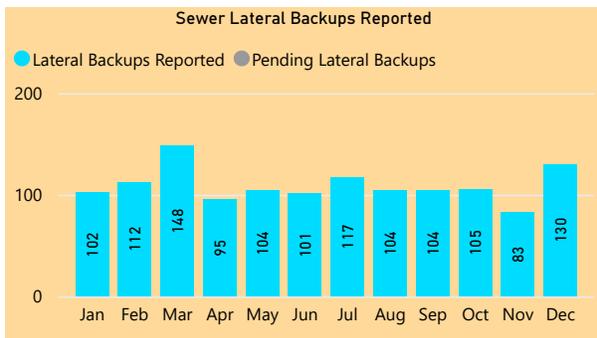
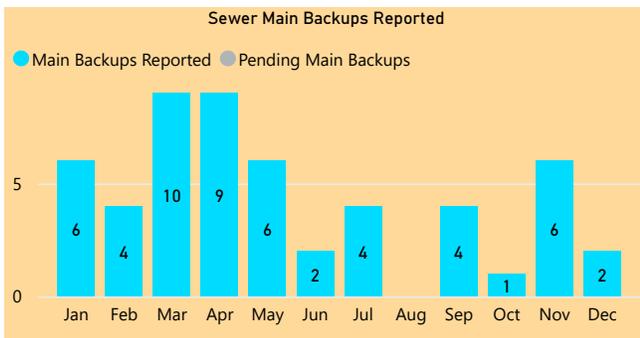
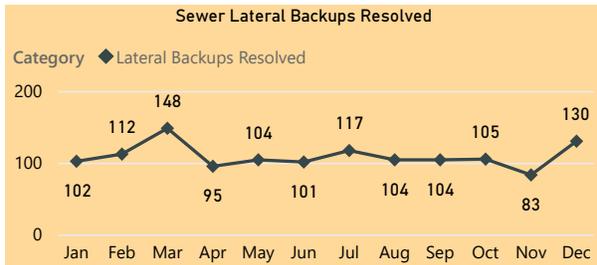
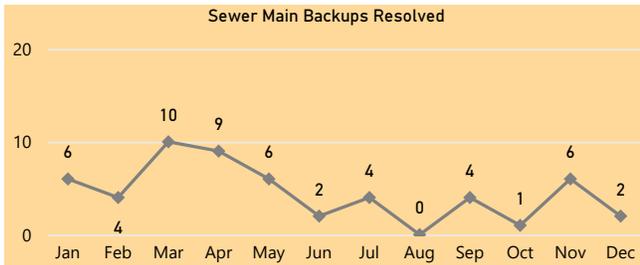
OPERATIONS AND ENGINEERING

Fire Hydrants



OPERATIONS AND ENGINEERING

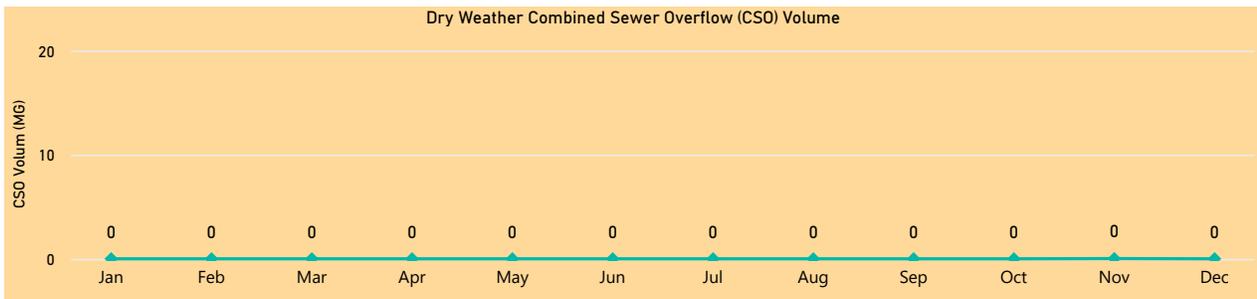
Sewer System Operations



0 pending main backup(s) reported

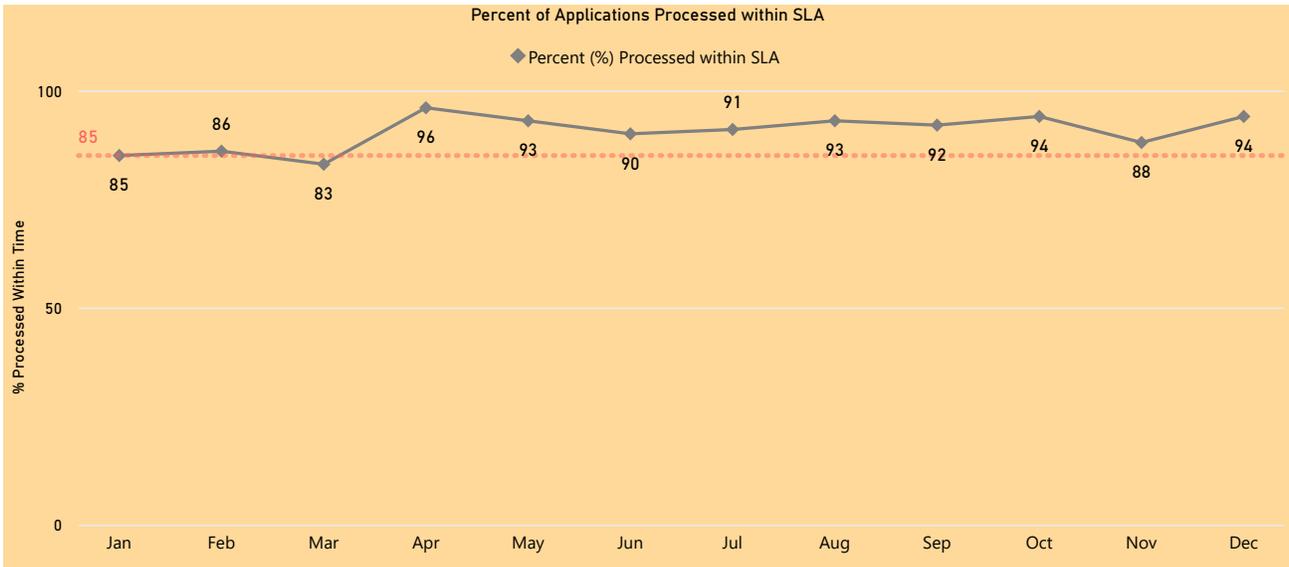
0 pending lateral backup(s) reported

Combined Sewer System

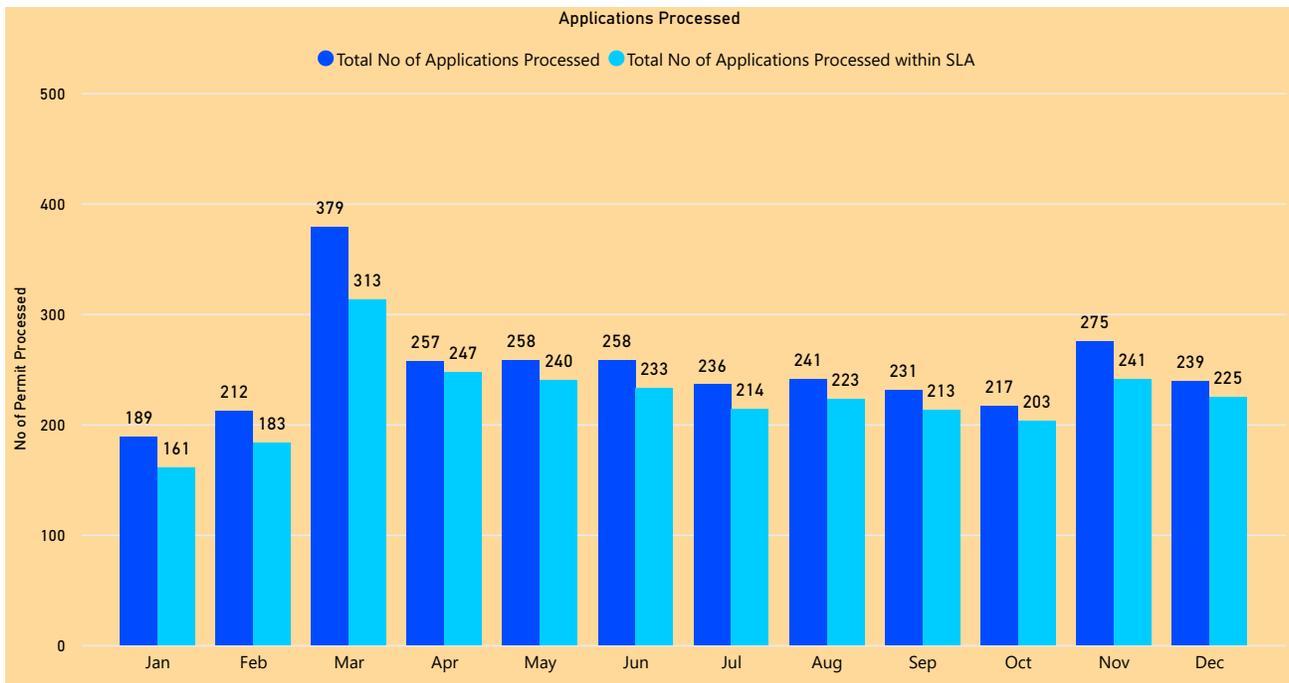


OPERATIONS AND ENGINEERING

Permit Processing

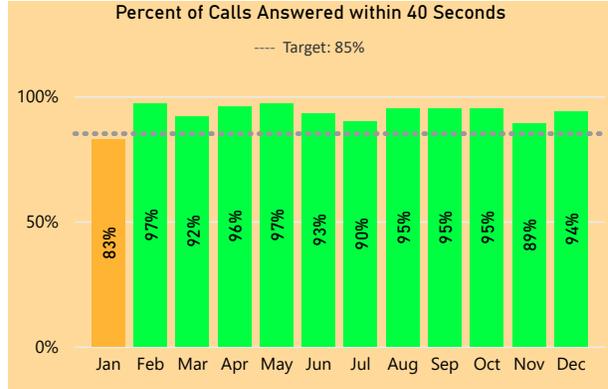
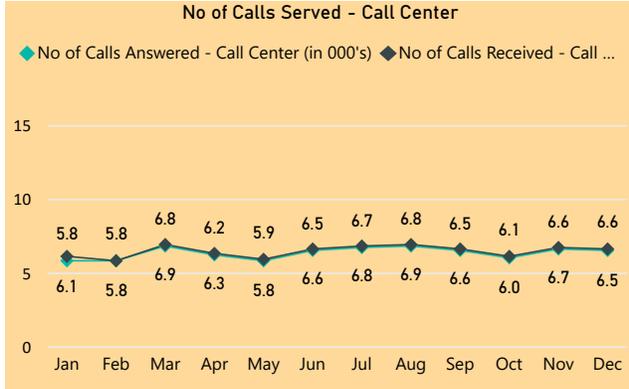


Permits processed in Dec 2021 were 9% above the SLA target 85%



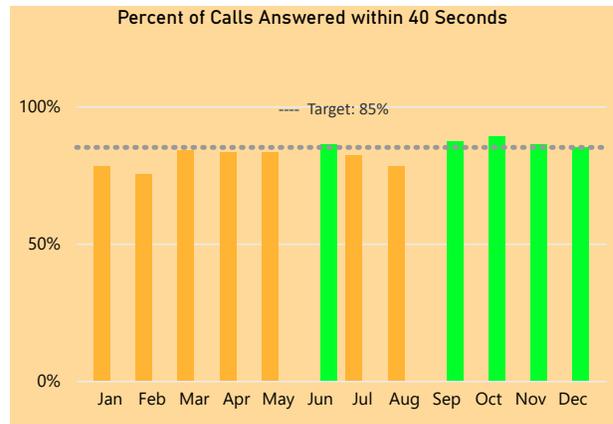
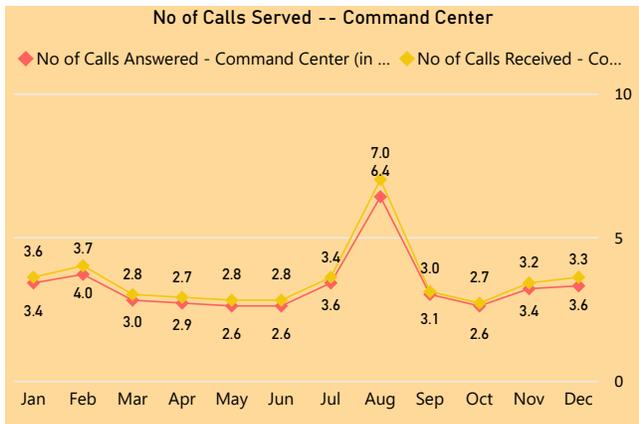
CUSTOMER EXPERIENCE

Customer Care - Call Center Performance



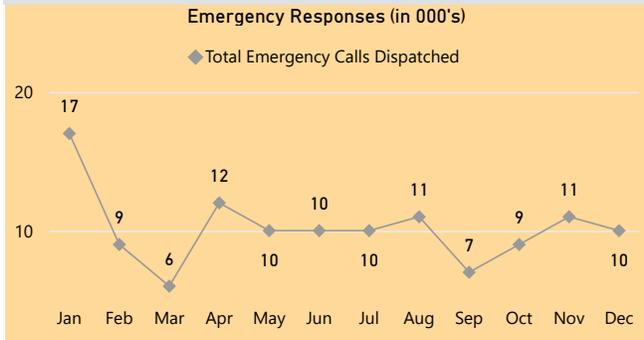
Call Center was above target by 9%.

Customer Care - Command Center Performance



Command Center met target.

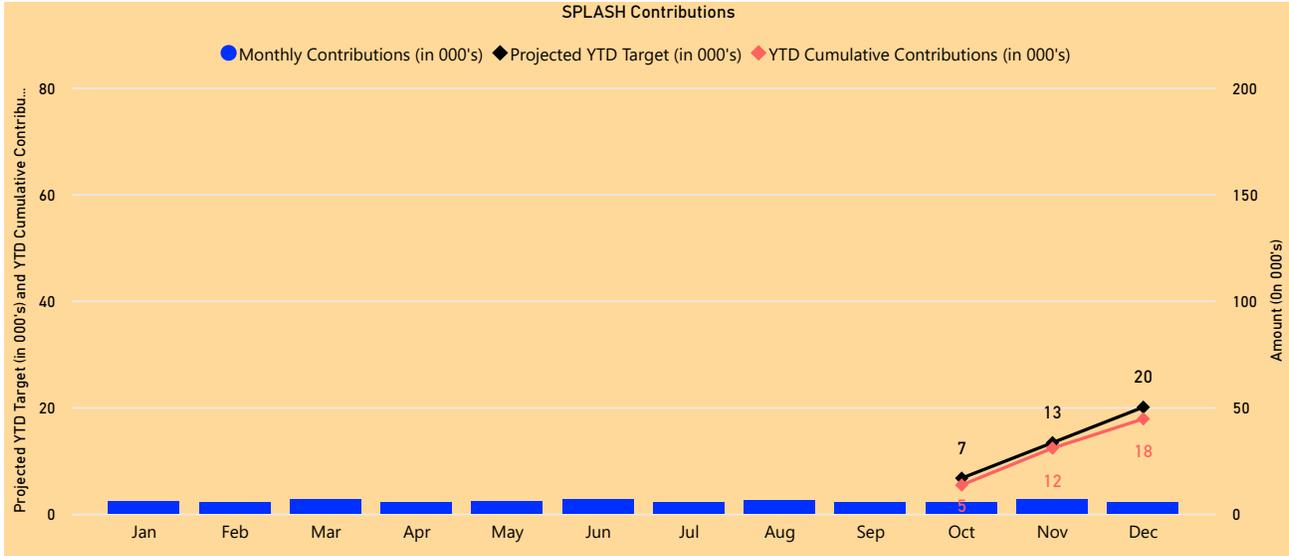
Customer Care - Emergency Response Time



Performance for Dec 2021 was above target by 10%.

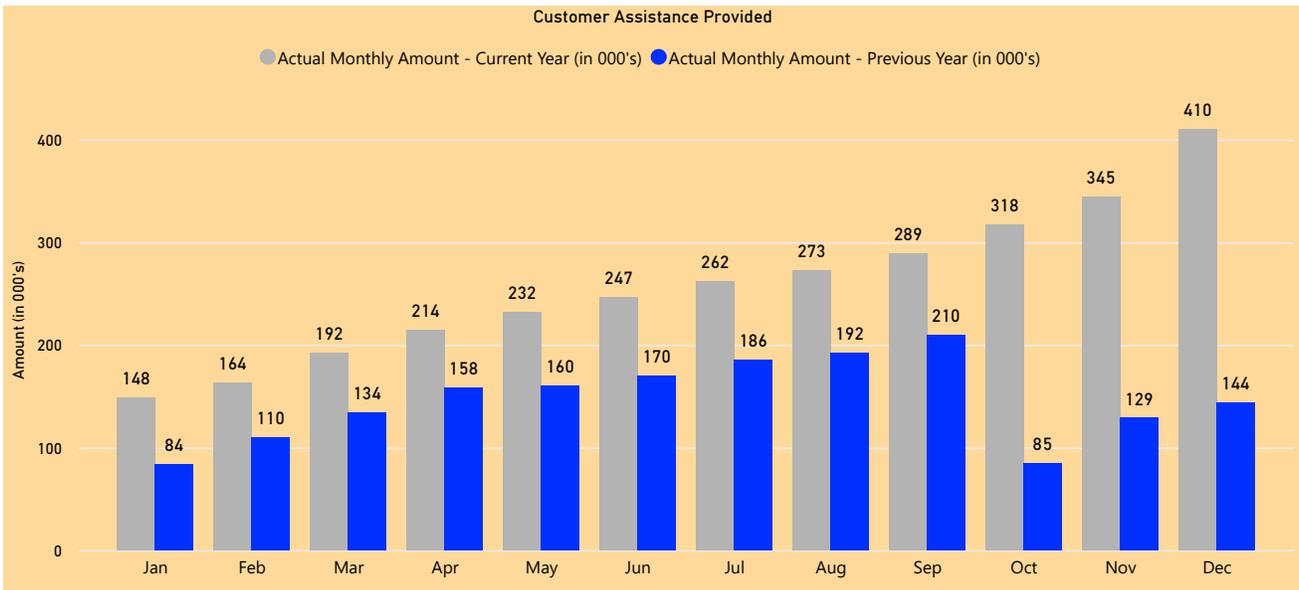
LOW INCOME ASSISTANCE PROGRAM

SPLASH Program



Total SPLASH contributions to date were below target by \$2.2k due to lower employee and customer contributions compared to last year.

Customer Assistance Program (CAP)

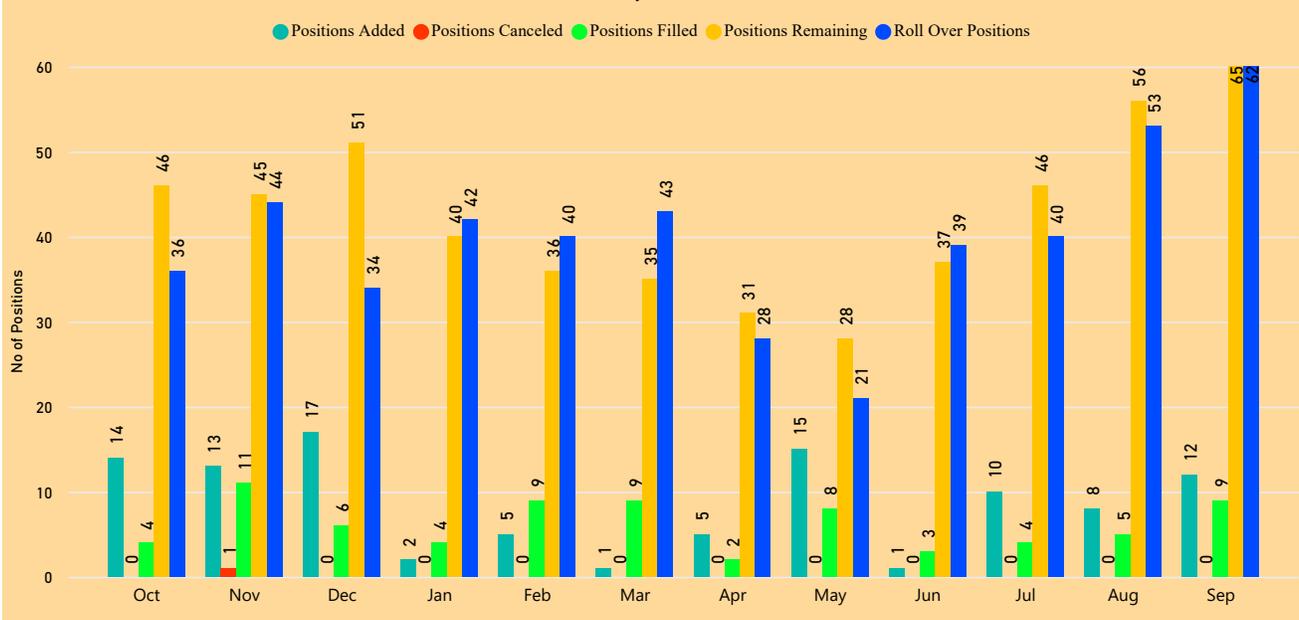


Total CAP account credits were \$266.54k higher than last year due to inclusion of STAY DC customers that were added to the CAP program.

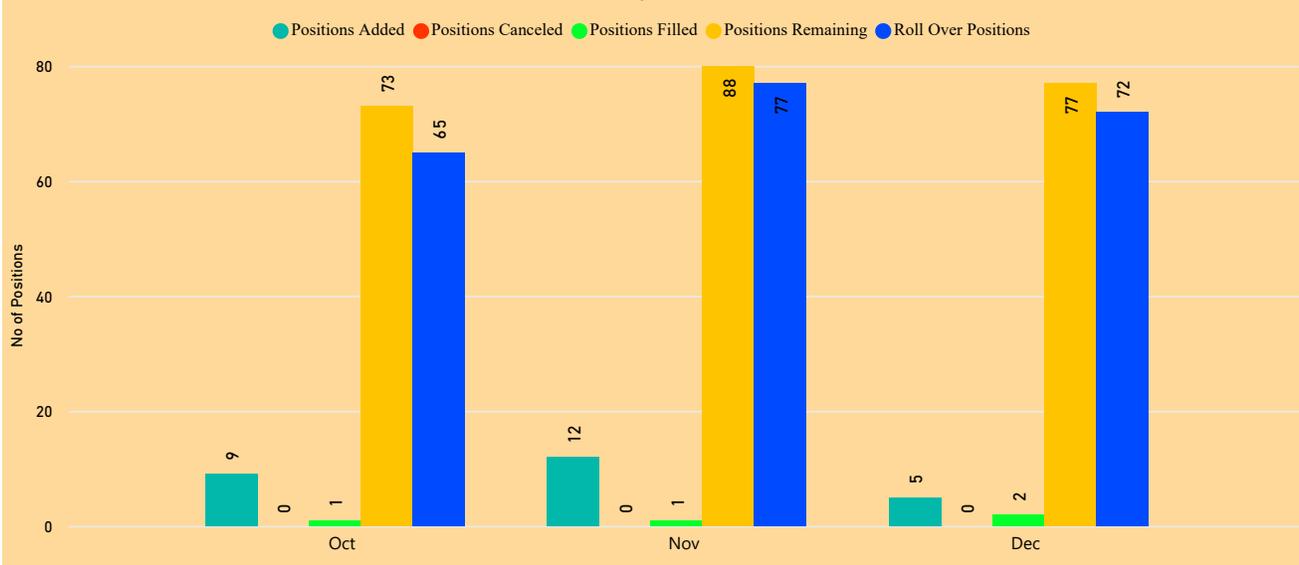
PEOPLE AND TALENT

Human Resources

Recruitment Activity - Previous Fiscal Year

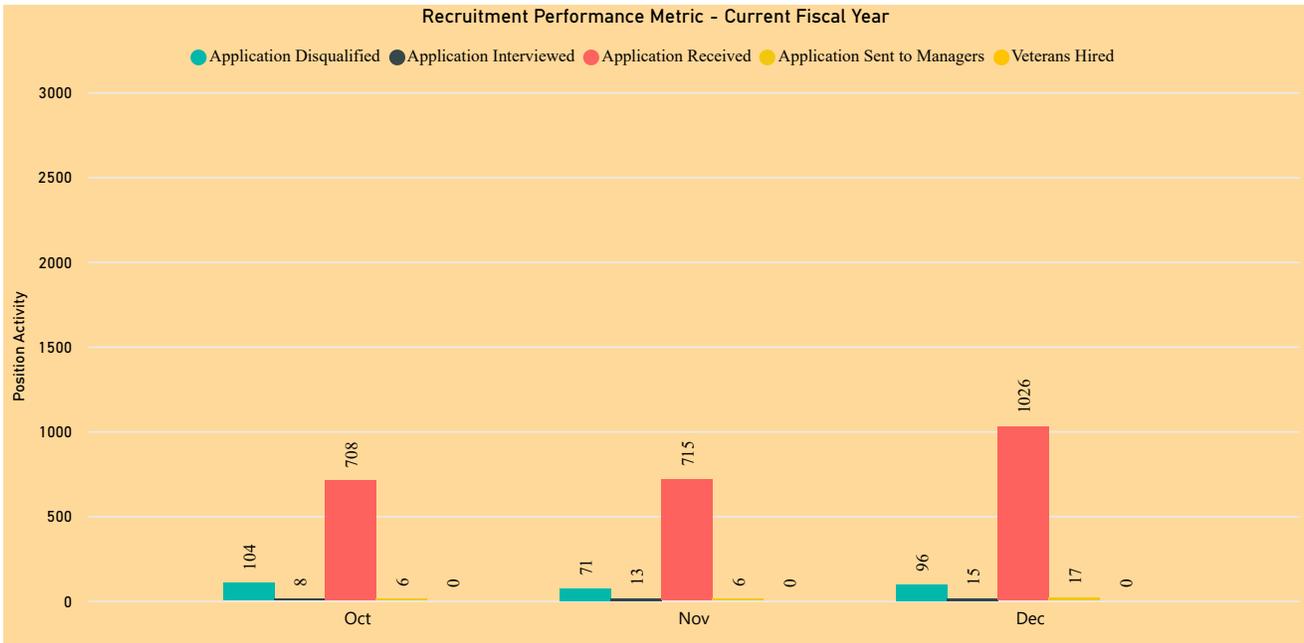
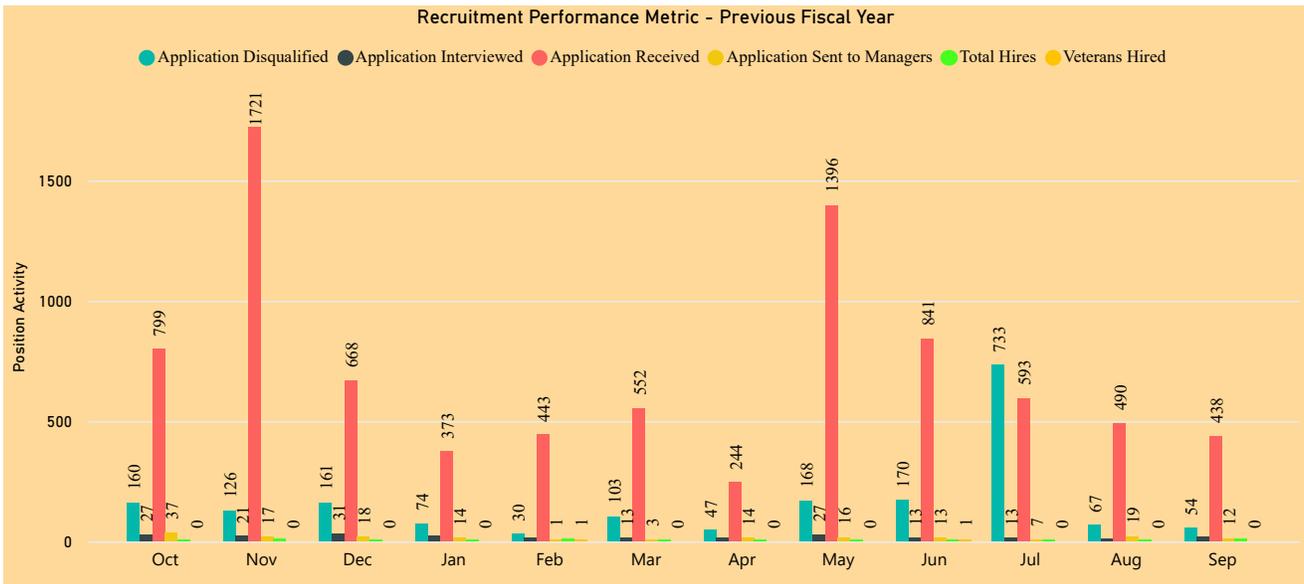


Recruitment Activity - Current Fiscal Year



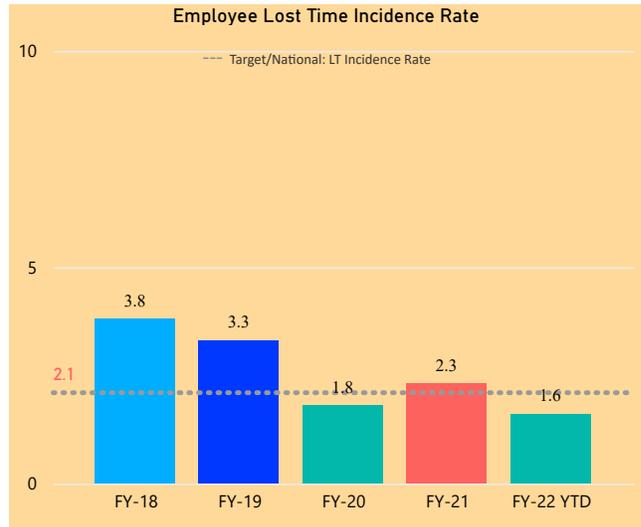
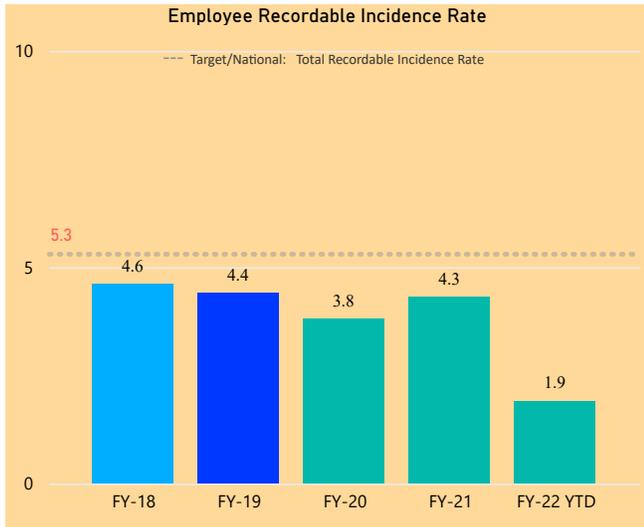
PEOPLE AND TALENT

Human Resources



ADMINISTRATION

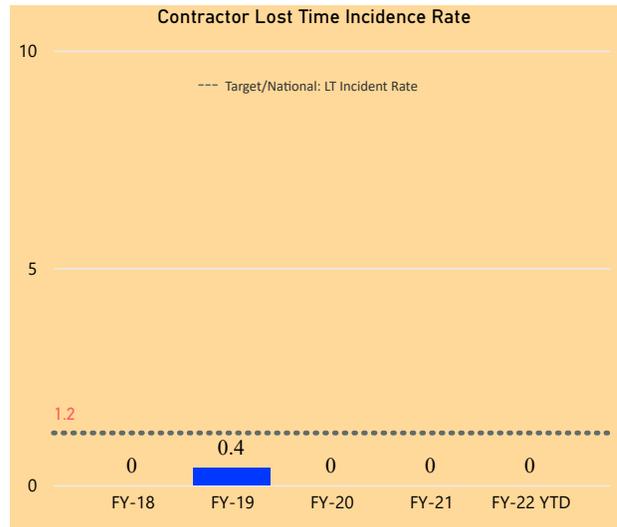
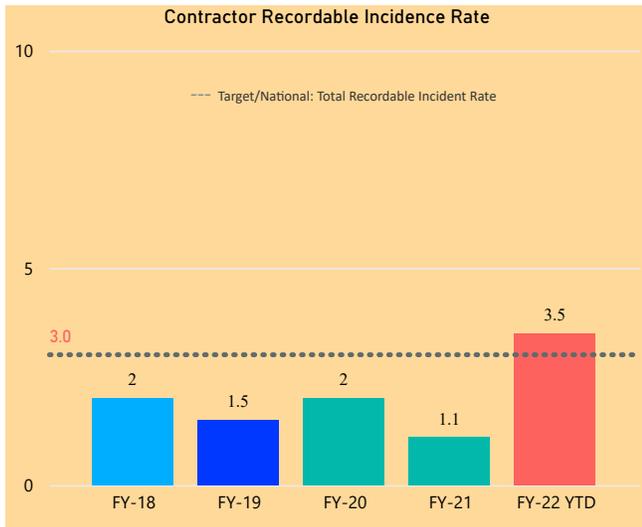
Safety



There have been 4 lost time incidents in FY 2022 YTD

ADMINISTRATION

Safety



There have been 0 lost time incidents in FY 2022 YTD.

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

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 %.

OPERATIONS & ENGINEERING

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

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

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

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****

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

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, □)

- 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

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 Per Month

- 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***

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

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

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

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

CUSTOMER EXPERIENCE

CUSTOMER CARE

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

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***

PEOPLE AND TALENT

HUMAN RESOURCES

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.

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, □)

ADMINISTRATION

SAFETY

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, □)



Summary of Contracts on Consent Agenda

283rd Meeting of the DC Water Board of Directors

Thursday, February 3, 2022

Joint Use Contracts

Resolution No. 22-09, execute Contract No. DCFA#514WSP USA, Inc., for the contract period of three years plus two renewal periods of one year each. The renewal periods will be approved at DC Water's sole discretion. The purpose of the contract is to provide onsite construction management and related engineering services for the Blue Plains Advanced Wastewater Treatment Plant on an as needed basis through individually negotiated task orders. The contract no-to-exceed amount is \$8,000,000.

Resolution No. 22-10, execute Contract No. DCFA #528, WSA, AECOM, for the contract period of three years plus two renewal periods of one year each. The renewal periods will be approved at DC Water's sole discretion. The purpose of the contract is to provide onsite construction management and related engineering services for the Blue Plains Advanced Wastewater Treatment Plant on an as needed basis through individually negotiated task orders. The contract no-to-exceed amount is \$8,000,000.

Resolution No. 22-11, execute additional funding to Contract No. 16PRHM44AC/AD, Mb Staffing Services LLC, in the amount of \$1,956,094., and Premier Staffing Source Inc, in the amount of \$200,000. The purpose of the additional funding is to continue supplying Temporary Staffing Services for DC Water. These services are needed for (including long and short-term) and staff vacancies. The total amount is \$2,156,094.

Resolution No. 22-12, execute Option Year Nine (9) of Contract No. WAS-12-063- AA-RA, Allied Universal Security Services. The purpose of the option is to continue providing protective services for all of DC Water's facilities. The option amount is \$6,530,000.

Resolution No. 22-13, execute Contract No. 220010, RedZone Robotics, Inc. The purpose of the contract is to procure contractors to help DC Water with the assessment of local sewers. Under this contract, DC Water plans to inspect a total of 120miles of local sewers from FY22 to FY25. The contract amount is \$5,998,550.

Presented and Adopted: February 3, 2022

SUBJECT: Approval of Appointment of the 2022 Officers of the Board

**#22-08
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” or “DC Water”) at the Board meeting held on February 3, 2022 upon consideration of a joint use matter, decided by a vote of ___ () in favor and ___() opposed, to take the following action to appoint the 2022 Officers of the Board.

WHEREAS, on September 5, 2019, the Board through Resolution #19-47, adopted amendments to the Board of Directors By-Laws, revising the positions of the Officers of the Board to include: Chairperson, First Vice-Chairperson, Second Vice-Chairperson, and Vice Chairpersons for each of the participating jurisdictions of Montgomery and Prince Georges Counties, MD, and Fairfax County, VA; and

WHEREAS, pursuant to Section 4.02(c) of the By-Laws, the Alternate Vice-Chairperson for each jurisdiction shall fulfil the duties of their Vice-Chairperson if the Vice-Chairperson is absent or unavailable; and

WHEREAS, pursuant to Section 4.03 of the By-Laws, except for the Chairperson, the Officers of the Board shall serve a one (1) year term commencing upon approval of the Board and terminating on December 31st of each calendar year or until a successor assumed office, unless the Officer resigns or is removed; and

WHEREAS, the Chairperson is selected by the Mayor in the manner required by the Authority’s enabling legislation at D.C. Official Code § 34-2202.04; and

WHEREAS, pursuant to sections 4.01(b) and (c) of the By-Laws, the Executive Committee shall nominate the First Vice-Chairperson and Second Vice-Chairperson and the Board members of their respective jurisdictions shall nominate the Vice-Chairperson and Alternate for their jurisdiction; and

WHEREAS, on January 18, 2022, the Executive Committee met and after consideration and discussion nominated Rachna Bhatt for First Vice-Chairperson and Fariba Kassiri for Second Vice-Chairperson; and

WHEREAS, the Board members of Prince George’s County nominated Tara Jackson as the Vice-Chairperson and Floyd Holt as the Alternate Vice-Chairperson for Prince George’s County; and

WHEREAS, the Board members of Montgomery County nominated Fariba Kassiri as the Vice Chairperson and will nominate the Alternate Vice-Chairperson for Montgomery County when the Principal Board member for Montgomery County is appointed; and

WHEREAS, the Board members of Fairfax County, VA nominated Christopher Herrington for Vice-Chairperson and Sarah Motsch as the Alternate Vice-Chairperson for Fairfax County; and

WHEREAS, after consideration of the nominations offered by the Executive Committee and the Board members of the respective participating jurisdictions, the Board approves the appointments of the Officers of the Board.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board approves the nominees offered by the Executive Committee and the Board members of the participating jurisdictions as follows:

First Vice-Chairperson:	Rachna Bhatt
Second Vice-Chairperson	Fariba Kassiri
Vice-Chairperson Prince George's County	Tara Jackson
Alternate Vice-Chairperson Prince George's County	Floyd Holt
Vice-Chairperson Montgomery County	Fariba Kassiri
Alternate Vice-Chairperson Montgomery County	<u>(awaiting appointment)</u>
Vice-Chairperson Fairfax County	Christopher Herrington
Alternate Vice-Chairperson Fairfax County	Sarah Motsch

This resolution is effective immediately.

Secretary to the Board of Directors

Presented and Adopted: February 3, 2022
SUBJECT: Approval to Execute Contract No. DCFA #514 WSP USA, Inc.

#22-09
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 February 3, 2022 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Contract No. DCFA #514 WSP USA, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. DCFA#514 WSP USA, Inc., for the contract period of three years plus two renewal periods of one year each. The renewal periods will be approved at DC Water's sole discretion. The purpose of the contract is to provide onsite construction management and related engineering services for the Blue Plains Advanced Wastewater Treatment Plant on an as needed basis through individually negotiated task orders. The contract no-to-exceed amount is \$8,000,000.

Secretary to the Board of Directors

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

ACTION REQUESTED

ENGINEERING SERVICES:

**Construction Management Basic Ordering Agreement (BOA-9)
Wastewater Treatment Facilities
(Joint Use)**

Approval to execute an architectural and engineering services contract not to exceed \$8,000,000.00 for the contract period of three years plus two renewal periods of one year each. The renewal periods will be approved at DC Water's sole discretion.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
WSP USA, Inc 1250 23 rd Street NW, Suite 300 Washington, DC 20037 <u>Headquarters</u> New York, NY	Techno Consultant Inc Princeton, NJ	DBE 9.0%
	BVF Engineering Columbia, MD	DBE 8.0%
	DME Engineering Laurel, MD	DBE 7.0%
	DMY Capitol Washington, DC	DBE 5.0%
	SZ PM Consultants Washington, DC	WBE 6.0%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed: \$8,000,000.00
 Contract Time: 1,096 Days (3 Years, 2 option years)
 Anticipated Contract Start Date: 04-01-2022
 Anticipated Contract Completion Date: 04-01-2025

Other firms submitting proposals/qualification statements:

- AECOM*
- Black and Veatch
- Brown and Caldwell
- Delon, Hampton & Associates
- Gannett Fleming
- Johnson, Mirmiran and Thompson
- Ramboll*
- Whitman Requardt and Associates

* Asterisk indicates short listed firms.

Purpose of the Contract:

To provide onsite construction management and related engineering services for the DC Water Blue Plains Advanced Wastewater Treatment Plant on as as-needed basis through individually negotiated task orders.

Contract Scope:

- Task orders will provide construction management and related engineering services for CIP projects as needed.

- Professional services are anticipated in the following disciplines: civil, structural architectural, process mechanical, plumbing, HVAC, instrumentation, and control and electrical.
- Projects will include upgrades and additions to various facilities and structures at the Blue Plains Advanced Wastewater Treatment Plant
- Additional projects will include critical upgrades at the various DC Water Storm and Sanitary Pump Stations and the various assets associated with DC Water's collection system
- Work will be accomplished through a series of definitive Task Orders. Each task order will identify the scope of work, deliverables, compensation, and schedule for performance.

PROCUREMENT INFORMATION

Contract Type:	Cost Plus Fixed Fee	Award Based On:	Highest Ranking Score
Commodity:	Engineering Services	Contract Number:	DCFA #514 WSA
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Wastewater Engineering
Service Area:	Wastewater	Department Head:	David Parker
Project:	BC, BQ, BT, V1		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.22%	\$ 3,297,600.00
Federal Funds	0.00%	\$
Washington Suburban Sanitary Commission	45.84%	\$ 3,667,200.00
Fairfax County	8.38%	\$ 670,400.00
Loudoun County & Potomac Interceptor	4.56%	\$ 364,800.00
Total Estimated Dollar Amount	100.00%	\$ 8,000,000.00

Salil M Kharkar

Digitally signed by Salil M Kharkar
 DN: dc=com, dc=dcwasa, ou=WASA Users, ou=Waste Water Operations, cn=Salil M Kharkar, email=Salil.Kharkar@dcwater.com
 Date: 2022.01.05 14:58:15 -05'00'

Salil Kharkar _____ Date
 Senior Technical Advisor to COO

Matthew T. Brown

Digitally signed by Matthew T. Brown
 Date: 2022.01.06 09:58:56 -05'00'

Matthew T. Brown _____ Date
 CFO and EVP
 Finance and Procurement



Digitally signed by Dan Bae
 C=US, E=dan_bae@dwater.com, O=District of Columbia Water and Sewer Authority, OU=VP of Procurement & Compliance, CN=Dan Bae
 Date: 2022.01.06 09:29:16 -05'00'

Dan Bae, VP _____ Date
 Procurement and Compliance

David Gadis

Digitally signed by David Gadis
 Date: 2022.01.24 12:09:32 -05'00'

David L. Gadis _____ Date
 CEO and General Manager

Presented and Adopted: February 3, 2022
SUBJECT: Approval to Execute Contract No. DCFA #528 WSA, AECOM

#22-10
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 February, 2022 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Contract No. DCFA #528 WSA, AECOM.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. DCFA #528, WSA, AECOM, for the contract period of three years plus two renewal periods of one year each. The renewal periods will be approved at DC Water's sole discretion. The purpose of the contract is to provide onsite construction management and related engineering services for the Blue Plains Advanced Wastewater Treatment Plant on an as needed basis through individually negotiated task orders. The contract no-to-exceed amount is \$8,000,000.

Secretary to the Board of Directors

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

ACTION REQUESTED

ENGINEERING SERVICES:

**Construction Management Basic Ordering Agreement (BOA-10) - Wastewater
Treatment Facilities
(Joint Use)**

Approval to execute an architectural and engineering services contract not to exceed \$8,000,000.00 for the contract period of three years plus two renewal periods of one year each. The renewal periods will be approved at DC Water's sole discretion.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
AECOM 3101 Wilson BLVD – STE 900 Arlington, VA 22201	Cube Root Corporation Washington, DC	DBE 10.0%
<u>Headquarters</u> Los Angeles, CA	SZ PM Consultants Washington, DC	DBE 10.0%
	BVF Engineering Columbia, MD	DBE 5.0%
	Winstead Management Group Richmond, VA	DBE 5.0%
	Sigma Associates Washington, DC	WBE 7.0%
	The Robert Balter Company Owings Mills MD	WBE 4.0%

AECOM has established a Mentor-Protégé relationship with Cube Root Corporation and SZ PM Consultants, in support of the DBE/WBE utilization for this project.

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed: \$8,000,000.00
 Contract Time: 1,096 Days (3 Years, 2 option years)
 Anticipated Contract Start Date: 04-01-2022
 Anticipated Contract Completion Date: 04-01-2025

Other firms submitting proposals/qualification statements:

- Black and Veatch
- Brown and Caldwell
- Delon, Hampton & Associates
- Gannett Fleming
- Johnson, Mirmiran and Thompson
- Ramboll*
- Whitman Requardt and Associates
- WSP USA, INC*

* Asterisk indicates short listed firms.

Purpose of the Contract:

To provide onsite construction management and related engineering services for the DC Water Blue Plains Advanced Wastewater Treatment Plant on as as-needed basis through individually negotiated task orders.

Contract Scope:

- Task orders will provide construction management and related engineering services for CIP projects as needed.
- Professional services are anticipated in the following disciplines: civil, structural architectural, process mechanical, plumbing, HVAC, instrumentation, and control and electrical.
- Projects will include upgrades and additions to various facilities and structures at the Blue Plains Advanced Wastewater Treatment Plant.
- Additional projects will include critical upgrades at the various DC Water Storm and Sanitary Pump Stations and the various assets associated with DC Water's collection system.
- Work will be accomplished through a series of definitive Task Orders. Each task order will identify the scope of work, deliverables, compensation, and schedule for performance.

PROCUREMENT INFORMATION

Contract Type:	Cost Plus Fixed Fee	Award Based On:	Highest Ranking Score
Commodity:	Engineering Services	Contract Number:	DCFA #528 WSA
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Wastewater Engineering
Service Area:	Wastewater	Department Head:	David Parker
Project:	LD, JF, IC, TZ, V1		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.22%	\$ 3,297,600.00
Federal Funds	0.00%	\$
Washington Suburban Sanitary Commission	45.84%	\$ 3,667,200.00
Fairfax County	8.38%	\$ 670,400.00
Loudoun County & Potomac Interceptor	4.56%	\$ 364,800.00
Total Estimated Dollar Amount	100.00%	\$ 8,000,000.00

Salil M Kharkar

Digitally signed by Salil M Kharkar
 DN: dc=com, dc=dcwasa, ou=WASA Users, ou=Waste Water Operations, cn=Salil M Kharkar, email=Salil.Kharkar@dcwater.com, Date: 2022.01.05 14:53:58 -05'00'

Salil Kharkar Date
 Senior Technical Advisor to COO

Matthew T. Brown

Digitally signed by Matthew T. Brown
 Date: 2022.01.06 09:57:01 -05'00'

Matthew T. Brown Date
 CFO and EVP
 Finance and Procurement



Dan Bae
 C=US, E=dan.bae@dcwater.com, O=District of Columbia Water and Sewer Authority, OU=VP of Procurement & Compliance, CN=Dan Bae, Date: 2022.01.06 09:29:16-05'00'

Dan Bae, VP Date
 Procurement and Compliance

David Gadis

Digitally signed by David Gadis
 Date: 2022.01.24 12:09:32 -05'00'

David L. Gadis Date
 CEO and General Manager

Presented and Adopted: February 3, 2022

SUBJECT: Approval to Execute Additional Funding for Contract No. 16PRHM44AC/AD, Mb Staffing Services LLC and Premier Staffing Source Inc.

**#22-11
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 February 3, 2022 upon consideration of a joint use matter, decided by a vote of ___() in favor and __() opposed to approve additional funding for Contract No. 16PRHM44AC/AD, Mb Staffing Services LLC and Premier Staffing Source Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute additional funding to Contract No. 16PRHM44AC/AD, Mb Staffing Services LLC, in the amount of \$1,956,094., and Premier Staffing Source Inc, in the amount of \$200,000. The purpose of the additional funding is to continue supplying Temporary Staffing Services for DC Water. These services are needed for (including long and short-term) and staff vacancies. The total amount is \$2,156,094.

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 MODIFICATION
For Temporary Staffing Services
(Joint Use and Non-Joint Use)**

Approval to add funding to the Temporary Staffing Services contracts with Mb Staffing Services LLC in the amount of \$1,956,094.00 and Premier Staffing Source Inc. in the amount of \$200,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION		
PRIME: Mb Staffing Services LLC 819 7 th St. Suite 311 Washington, DC 20001	SUBS: N/A	PARTICIPATION: LSBE - 100%
Premier Staffing Source Inc. 4640 Forbes Boulevard, Suite # 200A Lanham, MD 20706	N/A	LSBE - 100%

DESCRIPTION AND PURPOSE		
	<u>Mb Staffing</u>	<u>Premier Staffing</u>
Original Contracts Value:	\$200,000.00	\$200,000.00
Original Contracts Dates:	11-01-2016 – 10-31-2017	11-01-2016 – 10-31-2017
No. of Option Years in the Contract:	4	4
Base Year Modification Value:	\$319,912.31	\$0.00
Base Year Modification Dates:	04-01-2017 – 10-31-2017	
Option Year No.1 Value:	\$1,299,689.60	\$100,000.00
Option Year No.1 Dates:	11-01-2017 – 10-31-2018	11-01-2017 – 10-31-2018
Option Year No. 2 Value:	\$2,030,300.00	\$648,862.00
Option Year No. 2 Dates:	11-01-2018 – 10-31-2019	11-01-2018 – 10-31-2019
Option Year 2 Modification Value:	\$187,200.00	\$12,800.00
Option Year 2 Modification Dates:	10-01-2019 – 10-31-2019	10-01-2019 – 10-31-2019
Option Year No. 3 Value:	\$1,009,026.16	\$173,000.00
Option Year No. 3 Dates:	11-01-2019 – 10-31-2020	11-01-2019 – 10-31-2020
Option Year No.3 Modification Value:	\$410,657.91	\$408,795.00
Option Year No.3 Modification Dates:	10-04-2019 – 10-31-2020	11/05/2019 – 10-31-2020
Option Year No. 4 Value:	\$1,318,610.56	\$155,000.00
Option Year No. 4 Dates:	11-01-2020 – 10-31-2021	11-01-2020 – 10-31-2021
Option Year No. 4 Extension Value:	\$0.00	\$0.00
Option Year No. 4 Extension Dates:	11-01-2021 – 10-31-2022	11-01-2021 – 10-31-2022
Option Year No. 4 Additional Funding:	\$1,956,094.00	\$200,000.00

Purpose of the Contract:

The purpose of this contract is to supply Temporary Staffing Services for DC Water. These services are needed for special projects (including long and short-term) and staff vacancies. Departments submit individual requests for temporary staffing services as their needs arise.

Contract Modification:

This contract action adds funding to extend Option Year 4 of the two current Temporary Staffing contracts. Following are the associated breakdowns of the Capital budget of \$1,017,700.00 and the Operating budget of \$1,138,394.00, totaling \$2,156,094.00:

Department-Unit	Operating Budget	Capital Budget
Engineering		\$1,017,700.00
Customer Service	\$350,000.00	
Procurement-Water Works	\$100,000.00	
Waste-Water Treatment	\$238,394.00	
People and Talent	\$425,000.00	
Board Secretary	\$25,000.00	
TOTAL	\$1,138,394.00	\$1,017,700.00

Spending Previous Year:

Cumulative Contracts' Value: 11-01-2016 to 10-31-2021: \$8,473,853.54
 Cumulative Contract Spending: 11-01-2016 to 01-12-2021: \$7,259,405.32

Contractor's Past Performance:

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

PROCUREMENT INFORMATION

Contract Type:	Fixed Hourly Rate	Award Based On:	Highest Ratings
Commodity:	Good and Services	Contract Number:	16PRHCM44AC/AD
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Operating	Department:	DC Water Wide
Project Area:	DC Water Wide	Department Head:	Lisa Stone

ESTIMATED USER SHARE INFORMATION

User – Operating	Share %	Dollar Amount
District of Columbia	42.79%	\$487,118.79
Washington Suburban Sanitary Commission	41.94%	\$477,442.44
Fairfax County	9.83%	\$111,904.13
Loudoun Water	4.85%	\$55,212.11
Other (PI)	0.59%	\$6,716.52
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,138,394.00

BUDGET INFORMATION

Funding:	Capital	Department:	Wastewater Engineering
Service Area:	Wastewater	Department Head:	David Parker
Project:	CW, TZ		

User - Capital	Share %	Dollar Amount
District of Columbia	41.22%	\$99,217.00
Washington Suburban Sanitary Commission	45.84%	\$110,337.00
Fairfax County	8.38%	\$20,171.00
Loudoun Water	3.73%	\$8,978.00
Other (PI)	0.83%	\$1,998.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$240,700.00

BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services (DETS)
Service Area:	Sanitary Sewer, Water, Combined Sewer	Department Head:	Mark Babbitt (Acting)
Project:	FQ, HX, A4		

User - Capital	Share %	Dollar Amount
District of Columbia	100%	\$777,000.00
Washington Suburban Sanitary Commission	0%	\$0.00
Fairfax County	0%	\$0.00
Loudoun Water	0%	\$0.00
Other (PI)	0%	\$0.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$777,000.00

Lisa Stone
 Digitally signed by Lisa Stone
 Date: 2022.01.13 09:18:23 -05'00'

 Lisa Stone Date
 CPIO and EVP, People and Talent

Kishia L Powell
 Digitally signed by Kishia L Powell
 Date: 2022.01.13 09:38:09 -05'00'

 Kishia L. Powell Date
 COO and EVP


 Digitally signed by Dan Bae
 C:\US, E:\dan.bae@dcwater.com, O=District of Columbia Water and Sewer Authority, OU=VP of Procurement & Compliance, CN=Dan Bae
 Date: 2022.01.13.09.55.07-05'00'

 Dan Bae Date
 VP, Procurement and Compliance

Matthew T. Brown
 Digitally signed by Matthew T. Brown
 Date: 2022.01.13 12:16:10 -05'00'

 Matthew T. Brown Date
 CFO and EVP, Finance and Procurement



 David L. Gadis Date
 CEO and General Manager

Presented and Adopted: February 3, 2022
SUBJECT: Approval to Exercise Option Year Nine (9) of Contract No. WAS-12-063-AA-RA, Allied Universal Security Services

#22-12
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 February 3, 2022 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Option Year Nine (9) of Contract No. WAS-12-063- AA-RA, Allied Universal Security Services.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Nine (9) of Contract No. WAS-12-063- AA-RA, Allied Universal Security Services. The purpose of the option is to continue providing protective services for all of DC Water's facilities. The option amount is \$6,530,000.

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
PROTECTIVE SERVICES
(Joint Use)**

Approval to exercise option year 9 for protective services in the amount of \$6,530,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Allied Universal Security Services 1551 N. Tustin Avenue Suite 650 Santa Ana, CA 92705	SUBS: Preeminent Protective Services Inc. 1050 17 th Street, NW, Suite 600 Washington, DC 20036 LSBE	PARTICIPATION: 15% LSBE
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DESCRIPTION AND PURPOSE

Base Year Contract Value:	\$4,934,348.12
Base Year Contract Date:	12-16-2012 – 12-15-2013
Option Year 1 – Option Year 4 Value:	\$20,143,632.25
Option Year 1 – Option Year 4 Dates:	01-16-2014 – 02-13-2018
Option Year 5 Value:	\$5,847,481.76
Option Year 5 Dates*:	02-14-2018 – 02-13-2019
Option Year 6 Value:	\$5,300,000.00
Option Year 6 Dates:	02-14-2019 – 02-13-2020
Prior Modification Value	\$891,102.47
Prior Modification Dates:	12-16-2020 – 03-13-2020
Option Year 7 Value:	\$5,436,000.00
Option Year 7 Dates:	03-14-2020 – 03-13-2021
Option Year 8 Value:	\$5,500,000.00
Option Year 8 Dates:	03-14-2021 – 03-13-2022
Option Year 9 Value:	\$6,530,000.00
Option Year 9 Dates:	03-14-2022 – 03-13-2023

* During option year 4, DC Water resolicited this contract. Incumbent Allied Universal Security was again awarded with the work and the contract was extended.

Purpose of the Contract:

The purpose of this contract is to purchase protective services. The contractor, Allied Universal Security, provides protective services for all of DC Water's facilities and personnel.

Contract Scope:

The contract will provide highly trained and reliable commissioned Special Police Officers (SPOs) to safeguard DC Water's property and personnel, to prevent and deter unauthorized access or removal of property, and to assist DC Water in all other security related matters. This is last year of this contract and new solicitation will be issued in 2022.

Spending Previous year:

Cumulative Contract Value:	12-16-2012 to 03-13-2022: \$48,052,564.00
Cumulative Contract Spending:	12-16-2012 to 12-01-2021: \$43,924,844.00

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.

PROCUREMENT INFORMATION

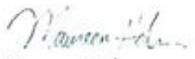
Contract Type:	Goods and Services	Award Based On:	Highest Rated Offeror
Commodity:	Security	Contract Number:	WAS-12-063-AA-RA
Contractor Market:	Open Market with Preference Points for Local and Small Businesses		

BUDGET INFORMATION

Funding:	Operating	Department:	Department of Security
Service Area:	Blue Plains AWTP	Department Head:	Ivelisse Cassas

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	70.05%	\$4,574,265.00
Washington Suburban Sanitary Commission	21.95%	\$1,433,335.00
Fairfax County	5.15%	\$336,295.00
Loudoun County	2.54%	\$165,862.00
Other (PI)	0.31%	\$20,243.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$6,530,000.00


 Maureen Holman Date 01/04/2022
 VP of Shared Services


 Dan Bae Date
 VP of Procurement and Compliance

Dan Bae
 C=US, E=dan.bae@dowster.com,
 O=District of Columbia Water and
 Sewer Authority, OU=VP of
 Procurement & Compliance,
 CN=Dan Bae
 2022 01 04 15:50:02-0500'

Matthew T. Brown Digitally signed by
 Matthew T. Brown
 Date: 2022.01.06
 09:40:03 -05'00'
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement


 David L. Gadis Date 1/24/2022
 CEO and General Manager

Presented and Adopted: February 3, 2022
SUBJECT: Approval to Execute Contract No. 220010, RedZone Robotics, Inc.

#22-13
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 February, 2022 upon consideration of a joint use matter, decided by a vote of eleven (11) in favor and none (0) opposed to approve Contract No. 220010, RedZone Robotics, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 220010, RedZone Robotics, Inc. The purpose of the contract is to procure contractors to help DC Water with the assessment of local sewers. Under this contract, DC Water plans to inspect a total of 120miles of local sewers from FY22 to FY25. The contract amount is \$5,998,550.


Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT:

**Inspection and Cleaning of Small and Large Diameter Sewers
(Joint Use)**

Approval to execute a construction contract for \$5,998,550.00

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Redzone Robotics, Inc 195 Thorn Hill Road Suite 110 Warrendale, PA 15086	Arthur Engineering Services Laurel, MD	DBE 12.5%
	EBA Engineering, Inc Laurel, MD	DBE 5.0%
	CCTV Master, LLC Baltimore, MD	DBE 7.5%
	Sunrise Safety Services, Inc Glen Burnie, MD	WBE 5.0%
	Traffic Services & Control, LLC Oxon Hill, MD	WBE 5.0%

RedZone Robotics, Inc has established Mentor-Protégé relationships with Arthur Engineering, Inc., Sunrise Safety Services, and Traffic Services and Control, in support of the DBE/WBE utilization for this project.

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$5,998,550.00
Contract Time:	1,095 Days (3 Years)
Anticipated Contract Start Date (NTP):	03-10-2022
Anticipated Contract Completion Date:	03-09-2022
Bid Opening Date:	10-20-2021
Bids Received:	3
Other Bids Received	
Savin Engineers, P.C.	\$ 8,814,850.00
Mobile Dredging and Video Pipe	\$ 9,986,925.00

Purpose of the Contract:

This contract is needed to procure competent contractors to help DC Water with the assessment of local sewers. Under this contract, DC Water plans to inspect a total of 120 miles of local sewers from FY22 to FY25.

Contract Scope:

Scope of this contract includes:

1. Project management including coordination with internal and external agencies, preparation of traffic control plans, and acquisition of permits.
2. CCTV Inspection of approx. 423,700 linear feet of combined/sanitary sewers
3. Light Cleaning and CCTV Inspection of approx. 70,700 linear feet of sanitary sewers
4. Combined CCTV/Sonar Inspection of approx. 55,700 linear feet of sanitary sewers
5. Sonar Inspection of approx. 400 linear feet of combined/sanitary sewers
6. Laser/CCTV of approx. 35,600 linear feet of combined/sanitary sewers
7. Multi-Sensor Inspection of approx. 48,800 linear feet of combined/sanitary sewer
8. Manhole/Structure Inspection of approx. 5,135 in numbers

Federal Grant Status:

- Construction Contract is not eligible for Federal grant funding assistance.

PROCUREMENT INFORMATION

Contract Type:	Unit Price	Award Based On:	Best Value
Commodity:	Construction	Contract Number:	220010
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Sanitary	Department Head:	Mark Babbitt (Acting)
Project:	QX		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia*	100.00%	\$5,998,550.00
Federal Funds	0.00%	\$0.00
Washington Suburban Sanitary Commission	0.00%	\$0.00
Fairfax County	0.00%	\$0.00
Loudoun County & Potomac Interceptor	0.00%	\$0.00
Total Estimated Dollar Amount	100.00%	\$5,998,550.00

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

Salil M Kharkar January 6, 2022

 Salil M Kharkar Date
 Senior Technical Advisor to COO

Dan Bae January 6, 2022

 Dan Bae, VP Date
 Procurement and Compliance

Matthew T. Brown January 6, 2022

 Matthew T. Brown Date
 CFO and EVP
 Finance and Procurement

David L. Gadis 1/24/2022

 David L. Gadis Date
 CEO and General Manager