

Board of Directors

317th Meeting of the Board of Directors

Thursday, March 6, 2025 / 9:30am

This meeting will be available for viewing through a livestream: https://dcwater.com/watch-board-meetings

- I. Call to OrderDr. Unique Morris-Hughes, Chairperson
- II. Roll Call Michelle Rhodd, Board Secretary
- III. Approval of February 6 and March 3, 2025 Meeting Minutes
- IV. Chairperson's Overview
- V. <u>Committee Reports</u>
 - 1. Environmental Quality and Operations Committee (Sarah Motsch)
 - 2. DC Retail Water and Sewer Rates Committee (Howard Gibbs)
 - 3. Finance and Budget Committee (Anthony Giancola)
 - 4. Special Meeting of the Executive Committee (**Dr. Unique Morris-Hughes**)
- VI. CEO and General Manager's Report (David L. Gadis)
- VII. Consent Items (Joint Use)
 - Approval to Add Funding to Option Year 9 and Execute Option Year 10 of Contract No. 16-PR-DFM-07, Fleet Management Information System (FMIS), Consulting Services, (Chevin Fleet Solutions) – Resolution No. 25-06 (Recommended by the Environmental Quality and Operations Committee 02-21-25)
 - Approval to Add Funding and Six-Month Extension to Option Year 5 of Contract No. 19-PR-DFS-01, Heating, Venting and Air-Conditioning (HVAC) Maintenance Services, (Complete Building Services) – Resolution No. 25-07 (Recommended by the Environmental Quality and Operations Committee 02-21-25)
 - Approval to Amend Fiscal Year 2025 Operating Budget Resolution No. 25-08
 (Recommended by the Finance and Budget Committee 02-27-25)
 - 4. Approval of Proposed Fiscal Year 2026 Operating Budget Resolution No. 25-09 (Recommended by the Finance and Budget Committee 02-27-25)
 - Approval to Amend FY 2025 and FY 2026 Revenue Budget Resolution No. 25-10 (Recommended by the DC Retail Water and Sewer Committee 02-24-25 and the Finance and Budget Committee 02-27-25)

- Approval of Proposed Fiscal Year 2025 2034 Capital Improvement Program Resolution No. 25-11 (Recommended by the Environmental Quality and Operation Committee 02-21-25 and the Finance and Budget Committee 02-27-25)
- Approval of Fiscal Years 2025 2034 Ten-Year Financial Plan Resolution No. 25-12 (Recommended by the DC Retail Water and Sewer Rates Committee 02-24-25 and the Finance and Budget Committee 02-27-25)
- Approval of Official Intent to Reimburse Fiscal Year 2025 and 2026 Capital Expenditures with Proceeds of a Borrowing - Resolution No. 25-13 (Recommended by the Finance and Budget Committee 02-27-25)

VIII. Consent Items (Non-Joint Use)

Approval to Execute the Award of Contract No. 10507 with One Base Year and Two Option, Underground Utility Location and Marking, (Dynamic Concepts, Inc.) Resolution No. 25-14 (Recommended by the Environmental Quality and Operations Committee 02-21-25)

IX.

This meeting is governed by the Open Meetings Act. Please address any questions or complaints arising under this meeting to the Office of Open Government at opengovoffice@dc.gov.

Upcoming Committee Meetings | via Microsoft Teams

•	March 12 th @ 9:30 am	Human Resources and Labor Relations Committee
•	March 20 th @ 9:30 am	Environmental Quality and Operations Committee
•	March 25 th @ 9:30 am	DC Retail Water and Sewer Rates Committee
•	March 27 th @ 9:30 am	Finance and Budget Committee

Next Board of Directors' Meeting | via Microsoft Teams

April 3, 2025 @ 9:30 am

¹The 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 certain matters, including but not limited to: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); terms for negotiating a contract, including an employment contract, under D.C. Official Code § 2-575(b)(2); obtain legal advice and preserve attorney-client privilege or settlement terms under D.C. Official Code § 2-575(b)(4)(A); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security matters 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); third-party proprietary matters under D.C. Official Code § 2-575(b)(11); train and develop Board members and staff under D.C. Official Codes § 2-575(b)(12); adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters or violations of laws or regulations where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14); and other matters provided under the Act.



316TH BOARD OF DIRECTORS MEETING MINUTES OF THE MEETING FEBRUARY 6, 2025

(Via Microsoft Teams)

DIRECTORS PRESENT

District of Columbia Members

- 1. Unique Morris-Hughes, Chairperson
- 2. Rachna Butani Bhatt, Principal
- 3. Anthony Giancola, Principal
- 4. Howard Gibbs, Principal
- 5. Richard Jackson, Principal
- 6. Jed Ross, Principal

Prince George's County Members

- 1. Floyd Holt, Principal
- 2. Jared McCarthy, Principal
- 3. Jonathan Butler, Alternate

Montgomery County Members

- 1. Jon Monger, Principal
- 2. Fariba Kassiri, Principal
- 3. Jeffrey Seltzer, Alternate
- 4. Amy Stevens, Alternate

Fairfax County Member

- 1. Christopher Herrington, Principal
- 2. Sarah Motsch, Alternate

DC WATER STAFF

- 1. David Gadis, Chief Executive Officer and General Manager
- 2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
- 3. Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance
- 4. Wayne Griffith, Chief Administration Officer and EVP
- 5. Jeffrey Thompson, Chief Operating Officer and EVP

6. Michelle Rhodd, Secretary to the Board

The 316th meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Chairperson Unique Morris-Hughes at 9:31 a.m. The meeting was held via Microsoft Teams and streamed live at dcwater.com. Board Secretary Michelle Rhodd called the roll, and a guorum was established.

I. EXECUTIVE SESSION

The meeting opened in executive session to discuss to obtain legal advice and preserve attorney-client privilege under DC Official Code under DC Official Code § 2-575(b)(4)(A); and to discuss a personnel matter under DC Official Code § 2-575(b)(10).

The meeting resumed in public session with the Board Chair seeking to amend the agenda to add Resolution No. 25-05 which grants the General Manager authority to perform necessary actions to maintain operations in an emergency or crisis. Dr. Morris-Hughes explained that the resolution was a non-joint use item, which required a vote of DC board members only and called for a roll call vote.

Upon a motion duly made the Board of Directors approved amending the agenda to add Resolution 25-05, Approval for the CEO & General Manager to Take All Actions Necessary to Maintain Continuity of Operations of the Washington Aqueduct.

Board member Christopher Herrington stated that Fairfax County did not agree that the motion is a non-joint use item.

Board member Jared McCarthy stated that Prince George's County did not agree that the motion is a DC matter only and looks forward to legal counsel's opinion being included in the record.

Board member Fariba Kassiri stated that Montgomery County also disagreed that the matter is a non-joint-use item.

II. APPROVE MINUTES

Board Chair Dr. Morris-Hughes asked for a motion to approve the minutes of the meeting on January 13, 2025.

Upon motion duly made the Board of Directors approved the minutes of the January 13, 2025, meeting as presented.

Next, Dr. Morris-Hughes asked Committee Chairs to report on their committee meetings.

III. COMMITTEE REPORTS

Meeting of the DC Retail Water and Sewer Rates Committee Report Reported by Rachna Bhatt

DC Retail Water and Sewer Rates Committee Chair Rachna Bhatt presented a summary of the committee meeting held on January 28.

Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance presented the monthly report for Q1, noting that revenue was on track for the budget. There were favorable variances in the Residential/Commercial/ Multi-Family, Federal, and Municipal, Water System Replacement Fee, Pilot, and Other categories. 2025 revenues were adjusted in the budget to increase overall revenue by 3 percent and an additional \$9.4 million was allocated to the Other category to include the Fire Protection Fee. There was a negative variance of \$1.7 million in the DC Housing Authority category due to a missed payment.

Delinquent accounts increased by approximately \$1 million. Board members expressed concern about the delinquency trend and Management discussed a new campaign to assist in this area. Mr. Brown reviewed the Consumer Assistant Program report, highlighting the high participation in the CAP+ program.

The Developer Deposits report included a summary of all deposits from 2001 through 2014, which had a new balance of \$421,423. Mr. Brown noted that the consultants conducting the cost-of-service study for miscellaneous fees were exploring the possibility of a fixed fee for inspections to eliminate the need for reimbursable developer deposits.

Board members inquired whether President Trump's action to halt all grant funding had impacted DC Water. Mr. Brown explained that DC Water had secured \$199 million of grant funding out of \$400 million awarded, and the executive order appeared to affect only new grants, not those already secured.

Meeting of the Environmental Quality and Operations Committee Report Reported by Sarah Motsch

Environmental Quality and Operations Committee Chair Sarah Motsch presented a summary of the committee meeting held on January 16.

Nicholas Passarelli Vice President, Wastewater Operations, reported on the performance of Blue Plains Advanced Wastewater Treatment Plant (BPAWTP) for December 2024. All parameters were within the national pollution discharge elimination standard permit limits. The tunnel systems and wet weather treatment captured 75 million gallons with no overflows. On-site energy generation was 22 percent of the plant's average consumption. 2,067 wet tons of biosolids were sold as Bloom, and the remaining 10,328 wet tons were land applied through existing land application contracts.

Brent Christ Director, Facilities Management, reorted on the successful implementation and outcomes of key performance indicators (KPIs) through enhanced collaboration between the facilities management team and the Enterprise Program Management Office (EPMO). The facilities team achieved a significant upward trend in meeting and surpassing targets. Through dedication to accountability, improved dynamics, and the use of the Maximo system to track and close out requests, the facilities team was able to significantly boost operational efficiency.

Mr. Brown presented the proposed FY25 to FY34 CIP Budget update, beginning with an overview of the proposed Capital Improvement Plan (CIP). After summarizing the approval schedule, he provided the operations and management budget and financial plan highlights. David Parker provided further CIP details. The proposed 10-year CIP budget of \$9.62 billion represents an increase of \$1.9 billion over last year's CIP. The Lead Free DC Program has increased by \$200 million due to DDOT permits and the removal of brass service lines. A \$429 million increase in wastewater is for odor removal and second source, and \$783 million has been added to the sewer program for sewer rehabilitation.

An overview of the move to collaborative delivery was provided, highlighting the 47 staff trained by the Design Build Institute of America (DBIA), and the 20 staff who have achieved DBIA certification.

Future CIP needs were discussed, which may be \$5 to \$10 billion more than the current proposal. The path forward will include continued condition assessments, confirmation of inflationary increases, and evaluation of customer affordability. A series of presentations will be delivered to the Board committees throughout 2025.

The presentation concluded with a discussion on risks being monitored and mitigated, and optimization and revenue generation opportunities.

The Committee recommended moving one Non-Joint Use action item to the full Board for approval.

Meeting of the Human Resources and Labor Relations Committee w/Union Presidents Report

Reported by Jed Ross

Human Resources and Labor Relations Committee Chair Jed Ross presented a summary of the committee meeting held with Union Presidents on January 22.

Jonathan Shanks, President of AFGE 872, raised a concern about union work being contracted out in the meter section, stating that management should follow procedures outlined in the collective bargaining agreement (CBA). He noted that union leaders were assigned to train contractors, which had not been the case before, and emphasized the need for more staff to read meters. Management explained that the hiring of temporary contractors was necessary to clear a backlog. Mr. Shanks proposed halting contractor hires until management meets with union leaders.

David Gadis, Chief Executive Officer and General Manager, acknowledged training issues and clarified that contractors were hired to avoid overburdening union staff. Union leaders noted a trend in contractors taking union positions, such as project management and inspections, and expressed concerns about positions that were not backfilled. Mr. Ross requested detailed information on the eliminated positions to assess the impact of contracting. Shawn Brown Acting Vice President of Employment, Labor and HR Compliance stated that recent hires were made within the guidelines set out in the Collective Bargaining Agreement.

Barbara Milton, AFGE 631, raised concerns that recent changes to the Fitness for Duty process deviated from the contract and stated that management had not explained the program to the unions. She asked the Board to investigate the program and compare it to the contract requirements.

Ms. Milton discussed the reclassification of wastewater treatment (WWT) operators, noting multiple requests over several years to reclassify WWT operators as Grade 10 or higher. Mr. Brown explained that the process of reclassification requires a feasibility study and negotiation, if applicable. Ms. Milton stated that management had advised it was performing a classification study that would address the request, but People and Talent confirmed that the classification study only applied to non-union employees. Mr. Ross

stated that he would follow up with management for a timeline for a response to the request.

Keith Lindsey, Chief of Staff and acting EVP of People and Talent provided an HR update, focusing on the Enterprise Human Capital Strategy to improve staffing and efficiency, succession planning, and performance management. A staff survey developed with union input will be distributed in February for analysis.

Committee member Christopher Herrington asked for clarification on the number of employees participating in the contribution matching plan. Kenya Zeigler, Manager, Benefits stated that 67 percent of employees are participating at over 5 percent and receiving the full matching contribution, while others receive less than the full match.

Jermaine Quattlebaum of AFGE 631 asked for more information on the 457(b) Roth plan. Ms. Zeigler confirmed that Fidelity representatives would provide more information through webinars and at the annual benefits fair.

Meeting of the Audit and Risk Committee Report Reported by Floyd Holt

Audit and Risk Committee Chair Floyd Holt presented a summary of the committee meeting held on January 23.

The internal audit update included the FY25 audit plan progress report. The audit is in progress toward a planned 11 audits for the fiscal year. Fieldwork has begun for the first three audits: work order management, an artificial intelligence policy and governance assessment, and a safety audit. SCADA penetration testing will begin in February, 2025.

Open high-risk prior audit findings included one from FY23 and two from FY24. The finding for the FY23 fleet management audit had encountered delays and a new target date was set for September 30, 2025. There are no open audit findings prior to FY23. A total of 92 percent of all prior audit findings from FY24 to FY27 are closed: management's target closure rate is 95 percent.

There were four calls received during the last quarter by the Fraud, Waste, and Abuse Hotline. Two were found to be not related to fraud, waste or abuse, one was closed due to lack of information, and one will proceed with further investigation but was noted to be out of scope and therefore a special project to be handled outside the Audit and Risk Committee.

Meeting of the Joint DC Retail Water and Sewer Rates and Finance & Budget Committee Report

Reported by Anthony Giancola

Finance and Budget Committee Chair Anthony Giancola presented a summary of the Joint DC Retail Water and Sewer Rates Committee and Finance and Budget Committee meeting held on January 28.

Matt Brown presented the proposed FY26 budget. The proposed Operating Budget is \$838.1 million, an increase of \$49.9 million over the current fiscal year. The proposed 10-year CIP budget is \$9.62 billion, an increase of \$1.88 billion over the current CIP. Mr. Brown reviewed the proposed FY26 budget's sources and uses of funds totaling \$1.01 billion.

Mr. Brown noted that Congress is discussing removing tax-exempt status for bonds for entities such as DC Water, which would have significant negative consequences for the Authority. He also informed the committee of the various executive orders regarding federal grants and noted staff will continue to monitor for any significant impact.

Lola Oyeyemi, Vice President of Budget, compared the FY25 and FY26 operating budgets. For FY26, the largest expenditures are personnel services and debt service, and the target vacancy rate is reduced to 5 percent from 7 percent. Chairperson Giancola stated he is not in support of lowering the vacancy rate as he does not feel this is attainable. He also noted that the net reduction of 42 positions should offset the projected increase in personnel costs. Ms. Oyeyemi noted that personnel increases are tied to wage increases in the union agreement.

DC Retail Water and Sewer Rates Committee Chair Rachna Bhatt asked whether the projected vacancy rate was a result of People and Talent setting a goal for the staffing level they would like to see. Ms. Bhatt stated that she would like to make sure the vacancy rate goal is based on what is ideal for DC Water.

Finance and Budget Committee member Jonathan Butler inquired whether there is a debt service ceiling. Mr. Brown stated that there is a management cap of 33 percent of operating revenues. Mr. Giancola noted that the projection for FY34 is that debt service will be 41.8 percent for the CIP and asked what the combination debt service cost will be at that time. Mr. Brown stated that the combined debt service cost for FY34 would reach 33 percent of revenues in the ten years.

Mr. Giancola noted that the amount budgeted for overtime had been increased from \$9 million to \$11 million, and praised this decision.

Mr. Butler asked whether there should be a line item in the CIP budget to reflect investment in a second source of water for the District. Mr. Brown noted that one project is dedicated to second source, but the complete project would cost well over \$1 billion. Initial work on water resiliency is included within the 10-year CIP. Mr. Parker stated that part of the funding request will look at the Blue Plains facility and possible reuse, reclamation, or high-level treatment for a second source as well as additional water storage for both finished and raw water. Mr. Giancola requested the budgeting for a second source be more visible in future budgets.

DC Retail Water and Sewer Rates Committee member Jed Ross requested a budget conversation regarding federal funding for the Washington Aqueduct.

Mr. Brown provided a review of projected rate increases in each of the next ten years. He noted that near-term rate increases are slightly lower than original projections due to increased revenue in the FY25 budget. Mr. Giancola asked for the projected rate increases table to be augmented with the projected national inflation rate for each year.

Board Chair Unique Morris-Hughes inquired whether there had been information from grant providers regarding the impact of President Trump's executive order stopping grant funding. Mr. Brown stated that information received to date from the EPA regional office anticipates continuing to process reimbursements for grants that have already been awarded.

Meeting of the Finance & Budget Committee Report Reported by Anthony Giancola

Finance and Budget Committee Chair Anthony Giancola presented a summary of the committee meeting held on January 28.

Ms. Oyeyemi presented the December 2024 financial report. At the end of the first quarter of FY24, total operating revenue was approximately \$247.6 million or 26.7 percent of the budget, operating expenses were approximately \$171.3.6 million or 21.7 percent of the budget, and capital disbursements were \$177.2 million or 19.7 percent of the budget. The vacancy rate was 7.5 percent based on the authorized headcount.

Ms. Oyeyemi noted that in January, the auditor presented its findings to the Audit and Risk Committee with the issuance of an unmodified "clean" opinion for DC Water's FY24 financial statement. There are ongoing activities to complete the Office of Management and Budget Uniform Guidance Audit, Annual Comprehensive Financial Report, and the Green Bond Attestation.

IV. CEO AND GENERAL MANAGER'S REPORT

CEO and General Manager David Gadis provided an update and began with appreciation for Team Blue's hard work during the inauguration to ensure that there were no main breaks or sewer issues during the event. There was one main break and it was handled quickly.

Mr. Gadis noted that with respect to the Bipartisan Infrastructure Law and President Trump's recent executive order titled "Unleashing American Energy," DC Water continues to submit invoices and continues to be paid. Mr. Gadis noted that the legal team continues to monitor the impact of the executive order.

On January 23, the Stakeholder Alliance Welcome reception was held to welcome new members. Mr. Gadis noted that the group was set back during COVID-19 but had started up again. He discussed the importance of the group to connect with members of the community and hear their concerns about fee increases and services.

Mr. Giancola shared three questions with the Board concerning the CEO's report:

- 1. The Administration Metrics report states that the target for Fleet Priority One Vehicle Service is 50 to 90 percent. Mr. Giancola stated that 80 to 90 percent may be acceptable, but 50 percent is too low.
- 2. The People and Talent: Annual Turnover Metrics report shows that employee turnover is increasing at close to 1 percent annually, from 4.92 percent to 8.11 percent from 2020 to 2024. Mr. Giancola asked whether this increase is factored into vacancy rate projections.
- Mr. Giancola noted the extended target date for the open high-risk audit finding for the 2023 Fleet Management Audit and asked for elaboration on why the timeline has been extended.

Mr. Gadis noted Mr. Giancola's questions and stated that additional detail on these report items would be provided at the next Audit and Risk Committee meeting.

V. CONSENT ITEMS (NON-JOINT USE)

- Approval to Execute Amendment No. 1 of Contract No. 240070, Construction Manager at Risk (CMAR) Guaranteed Maximum Price (GMP), Division RC-C– Rock Creek Project C(GI), Fort Myer Construction Corporation – Resolution No. 25-04 (Recommended by the Environmental Quality and Operations Committee 01/16/25)
- 2. Approval of **Resolution No. 25-05**, as amended.

Upon a motion duly made the Board of Directors voted to approve the Non-Joint Use Resolutions 25-04 through 25-05 as presented.

VI. ADJOURN

There	being	no	further	business	to	come	before	the	Board,	the	meeting	adjourned	at
12:47	p.m.												

Michelle Rhodd Secretary to the Board of Directors



EMERGENCY MEETING OF BOARD OF DIRECTORS MINUTES OF THE MEETING MARCH 3, 2025

(Via Microsoft Teams)

DIRECTORS PRESENT

District of Columbia Members

- 1. Unique Morris-Hughes, Chairperson
- 2. Rachna Butani Bhatt, Principal
- 3. Anthony Giancola, Principal
- 4. Howard Gibbs, Principal
- 5. Richard Jackson, Principal
- 6. Jed Ross, Principal

Prince George's County Members

- 1. Floyd Holt, Principal
- 2. Jared McCarthy, Principal
- 3. Jonathan Butler, Alternate

Montgomery County Members

- 1. Jon Monger, Principal
- 2. Amy Stevens, Alternate

Fairfax County Member

- 1. Christopher Herrington, Principal
- 2. Sarah Motsch, Alternate

DC WATER STAFF

- 1. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
- 2. Michelle Rhodd, Secretary to the Board

An Emergency Meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Chairperson Unique Morris-Hughes at 1:44 p.m. The meeting was held via Microsoft Teams. Board Secretary Michelle Rhodd called the roll, and a quorum was established.

I. EXECUTIVE SESSION

The meeting opened in executive session to discuss a personnel matter under DC Official Code § 2-575(b)(10).

II. ADJOURN

There being no further business to come before the Board, the meeting adjourned at 2:44 p.m.

Michelle Rhodd Secretary to the Board of Directors



MINUTES OF THE MEETING ENVIRONMENTAL QUALITY AND OPERATIONS COMMITTEE FEBRUARY 21, 2025

(via Microsoft Teams)

COMMITTEE MEMBERS PRESENT

- 1. Sarah Motsch, Chairperson, Alternate, Fairfax County
- 2. Howard Gibbs, Vice-Chairperson, Principal, District of Columbia
- 3. Jared McCarthy, Principal, Prince George's County
- 4. Christopher Herrington, Principal, Fairfax County
- 5. Amy Stevens, Alternate, Montgomery County

DC WATER STAFF PRESENT

- 1. David L. Gadis, Chief Executive Officer and General Manager
- 2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
- 3. Michelle Rhodd, Secretary to the Board
- 4. Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance
- 5. Jeffrey Thompson, Chief Operating Officer and EVP

The Environmental Quality and Operations Committee meeting was called to order by Sarah Motsch, Chairperson at 9:30 AM. The meeting was held via Microsoft Teams. Michelle Rhodd, Secretary to the Board called the roll.

I. BPAWTP PERFORMANCE UPDATE

Nicholas Passarelli, Vice President, Wastewater Operations, presented a summary of the performance of Blue Plains Advanced Wastewater Treatment Plant (BPAWTP) for January. The average flow through to complete treatment was 257 million gallons per day (MGD) for the month, and the peak daily flow was 322 MGD, which occurred on January 31st. It was reported that all weekly and monthly NPDES permit requirements were met.

Mr. Passarelli discussed the performance of the Anacostia tunnel system and wet weather treatment at BPAWTP. It was noted that precipitation for the month of January was under 2-inches and the combined wet weather flows captured by the tunnel system

was 14 million gallons (100% rainwater capture). 1546 MG of volume was captured by Anacostia River Tunnel System in calendar year 2024 through December, with 115 MG overflow. Since the system's inception in 2018, there have been 350 events with a total volume of 17,775 MG captured and 1.6 billion gallons captured to CSO, resulting in a total capture rate of 91.5%.

Mr. Passarelli discussed electrical energy use and onsite generation at BPAWTP. Onsite energy generation from the Combined Heat and Power (CHP) facility and solar panels for the month was 19% of the average consumption at BPAWTP. The CHP Facility generated an average of 6.2 megawatts (MW), of which 5.1 MW was transferred to the Blue Plains grid. The solar system power generation was low at an average of 0.32 MW for the month due to winter conditions. The average electrical consumption for the month was 28.5 MW and the total purchased power from PEPCO averaged 23.0 MW. DC Water saved approximately \$0.9 million cumulatively in FY25 due to power generated onsite at BPAWTP (instead of purchasing from PEPCO).

Mr. Passarelli discussed biosolids production and Bloom marketing at BPAWTP. During January, over 12,130 wet tons of biosolids were produced; approximately 665 wet tons were sold as Bloom, and the remaining 11,465 wet tons were land applied through existing land application contracts. For FY25 to date, 9,568 tons have been sold as Bloom, compared to the goal of 70,000 tons for the year.

II. LEAD FREE DC UPDATE

William Elledge, Director, Engineering and Technical Services, provided an update on the Lead Free DC Program, which aims to replace all lead service lines across the district. Mr. Elledge began by discussing the program's key performance indicators (KPIs), which are tracked through a quarterly shared 9-box KPI chart. The program was below its material verification goals at the time of the report, due to an increase in the inventory of addresses, which affected the calculation of material verification percentages.

Mr. Elledge highlighted the impact of external factors such as weather and additional permit holiday Season, which had caused some delays in the program's progress. Despite these challenges, the program managed to meet its December goals, though it had initially hoped to exceed them by a wider margin.

Mr. Elledge stated the overall replacement progress was reported at 18% completion, with material verification nearly 38% complete. Mr. Elledge acknowledged delays in December and January but remained optimistic about future progress.

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The discussion included details about LPRAP (Lead Pipe Replacement Assistance Program), and its focus on private-side replacements, which are critical in areas where previous small diameter water main projects were completed on the public side in the early 2000s.

Mr. Elledge addressed legislative developments that could impact the program. Two bills had been reintroduced at DC Council concerning the mandate of lead pipe replacements, which the legal team was closely monitoring. Mr. Elledge emphasized the ongoing adjustments and planning needed to adapt to these potential regulatory changes and ensure continued compliance and effectiveness of the Lead Free DC initiative.

Mr. Elledge then provided an update on the small diameter water mains and discussed the performance and projections for replacing lead service lines associated with small diameter water main projects, particularly focusing on the production rates and the importance of this component in the broader Lead Free DC program.

Mr. Elledge noted that the monthly production rates for replacing these water mains were gradually increasing over the course of the year. Mr. Elledge highlighted that the program started below target, showing a chart with three purple bars representing actual monthly production which were under a mile per month. Mr. Elledge explained that adjustments had been made to the project approach to improve these numbers, and projections showed that by the final month of the fiscal year, the production rate would reach 1.46 miles per month, aligning with the approved budget renewal rate.

Mr. Elledge stressed that achieving this rate was crucial for meeting the overall objectives of the Lead Free DC initiative, particularly in hitting the target renewal rates necessary for compliance and efficiency. Mr. Elledge mentioned the Memorandum of Understanding (MOU) signed with the Department of Transportation (DDOT) in the context of the Lead Free DC program. Mr. Elledge explained that the MOU's effects had not yet been fully realized in the program as DDOT's consultant is still in the onboarding phase. Mr. Elledge expects the MOU would significantly contribute to advancing the program's objectives once the consultant is fully integrated and operational.

Mr. Elledge highlighted that the MOU was expected to facilitate better coordination and streamline processes, thereby enhancing the effectiveness of the lead pipe replacement efforts. This collaboration was seen as a crucial step toward improving infrastructure project execution and ensuring the program could meet its goals more efficiently.

III. DC CLEAN RIVERS PROJECT STATUS UPDATE

Minutes of the February 21, 2025 Environmental Quality & Operations Committee Meeting

Jeffrey Peterson, Director, Clean Rivers, provided an update on the Clean Rivers Project. Mr. Peterson focused on several key areas of the project, highlighting recent advancements and the next stages of development.

Potomac River Tunnel: Mr. Peterson reported significant progress at the Potomac River Tunnel, a major component of the project aimed at reducing combined sewer overflows into the Potomac River. Mr. Peterson noted that construction crews had recently mobilized at the CSO 22 site, commonly known as the Watergate site. Mr. Peterson discussed the current excavation of the main shaft at the West Potomac Park site and the completion of the Support of Excavation (SOE) elements for the temporary shaft, which will serve as a secondary excavation point. Mr. Peterson highlighted that the Tunnel Boring Machine (TBM) is being fabricated in Germany and is expected to arrive on schedule for the tunneling operations to begin later in the year.

Piney Branch Tunnel: Mr. Peterson touched on the Piney Branch Tunnel, noting that the environmental assessment had been completed, and the finding of no significant impact (FONSI) is currently pending approval signatures from the National Park Service. He stated that the project is during Phase 1 pre-construction services with Clark Construction, with full construction anticipated to start in 2026 and finish in 2029.

Rock Creek Green Infrastructure Project C: Mr. Peterson provided an update on the Rock Creek Green Infrastructure Project C, which had recently received board approval to proceed. Mr. Peterson mentioned that the project is designed to manage stormwater from 25 impervious acres through the construction of 43 alleys with permeable pavement. The contract type is Construction Management at Risk (CMAR) which was approved by Board during February 5 meeting. Mr. Peterson emphasized that the project is moving swiftly from the award phase to the construction phase, reflecting DC Water's commitment to enhancing green infrastructure. Construction is anticipated to start in 2025 and finish in 2027.

Mr. Peterson's update underscored the strategic progress of the Clean Rivers Project, illustrating DC Water's ongoing efforts to improve the city's water quality and infrastructure resilience through significant engineering and construction projects. Mr. Peterson's presentation conveyed the complexities involved in managing such large-scale infrastructure developments and highlighted the collaborative efforts required to maintain momentum and achieve the environmental goals set forth by the initiative.

IV. PROPOSED MARYLAND PFAS BILL

Chris Peot, Director, DC Water Resource Recovery, provided an update on the proposed Maryland PFAS bill, specifically Senate Bill 732 introduced by Senator Love from

Minutes of the February 21, 2025 Environmental Quality & Operations Committee Meeting

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Montgomery County. The Bill aims to lower the limit for PFAS in biosolids to one part per billion, which would significantly impact the management of biosolids, as current levels are typically higher than this proposed limit.

The Maryland Department of the Environment (MDE) currently has a framework for managing biosolids that prohibits land application if PFAS levels exceed 100 parts per billion. For levels between 20 and 100 parts per billion, there are tiered application rates, while levels below 20 parts per billion can be applied without restrictions. Mr. Peot outlined the current status of biosolids management at DC Water, emphasizing success in meeting regulatory standards and achieving environmental goals. Mr. Peot noted that the facility consistently produces Class A biosolids, which have been successfully applied in land applications, providing an environmentally friendly alternative to landfill disposal. In January, two samples tested slightly above 20 parts per billion (21 and 23), which required adjustments in land application rates. However, subsequent tests returned to levels below 20 parts per billion, demonstrating DC Water's commitment to safe and sustainable biosolid reuse.

Mr. Peot discussed the challenges posed by a proposed state Senate Bill (SB 732), introduced by State Senator Love from Montgomery County, which seeks to lower the allowable limits of PFAS in biosolids to one part per billion. Mr. Peot explained that such a limit would effectively impose a de facto ban on the land application of biosolids, as achieving such low PFAS levels is currently beyond available technological capabilities.

Mr. Peot provided context on the broader implications of this bill, stating that if passed, it would force utilities like DC Water to divert all biosolids to landfills. This shift would not only increase operational costs significantly — potentially by tens of millions of dollars annually — but also burden landfill capacity and lead to higher environmental and financial costs for the community.

Mr. Peot detailed his involvement in legislative hearings, where he testified about the potential economic impact of the proposed PFAS limits and argued against the bill's feasibility and scientific basis. Mr. Peot stressed that the existing state regulations are protective of human health and the environment, echoing sentiments from other utilities and environmental groups who oppose the bill.

Furthermore, Mr. Peot mentioned proactive measures being taken by DC Water, including ongoing monitoring of PFAS levels and engagement with industrial users to mitigate PFAS sources. He also discussed efforts to educate stakeholders and legislators about the science of biosolids and PFAS, advocating for regulations based on realistic technological capabilities and scientific evidence.

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Mr. Peot's update highlighted the complexities of biosolids management in the face of emerging contaminants like PFAS. He detailed presentation underscored the importance of informed legislative processes and the potential consequences of well-intended but scientifically and technologically challenging regulations. Mr. Peot's affirmed DC Water's commitment to environmental stewardship and public health, advocating for sustainable and scientifically grounded solutions to waste management challenges.

Committee members Christopher Herrington and Amy Stevens posed specific questions concerning the potential impacts of the proposed PFAS legislation and DC Water's advocacy efforts.

Mr. Herrington inquired whether DC Water's government relations staff were actively lobbying against the proposed PFAS bill and if they were working behind the scenes to influence legislative outcomes. Mr. Peot confirmed that the government relations team is indeed heavily involved and actively working with legislators to address concerns about the bill. Mr. Peot reassured Mr. Herrington that their efforts were robust and aimed at preventing the passage of the bill in its current form.

Mr. Herrington also asked whether the Board or the General Manager needed to provide any further direction regarding the search for alternative biosolids management strategies if the bill were to pass. Mr. Peot noted that DC Water was already exploring other options for managing biosolids should the need arise. Mr. Peot indicated that formal Board direction was not necessary at this stage since proactive measures were in progress, however, any formal endorsement or guidance that the Board considered appropriate is welcomed.

Ms. Stevens inquired about the position of the Maryland Association of Counties (MACO) and Maryland Association of Municipal Wastewater Agencies (MAMWA) on the bill and the likelihood of it moving forward. Mr. Peot responded that there is a high possibility of an amendment to the bill. Additionally, MAMWA is opposed to the bill and MACO did not take a formal position, but MACO's expressed concerns about costs and avoiding undue financial burdens on ratepayers and users as a result the bill is unlikely to move forward in its current form.

V. CIP QUARTERLY UPDATE

Paul Guttridge, Director of CIP Infrastructure Management, presented the CIP Quarterly Update. The Baseline projection for FY25 is \$650 Million and the current fiscal year spending forecast is \$628 Million which is approximately 97% of the overall target.

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Additionally, recent federal funding impacts were discussed. While reimbursements are still being received, the situation is being closely monitored for potential changes. Mr. Brown reported on this matter to the DC Oversight Committee, and further details will be included in the next Quarterly CIP Report.

Mr. Guttridge explained that the current spending for the Lead Free DC (LFDC) program is expected to overachieve due to better-than-anticipated progress, while the Sewer Area is projected to spend less due to schedule updates on large trunk sewer projects. Additionally, no contingencies for sewer emergency work have arisen, contributing to savings in that area.

The performance tracking includes 52 total KPIs scheduled for FY25. In Q1, two KPIs were completed within the expected threshold, while two others are projected outside the 90-day threshold.

Ryu Suzuki, Director of Engineering, provided an update on the Water, Sewer, and Process Facility Programs. He reported that three new program managers are now fully operational and ready to support the expanding Capital Improvement Program (CIP).

In the Water Program, a major achievement has been the completion of the RFP for the Valve and Fire Hydrant Assessment Program, developed in collaboration with operations. This initiative is crucial for conducting accurate condition assessments and identifying areas in need of repairs and rehabilitation. Additionally, preparations are underway to issue a solicitation package in April for the Water Pumping and Storage Facilities contract, which involves rehabilitating drinking water pumping stations and constructing two new storage reservoirs to enhance system resiliency and reliability.

The Sewer Program is focused on completing inspections of all remaining uninspected large sewers within the fiscal year. Despite permitting challenges, the team is working diligently to meet this goal. As inspections progress, additional urgent or emergency repair needs may arise due to deteriorated sewer conditions. A key project under development will address 17 miles of Anacostia Main Interceptor sewer infrastructure, with a solicitation package currently in preparation.

The Process Facilities Program Manager has been ramping up since December 2024. The team serves as the owner's agent, managing multiple procurements, including upgrades to headworks, primary treatment, and filtration systems. Additionally, a flood wall project is being procured to protect Blue Plains AWTP from flooding above the 500-year flood level. The team will also focus on delivering key improvements to pumping stations across the city. Each of these programs is making significant progress and further updates will be provided as key milestones are reached.

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VI. PROPOSED FY 2025 – FY 2034 CAPITAL IMPROVEMENT PROGRAM

Matthew Brown, Chief Financial Officer presented the proposed FY 2025 – FY 2034 Capital Improvement Program (CIP) and sought the recommendation of the Committee for full Board approval. Mr. Brown explained that the CIP was initially presented in January and has undergone two months of review and discussion by the Board of Directors. The proposed \$9.6 billion budget includes increases for the Potomac Interceptor, adjustments to the Lead-Free DC program, and revised projected spending for future years, among other changes. The Ten-Year CIP includes the spending forecasts for major expenditures including water, wastewater, and sewer while the Clean Rivers program is a slightly lesser expenditure.

The funding sources include a mix of cash (Pay-Go Financing), new debt issuance of \$4 billion, and wholesale capital payments. Additionally, Mr. Brown explained that the \$400 million in grants, making up about 4% of the budget, are critical for maintaining affordability to DC water customers.

The Committee was asked to recommend approval of the 10-Year Disbursement Plan and Lifetime Budget before the CIP could be moved to full board for approval. A recommendation was made to move the CIP to the full board for approval.

VII. ACTION ITEMS

John Pappajohn, Procurement Director, Goods and Services, presented the three goods and services fact sheets.

JOINT USE

- Contract No. 16-PR-DFM-07 Fleet Management Information System (FMIS)
 Consulting Services Chevin Fleet Solutions
- 2. Contract No. 19- PR-DFS-01 Heating, Venting and Air- Conditioning (HVAC) Maintenance Services Complete Building Services

NON-JOINT USE

1. Contract No. 10507 – Underground Utility Location and Marking – Dynamic Concepts, Inc.

The Committee recommended moving all Joint Use and Non-Joint Use Action Items to the full Board for approval.

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VIII. OTHER BUSINESS/EMERGING ISSUES

Jeffrey F. Thompson, Chief Operating Officer and EVP, informed the committee that the Committee reporting format will be streamlined starting next month. A technical report will be distributed to the Committee, containing routine and recurring information. Meanwhile, the slide deck and presentation will be more concise and focused on key updates.

IX. ADJOURNMENT

The meeting was adjourned at 10:14am.

Minutes of the February 21, 2025 Environmental Quality & Operations Committee Meeting



MINUTES OF THE MEETING RETAIL WATER AND SEWER RATES COMMITTEE FEBRUARY 24, 2025

(via Microsoft Teams)

COMMITTEE MEMBERS PRESENT

- 1. Rachna Bhatt, Chairperson
- 2. Howard Gibbs, Vice-Chairperson
- 3. Anthony Giancola, Principal
- 4. Richard Jackson, Principal

DC WATER STAFF

- 1. Matthew Brown, Chief Financial Officer and EVP
- 2. Marc K. Battle, Chief Legal Officer and EVP
- 3. Jeffrey Thompson, Chief Operating Officer and EVP
- 4. Michelle Rhodd, Secretary to the Board

The DC Retail Water and Sewer Rates Committee meeting was called to order by Rachna Bhatt, Chairperson, at 9:32 AM. Board Secretary Michelle Rhodd called the roll.

I. MONTHLY REPORT TO THE DC RETAIL WATER AND SEWER RATES COMMITTEE

Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance presented the monthly report for the period ending January 31, 2025, noting that the Authority's revenue was favorable to budget. There were favorable variances in the Residential/Commercial/Multi-Family category, as commercial revenue has returned to within half a percent of pre-COVID levels, and in the Wholesale category due to early payment by wholesale customers. There was also a positive variance in the Other category due to the fire protection fee and a Blue Drop refund provided to jurisdictions, including DC Water. Mr. Brown stated that the District members of the Board would discuss how to allocate the DC portion of the additional \$4.4 million and noted that wholesale customers had received credits on their bills as a result of the refund. There was an unfavorable variance in the DC Housing Authority category due to slightly lower-than-anticipated consumption.

Delinquent accounts receivable declined slightly in both dollar value and number for the first time since 2023. Mr. Brown noted that before COVID, these accounts totaled approximately \$12.8 million and grew to nearly three times that amount by December 31,

2024. The Multifamily category grew to represent 55 percent of the balancing owing but reduced slightly to 54 percent in January.

Chairperson Bhatt requested an update on the recent District Council oversight hearing. Mr. Brown explained that there were several hours of questions covering the Clean Rivers Program, rates, Authority finances, and specific council member concerns about projects in their neighborhoods. He noted it was a positive, forward-looking conversation. Specific questions were raised about delinquent accounts. Mr. Brown noted that the Authority will need to adopt a stricter approach to disconnections to ensure that customers who are able to pay their bills do so.

Mr. Brown highlighted the new leak detection program that uses ratepayer money for assessments and funds provided by the District of Columbia to complete repairs. In one case, a customer bill was \$1,000 per month with usage that was several times that of the average customer. He noted these repairs will have a favorable impact for customers and for DC Water.

Committee member Anthony Giancola asked if there were statistics available to demonstrate the delinquent account levels of peers nationwide. Mr. Brown provided some anecdotal information from Atlanta and New York City, and stated he would follow up with data on this issue.

Mr. Giancola inquired about a council member who was trying to introduce a bill to prevent the Authority from cutting off water for delinquent customers and asked if that council member had been briefed on the scope of the issue. Mr. Brown and Mr. Battle stated that the council member had been briefed and understood the situation and has now introduced a new bill that the Authority is comfortable with supporting.

Chairperson Bhatt observed that the largest decrease in delinquent accounts was in 2019 and asked what actions led to that decrease. Mr. Brown noted there was a similar decrease in 2023 and both decreases were for similar reasons. In 2018, DC Water implemented a new customer billing and information system. Knowing these systems can result in a high volume of disputed bills, customer service took a conservative approach to collection activity at that time to ensure bills were accurate, which resulted in higher delinquencies. When normal posture for disconnections was resumed, the delinquencies were reduced.

Mr. Brown reviewed the Developer Deposits report, noting continued progress toward clearing the backlog of deposits. In 2025 to date, 42 accounts have been refunded for a total of \$246,362.16, of which 7 were completed in the last month.

He described the Payment Plan Incentive Program that can help delinquent customers get back on track. If residential customers make three consecutive payments on time, the Authority will match 40% of the amount paid as a credit to the past due amount.

Customers can continue to leverage the program every three months until the end of the fiscal year.

II. REVISED FY2025 AND PROPOSED FY2026 BUDGET

Mr. Brown reviewed the revised budget for the fiscal year beginning October 1, 2025. He noted that questions received about the budget were answered, and the Office of People's Counsel budget briefing and Wholesale Customer briefings were completed. On February 27, 2025, the Finance and Budget Committee will review the budget to complete the required committee reviews.

He noted that DC Water has some of the most robust customer assistance programs in the nation. A widely used affordability metric suggests that a customer can afford their water bill if it constitutes up to 4% of their median household income. However, DC Water analyzes customer income at various thresholds (e.g., 20%, 30%, 40%) and designs assistance programs that reduce bills to approximately 1% of household income for those enrolled in the Customer Assistance Programs.

Operating revenue for FY26 is expected to exceed \$1 billion. The budget proposal also revised the FY25 revenue budget. The main increases are an adjustment to retail revenue due to higher commercial usage and for the fire protection fee.

Mr. Brown reviewed the table of historical and projected combined rate increases, noting rate increases slightly lower than previously anticipated in the near term because of higher anticipated consumption and higher increases in the out-years of the plan because of the addition of anticipated capital spending.

He noted a small change to the financial plan after it was introduced. In the past, the Authority was conservative true-up assumptions in the Financial Plan. The assumption for the true-ups has been reduced to approximately \$3 million a year, which adds about \$16 million to the financial plan, ultimately impacting estimates of projected borrowing.

Mr. Brown completed his budget review with a summary of financial metrics, including the goal to maintain 267 to 269 days of cash on hand and the projected overall impact of borrowing costs at 25.9% to 33.0% of revenue.

Mr. Giancola noted that the financial metrics table includes a metric for the median leverage ratio of debt to capitalization and noted that median values tend to be higher than average values. He inquired whether the average value was available. Mr. Brown stated that he would follow up on this item.

III. ACTION ITEM

The Retail Water and Sewer Rates Committee agreed to recommend Board approval of the revised FY2025 to FY2034 Financial Plan, including the updated revenue to support the operating and capital budgets.

IV. DC RETAIL WATER AND SEWER RATES COMMITTEE WORKPLAN

Mr. Brown reviewed the committee workplan, noting that all items in Sections 1 through 3 were complete. Section 4's review for the FY2025 revised and FY2026 proposed budget and financial plan were complete at the current meeting and awaiting Board approval on March 6, 2025. The Cost of Service Study of Potomac Interceptor and Cost of Service Study to establish Miscellaneous Fees will be presented to Retail Rate Committee in the spring of 2025. Mr. Brown also noted that we have started planning next year's Cost of Service Study for Water, Sewer and CRIAC rate making.

V. AGENDA FOR MARCH 25, 2025, COMMITTEE MEETING

The March 25, 2025, meeting will include the monthly update, committee work plan, and any other items the committee wishes to discuss.

VI. OTHER BUSINESS

Chairperson Bhatt asked staff to update the Committee on how executive orders are affecting DC Water's budget and plans as a regular agenda item at each meeting. She noted that due to the shrinking federal workforce, commercial office buildings may have fewer tenants. This may affect revenue to the extent that it would affect planning. Mr. Brown noted these orders might also impact procurement costs for supplies, including iron and steel and various chemicals and raw materials.

Committee member Howard Gibbs noted that he had a question about liability and disconnections. Mr. Brown stated Customer Service was working with Legal to answer to that question.

VII. ADJOURNMENT

The meeting adjourned at 10:09 AM.

Follow-up Actions:

- 1. Mr. Brown will provide statistics on delinquent account levels of peers nationwide.
- 2. Mr. Brown will find out if an average of the days of cash information is available.
- 3. Ms. Thomas will follow-up on the liability question.

Minutes of the February 24, 2025, Retail Water and Sewer Rates Committee Meeting Page **4** of **4**



MINUTES OF THE MEETING FINANCE AND BUDGET COMMITTEE FEBRUARY 27, 2025

(Via Microsoft Teams)

COMMITTEE MEMBERS PRESENT

- 1. Anthony Giancola, Chair, District of Columbia
- 2. Jonathan Butler, Vice Chair, Prince George's County
- 3. Sarah Motsch, Alternate, Fairfax County

DC WATER STAFF

- 1. David Gadis, Chief Executive Officer and General Manager
- 2. Matthew T. Brown, Chief Financial Officer & EVP
- 3. Marc K. Battle, Chief Legal Officer & EVP
- Jeffrey Thompson, Chief Operating Officer & EVP
- 5. Michelle Rhodd, Board Secretary

The DC Water Finance and Budget Committee meeting was called to order by Anthony Giancola, Chairperson, at 9:30 AM. Board Secretary Michelle Rhodd called the roll.

MONTHLY REPORT TO THE FINANCE AND BUDGET COMMITTEE

Lola Oyeyemi, Vice President of Budget, presented the monthly financial report for January 2025 by exception.

As of the end of January 2025, with approximately 33 percent of the fiscal year completed, total operating revenues were favorable to budget at \$351.1 million, or 37.9 percent of the annual budget; operating expenditures were \$229.6 million, or 29.1 percent of the budget; and capital disbursements were \$181.4 million, or 24.8 percent of the budget.

Ms. Oyeyemi informed the Committee that the Annual Comprehensive Financial Report and the Green Bond Report are anticipated to be completed in February 2025. The IMA Operating & Maintenance Settlement and the Office of Management and Budget (OMB) Uniform Guidance Audit will be completed in March 2025. Proposed FY 2026 budget meetings were held with the Office of the People's Counsel and Wholesale Customers, and representatives of the finance office testified at the DC Council Public Oversight Hearing for FY 2024 – FY 2025 on February 20th. Mr. Giancola commended the staff for

their excellent performance during their testimony and noted he was impressed with the very positive response to the Q&A session.

Total operating revenues were at \$351.1 million, with a year-to-date favorable variance of 36.4 million, mainly in the Residential/Commercial/Multi-Family category due to higher than anticipated consumption. Favorable variances within the Wholesale Customer and All Other categories, are due to Blue Drop receipts, a portion of which was applied as a credit to the Wholesale Customers category and DC Water's share was included in the Other Revenue category.

Total operating expenses were \$229.6 million, with a year-to-date favorable variance of \$7.7 million or 29.1 percent of the budget. Ms. Oyeyemi noted a pending revision to the operating budget to leverage debt service savings and transfer to Cash Financed Capital Improvements (CFCI). At the end of January 2025, there were 1,146 filled staff positions, and the year-to-date vacancy rate was 7.3 percent. An unfavorable variance of 3.6 percent in water purchases was due to higher consumption and Ms. Oyeyemi noted staff will closely monitor this account. Capital disbursements totaled \$181.4 or 24.8 percent of the budget, and a detailed project performance will be provided by Engineering at this meeting. Cash investments, including the Rate Stabilization Fund balance of \$35.6 million and unspent bond proceeds totaled \$607.9 million. The operating interest income for the month of January was \$1.5 million for a total of \$4.9 million year-to-date.

Jonathan Butler noted that capital disbursements should be guided by a master plan that would dictate spending for the term and inquired why spending was below budget for some months. Mr. Matthew T. Brown, Chief Financial Officer & EVP Finance, explained that a monthly view of capital expenditures is not always useful as these funds are spent on a per-project basis for projects that may span months or years. Mr. Brown suggested that better measures for capital program implementation are project start and end dates and minimizing change orders. Chairperson Giancola noted that another useful measure of capital project success is to determine which projects are proceeding on schedule.

Retail account delinquencies fell slightly in January in both dollar value and the number of delinquent accounts, which was \$35.5 million for 11,709 accounts. It was noted that delinquencies were a topic of discussion at the recent DC Council Public Oversight Hearing.

II. CAPITAL IMPROVEMENT PROGRAM QUARTERLY UPDATE

Paul Guttridge, Director of CIP Infrastructure Management, provided the status of Capital Improvement Program (CIP) projects and Key Performance Indicators (KPIs) through the 1st Quarter of FY 2025. The period covers October through December 2024. Mr. Guttridge noted that the updates are provided quarterly rather than monthly as capital spending is

Minutes of the February 27, 2025, Finance and Budget Committee Meeting Page **2** of **5**

variable over the short term but smooths out with a longer span. A graph was presented which summarized actual disbursements for the CIP compared to baseline and current projections. The total baseline budget for FY 2025 is \$650 million. Through the first quarter, actual CIP disbursements were \$122 million, which is 19 percent of the total baseline budget for FY 2025.

Mr. Guttridge noted that there are 52 scheduled KPIs for projects in the CIP for FY 2025. He noted the Lead-Free DC (LFDC) program and Water Service Area programs are projected to be over budget for the year, while the Sanitary Sewer Service Area program is projected to be under budget by year end.

Service Area updates were provided for the Water Service, Sanitary Sewer and Non-Process Facilities. Mr. Guttridge highlighted ongoing project contract spotlights and accomplishments achieved in each area. For the Water Program, the valve and fire hydrant assessment has been completed and next steps are underway.

Mr. Guttridge discussed changes to project scheduling and tendering using the collaborative project delivery method. Where possible, programs are bundled to attract larger national contractors to deliver projects more efficiently and effectively.

III. PROPOSED FY2026 BUDGET

Mr. Brown provided an overview of the Revised FY 2025 and Proposed FY 2026 budgets, with a goal to obtain the committee's recommendation to the full Board for the following items: the Proposed Amended FY 2025 and Proposed FY 2026 Operating Expenditure Budget, Proposed Revised FY 2025 Operating Revenue Budget, Proposed FY 2025 – FY 2034 Capital Improvement Program (disbursements and lifetime), including the Proposed FY 2026 Capital budget, Proposed FY 2025–FY 2034 Financial Plan, and Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing.

Mr. Brown reviewed the budget adoption calendar and noted the Finance and Budget Committee's review and recommendation represented the final required committee review before the budget is reviewed by the Board on March 6, 2025, for submission to US Congress via the District of Columbia.

The proposed operating budget for FY 2026 is \$838.1 million, which is an increase of \$49.9 million. The proposed 10-year capital improvement program budget is \$9.62 billion, which is an increase of \$1.88 billion. The proposed financial plan includes previously approved FY 2026 rates and fees, forecasts annual rate adjustments, and meets Board financial policy requirements.

Mr. Brown reviewed the details of the sources and uses of funds for FY 2026 operating and the ten-year capital program. He informed the Committee that operating revenues for

Minutes of the February 27, 2025, Finance and Budget Committee Meeting Page **3** of **5**

FY 2026 are expected to exceed \$1 billion. Debt Service will comprise approximately 26.9 percent of the use of funds and 18.4 percent will be used for personnel services. The Proposed of \$9.62 billion includes \$3.2 billion that will be funded by cash via PAYGO financing and 20 percent of capital funding will be from wholesale customers.

Mr. Brown reviewed the proposed changes to the FY 2025 Operating Budget. He explained due to the debt refinancing in the last fiscal year, \$5.5 million is reprogrammed from debt service to Cash Financed Capital Improvement (CFCI) to reduce future borrowing costs. Higher projected water consumption income will be reflected in a \$16.1 million increase to retail revenue and Other Revenue will be increased by approximately \$9.4 million to reflect the increased fire protection fee.

Next, Mr. Brown highlighted the adjustments to the proposed FY 2026 personnel services budget which reflects increases for staff vacancies, overtime, leave adjustments, three new positions, and also proposes the elimination of 45 vacancies. The proposed five percent vacancy rate was maintained with a value of approximately \$3.5 million compared to 7 percent.

He also addressed potential risk and opportunities for the budget including headwinds from federal funding and potential tariffs to consider, and a further possibility that the tax-exempt status of DC Water bonds may be at risk.

The proposed ten-year CIP budget of \$9.62 billion includes a \$1.88 billion increase over the current Board-approved CIP to reflect added work including the Potomac Interceptor and greater investment in addressing aging sewer and water systems. Chairperson Giancola inquired whether the investment in small diameter and sewer lines would at any time approach or exceed two percent. Mr. Brown noted that this topic would be addressed with the Board in the next several months and stated that Engineering had estimated an additional \$5 to \$10 billion in additional capital needs. He also noted that approximately 96 percent of DC Water's budget is from rate payers and only a very small portion from grants, necessitating rate increases beyond what was projected for additional spending. Chairperson Giancola discussed mandated programs such as Clean Rivers and LFDC that are limiting investments in infrastructure improvements, which are not mandated, and stated that this is a significant concern.

Mr. Brown reviewed the breakdown of revenues and the table of historical and projected combined rate increases, noting higher increases over the next four years and somewhat lower increases from 2030 to 2034, based on the initial financial plan. Due to higher-than-expected revenue, the increases in the near years have been reduced in the revised plan and increased in the outer years.

Mr. Brown reviewed the revised 10-year financial plan. The plan has been revised to use a more conservative assumption regarding true-ups, resulting in an adjustment of approximately \$16 million over the length of the plan.

Mr. Brown presented the Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing, seeking approval to reimburse DC Water for "Costs of the System" as defined in the Master Indenture that allows DC Water to reimburse itself for capital expenditures with debt proceeds. He noted that DC Water plans to enter the market in summer of 2025. Chairperson Giancola inquired why this activity will be delayed until summer. Mr. Brown explained that there are additional debt actions that need to be taken and it is prudent to package debt transactions to take place at one time where possible.

In conclusion, Mr. Brown presented the management recommendations and action items. Mr. Brown expressed gratitude to staff involved in the budget formulation process highlighting the extensive collaboration between Finance, Engineering and all departments since summer 2024.

IV. ACTION ITEMS

Committee members recommended approval of the following items to the full Board:

- Recommendation for Approval of the FY 2025 Amended and FY 2026 Proposed Budgets
 - Fiscal Year 2025 Revised Operating Budget
 - Fiscal Year 2026 Proposed Operating Budget
 - Fiscal Year 2025 Revised and Fiscal Year 2026 Proposed Operating Revenue Budget
 - Fiscal Year 2025 2034 Capital Improvement Program (Ten-Year Disbursement Plan and Lifetime Budget)
 - o Fiscal Year 2025 2034 Financial Plan
 - Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing

V. AGENDA FOR THE MARCH 2025 COMMITTEE MEETING

The agenda for the March 2025 committee meeting includes the February 2025 monthly financial report, and a property and casualty insurance renewals update.

VI. ADJOURNMENT

The meeting adjourned at 10:08 AM.



MINUTES OF THE MEETING EMERGENCY MEETING OF THE EXECUTIVE COMMITTEE

MARCH 3. 2025

(via Microsoft Teams)

COMMITTEE MEMBERS PRESENT

- 1. Dr. Unique Morris-Hughes, Chairperson
- 2. Rachna Bhatt, District of Columbia
- 3. Jared McCarthy, Prince George's County
- 4. Christopher Herrington, Fairfax County

DC WATER STAFF

- 1. Marc Battle, Chief Legal Officer, and EVP Legal & Government Affairs
- 2. Michelle Rhodd, Secretary to the Board

I. CALL TO ORDER

Chairperson Dr. Unique Morris-Hughes called the Executive Committee meeting to order at 1:03 p.m. via Microsoft Teams. Board Secretary Michelle Rhodd called the roll for attendance.

II. EXECUTIVE SESSION

After a motion and majority vote, the Committee moved into an executive session to discuss a personnel matter under D.C. Official Code § 2-575(b)(10)

ADJOURNMENT

The Committee reconvened in open session and hearing no further business, the meeting adjourned the meeting at 1:44 p.m.

317th Meeting of the Board of Directors - VI. CEO and General Manager's Report (David L. Gadis)

dcd CEO's Report

MARCH 2025





ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING

dC CEO's Report

MARCH 2025

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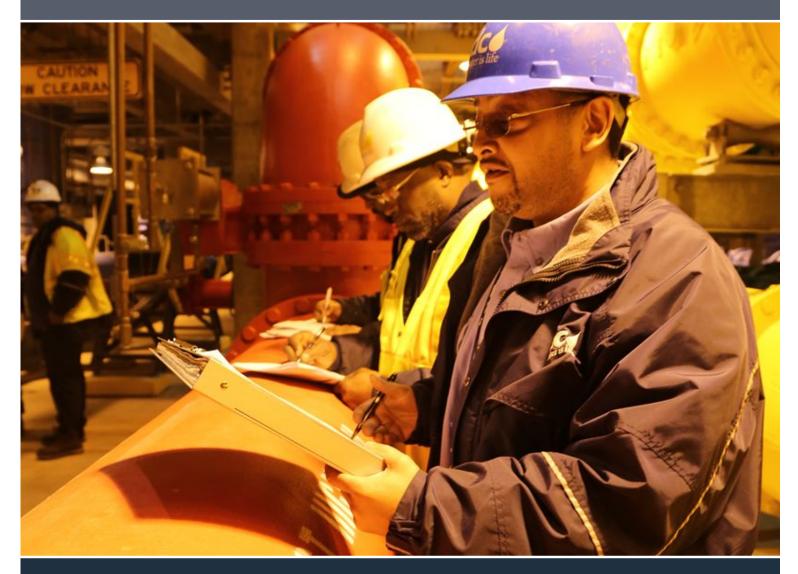
13 Information Technology

14 Operations & Engineering

18 People and Talent

22 Government and Legal Affairs

23 Internal Audit



ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING



Chair Morris-Hughes, and members of the Board, it is my pleasure to present you with the CEO's Monthly Report for March 2025. This report captures the highlights of the team's efforts over the past month, across the five cascading imperatives of the Blueprint 2.0 strategic plan: **Equitable, Sustainable, Resilient, Reliable, and Healthy, Safe and Well**. There are also individual reports from Finance and Procurement; Administrative; Customer Experience; Information Technology; Operations and Engineering; and People and Talent, as well as the monthly update from Internal Audit.



Authority Volunteers and Board Member Gibbs Support MATHCOUNTS Competition



On Saturday, February 8, a contingent of DC Water volunteers joined Board member **Howard Gibbs** to support the MATHCOUNTS® Competition Series, administered by the D.C. MATHCOUNTS Chapter.

MATHCOUNTS provides engaging math

programs to middle school students across the United States. The program serves students of all ability levels to build confidence and improve attitudes about math and problem solving.

Lisa Barton (Senior Executive Coordinator to the CEO / Office of the CEO) corodinated our participation, **Terrance Hunter** (Utility Services Worker III / Sewer Services), **Jeffery Gamble** (Specialist, Compliance / Water Quality and Technology), **Lashawn Speaks** (Analyst, Compliance / Water Quality and Technology), and their daughter Jahzara, **Beatrice Nyero** (Senior Recruiter / People and Talent), and **Selina Allen** (Senior Manager, Learning and Development / People and Talent).

I would like to thank Board member Gibbs, Ms. Barton, and all our volunteers, for supporting this worthy event and building greater connections with those we serve.



GWRCCC Awarded \$689,772 DERA Grant

In a recent press release on Thursday, the Greater Washington Region Clean Cities Coalition announced that it has been awarded a National Diesel Emissions Reduction Act (DERA) grant, totaling \$689,772 in funding.

For the last five years, the Authority has applied DERA grant funding to replace high-emission vehicles with new B100 vehicles. The change has significantly reduced DC Water's carbon footprint in the District.

Diesel Emissions Reduction Act (DERA) Funding Moving Toward Cleaner Air October 17: 2024. EPA announced 5125M to uncarde clicker diesel engines to cleaner and zero-emission solutions.

Funding from the current grant award will be distributed in the next few months, with the new vehicles expected to be operational shortly.

I would like to thank **Nija Ali** (Director, Fleet Management / Administration) for coordinating our participation in the GWRCCC, and steadily reducing fleet emissions through DERA grant opportunities.

dc Highlights



Authority Technician Earns 'Five Star Review' From Satisfied Customer

On Tuesday, January 21, **Corey Wilson** (Technician III, Water Quality / Engineering and Operations) was assigned to visit a residence on 37th Street, NW, for assistance with removing aerators in two different faucets.

The same afternoon, Corey's supervisor, **Louie Sun** (Supervisor, Water Quality / Engineering and Operations) received an email from the customer, Ms. Susan Ernst, in which she confirmed Corey had shown her how to replace the aerators. She wrote:

"I want to let you know that I am very grateful. Corey was just super. He was patient and made sure I understood what to do. He even replaced a couple of worn-out gaskets! Five-star review!"

When a customer takes the time to reach out about a positive service experience, it indicates that the service was exceptional and above the customer's expectations. That's exactly the kind of customer-focused performance that we strive for in every interaction.

I am grateful for the outstanding service of Mr. Wilson, and the leadership of Mr. Sun, for continuing to meet the needs of customers like Ms. Ernst.



Authority Features Prominently at Utility Management Conference

One of the premier conferences in the water sector each year is the Utility Management Conference (UMC), jointly organized by the Water Environment Federation and the American Water Works Association. The UMC gathers innovative leaders from utilities nationwide to focus on creative strategic planning, efficient processes, and holistic approaches to progress within the sector.

In recent years, DC Water has played a prominent role in providing expertise and best practices for water utilities, and this year was no exception. Leading panels and presentations at this year's Conference were:

- Dr. Matt Ries 'Strategic Management Maturity / Blueprint 2.0'
- Dr. Matt Ries 'DC Water Organizational Transformation'
- Dr. Matt Ries 'Disclosure Reporting / How Investors and Ratings Analysts are Responding'
- The
 Utility Management
 Conference

 AWWA / WEF

 Top Water Utility
 Leaders Gather to
 Share Experiences,
 Strategies & Insight

 Each year, water utility executives and managers keep
 returning to the Utility Management Conference (UMC).
 This gathering offers forward-thinking leadership,
 creative strategic planning, efficient processes, and
 holistic approaches to ongoing improvement efforts.
- Dr. Matt Ries Moderator 'Leading in the Age of 'Be Ready for Anything, Anytime'
- Dr. Robert Bornhofen 'It Takes a Village: Peer-to-Peer Collaboration Through the Digital Innovation Journey'
- Francis Cooper and Janai Pinkney 'Applying Enterprise Risk Management'
- Ryu Suzuki 'Reimagining CIP at DC Water'
- Amber Sturdivant / 'Public-Private Partnership Lead Free DC LPRAP

I would like to thank our presenters, panelists, and moderators for once again demonstrating the depth and breadth of the Authority's innovation and leadership within the sector.

dc. Divisions

The CEO report includes service level based key performance indicators. 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 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 and continue to strive to meet high performance expectations.

The data in the CEOs Monthly Report reflects the most recent information available at the time of production and printing.



Financial Metrics

Metric	Target	Oct-24	Nov-24	Dec-24	Jan-25
Operating Cash Balance (millions \$)	\$309.6	\$335.7	\$328.6	\$320.8	\$344.9
Delinquent Account Receivables (%)†	3.30%	4.48%	4.66%	4.72%	4.63%
On-time Vendor Payments (%) ^{††}	97%	97%	98%	97%	97%
Investment Earnings Data (Thousands \$)	\$9.5	\$1.2	\$2.4	\$3.4	\$4.9
Core Investment Yield Data (%) - Merrill Lynch 1-3 Year Treasury Index *		4.2%	4.2%	4.3%	4.2%
Core Investment Yield Data (%) - Actual Monthly Yield †††	3.82%	4.0%	4.0%	4.0%	4.0%
Short Term Investment Yield Data (%)- Merrill Lynch 3-Month Treasury Index *		4.5%	4.4%	4.3%	4.3%
Short Term Investment Yield Data (%) - Actual Monthly Yield †††	4.06%	3.9%	3.9%	3.9%	3.9%
Days of Cash on Hand** and ***	267**	335	339	333	333***

Notes

- * Represent annual Treasury Index targets developed and provided by the Authority's investment advisor.
- ** 267 days of cash is the Board policy requirement for annual days of operating reserves excluding the Rate Stabilization Fund.
- ***333 days of cash is made up of 31 days in the Rate Stabilization Fund and 302 days in the operating cash balance.

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.
- †† The vendor payments goal may fluctuate slightly as we continue to research and resolve payments.
- ††† Investment earnings lag the benchmarks. We are in a rising interest rate environment. As lower yielding investments are sold and reinvested, performance is expected to improve.

Finance Highlights

FY 2025 Financial Performance

At this early stage in the fiscal year, DC Water is on track with its budget. As of the end of January 2025, with 33 percent of the fiscal year completed, total operating revenues are \$351.1 million or 37.9 percent of the budget. The year-to-date operating revenues were 11.6 percent or \$36.4 million above the year-to-date budget with higher receipts mainly from Residential, Commercial and Multi-Family customers due to higher consumption and CRIAC than anticipated in the budget. In addition, Fairfax (\$4.4 million) and Loudoun County (\$2.2 million) made their payment early in January instead of scheduled February 2025. The receipts also include the contribution from Blue Drop (i.e., RECs, Bloom, etc.) for the District (\$4.9 million) and IMA Wholesale Customers (\$4.5 million).

Total operating expenditure was \$229.6 million or 29.1 percent and capital disbursements were \$181.4 million or 24.8 percent of the respective budgets.

Management presented proposed revisions to the FY 2025 operating expenditures and revenues as part of the Proposed FY 2026 Budget presented to the Board in January 2025. These proposed changes would increase the revenue estimate due to higher projected water consumption and reallocate funds from debt services to paygo to reduce future borrowing costs.



FY 2025 Year to Date Performance Budget vs. Actuals (\$000's)



FY 2026 Budget Process

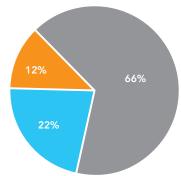
DC Water delivered its FY 2026 budget proposal comprising of the annual operating expenditure, operating revenues, ten-year capital improvement program (CIP) and ten-year financial plan to the Board of Directors on January 13, 2025.

This year's budget proposal includes the FY 2026 Operating Expenditure budget of \$838.1 million and the 10-year Capital Improvement Program (Disbursements of \$9.62 billion and Lifetime Project of \$17.8 billion). The 10-year Financial Plan includes previously approved FY 2026 rates and fees and proposed FY 2026 Operating Revenues of \$1.01 billion. Management also provided proposed revisions to the FY 2025 budgets for Operating Expenditure, Operating Revenues and Capital Disbursements.

Over the past two months, management conducted detailed review of its budget recommendation with the various Board Committees, Wholesale Customers, and the DC Office of the People's Counsel. The Board will vote on and adopt the budgets on March 6, 2025. Management appreciates the collaborative efforts between all departments and the Budget, Rates and Revenue, Finance and Engineering teams. Their dedication and continued focus on the impact on our ratepayers was evident throughout the process and culminated in the seamless review, prioritization and decision-making process by the Senior Executive Team and the Board members. Detailed information about the budget proposals can be found at dcwater.com/ratemaking-process.

Procurement and Compliance

In January, four different procurement actions were approved by the Board. The value of the eligible procurement actions for this period totaled \$39.19 million. Of this total, the planned certified firm participation is \$13.19 million (in prime and subcontracting opportunities).



Certified Firm Participation
December 2024 Awards

Participation:
DBE: \$8.47M
WBE: \$4.71M

Non-certified: \$25.9M

Highlights

- Eight Certified Disadvantaged / Women Business Enterprises were awarded subcontracts on DC Water projects.
- One certified firm became a prime contractor with DC Water.



Procurement – continued

Outreach and Engagement

- Continued our contractor engagement efforts to identify potential prime contractors for DC Water's capital projects.
- DC Water participated in the National Utility Contractors Association's, "2025 Suppliers Showcase & Networking Reception" on January 22.

Upcoming Business Opportunities: All current and planned solicitations are available at **dcwater.com/procurement**. Those upcoming in the next three months are shown below.

Capital Projects:

Planned Solicitation	Project Title / Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Inclusion Program
Feb-25	"Creekbed Infrastructure Rehabilitation Project: Preconstruction collaboration and construction services to rehabilitate ~3.5 miles of storm sewers ranging from 6-inch to 108-inch diameter, rehabilitate ~4.5 miles of sanitary sewers ranging from 8-inch to 27-inch diameter; and stream bank restoration areas that are in or adjacent to Federal lands administered by National Park Services (NPS)"	RFQ/RFP	Construction Management at Risk (CMAR)	\$43M - \$47M	DBE/WBE
Feb-25	"Linear Water and Sewer Rehabilitation Master Service Agreement (MSA) - Qualifications: Portfolio of water and sewer infrastructure repair and replacement projects to be executed as individual task orders via the CMAR project delivery method. Third party engineering consultants are engaged in design and projects are at various stages of completion. Work packages include local water, sewer, and stormwater pipelines, creekbed sewers, large diameter transmission mains, and very large / named sewers. Projects contain sanitary and combined rehabilitation, with diameters from 8–24" and task order packages estimated range in size from \$5 million to \$20 million."	RFQ	Construction Management at Risk (CMAR) (MSA)	\$182M - \$196M	DBE/WBE
Feb-25	"Heavy Sewer Cleaning & Inspection Heavy and light cleaning of sewer pipes as specified, along with cleaning manholes, vaults, and related structures."	RFQ/RFP	Professional Services	\$8M - \$10M	DBE/WBE
Feb-25	"Large Diameter Water Main (LDWM) Dead End Elimination: Project includes < 1 mile of LDWM abandonment."	Competitive Task Order	Construction MSA for Qualified Contractors	\$2M - \$3M	DBE/WBE

- continued



Procurement / Capital Projects - continued

Planned Solicitation	Project Title / Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Inclusion Program
Feb-25	"Potomac Interceptor CMAR (PI01): Rehabilitation of approximately 10,300 feet of 72" - 96" reinforced concrete pipe (RCP) that spans from Manholes M-20 to M-11 along the Clara Barton Parkway. Temporary bypass pumping with a capacity of up to 70 million gallons per day."	RFQ/RFP	Construction Management at Risk (CMAR)	\$105M - \$112M	DBE/WBE
Mar-25	"Small Diameter Water Main (SDWM) Replacement - 18C: ~ 3.55 miles of small diameter water mains ranging from four inch to twelve inches and associated valves and appurtenances."	Competitive Task Order	Construction MSA for Qualified Contractors	\$14M - \$16M	DBE/WBE
Apr-25	Ft. Reno Solar	RFP	Solicitation for Pre- Qualified Vendors	\$8M	DBE/WBE
Apr-25	"Water Pumping and Storage Facilities: Portfolio consists of three pumping station upgrade projects, two new storage reservoir projects and a project to address the minimum water pressure issues in Anacostia 3rd High pressure zone. These projects, will build and rehabilitate key infrastructure, including large pumping stations, water storage reservoirs, and transmission mains, ensuring efficient and secure operations. Estimated project values range from \$10 million to \$41 million."	RFQ/RFP	Progressive Design Build (PDB)	\$115M - \$125M	DBE/WBE
Apr-25	"Anacostia Area Sewers Rehabilitation: Anacostia Main Interceptor (AMI), Anacostia Force Main (AFM) includes rehabilitation of ~20,000 LF of concrete. East and West Outfall Sewers (EWOS), East and West Outfall Relief Sewers (EWORS), North Interconnecting Branch Sewer/South Interconnecting Branch Sewers (NIBS/SIBS) includes ~74,000LF of concrete and reinforced concrete pipe (RCP) with diameters ranging from 48–165"."	RFQ/RFP	Progressive Design Build (PDB)	\$410M - \$431M	DBE/WBE
Apr-25	"Small Diameter Water Main (SDWM) Replacement - 19A: ~ 4.20 miles of small diameter water mains ranging from four inch to twelve inches and associated valves and appurtenances."	Competitive Task Order	Construction MSA for Qualified Contractors	\$14M - \$16M	DBE/WBE

- continued



Procurement / Capital Projects - continued

Planned Solicitation	Project Title / Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Inclusion Program
May-25	"Transmission Main and Critical Valves: Portfolio encompasses critical water infrastructure projects, including large-diameter water main rehabilitations (≥ 16 inches), critical valve replacements, new Washington Suburban Sanitary Commission (WSSC) interconnections and upgrading of existing interconnections, and a booster pump station in the 4th High Reno Pressure Zone. Individual projects estimated construction costs ranging from \$4 million to \$42 million in value."	RFQ/RFP	Progressive Design Build (PDB)	\$107M - \$114M	DBE/WBE
May-25	"Small Diameter Water Main (SDWM) Replacement - 19C: ~ 3.55 miles of small diameter water mains ranging from four inch to twelve inches and associated valves and appurtenances."	Competitive Task Order	Construction MSA for Qualified Contractors	\$14M - \$16M	DBE/WBE
Jun-25	"Small Diameter Water Main (SDWM) Replacement - 19B: ~ 3.55 miles of small diameter water mains ranging from four inch to twelve inches and associated valves and appurtenances."	Competitive Task Order	Construction MSA for Qualified Contractors	\$14M - \$16M	DBE/WBE
Jul-25	"Potomac Interceptor Progressive Design Build Condition assessments and investigations. Rehabilitation of approximately 36,000 feet of 36" - 84" RCP in various segments of the Potomac Interceptor."	RFQ/RFP	Progressive Design Build (PDB)	TBD	DBE/WBE
Oct-25	"Small Diameter Water Main (SDWM) Contract 3 small diameter water mains 12-inches in diameter and smaller. Project includes public and private side lead service lines, valves, hydrants, various appurtenances, and restoration of public and private space. Design-Builder will need to provide various public outreach efforts associated with the project."	RFQ/RFP	Progressive Design Build (PDB)	\$66M - \$71M	DBE/WBE



Procurement / Goods and Services - continued

Goods and Services:

Planned Solicitation Month and Year	Project Title	Description	Solicitation Type	Contract Term	Contract Type	Estimated Total Contract Value	Inclusion Program
February, 2025	ROCIP VI and OCIP Insurance Premiums	Insurance Broker that provides coverage for capital construction contractors and subcontractors	Request For Proposal	3 Years Base + Option Years	Master Service Agreement	>\$1M	DBE/WBE
February, 2025	External Audit Services	Request for Proposal for External Audit Service providers Licensed in DC	Request For Proposal	3 Years Base + Option Years	Master Service Agreement	>1M	TBD
February, 2025	HQ Audio- Visual equipment upgrade	Turnkey solution to upgrade AV systems in the DC Water's HQ and ongoing technical support	Request For Proposal	2-year Base + Option years	Master Service Agreement	\$1-\$5M	DBE/WBE
February, 2025	Cafeteria Services	Provide a cafeteria service at our Blue Plains location.	Request For Proposal	1 Year Base + 2 Option Years	Master Service Agreement	TBD	TBD
February, 2025	Uniforms	Uniforms for lease / purchase throughout the Authority.	Request For Proposal	5 years	Master Service Agreement	>\$1M	DBE/WBE
February, 2025	Emergency Preparedness Planning & Related Services	Emergency Preparedness Planning & Related Services	Request For Proposal	1 Year Base + Option Years	Master Service Agreement	<\$1M	LSBE
March, 2025	Financial Consulting Services	Rates and Revenue Assistance	Request For Proposal	2-year Base + Option years	Master Service Agreement	< \$1M	DBE/WBE
March, 2025	Cisco Smartnet Maintenance and support	Cisco Smartnet Maintenance and Support Services	Request For Quote	3 years	Master Service Agreement	< \$1M	LSBE

dc	As of this report DC Water
WOLKS	As of this report, DC Water Contractors have filled 21
	venteen of those positions,
	illed by local residents. The
table highlights the total n	ew hires for FY 2025.

 Murphy Pipeline completed the registration of its apprenticeship program. The firm will be working with the DC Water Works team to identify apprenticeship positions and candidates as applicable.

Location	# of New Hires
District of Columbia	7
Prince George's County	2
Montgomery County	1
Fairfax County	0
Loudoun County	0
Outside the User Jurisdiction	4



Fleet, Facilities, Safety, Security and Emergency Management

Administration Metrics

Metric	Target	Dec-24	Jan-25
SECURITY: Security Camera operational uptime	90%	96%	96%
SECURITY: Smart card readers operational uptime	90%	97%	97%
SECURITY: Percent of security investigations completed within 21 days	95%	100%	100%
FACILITIES: Preventive Maintenance Completion Rate	90%	82%	89%
FACILITIES: Service Request Completion Rate	90%	93%	95%
FLEET: Technician Time on Priority One Vehicle Service	50-90%	64%	64%
FLEET: Technician Productivity	81%	86%	76%
SAFETY: DC Water Employee Recordable Incident Rate (RIR) (FY)	< 5.4	1.97	2.68
SAFETY: DC Water Employee Lost Time Incident (LTI) (FY)	< 2.1	0.99	1.95
SAFETY: Contractor/ROCIP Recordable Incident Rate (RIR) (FY)	< 2.4	3.2	1.8
SAFETY: Contractor/ROCIP Lost Time Incident (LTI) (FY)	< 1.0	0.8	0.6

Fleet Justification:

Metric 1:

Priority 1 Assignment ensures the technician resources are being allotted appropriately to the immediate service and repair of our priority one units. In this period 64 percent of the technician hours were allocated to Priority 1 vehicles, (Prior month 64 percent). The target range is 50-90 percent to support the ultimate goal of minimizing Priority 1 unit downtime. This metric has been uniquely created to reflect the alignment of the Fleet operation and contract compliance with the repair and maintenance contractor.

Metric 1 measures the percentage of time assigned to service/repair priority one units. Rather than a specific target, there is an accepted tolerance (range) defined to ensure that technicians will spend at least half of their time and up to 90 percent of their scheduled time on the repair and maintenance of priority one units. This means technicians are clocked in and actively servicing/repairing Priority One units which take precedence over vehicles that have less operational impact. It underscores Fleet's ability to establish priority scheduling for servicing/repairing critical fleet assets and the staff time projected to address our highest priority units. The Board metric aligns with the contractor's performance metric that has a financial penalty when the contractor falls outside of this rage, upper and lower, and the goal is not met.

Metric 2:

Productivity tracks technicians on productive versus nonproductive activities, which may be defined as lunch, breaks, and on-site but unassigned duties while clocked in. In this period 76 percent of the technician hours were classed as productive, (Prior month 86 percent). This variation can be explained that anything above 81 percent implies that technicians may be working through breaks/lunch, etc. Taking scheduled breaks is a mandatory, safety requirement, especially when operating heavy machinery. Any drop may be interpreted as idle, non-productive time, and potential lack of supervision. The target is 81 percent ensuring the balance of productive work vs necessary breaks etc. In industry, this metric is often referred to as "wrench on bolt or wrench turning time".

While focusing on winter season readiness and weather activations, 64 units were brought in for unscheduled service resulting in oil and filter changes, battery and safety checks, fluid top offs and repair of seasonal equipment. Fleet responded to 73 roadside assistance calls and 54 fuel requests. Additionally, 11 units were sent to auction.



Customer Assistance Programs (CAP)

Program	FY2024 Enrolled	FY2024 Dollars	Jan. Enrolled	Jan. Dollars	# FY25 Enrolled	FY2025 Dollars	FY2025 Budget
CAP +	0	\$0	242	\$94,719	1,050	\$193,864	\$1,700,000
CAPI	4,411	\$2,586,698	229	\$67,161	936	\$256,321	\$3,000,000
CAP II	360	\$160,586	27	\$6,007	111	\$19,458	\$300,000
CAP III	29	\$4,714	2	\$306	31	\$1,003	\$10,000
Non Profit CRIAC Relief**	185	\$997,487	9	\$46,767	89	\$170,595	\$861,679

Residential Leak Assessment and Repair Programs (RLAAP and RLRAP) launched December 17, 2024, and are available to customers in the CAP+, CAP, and CAP2 assistance programs. If assistance program participants receive a high usage alert, and agree to the program, DC Water will send a licensed plumber to assess their property for leaks. For a limited time and while funding lasts, identified leaks can be repaired by contracted plumbers at no cost to the customer. The program is funded by DC Water for the assessment and the District government for the repairs. This program helps reduce water waste, lower high-water bills, and provides financial assistance for repairs, thus enhancing overall customer experience and promoting sustainability, affordability, and equity in water management.

As of the first week of February 7, 2025, 55 people are participating in the program, with assessment costs totaling approximately \$41K. While we have not yet received repair invoices, we anticipate that these customers could incur approximately \$19K in repair costs. We are closely monitoring the program to ensure that both customers and vendors understand the benefits and requirements. The program is generating significant interest among customers, and we have successfully used it to highlight the benefits of applying for utility assistance through DOEE.

Program	Eligible Customers	Participants	Decline	% Participating	% Decline	Assessment Cost*	Estimated Repair Cost**	Estimated Total Per Program
CAP+	97	27	3	28%	3%	\$ 20,250	\$ 3,300	\$ 23,550
CAP	77	25	6	32%	8%	\$ 18,750	\$ 15,550	\$ 34,300
CAP2	10	3	2	30%	20%	\$ 2,250	\$ 0	\$ 2,250
Total	184	55	11	30%	6%	\$ 41,250	\$ 18,850	\$ 60,100

^{*} As of 2/7/25 Paid assessment costs total \$6750.00

Customer Care

The department made significant efforts to meet metric targets despite the presidential day of mourning, inclement weather, holidays, leave, and vacancies. Additionally, the January snow event took an extended time to melt and hindered the ability to read non-transmitting meters.

- Estimated Bills as a Percentage of Meters Read: Missed by 1.5 percent.
- Percent of Calls Answered in 40 Seconds: Missed by 6 percent. (Average Wait Time was also impacted.)

Our new metric, "Percent of Investigations / Disputes Resolved in 30 days or less," was missed by 33 percent. Upon reviewing the metric, we found that the calculations were not capturing static data. We have now updated the calculations to ensure that the correct data is captured and remains constant once reported. The new calculation method counts the number of investigations completed by the end of the month and compares it to the total number of investigations completed on time. Based on this new calculation, the target was met in the earlier months of this fiscal year but was missed in January (October – 100 percent, November – 94 percent, December – 84 percent).

^{**} Actual Repair Costs have not come in yet.



Customer Care continued

Key Performance Indicators

Metric	Target/ Service Level	Nov 24	Dec 24	Jan 25
% of bills issued on time (w/in 5 days)	97%	97.7%	98%	97.2%
% unbilled	< 2%	5.1%	1.4%	1.7%
Estimated bills as a percent of meters read	< 4.5%	3.8%	4.6%	5.5%
# of bill investigations (Disputes)	trend only	208	205	229
(NEW) % Bill Investigations/Dispute Resolution <= 30 Days	80%	94%	84%	47%
% of calls answered in 40 Seconds (Call Center)	85%	83%	72%	79%
Monthly call volume served (Call Center)	trend only	9,880	10,965	11,436
Average Wait Time (minutes)	<0:30	:29	:58	:38
Abandon rate	3%	2%	4%	2%
Emergency dispatch <= 10 Min (ECC)	> 92%	86%	100%	100%

The Payment Plan Incentive Program participant and payment distribution:

Payment Plan Incentive Program					
Adjustment Year	Participants	Adjustments			
FY 2024	470	\$122,307			
FY 2025	820	\$231,594			

FY 2025 Payment Plan Incentive Program						
Adjustment Month Participants Adjustments						
October 2024	147	\$36,068				
November 2024	129	\$34,498				
December 2024	157	\$51,866				
January 2025	141	\$36,606				
February 2025	247	\$72,556				
FY25 Distribution	820	\$231,594				



Information Technology

IT Monthly Report

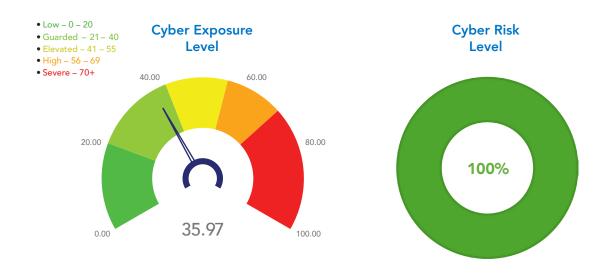
Metric	Target	Nov 24	Dec 24	Jan 25
Number of tickets submitted	Trend only	846	817	926
Number of open tickets	Trend only	27	45	50
Helpdesk SLA	96%	99.30%	99.20%	96.70%
Number of active projects	Trend only	9	8	7
Number of completed projects	Trend only	0	1	0
On schedule performance	90%	94.44%	94.44%	100%
On budget performance	90%	100%	100%	100%
% AMI transmission	95%	91.14%	91.00%	90.99%
NEW - Cyber Awareness Training Completion	100%			92%

Cyber Security Risk Profile

January Highlights:

Cyber Exposure Level: The current exposure level is 35.97, indicating a Guarded risk level. This suggests a general risk of increased hacking, viruses, or other malicious activities. While the potential for malicious cyber activities exists, no known exploits have been identified, or any identified exploits have not caused significant impact.

Cyber Risk Level: Indicates that 100 percent of assessed systems had a Low to Moderate Risk. This level suggests that while there is some potential for harm or negative impact, it is low. Risks are present but not severe, and they can often be managed with standard precautions and controls.



WELL-BEING



Operations and Engineering

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

Key Performance Indicators

Metric	Target/Service Level	Oct-24	Nov-24	Dec-24	Jan-25		
Wastewater Operations							
NPDES Permit Compliance , percent number of days	100%	100%	100%	100%	100%		
Air Permit Compliance, percent number of days	100%	100%	100%	100%	100%		
Biosolids Class A Exceptional Quality (EQ) Compliance, percent number of days	100%	100%	100%	100%	100%		
Tunnel Dewatering Compliance, percent of events tunnel dewatered within 59 hours of end of rainfall	100%	100%	100%	100%	100%		
Renewable Electrical Energy Generated On Site, percent of total use at Blue Plains AWTP	>20%	27%	24%	22%	19%		
Reactive Maintenance , percent of total maintenance hours	<20%	28%	28%	34%	32%		
Critical Asset Availability , percent of total critical assets at the Blue Plains AWTP	>95%	96%	96%	97%	96%		
Sewer Ope	erations						
Combined Sewer System (CSS) structures (all outfalls, regulators, tide gates) inspections	100%	100%	100%	100%	100%		
* Municipal Separate Stormwater System (MS4) requirement to clean all catch basins in the MS4 Permit Area at least once annually (Jul 01- Jun 30)	14,700	170	473	968	1,494		
* Inspection of catch basins in the CSO Anacostia tributary area at least twice per year (Jan 1- Dec 31)	11,400	8567	10,302	11,517	17		
* NPDES Permit to Clean and Inspect 85% of 10,700 CSS Area C/B (Jan 1- Dec 31)	9,095	7560	9,329	10,249	48		
Miles per month Sewer Cleaning and Inspection to meet 1,400 Miles of Small Diameter (<12 inches) in 10Yr Cycle	>12	6.7	4.1	12.2	5.4		
Sewer Backup (Investigation to Resolution) Within 24 Hours Excluding Line Breaks	>95%	97%	98%	96%	100%		
Number of SSO's	Report	2	4	1	4		
SSO's to Body of Water	Report	1	2	0	1		
SSO's per 100 miles of pipe (YTD) (AWWA 2021 Utility Benchmarking Report)	2	0.15	0.46	0.53	0.83		
SSO's per 100 miles of pipe (Water Body) (YTD)	Information Only	0.076	0.23	0.23	0.3		
Combined Sewer System Overflows	0	0	0	0	0		

Key Performance Indicators continued -



Operations and Engineering

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

Key Performance Indicators continued

Metric	Target/Service Level	Oct-24	Nov-24	Dec-24	Jan-25
Pumping	Operations				
Firm Pumping Capacity Maintained	100%	100%	100%	100%	100%
Reactive Maintenance	<20%	21%	23%	23%	17%
Critical Asset Availability	>95%	98%	98%	98%	98%
Water C	perations				
Safe Drinking Water Compliance	100%	100%	100%	100%	100%
Total Fire Hydrants Replaced	>21/Month	22	6	7	2
Approved Hydrant Flow Tests (Non-Winter Months)	>180	117	94	78	49
Fire Hydrant Operational Rate	99%	99.8%	99.83%	99.82%	99.82%
Priority 5 Emergency Water Service work orders completed w/in 24 hrs	>90%	100%	100%	100%	100%
Water Quality Complaint Resolution (within 48 hours)	>90%	100%	95%	97%	100%
Water Main Breaks	<28/Month	24	33	111	243
Water Main Break Rate /100 Miles (National Average is 25)	25	40.41	37.72	42.26	49.72
% of Hydrant Leaks in inventory that are not leaking	>90%	99%	99%	99%	99%
Permit (Operations				
Overall On-time completion of Permit Reviews	85%	96%	91%	92%	93%

^{*} Month-to-Month Cumulative Total for Catch Basin Inspection and Cleaning

Explanation of Missed Targets

Wastewater Operations Reactive Maintenance (<20 percent)

DC Water has adopted a manufacturing industry best practice benchmark of less than 20% reactive maintenance hours as a percentage 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. Over the last four fiscal years, we have observed a descending trend in the percentage of total reactive maintenance hours, measured at an annual average, at the Blue Plains Advanced Wastewater Treatment Plant. The goal is to remain on the reduction path towards a benchmark that is appropriate for Blue Plains.

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

In January, the hydrant flow test crew conducted 49 hydrant flow tests. Flow testing in the winter months is at a minimal due to cold temperatures.

Total Fire Hydrants Replaced

In January, the hydrant replacement goal was not met because the team prioritized addressing water main and valve emergencies.



DC Water Capital Improvement Program

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





- Material Verification Technology Pilot Program Test Pitting delayed by DDOT MOU startup inefficiencies.
- In January, Rep. Gary Palmer (R-Ala.) sponsored legislation seeking to invalidate the Lead and Copper Rule Improvements (LCRI) through the Congressional Review Act procedure. This procedure allows a simple majority of each chamber of Congress, plus the signature of the president, to repeal a recently-promulgated regulation in its entirety.
- Replacement production in January was impacted by weather and holidays.
- The LPRAP program exhausted District funding in December and no replacements were conducted in January. An alternative program is being developed to continue replacements.
- LFDC has implemented the use of unique, trackable QR codes on public facing documents. The data collected from the QR codes will allow allows us to determine which documents have the most customer reach.
- LFDC delivered a presentation at the January Monthly Meeting of the River Terrace Community Organization (1/15).

Lead Free DC closely monitors social media engagement rates. One of our most successful posts in January was a post celebrating the success of our 2024 Stakeholder Engagement events. This post got a 10.89 percent engagement rate on Facebook and a 7.34 percent engagement rate on Instagram. A successful rate would be 5 percent or higher. (Engagement rate = Number of engagements/ Number of impressions).



Current Project Status

Northeast Boundary Tunnel (NEBT):

Punchlist work ongoing. Instrumentation and control systems at the W Street VCF, MOR drop shaft and R St sites are going through final checks with DC Water.

Potomac River Tunnel Contract B – Tunnel System Construction (Div. PRT-B):

Mobilization to the CSO-022 site is underway with tree removal in progress. The construction staging area setup at West Potomac Park continues. The geotechnical instrumentation installation is ongoing at WPP and CSO-022.

Rock Creek Green Infrastructure Project C (RC-C):

The project was presented at EQ&Ops in January 2025 and will go to the full Board in February 2025. Notice to Proceed is expected by the end of February 2025.

Piney Branch Tunnel:

The Finding of No Significant Impact (FONSI) was submitted to NPS for final approval. Clark Construction has been selected as the Construction Manager at Risk through a Best Value process. Preconstruction services are ongoing. The first Guaranteed Maximum Price submittal was received from Clark Construction on January 29, 2025, and is currently under review.



Potomac River Tunnel Shaft 1



Potomac River Tunnel Shaft 2



DC Water Capital Improvement Program

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

Featured Project of the Month - TO19 - West Primary SL Scum - PSW Replacement

Project Summary: Task Order 19 West Primary SL Scum – PSW Replacement was developed as a time and material task order to replace PSW pipes in all head houses: A,B,C, and D. Work to be completed in this Task Order at Blue Plains consists of installation of new PSW pipes in all head houses from HHA to HHD. Initially \$2.2million was allotted to this task order to purchase pipes and start pipe replacement. During the construction, additional work was assigned to the contractor to replace: 14" PSW parallel with the road between House B & C (approx. 390 LF), 8" PSW between House B & C that ties into 14" header (approx. 150 LF), 14" SL from gas metering station to gravity thickener building station (approx. 480 LF) and improve the reliability and sustainability of this facility for this critical Washington, D.C. transportation route.

Progress to date includes installation of East and West Primary, SW Nit, East Primary Sludge and scum.

Contractor: Allan Myer VA, Inc Construction cost: \$3.32 Million Current Percent Complete: 64 percent Scheduled Completion Date: Oct. 2025





East & West Primary Sludge Replacement Pipes Installation





PSW Nitrogen Pipe removal and installation of a new one.









WEST Primary Sludge and Scum Line and PSW.

EAST Primary Sludge and Scum Installation



People and Talent

People and Talent Metrics

The People and Talent team will begin to develop Cluster specific HCM score cards measuring managements effectiveness with talent management, employee/labor relations and employee engagement measures. These score cards are available through the HRBS for cluster specific information. We will continue to align metrics with BluePrint 2.0, the Authority's strategic initiatives and the HCM Strategy.

Key Performance Indicators

Metric	Target	Oct-24	Nov-24	Dec-24	Jan-25
Vacancy Rate ¹	6%	9.8%	8.7%	7.6%*	7.3%*
Temporary Alternative Duty Program (TAD) 2	50% of WC claims eligible for TAD program	60%	60%	84%	84%
Self-Identified Veterans (Active) ³		28	28	29	29
Female Workforce (Active) ⁴		22.7%	22.7%	22.8%	22.9%

^{*}Reflects recommended position eliminations in the proposed FY26 Budget

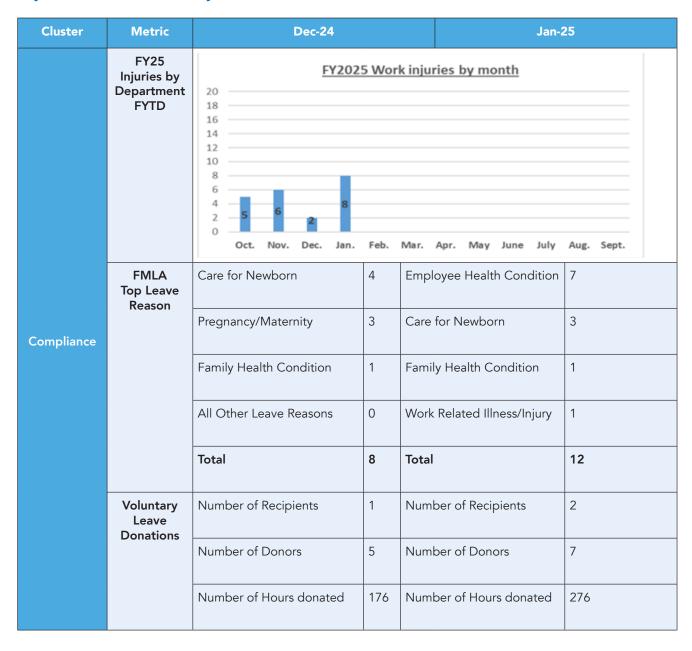
Key Performance Indicators (KPI Benchmark)

KPI Definition	Business Relevance
¹ (Filled Positions / Total Headcount); then converted into a percentage Total Headcount = Budgeted Headcount – Vacancies Greater than 180 Days Old	This KPI measures the organization's vacancy rate related to vacancies that are in the process of being filled (i.e., under management review before recruitment -OR- under recruitment)
² Percentage of Workers' Compensation claims eligible for placement into TAD program	The more claims eligible for TAD program will reduce overall Workers' Compensation costs and claim exposure for the Authority, leading to realized financial savings.
³ US Armed Services	This KPI is linked to growing the percentage of veterans in the workforce, with a focus on increasing the representation of veterans within the workforce.
⁴ Number of Female employees in the current workforce. Calculation - Number of female employees in the active workforce divided by the total number of employees in the active workforce at a specific point and time.	This KPI is linked to growing the percentage of women in the workforce, with a focus on increasing the representation of women in non-traditional roles.



People and Talent

Key Performance Indicators by Cluster





People and Talent

Key Performance Indicators by Cluster - continued

Cluster	Metric	Dec-24	Jan-25
	Total cost of tuition assistance/reimbursement	\$16,958.25	\$58,169.03
Total # of employees participating in tuition assistance/reimbursement		8	20
Learning & Development	Total # of employees seeking associate's degree	0	1
	Total # of employees seeking a bachelor's degree	4	7
	Total # of employees seeking a master's degree	3	9
	Total # of employees seeking a doctorate degree	0	0
	Total # of employees seeking a certification	0	2
	Total # of employees participating in external training	1	1
	Hires	11 (8 external, 3 internal)	5 (3 external, 2 internal)
Talent Acquisition	Positions Under Recruitment*	58 (several positions were eliminated during the month of December)	70
	Separations	3	7
Separations	Term Reasons	• 3 voluntary (3 resignations)	• 7 voluntary (1 retirement, 6 resignations)
Retirement	457(b) Pre-Tax	862 Employees Participated	871 Employees Participated
Plan Participation	457(b) Roth	114 Employees Participated	124 Employees Participated

^{*}Reflects recommended position eliminations in the proposed FY26 Budget

20



	Job Description Project							
	Departments	JDs Completed As of 10/2024	JDs Completed As of 11/2024	JDs Completed As of 12/2024	JDs Completed As of 01/2025	JDs Completed To Date		
	Administration	33	0	5	2	40		
	Customer Experience	0	0	2	2	4		
	Engineering	5	2	0	0	7		
	Finance, Procurement, and Compliance	2	0	0	0	2		
Compensation	Government and Legal Affairs	2	0	0	1	3		
	Independent Offices	4	0	0	0	4		
	Marketing and Communications	6	0	0	0	6		
	Operations	16	9	4	7	36		
	People and Talent	13	1		0	14		
	Varies	2	2	46 (Summer Intern JDs)	0	50		
	Totals	83	14	57	12	166		

Annual Turnover Metrics						
Year	2020	2021	2022	2023	2024	
Involuntary (Dismissal, Medical Disqualification)	0.58%	1.01%	0.78%	1.97%	1.92%	
Voluntary (Resignation, Retirement)	4.08%	4.15%	5.77%	5.55%	5.93%	
Other (Death)	0.25%	0.55%	0.10%	0.09%	0.26%	
Total Turnover Rate	4.92%	5.71%	6.65%	7.61%	8.11%	

NOTE: AWWA Turnover Benchmark: 7%



Government and Legal Affairs

Government Affairs Highlights

General Litigation

General Litigation includes cases filed by and against DC Water. DGLA tracks all ongoing litigation and provides quarterly updates.*

	Pre-1st Quarter FY 2025	FY 2025 YTD
Cases Managed	35	35
New Cases	3	3
Cases Closed	6	6
Amount Demanded of DC Water in Closed Cases	\$1,184,637.55	\$1,184,637.55
Amount Paid by DC Water in Closed Cases	\$80,000.00	\$80,000.00

^{*}This data is current as of 12/31/24.

Revenue Recovery Cases Currently, DGLA is managing 185 open foreclosure cases, in addition to the receiverships discussed below.

FY 24 Receivership Review*

Active Receiverships Appointed by Court	16 (ongoing)
Payment Plans Established	11 (post filing) 1 (pre filing) 12 total
Stayed Due to Bankruptcy Filing	5
Pending Hearing to Appoint Receivership	4

^{*}Receivership data is updated quarterly. This data is current as of 12/31/24.

Freedom of Information Act

DGLA manages requests from the public for information as required by the DC Freedom of Information Act (FOIA). FOIA requests received in January 2025 related to customer records, DC Water contracts, and disconnection data.

FOIA Data

Open Requests	35
Requests Opened this Month	8
Requests Closed this Month	73

Other Legal Matters

Type of Legal Matter	# Reviewed/
	Processed
Contracts	11
Agreements	0
Easements	1
Subpoenas	0



Internal Audit

Internal Audit CEO Report March 2025

This timeline represents the FY 2025 audit plan and the status of each project. The Cherry Bekaert Internal Audit team is executing the FY 2025 internal audit plan, following up on prior audit findings and monitoring the hotline.

FY2025 Timeline

FY2025 Timeline	Oct - 24	Nov - 24	Dec - 24	Jan - 25	Feb - 25	Mar - 25	Apr -25	May-25	Jun -25	Jul -25	Aug -25	Sept - 25	Oct -25	Status
•Work Order Management Audit - Facilities														In - Progress
•Al Policy Governance Assessment														In - Progress
•Safety Audit														In - Progress
Strategic Plan Monitoring Audit														Not Started
•SCADA Penetration Testing (in-person)														In - Progress
Data Governance and Reporting Assessment)								Not Started
Budget Monitoring Audit							>							Not Started
Contract Compliance Audit														Not Started
•Third-party Vendor Management Audit														Not Started
•Cloud Security Audit														Not Started
•FY 2026 Risk Assessment														Not Started
•Ongoing Follow-up Procedures														Ongoing
Ongoing Hotline Monitoring)													Ongoing

Open Prior Audit Findings

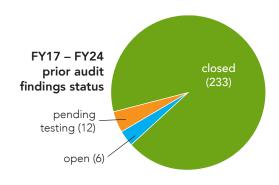
Audit Report / Subject	Issue Date	Open
Work Order Management Audit - DWO	7/27/2023	1
Fleet Management Audit	10/27/2023	2
P-Card Audit	1/1/2024	1
Training and Recruiting Audit	9/1/2024	1
Internal/External Network Penetration Testing	7/18/2024	1
		total 6



At least one original remediation target date has been extended.

One Finding Closed this month

• FY24 Training and Recruiting Audit Finding.



In total, 93 percent of all prior audit findings from FY17-FY24 are closed. Management's target closure rate is 95 percent.

"Pending Testing" indicates that Management represents that the Action Plan is completed, but Internal Audit has not yet performed testing to validate the status.





FY23-FY24 Open High Risk Prior Audit Findings*

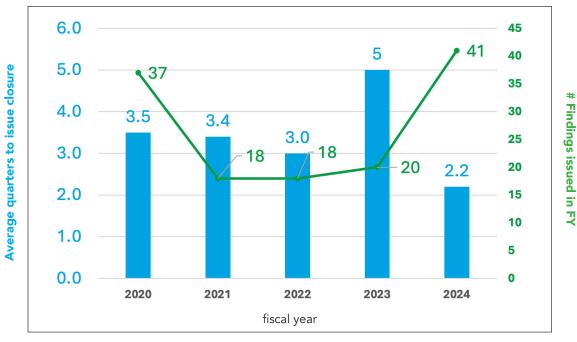
	Audit	Issue Date	Audit Report	High Risk Open Finding		New Target	#
	FY	issue Date	Audit Report			Date	Extensions
				Lack of current policies and procedures	9/1/2024	9/30/2025	1
1	2023	10/26/2023	Fleet Management Audit	Fleet has drafted a RACI and 15 Authority wide Fleet policies. Legal provided commentary on the Fleet policies submitted and as a result the time to implement edits identified during Legal's review. The extension will allow time for these changes to be made in collaboration with the the updated policies and standard operating procedures.			

^{*}Note: The audit findings reported above represent open findings through the FY24 Audit Plan year.

Time to closure by fiscal year

The below graphs illustrate the average number of quarters from audit finding issuance to audit finding closure year-over year as of January 2025. Management has made significant improvements to achieve timelier audit finding closure as illustrated by the decline from FY23 to FY24.

Internal Audit follow up remediation FY20-FY24*



^{*}Data before FY2023 was provided by RSM.





Presented and Approved: March 6, 2025
SUBJECT: Approval to Add Funding to Option Year 9 and Execute
Option Year 10 of Contract No. 16-PR-DFM-07, Fleet
Management Information System (FMIS) Consulting
Services, Chevin Fleet Solutions

#25-06
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 6, 2025 upon consideration of a joint use matter, decided by a vote of ____ () in favor and ____ () opposed to approve additional funding for Option Year 9 and to execute Option Year 10 of Contract No. 16-PR-DFM-07, Chevin Fleet Solutions.

Be it resolved that:

The Board of Directors hereby authorizes the CEO and General Manager to execute additional funding for Option Year 9 and execute Option Year 10 of Contract No. 16-PR-DFM-07, Chevin Fleet Solution. This contract aims to deliver Fleet Management Information System professional services to DC Water's Fleet Management Department. The software and services used by multiple departments within the Authority, aid in the efficient and cost-effective management of the fleet, encompassing proper usage, maintenance, operations, and safety measures. Option Year 9 adds \$150,000 and Option Year 10 adds \$252,000, totaling \$402,000.00.

This Resolution is effective immediately.	
	Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT ADDITIONAL FUNDING FLEET MANAGEMENT INFORMATION SYSTEM (FMIS) CONSULTING SERVICES (JOINT-USE – INDIRECT COST)

This contract action is to (1) add \$150,000.00 in funding for the remainder of option year 9 and (2) add option year 10 for \$252,000.00, respectively for a total of \$402,000.00, for FMIS Consulting Services.

CONTRACTOR/SUB/VENDOR INFORMATION						
PRIME: Chevin Fleet Solutions, LLC. 881 Main Street Fitchburg, MA 01420	SUBS: N/A	PARTICIPATION: N/A				

DESCRIPTION AND PURPOSE

Base Year Contract Value: \$225,000.00

Base Year Contract Dates: 10-01-2015 – 09-30-2016

Option Year 1 – Option Year 4 Value: \$770,000.00

Option Year 1 – Option Year 4 Dates: 10-01-2016 – 09-30-2020

Option Year 5 Value: \$125,000.00

Option Year 5 Dates: 10-01-2020 – 09-30-2021

Option Year 6 – Option Year 9 Value: \$870,000.00

Option Year 6 – Option Year 9 Dates: 10-01-2021 – 09-30-2025

Option Year 9 Additional Value: \$150,000.00

Option Year 9 Dates: 02-01-2025 - 09-30-2025

Option Year 10 Extension Value: \$252,000.00

Option Year 10 Extension Dates: 10-01-2025 – 09-30-2026

Purpose of the Contract:

This contract provides Fleet Management Information System (FMIS) Professional Services to DC Water's Department of Fleet Management. This software and the associated services provide an essential service for DC Water to properly manage its fleet in a safe and cost-effective manner. Multiple departments within the Authority, including Fleet, Risk Management and Operations, rely on the data gathered by "Fleetwave" to ensure proper use, maintenance, operation and safety. The additional funding provides several temporary resources supporting the Fleet Department during the new employee hiring process. A new RFP is planned for release in Fiscal Year 2025 with an award in Fiscal Year 2026.

Contract Scope:

The contract scope includes providing professional FMIS services in the areas of integration, system upgrades, and customizations to enhance business operations. The contract also provides for the software license to operate the vendor's proprietary software, "Fleetwave" in DC Water vehicles. The software platform can only be upgraded and customized by the vendor.

Spending Previous Years:

Cumulative Contract Value: 10-01-2015 to 09-30-2025: \$1,990,000.00 Cumulative Contract Spending: 10-01-2015 to 12-31-2024: \$1,876,759.31

Contractor's Past Performance:

According to the COTR, the Contractor's quality of service, 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 & Services	Award Based On:	Sole Source
Commodity:	IT Services	Contract Number:	16-PR-DFM-07
Contractor Market:	IT Professional Services		

BUDGET INFORMATION

Funding:	Operating	Department:	Fleet Management
Service Area:	Fleet Management Facility	Department Head:	Nija Ali

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	66.78%	\$268,455.60
Washington Suburban Sanitary Commission	24.12%	\$96,962.40
Fairfax County	5.87%	\$23,957.40
Loudoun Water	2.82%	\$11,336.40
Potomac Interceptor	0.41%	\$1,648.20
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$402,000.00

Meisha D. Thomas / 2/12/2025

Meisha D. Thomas Date

Director of Customer Care

korey Gray , 2/12/2025

Korey Gray Date
VP Compliance and Chief Procurement Officer

1101

Matthew T. Brown Date

CFO and EVP of Finance, Procurement and Compliance

2/24/2025 Date

David L. Gadis CEO and General Manager

2 of 2

Presented and Approved: March 6, 2025
SUBJECT: Approval to Add Funding and Six-Month Extension to
Option Year 5 of Contract No. 19-PR-DFS-01, Heating,
Venting and Air-Conditioning (HVAC) Maintenance
Services - Complete Building Services

#25-07
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 6, 2025 upon consideration of a joint use matter, decided by a vote of ____ () in favor and ____ () opposed to approve additional funding and six-month extension to Option Year 5 of Contract No. 19-PR-DFS-01, Complete Building Services.

Be it resolved that:

The Board of Directors hereby authorizes the CEO and General Manager to execute additional funding and a six-month extension to Option Year 5 of Contract No. 19-PR-DFS-01, Complete Building Services. The purpose of this contract is to support the Department of Facilities in delivering HVAC maintenance and repair services to DC Water through December 31, 2025. The total value of additional funding is \$350,000.00.

This Resolution is effective immediately.	
	Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT ADDITIONAL FUNDING AND EXTENSION HEATING, VENTING and AIR-CONDITIONING (HVAC) MAINTENANCE SERVICES (JOINT USE)

Approval to add \$110,000.00 in funding for option year 5 and extend option year 5 by 6 months and add funding of \$240,000.00 for a total amount of \$350,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION						
PRIME: Complete Building Services 5151 Wisconsin Ave. Washington, DC. 20016	SUBS: N/A	PARTICIPATION: DBE 100%				

DESCRIPTION AND PURPOSE

Base Period Contract Value: \$267,189.00

Base Period Contract Dates: 06-3-2019 – 05-12-2020

No. of Option Years in Current Contract: 5

Option Years 1-5 Value: \$569,249.00

Option Years 1-5 Dates: 05-13-2020 – 05-12-2025

Option Year 5 Additional Value: \$110,000.00

Option Year 5 Dates: 01-30-2025 - 05-12-2025

Option Year 5 Extension Value: \$240,000.00

Option Years 5 Extension Dates: 05-13-2025 – 12-31-2025

Purpose of Request:

This request is to add funding to the final option year of the contract, extend it by 6 months, and add funding for the extension. The Procurement team will release a new solicitation and award a new contract prior to the end of the extension period.

Purpose of the Contract:

To provide HVAC Maintenance and Repair Services to DC Water, for which the Department of Facilities has an ongoing need.

Scope of the Contract:

Supplier provides Preventive Maintenance (PM) Services following the PM schedule prescribed by the equipment serviced. The supplier also provides Corrective Maintenance Services which may be identified by the facilities team, to all the HVAC units in multiple buildings maintained by the Department of Facilities.

Spending Previous Year:

Cumulative Contract Value: 06-03-2019 -01-30-2025: \$836,438.00 Cumulative Contract Spending: 06-03-2019 -01-30-2025: \$747,031.59

Contractor's Past Performance:

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

PROCUREMENT INFORMATION

Contract Type:	Goods & Services	Award Based On:	Best Value
Commodity:	HVAC Maintenance Services	Contract Number:	19-PR-DFS-01
Project Area:	DC Water Wide		

BUDGET INFORMATION

Funding:	Operating	Department:	Facilities
Project Area:	DC Water Wide	Department Head:	Brent Christ

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	66.78%	\$233,730.00
Washington Suburban Sanitary Commission	24.12%	\$84,420.00
Fairfax County	5.87%	\$20,545.00
Loudoun Water	2.82%	\$9,870.00
Other (PI)	0.41%	\$1,435.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$350,000.00

Signed by:

Mislia Tuomas

Pessanglie France Agreement

Meisha Thomas

Director of Customer Care

2/12/2025

Date

--- DocuSigned by:

Korey Gray

2/12/2025

AUTOM Date

VP Compliance and Chief Procurement Officer

Docusigned by:

Matthew Brown

2/12/2025

Matthew T. Brown

CFO and EVP, Finance, Procurement and Compliance

David L. Gadis Date

CEO and General Manager

Presented and Adopted: March 6, 2025

Subject: Approval to Amend Fiscal Year 2025 Operating Budget

#25-08 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, ("DC Water") at the Board meeting on March 6, 2025, upon consideration of a joint-use matter, decided by a vote of () in favor and () opposed, to take the following action to approve the Amended Fiscal Year 2025 Operating Budget.

WHEREAS, on March 7, 2024, through Resolution #24-09, the Board approved the Fiscal Year 2025 Operating Budget that totaled \$788,241,048; and

WHEREAS, during the Fiscal Year 2026 Budget Workshop on January 13, 2025, the Chief Executive Officer and General Manager and Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, briefed the Board on the proposed amendment of DC Water's Fiscal Year 2025 Operating Budget to reallocate \$5,526,217 from debt services to Cash Financed Capital Improvements (CFCI) and maintain the Approved Fiscal Year 2025 Operating Budget of \$788,241,048; and

WHEREAS, on January 28, 2025, the Finance and Budget Committee in a joint session with the Retail and Rates Committee, during which management presented proposed amendment of DC Water's FY 2025 Operating Budget, to reallocate \$5,526,217 from debt service, due to structure of new debt and refinancing, to CFCI for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2025 Operating Budget of \$788,241,048; and

WHEREAS, on February 27, 2025, the Finance and Budget Committee was further briefed on the proposed amendment of DC Water's FY 2025 Operating Budget, to reallocate \$5,526,217 from debt service due to structure of new debt and refinancing, to CFCI for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2025 Operating Budget at \$788,241,048; and

WHEREAS, on February 27, 2025, the Finance and Budget Committee, after further consideration and discussion, recommended Board approval of the proposed amendment of DC Water's FY 2025 Operating Budget as presented by management.

1

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves the amended DC Water's Fiscal Year 2025 Operating Budget to reallocate \$5,526,217 from Debt Service to the Cash Financed Capital Improvements Fund for PAYGO to reduce future borrowing costs and maintain the Approved Fiscal Year 2025 Operating Budget at \$788,241,048

This resolution is effective immediately.	
	Secretary to the Board of Directors

Presented and Adopted: March 6, 2025

Subject: Approval of Proposed Fiscal Year 2026 Operating Budget

#25-09 RESOLUTION OF THE BOARD OF DIRECTORS OF THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at the Board meeting on March 6, 2025, upon consideration of a joint-use matter, decided by a vote of ____ () in favor and ____ () opposed, to take the following action to approve the Proposed Fiscal Year 2026 Operating Budget.

WHEREAS, during the Fiscal Year 2026 Budget Workshop on January 13, 2025, the Chief Executive Officer and General Manager, Chief Financial Officer and Executive Vice President, Finance, Procurement and Compliance, and members of the Senior Executive Team briefed the Board on the Proposed Fiscal Year 2026 Operating Budget that totaled \$838,132,575; and

WHEREAS, on January 28, 2025, the Finance and Budget Committee, in a joint session with the Retail and Rates Committee, reviewed the budget proposal and discussed in detail, the budget drivers, budget assumptions and risks; and

WHEREAS, on February 27, 2025, the Finance and Budget Committee further reviewed the budget proposals, and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, risks and customer impact, and recommended that the Board approve the Proposed Fiscal Year 2026 Operating Budget that totals \$838,132,575, including \$25,000 for representation and \$15,000 for official meetings.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's Proposed Fiscal Year 2026 Operating Budget totaling \$838,132,575, including \$25,000 for representation and \$15,000 for official meetings, and as further detailed in the Chief Executive Officer and General Manager's Proposed Fiscal Year 2026 Budget and accompanying materials presented on January 13, 2025.

This resolution is effective immediately.	
	Secretary to the Board of Directors

Presented and Adopted: March 6, 2025

Subject: Approval to Amend FY 2025 and FY 2026 Revenue Budget

#25-10 RESOLUTION OF THE BOARD OF DIRECTORS OF THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at the Board meeting on March 6, 2025, upon consideration of a joint-use matter, decided by a vote of ____ () in favor and ____ () opposed, to take the following action with respect to the Revised FY 2025 and FY 2026 Revenue Budget.

WHEREAS, on March 7, 2024, through Resolution #24-10, the Board approved the Fiscal Year 2024-2033 Ten Year Financial Plan, which included the FY 2025 and FY 2026 Revenue Budget (Operating Receipts) of \$926,260,890 and \$977,455,194 respectively; and

WHEREAS, on January 28, 2025, the Finance & Budget Committee and Retail Water and Sewer Rate Committee met to consider revisions to the FY 2025 and FY 2026 year-end forecasts for revenue, operating expenditure, capital disbursements and net cash position and their impact on the projected Fiscal Year Revenue Budget; and

WHEREAS, the General Manager proposed revising the FY 2025 and FY 2026 Revenue Budget (as shown below) for approval by the Board due to increases in Retail Revenue based on projected higher consumption and increases in Other Revenue as reflected in the Financial Plan for FY 2025-2034.

FY 2025

112020		pproved dget FY 2025		Revised FY 2025	(Increase/ Decrease)
Retail Revenue	\$	731,642,502	\$	747,813,983	\$	16,171,481
Wholesale Revenue	\$	114,248,146	\$	114,248,146	\$	-
Other Revenue	\$	78,370,242	\$	87,800,909	\$	9,430,667
Rate Stabilization Fund (RSF)	\$	2,000,000	\$	2,000,000	\$	-
Total Revised FY 2025 Revenue	\$	926,260,890	\$	951,863,038	\$	25,602,148
FY 2026						
	A	pproved		Revised		Increase/
		approved adget FY 2026		Revised FY 2026	(Increase/ (Decrease)
Retail Revenue		• •	\$		\$	
Retail Revenue Wholesale Revenue	Βι	dget FY 2026	\$ \$	FY 2026		(Decrease)
	<u>Bu</u>	775,093,838		FY 2026 796,922,810	\$	(Decrease) 21,828,972
Wholesale Revenue	<u>Βυ</u> \$ \$	775,093,838 120,904,781	\$	FY 2026 796,922,810 122,611,848	\$	(Decrease) 21,828,972 1,707,067

WHEREAS, on February 27, 2025, the Finance & Budget Committee met to consider the final proposal to amend the FY 2025 and FY 2026 year-end forecasts and recommended the Board approve the amendments to the FY 2025 and FY 2026 Revenue Budget to \$951,863,038 and \$1,011,384,900 respectively.

NOW THEREFORE BE IT RESOLVED THAT:

- 1. The Board hereby approves and adopts the Revised FY 2025 and FY 2026 Revenue Budget to increase to \$951,863,038 and \$1,011,384,900 respectively as presented in the Fiscal Year 2025-2034 Ten Year Financial Plan.
- This resolution is effective immediately.

 Secretary to the Board of Directors

Presented and Adopted: March 6, 2025 Subject: Approval of Proposed Fiscal Year 2025 - 2034 Capital Improvement Program

#25-11 RESOLUTION OF THE BOARD OF DIRECTORS OF THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at its meeting on March 6, 2025, upon consideration of a joint-use matter, decided by a vote of ____ () in favor and ____ () opposed, to take the following action with respect to the approval of the Fiscal Year 2025 - 2034 Capital Improvement Program.

WHEREAS, pursuant to Resolution #10-76, dated July 1, 2010, the Board's Rate Stabilization Fund Policy requires an annually updated 10-Year Financial Plan, which includes a 10-Year Capital Disbursement Plan; and

WHEREAS, on March 7, 2024, through Resolution #24-06, the Board approved the Proposed Fiscal Year (FY) 2024 - 2033 Capital Improvement Program, which includes the FY 2024 - 2033 Capital Disbursement Plan and related Lifetime Budget; and

WHEREAS, on January 13, 2025, during the FY 2026 Budget Workshop, the Chief Executive Officer and General Manager, Chief Financial Officer and Executive Vice President, Finance, Procurement & Compliance, and Vice President, Engineering briefed Board members on the FY 2025 - 2034 Capital Improvement Program, which includes the proposed Revised FY 2025 CIP Disbursement Budget of \$717,745,010, the proposed 10-Year Disbursement Plan totaling \$9,623,579,854 and the proposed Lifetime Budget of \$17,809,198,492 and

WHEREAS, on January 16, 2025, the Environmental Quality and Operations Committee reviewed the budget proposals and discussed in detail the budget, budget drivers, budget assumptions, grants available for eligible projects and programs, and risks; and

WHEREAS, on January 28, 2025, the Finance & Budget Committee and the DC Retail Water and Sewer Rates Committee, in a joint meeting, reviewed the budget proposals and discussed in detail the budget, budget drivers, budget assumptions, grants available for eligible projects and programs, risks, and customer impacts; and

WHEREAS, on February 21, 2025, the Environmental Quality and Operations Committee, reviewed the budget proposals, and discussed in detail the budget drivers, grants available for eligible projects and programs, and risks, and recommended that the Board approve and adopt the FY 2025 - 2034 Capital Improvement Program, which

includes the proposed Revised FY 2025 CIP Disbursement Budget of \$717,745,010, proposed 10-Year Capital Disbursement Plan totaling \$9,623,579,854, and related Lifetime Budget, totaling \$17,809,198,492; and

WHEREAS, on February 25, 2025, the DC Retail Water and Sewer Rates Committee reviewed the budget proposals and discussed in detail the budget drivers, budget assumptions, and customer impacts; and

WHEREAS, on February 27, 2025, the Finance & Budget Committee, reviewed the budget proposals and discussed in detail the budget drivers and budget assumptions, and recommended that the Board approve and adopt the FY 2025 - 2034 Capital Improvement Program, which includes the proposed Revised FY 2025 CIP Disbursement Budget of \$717,745,010, proposed 10-Year Capital Disbursement Plan totaling \$9,623,579,854, and related Lifetime Budget, totaling \$17,809,198,492, as provided in Attachment A-1; and authorize the identification, application and expenditure of grant funds to implement the CIP.

NOW THEREFORE, BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's FY 2025 - 2034 Capital Improvement Program, which includes the Revised FY 2025 CIP Disbursement Budget of \$717,745,010, Fiscal Year 2025 - 2034 Capital Improvement Program Disbursement Plan totaling \$9,623,579,854, and related Lifetime Budget totaling \$17,809,198,492, as provided in Attachment A-1; and authorizes the identification, application and expenditure of grant funds to implement the CIP, as further detailed in the Chief Executive Officer and General Manager's Proposed Fiscal Year 2026 Budget and accompanying materials presented on January 13, 2025.

This resolution is effective immediately.	
	Secretary to the Board of Directors

Capital Improvement Program Proposed Budget

Attachment A-1

				FY 2025	- FY 2034 CI	P Disbursem	nent Plan					
	Revised											Lifetime
	Budget											Budget
(\$ in thousands)	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	10-yr Total	
NON PROCESS FACILITIES Facility Land Use	18,181	51,570	36,149	16,630	13,006	12,169	16,339	16,393	16,616	16,000	213,053	414,629
Subtotal	18,181	51,570	36,149	16,630	13,006	12,169	16,339	16,393	16,616	16,000	213,053	414,629
WASTEWATER TREATMENT	,	5.,5		,	,	,	,	,	,	,	2.0,000	,
Liquid Processing	28,574	40,674	59,430	114,602	115,967	144,038	147,596	134,848	131,382	133,696	1,050,807	1,758,612
Plantwide	28,284	50,884	43,954	69,654	47,347	36,874	28,755	28,111	34,618	34,235	402,716	679,450
Solids Processing	10,758	14,796	8,274	11,314	25,379	40,519	46,646	52,966	51,553	47,059	309,264	1,046,727
Enhanced Nitrogen Removal Facilities	666	_	_	_	_	-	-	_	_	_	666	386,916
Subtotal	68,282	106,354	111,658	195,570	188,693	221,431	222,997	215,925	217,553	214,990	1,763,453	3,871,705
COMBINED SEWER OVERFLOW												
DC Clean Rivers Program	220,365	245,686	235,003	186,380	117,403	66,731	_	_	_	-	1,071,568	3,290,812
Combined Sewer Overflow Program	3,467	4,700	2,346	10,716	21,122	19,181	5,953	_	_	-	67,485	131,053
Subtotal	223,832	250,386	237,349	197,096	138,525	85,912	5,953	-	-	-	1,139,053	3,421,865
STORMWATER												
Storm Local Drainage Program	849	3,915	2,564	2,448	2,226	2,226	1,238	1,811	2,054	1,102	20,432	38,640
Storm On-Going Program	372	640	613	1,490	1,287	935	500	500	500	500	7,337	11,233
Storm Pumping Facilities	5,814	10,959	11,638	1,522	-	-	-	-	-	-	29,933	59,501
Stormwater Program Managemet	744	694	461	-	27	1,970	-	-	-	-	3,896	13,349
Stormwater Trunk/Force Sewers	431	1,152	1,164	1,495	-	-	-	-	-	-	4,242	28,977
Subtotal	8,210	17,360	16,440	6,955	3,540	5,131	1,738	2,311	2,554	1,602	65,840	151,698
SANITARY SEWER												
Sanitary Collection System	15,875	21,009	26,210	57,118	91,767	86,810	93,050	96,012	92,495	104,917	685,264	880,985
Sanitary On-Going Projectss	15,152	17,100	16,795	18,418	26,725	26,474	81,466	86,964	82,933	84,964	456,991	525,764
Sanitary Pumping Facilities	6,047	9,880	9,122	8,387	12,187	26,724	28,453	32,578	31,733	25,370	190,481	265,605
Sanitary Program Management	11,510	9,702	9,060	10,883	645	-	-	-	-	-	41,800	171,900
Interceptor/Trunk Force Sewers	98,317	91,105	109,744	250,797	267,833	163,334	98,729	87,043	92,153	85,017	1,344,072	1,901,434
Subtotal	146,901	148,796	170,931	345,603	399,157	303,342	301,698	302,597	299,314	300,268	2,718,608	3,745,688
WATER												
Water Distribution Systems	46,536	84,530	97,092	96,785	117,873	133,358	153,427	152,544	161,608	168,836	1,212,587	2,230,246
Lead Free DC Program	100,747	133,460	133,000	133,000	133,000	133,000	83,000	83,000	83,000	83,000	1,098,207	1,783,056
Water On-Going Projects	15,362	14,759	16,006	15,150	16,014	21,501	20,779	22,623	20,404	20,404	183,002	307,845
Water Pumping Facilities	5,903	8,716	7,049	8,305	5,870	5,128	2,250	-	-	-	43,221	84,652
Water Storage Facilities	3,726	18,404	30,600	18,253	22,955	16,208	32,925	37,377	37,057	33,412	250,917	374,296
Water Service Program Management	12,821	10,810	14,063	16,626	4,691	5,000	5,000	5,000	5,000	5,000	84,011	188,394
Subtotal	185,095	270,679	297,810	288,119	300,403	314,195	297,381	300,544	307,069	310,652	2,871,945	4,968,489
CAPITAL PROJECTS	650,499	845,145	870,337	1,049,973	1,043,325	942,179	846,106	837,770	843,106	843,512	8,771,952	16,574,075
CAPITAL EQUIPMENT	24,532	29,401	28,972	28,745	34,089	34,089	34,089	34,089	34,089	34,089	316,184	316,184
Meter Replacement/AMR/CIS/ERP	6,944	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	34,664	34,664
WASHINGTON AQUEDUCT	35,770	35,770	35,770	35,770	35,770	35,770	71,540	71,540	71,540	71,540	500,780	500,780
ADDITIONAL CAPITAL PROJECTS	67,246	68,251	67,822	67,595	72,939	72,939	108,709	108,709	108,709	108,709	851,628	851,628
LABOR												383,495
TOTAL CAPITAL BUDGETS	717,745	913,396	938,159	1,117,568	1,116,264	1,015,118	954,815	946,479	951,815	952,221	9,623,580	17,809,199

Presented and Adopted: March 6, 2025 SUBJECT: Approval of Fiscal Year 2025-2034 Ten-Year Financial Plan

#25-12 RESOLUTION OF THE BOARD OF DIRECTORS OF THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water") at the Board meeting held on March 6, 2025, upon consideration of a joint-use matter decided by a vote of ___ () in favor and ___ () opposed, to take the following action with respect to the Fiscal Year 2025-2034 Ten Year Financial Plan.

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

WHEREAS, the Board, in Resolutions 11-10, dated January 6, 2011 and 23-58, dated October 5, 2023 (Board Policies), adopted a series of financial policies in the areas of capital financing, long-term financial planning, and rate-setting to assure the short-term and long-term financial health of DC Water; and

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

WHEREAS, consistent with the Board Policies and management financial targets, the General Manager has prepared a ten-year financial plan in conjunction with and based on the assumptions in the Revised FY 2025 and FY 2026 Operating and Capital Budgets; and

WHEREAS, the Revised Fiscal Year 2025-2034 Ten Year Financial Plan is consistent with projections in the attached Schedules A, B and C of this Resolution; and

WHEREAS, on February 24, 2025, and February 27, 2025, the DC Retail Water and Sewer Rates Committee and the Finance and Budget Committee, respectively, met, reviewed and recommended the Board adopt the Fiscal Year 2025-2034 Ten Year Financial Plan as recommended by the General Manager.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby adopts and approves the Revised Fiscal Year 2025-2034 Ten Year Financial Plan that is consistent with the projections in the attached Schedule A, B and C and the Revised FY 2025 and FY 2026 Operating and Capital Budgets.

2.	This resolution is effective immediately.	
		Secretary to the Board of Directors

Schedule A

District of Columbia Water & Sewer Authority FY 2025 – FY 2034 Financial Plan (In 000's)

OPERATING	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
Retail	771,627	821,079	871.854	917,377	976,477	1.039.404	1,089,189	1,161,642	1,240,043	1,319,977
Wholesale	114.248	122,612	127,516	132,617	137,922	143,439	149,176	155,143	161,349	167,803
Other	63,988	67,694	75,672	89,764	91,171	86,119	79,886	78,649	79,403	80,347
RSF	2,000	0	-	-	-		-	-	-	-
Operating Receipts	\$ 951,863	\$ 1,011,385	\$ 1,075,042	\$ 1,139,758	\$ 1,205,569	\$ 1,268,962	\$ 1,318,252	\$ 1,395,433	\$ 1,480,795	\$ 1,568,127
Operating Expenses	444,223	461,839	479,727	498,324	517,656	537,753	558,646	580,367	602,948	625,648
Debt Service	243,969	271,489	297,953	328,582	358,445	385,465	415,209	449,344	478,494	508,147
Cash Financed Capital Improvement	\$ 65,963	\$ 73,897	\$ 78,467	\$ 82,564	\$ 87,883	\$ 93,546	\$ 98,027	\$ 104,548	\$ 111,604	\$ 118,798
Net Revenues After Debt Service	\$ 197,709	\$ 204,159	\$ 218,895	\$ 230,289	\$ 241,586	\$ 252,197	\$ 246,369	\$ 261,174	\$ 287,749	\$ 315,534
Operating Reserve-Beg Balance	320,513	309,600	325,600	338,600	351,600	366,600	380,600	395,600	411,600	428,100
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(14,049)	(14,310)	(10,000)	-	-	-	-	-	-	-
Project Billing Refunds	(2,000)	-	-	-	-	-	-	-	-	-
Transfers to RSF										
Pay-Go Financing	(192,573)	(173,849)	(195,895)	(217,289)	(226,586)	(238,197)	(231,369)	(245,174)	(271,249)	(298,934)
Operating Reserve - Ending Balance	\$ 309,600	\$ 325,600	\$ 338,600	\$ 351,600	\$ 366,600	\$ 380,600	\$ 395,600	\$ 411,600	\$ 428,100	\$ 444,700
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ 33,644	\$ 33,644	\$ 33,644	\$ 33,644	\$ 33,644	\$ 33,644	\$ 33,644	\$ 33,644	\$ 33,644	\$ 33,644
Senior Debt Service Coverage	873%	744%	668%	704%	696%	656%	683%	629%	635%	701%
Combined Debt Service Coverage	211%	206%	205%	203%	199%	196%	189%	187%	189%	191%
Actual/Projected Water/Sewer Rate Increases	8.00%	6.00%	7.00%	7.00%	7.50%	8.50%	9.50%	9.50%	9.50%	9.00%
Operating Receipts \$ Increase/Decrease										
Retail	13,804	49,451	50,776	45,523	59,100	62,927	49,785	72,452	78,401	79,934
Wholesale	7,491	8,364	4,904	5,101	5,305	5,517	5,738	5,967	6,206	6,454
Operating Receipts % Increase/Decrease										
Retail	1.8%	6.4%	6.2%	5.2%	6.4%	6.4%	4.8%	6.7%	6.7%	6.6%
Wholesale	 7.0%	7.3%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

⁽¹⁾ Includes interest earnings on senior lien revenue bonds' debt service reserve fund

^{(2) \$2.0} million withdrawal from Rate Stabilization Fund in FY2025 for new Payment Plan Incentive Program, leaving a balance of 33.644 million

Schedule B

District of Columbia Water & Sewer Authority Average Residential Customer Monthly Bill FY 2025 - 2034

		С	urrent	A	proved																
	Units	F	Y 2025	F	Y 2026	F١	Y 2027	F	Y 2028	F	Y 2029	F	Y 2030	F	Y 2031	F	Y 2032	F	Y 2033	F١	Y 2034
DC Water Water and Sewer Retail Rates (1)	Ccf	\$	95.93	\$	101.77	\$	108.89	\$	116.52	\$	125.29	\$	135.92	\$	148.82	\$	162.94	\$	178.44	\$	194.52
DC Water Clean Rivers IAC (2)	ERU		21.23		24.23		26.99		28.28		31.13		32.73		29.37		29.40		29.41		28.37
DC Water Customer Metering Fee	5/8"		7.75		7.75		7.75		7.75		7.75		7.75		7.75		7.75		7.75		7.75
DC Water Water System Replacement Fee (4)	5/8"		6.30		6.30		6.30		6.30		6.30		6.30		6.30		6.30		6.30		6.30
Subtotal DC Water Rates & Charges		\$	131.21	\$	140.05	\$	149.93	\$	158.85	\$	170.47	\$	182.70	\$	192.24	\$	206.39	\$	221.90	\$ 2	236.94
Increase / Decrease		\$	6.27	\$	8.84	\$	9.88	\$	8.92	\$	11.62	\$	12.23	\$	9.54	\$	14.15	\$	15.51	\$	15.04
Percent increase in Total Bill			5.0%		6.7%		7.1%		5.9%		7.3%		7.2%		5.2%		7.4%		7.5%		6.8%
District of Columbia PILOT Fee (1)	Ccf		3.31		3.36		3.41		3.47		3.52		3.58		3.63		3.69		3.74		3.79
District of Columbia Right-of-Way Fee (1)	Ccf		1.03		1.08		1.08		1.08		1.14		1.14		1.14		1.14		1.14		1.14
District of Columbia Right of Way / PILOT Fee			4.34		4.44		4.49		4.55		4.66		4.72		4.77		4.83		4.88		4.93
District of Columbia Stormwater Fee (3)	ERU		2.67		2.67		2.67		2.67		2.67		2.67		2.67		2.67		2.67		2.67
Subtotal District of Columbia Charges		\$	7.01	\$	7.11	\$	7.16	\$	7.22	\$	7.33	\$	7.39	\$	7.44	\$	7.50	\$	7.55	\$	7.60
Total Amount Appearing on DC Water Bill		\$	138.22	\$	147.16	\$	157.09	\$	166.07	\$	177.80	\$	190.09	\$	199.68	\$	213.89	\$	229.45	\$ 2	244.54
Increase / Decrease Over Prior Year		\$	6.27	\$	8.94	\$	9.93	\$	8.98	\$	11.73	\$	12.29	\$	9.59	\$	14.21	\$	15.56	\$	15.09
Percent increase in Total Bill			4.75%		6.47%		6.7%		5.7%		7.1%		6.9%		5.0%		7.1%		7.3%		6.6%

⁽¹⁾ Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)

⁽²⁾ Assumes average 1 Equivalent Residential Unit (ERU)

⁽³⁾ District Department of Energy & Environment stormwater fee of \$2.67 effective November 1, 2010

⁽⁴⁾ DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015

Schedule C

District of Columbia Water & Sewer Authority Retail Rates, Charges and Fees FY 2025 - 2026

	Units	Current FY 2025	Approved FY 2026
DC Water Retail Rates – Water:			
Residential – Lifeline (0- 4 Ccf)	Ccf	\$5.21	\$5.78
Residential – (> 4 Ccf)	Ccf	6.81	7.60
Multi-family	Ccf	5.82	6.47
Non-Residential	Ccf	7.03	7.84
DC Water Retail Rates – Sewer	Ccf	12.07	12.52
DC Water Clean Rivers IAC	ERU	21.23	24.23
DC Water Customer Metering Fee	5/8"	7.75	7.75
DC Water System Replacement Fee	5/8"	6.30	6.30
District of Columbia PILOT Fee	Ccf	0.61	0.62
District of Columbia Right of Way Fee	Ccf	0.19	0.20
District of Columbia Stormwater Fee	ERU	2.67	2.67

Presented and Adopted: March 6, 2025
SUBJECT: Approval of Official Intent to Reimburse Fiscal Year 2025
and 2026 Capital Expenditures with Proceeds of a
Borrowing

#25-13 RESOLUTION OF THE BOARD OF DIRECTORS OF THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("DC Water") at the Board meeting held on March 6, 2025, upon consideration of a joint-use matter, decided by a vote of ____ () in favor and ____ () opposed, to take the following action with respect to Approval of Official Intent to Reimburse Fiscal Year 2025 and 2026 Capital Expenditures with Proceeds of a Borrowing.

WHEREAS, on February 27, 2025, the Finance and Budget Committee met to consider the proposed Original Intent to Reimburse FY 2025 and FY 2026 capital expenditures from proceeds of a borrowing; and

WHEREAS, the General Manager presented the proposal for the Original Intent to Reimburse DC Water for "Costs of the System" as defined in the Master Indenture, which is approved, would allow DC Water to reimburse itself for capital expenditures with debt proceeds; and

WHEREAS, United States Treasury Regulations §1.150-2 (the Reimbursement Regulations) prescribe conditions under which proceeds of bonds, notes or other obligations (Bonds) used to reimburse advances made for capital and certain expenditures (Original Expenditures) paid before the issuance of such Bonds will be deemed to be expended (or properly allocated to expenditures) for purposes of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the Code), upon such reimbursement so that the proceeds so used will no longer be subject to requirements or restrictions under those sections of the Code; and

WHEREAS, for purposes of this Resolution, "Reimbursement" or "reimburse" means the restoration to DC Water of money temporarily advanced from its other funds and spent for Original Expenditures before the issuance of the Bonds, evidenced in writing by an allocation on the books and records of DC Water that shows the use of the proceeds of the Bonds to restore the money advanced for the Original Expenditures. "Reimbursement" or "reimburse" generally does not include the refunding or retiring of Bonds previously issued and sold to, or borrowings from, unrelated entities; and

WHEREAS, certain provisions of the Reimbursement Regulations require that there be a Declaration of Official Intent not later than 60 days following payment of the Original Expenditures expected to be reimbursed from proceeds of Bonds, and that the reimbursement occur within certain prescribed time periods after an Original Expenditure is paid or after the property resulting from that Original Expenditure is placed in service; and

WHEREAS, DC Water intends to acquire, construct and equip improvements to the "System," which shall be considered "Costs of the System" as both terms are defined in the Master Indenture of Trust between DC Water and Wells Fargo Bank, N.A., dated April 1, 1998, including, but not limited to the items and List of Projects set forth in Exhibit A hereto (collectively, the "Projects"); and

WHEREAS, plans for the Projects have advanced and DC Water expects to advance its own funds to pay capital expenditures related to the Projects herein to be considered Original Expenditures) prior to incurring indebtedness and to receive reimbursement for such Original Expenditures from proceeds of Bonds, or both; and

WHEREAS, on February 27, 2025, the Finance and Budget Committee further reviewed the Projects and intended Original Expenditures and recommended the Board adopt the proposed Official Intent.

NOW THEREFORE BE IT RESOLVED THAT:

- 1. DC Water currently intends to utilize the proceeds of Bonds in an amount not currently expected to exceed \$785,000,000 to pay costs of the Projects.
- 2. The Board approves the CEO and General Manager's "Official Intent" to use the proceeds of the Bonds to reimburse Original Expenditures with respect to the Projects made on or after the date that is 60 days prior to the date of this Resolution. DC Water reasonably expects on the date hereof that it will reimburse the Original Expenditures with the proceeds of the Bonds.
- 3. Each Original Expenditure was or will be, unless otherwise supported by the opinion of bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Original Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of DC Water so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of DC Water.
- 4. The Board authorizes the CEO and General Manager to make a reimbursement allocation, which is a written allocation by DC Water that evidences DC Water's use of proceeds of the Bonds to reimburse an Original Expenditure, no later than 18 months after the later of the date on which the Original Expenditure is paid or

the Project is placed in service or abandoned, but in no event more than three years after the date on which the Original Expenditure is paid. DC Water recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" and expenditures for any construction, the completion of which is expected to require at least five years.

- 5. The Board adopts this Resolution confirming DC Water's "Official Intent" within the meaning of the Reimbursement Regulations.
- 6. This Resolution is effective immediately.

 Secretary to the Board of Directors

Exhibit A - Description of Projects

Costs of the System, including costs related to the improvement of the following:

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

Presented and Approved: March 6, 2025
SUBJECT: Approval to Execute the Award of Contract No. 10507 with
One Base Year and Two Option Years, Underground Utility
Locating and Marking, Dynamic Concepts, Inc.

#25-14 RESOLUTION OF THE BOARD OF DIRECTORS OF THE D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 6, 2025 upon consideration of a non-joint use matter, decided by a vote of ___ () in favor and ___ () opposed to approve the award of Contract No. 10507 for one base year and two options years, Dynamic Concepts, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the CEO and General Manager to execute the award of Contract No. 10507 for one base year and two option years, Dynamic Concepts, Inc. This contract aims to provide underground utilities locating and marking services. The contractor must identify, locate, and mark DC Water's underground assets for all excavators, including DC Water projects, other utility companies, agencies, contractors, and private developers. The total contract value is \$4,052,827.35.

This Resolution is effective immediately.	
	Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT AWARD

UNDERGROUND UTILITY LOCATING AND MARKING

(NON-JOINT USE)

This contract action is requesting approval to execute a contract award for Utility Locating and Marking Services in the amount of \$4,052,827.35.

CONTRACTOR/SUB/VENDOR INFORMATION								
PRIME: Dynamic Concepts, Inc 1730 17 th Street, NE Washington, DC 20002	SUBS: N/A	PARTICIPATION: 100% DBE						

DESCRIPTION AND PURPOSE

Base Award Contract Value: \$1,350,942.45

Base Year Dates: 04-01-2025 – 03-31-2026

No. of Option Years: 2

Total Option Years 1-2 Value: \$2,701,884.90

Option Year 1-2 Dates: 04-01-2026 – 03-31-2028

Proposals Received: 4

Down Selected Proposals Price Range: \$4,052,827.35 - \$4,879,280.25

Purpose of the Contract:

The Underground Utilities Locating and Marking contractor is responsible for identifying, locating, and marking DC Water's underground assets for all excavators, including all DC Water construction projects, other utility companies and agencies, contractors, and private developers. The Department of Water Services manages the contract.

Contract Scope:

The scope of the contract includes responding to all excavators in identifying and properly marking DC Water's underground assets, including water and sewer facilities, up to the property line; this provides damage protection and avoids interference with DC Water's underground assets.

Supplier Selection:

Procurement published an open market solicitation (RFP) on November 18, 2024 and it closed on December 13, 2024. The RFP contained utilization goals of DBE at 32% and WBE at 6%. Four proposals were received in response to the RFP. The evaluation team ranked Dynamic Concepts, Inc. the highest based on their technical and pricing scores and determined they provide the best value to support DC Water.

PROCUREMENT INFORMATION

Contract Type:	Goods and Services	Award Based On:	Best Value
Commodity:	Utility Marking Services	Contract Number:	10507
Contractor Market:	Open Market		

BUDGET INFORMATION								
Funding: Non-Joint Use Department: Water Operations								
Project Area:	Water Services	Department Head:	Chris Collier					

ESTIMATED USER SHARE INFORMATION

User – Operating	Share %	Dollar Amount
District of Columbia	100%	\$4,052,827.35
Washington Suburban Sanitary Commission	0%	\$0.00
Fairfax County	0%	\$0.00
Loudoun Water	0%	\$0.00
Potomac Interceptor	0%	\$0.00
TOTAL ESTIMATED DOLLAR AMOUNT	100%	\$4,052,827.35

2/11/2025 Jeffrey F. Thompson Date Chief Operating Officer and EVP

DocuSigned by:

2/12/2025

Korey R. Gray

Date VP Compliance and Chief Procurement Officer

262C5D96CC1C4D3... Matthew T. Brown

Date

CFO and EVP of Finance, Procurement and Compliance

David L. Gadis

2/24/25 Date

CEO and General Manager