



District of Columbia Water and Sewer Authority Board of Directors

318th Meeting of the Board of Directors

Thursday, April 3, 2025 / 9:30am

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

- I. **Call to Order** Unique Morris-Hughes, Chairperson
- II. **Roll Call** Michelle Rhodd, Board Secretary
- III. **[Approval of the March 6, 2025 Meeting Minutes](#)**
- IV. **Chairperson’s Overview**
- V. **Committee Reports**
 - 1. [Human Resources and Labor Relations Committee \(Jed Ross\)](#)
 - 2. [DC Retail Water and Sewer Rates Committee \(Howard Gibbs\)](#)
 - 3. [Finance and Budget Committee \(Anthony Giancola\)](#)
- VI. **CEO and General Manager’s Report (David L. Gadis)**
- VII. **Consent Item (Joint Use)**
 - 1. [Approval of Revised Delegation of Authority to the CEO & General Manager – Resolution No. 25-15](#) (Recommended by the Governance Committee 01-08-25)
- VIII. **Executive Session***.....Unique Morris-Hughes
 - 1. To discuss third-party proprietary matters, including trade secrets and commercial or financial information pursuant to DC Official Code § 2-575(11).
- IX. **Adjournment** Unique Morris-Hughes

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

- April 9th @ 9:30 am Governance Committee
- April 17th @ 9:30 am Environmental Quality and Operations Committee
- April 22nd @ 9:30 am DC Retail Water and Sewer Rates Committee
- April 24th @ 9:30 am Finance and Budget Committee
- April 24th @ 11:00 am Audit and Risk Committee

Next Board of Directors' Meeting | via Microsoft Teams

May 1, 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.



**317TH BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
MARCH 6, 2025
(Via Microsoft Teams)**

DIRECTORS PRESENT

District of Columbia Members

1. Unique Morris-Hughes, Chair
2. Anthony Giancola, Principal
3. Howard Gibbs, Principal
4. Richard Jackson, Principal
5. Jed Ross, Principal

Prince George's County Members

1. Floyd Holt, Principal
2. Jonathan Butler, Alternate

Montgomery County Members

1. Jon Monger, Principal
2. Jeffrey Seltzer, Alternate
3. Amy Stevens, Alternate

Fairfax County Member

1. Christopher Herrington, Principal

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 Finance and EVP, Procurement and Compliance
4. Jeffrey Thompson, Chief Operating Officer and EVP
5. Kirsten Williams, Chief Administrative Officer and EVP
6. Michelle Rhodd, Secretary to the Board

The 317th meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Board Chair Unique Morris-Hughes at 9:35 a.m. The

meeting was held via Microsoft Teams and streamed live at dcwater.com. Board Secretary Michelle Rhodd called the roll, and a quorum was established.

I. APPROVE MINUTES

Board Chair Unique Morris-Hughes asked for a motion to approve the minutes of the meetings on February 6, 2025, and March 3, 2025.

Board member Christopher Herrington stated that the minutes of February 6, 2024, meeting did not reflect his recollection of the meeting as they did not contain the text of the resolution discussed in the executive session. The Secretary shared the text of the approved resolution with the Board.

Mr. Herrington asked for an amendment to the minutes to append the words “consistent with Resolution #25-05 adopted by the Board of Directors” to the end of the sentence beginning “The meeting resumed in public session...” The Chair accepted the amendment as worded.

Upon a motion duly made and seconded, the Board of Directors approved the minutes of the February 6, 2025, meeting as amended and the minutes of the March 3, 2025, meeting as presented.

II. CHAIRPERSON'S OVERVIEW

Dr. Morris-Hughes began by commending CEO and General Manager David Gadis and his team for their excellent performance at the DC Council oversight hearing, which received numerous positive remarks. She also expressed appreciation for board member Anthony Giancola’s e-mail recognizing the contributions of DC Water staff.

III. COMMITTEE REPORTS

*Meeting of the Environmental Quality and Operations Committee Report
Reported by Howard Gibbs*

Environmental Quality and Operations Committee Vice Chair Howard Gibbs reported on the meeting held on February 21. Nicholas Passarelli, Vice President of Wastewater Treatment Operations, discussed the performance of Blue Plains Advanced Wastewater Treatment Plant for January 2024. All parameters were within the national pollution discharge elimination standard permit limits. The tunnel systems and wet weather treatment captured 14 million gallons with no overflows. On-site energy generation was 19 percent of the plant’s average consumption. A total of 665 wet tons of biosolids were sold as Bloom, and the remaining 11,465 wet tons were applied through existing land application contracts.

William Elledge, Director of Engineering and Technical Services, provided an update on the Lead-Free DC program, which was below its material verification goals due to an increase in the inventory of addresses. The overall replacement progress was 18 percent complete, with material verification nearly 38 percent complete. The legal team is monitoring the progress of two new bills reintroduced at DC Council concerning the mandate of lead pipe replacements. Adjustments were made to the small diameter main replacement project to improve the monthly production rates and year-end projections. An MOU signed with the Department of Transportation is expected to facilitate advancing the program's objectives.

Jeffrey Peterson, Director of Clean Rivers, provided a DC Clean Rivers status update, noting significant progress on the Potomac River Tunnel. Excavation of the main shaft has started, and the Support of Excavation Work for the temporary shaft is complete. The tunnel boring machine is expected to arrive on schedule. Rock Creek Green Infrastructure Project C to manage stormwater from 25 impervious acres is moving toward the construction phase.

Chris Peot, Director of DC Water Resource Recovery, provided an update on the proposed Maryland PFAS Bill that aims to lower the limit of PFAS in land-applied biosolids to one part per billion, which would effectively block land application of biosolids as current levels are typically higher than the proposed limit. This would force utilities to divert biosolids to landfills with significant increases in operating costs. Mr. Peot and his team are actively working with legislators to address these concerns while DC Water explores other biosolids management options.

Paul Guttridge, Director of CIP Infrastructure Management, provided a CIP update. Baseline spending for the year is \$650 million and the current forecast is \$628 million. Ryu Suzuki provided an update on the Water, Sewer, and Process Facility programs, noting that three consultant program managers are now fully operational. In the Water program, a major achievement is the completion of the RFP for the Valve and Fire Hydrant Assessment program. The Sewer program is focused on completing inspections of all remaining uninspected large sewers within the fiscal year.

Matthew Brown, Chief Financial Officer and EVP of Finance, Procurement and Compliance, presented the proposed \$9.6 billion FY2025–FY2034 Capital Improvement Program (CIP), which includes increases for the Potomac Interceptor, adjustments to the Lead-Free DC program, and revised projected spending for future years.

The Committee recommended moving two joint use and one non-joint use action items to the full Board for approval.

*Meeting of the Retail Water and Sewer Rates Committee Report
Reported by Howard Gibbs*

Retail Water and Sewer Rates Committee Vice Chair Howard Gibbs reported on the meeting held on February 24.

Mr. Brown presented the monthly report for January 2025, noting that revenue was favorable to budget by 11.6 percent. Revenue in the Residential/Commercial/Multi-Family category was higher than budgeted, driven largely by higher commercial water consumption. Wholesale was ahead of budget due to an early payment by wholesale customers.

Delinquent accounts over 90 days increased by both dollar amount and number of accounts to \$35.5 million, with the Multifamily category accounting for approximately 54 percent of the balance. The Developer Deposits report was updated to summarize deposit balances for both over and under ten years.

Mr. Brown reviewed the revised FY2025 and proposed FY2026 budgets. For FY2025, all 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, the Finance and Budget Committee will review the budget to complete the required budget reviews. An action item sought approval of the revised FY2025 to FY2034 financial plan, including the financial requirements to support the operating and capital budgets.

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

Finance and Budget Committee Chair Anthony Giancola reported on the meeting held on February 27.

Lola Oyeyemi, Vice President of Budget, presented the January 2025 financial report. 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. The Annual Comprehensive Financial Report and 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 FY2026 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 FY2024–FY2025 on February 20, 2025.

At the end of January 2025, there were 1,146 filled staff positions and the year-to-date vacancy rate was 7.3 percent. Board member 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. Brown 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, suggesting that better measures for capital program implementation are project start and end dates and minimizing change orders. Mr. Giancola noted that another useful measure of capital project success is to determine which projects are proceeding on schedule.

Paul Guttridge provided the status of CIP projects and key performance indicators (KPIs) through Q1 2025. There are 52 scheduled KPIs for projects in the CIP for FY2025. The Lead Free DC 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.

Mr. Brown provided an overview of the Revised FY2025 and Proposed FY2026 budgets. Several items were recommended to the full Board for approval. The proposed operating budget for FY2026 is \$838.1 million, an increase of \$49.9 million. The proposed 10-year capital improvement program budget is \$9.62 billion, an increase of \$1.88 billion. 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.

Six items were recommended to the full Board for approval.

*Special Meeting of the Executive Committee
Reported by Dr. Unique Morris-Hughes*

Executive Committee Chair Unique Morris-Hughes reported that a Special Meeting of the Executive Committee and an Emergency Meeting of the Board were held on March 3 to discuss a personnel matter under D.C. Official Code § 2-575(b)(10).

IV. CEO AND GENERAL MANAGER'S REPORT

CEO and General Manager David L. Gadis reported that he testified at the District's 2025 performance oversight hearing with the DC Council Transportation and Environment Committee on February 20. He provided high-level updates on DC Water's progress with the Clean Rivers project, customer assistance programs, and the collaborative delivery procurement model. He also addressed challenges such as aging infrastructure and decisions by the Washington Aqueduct affecting customers.

Mr. Gadis discussed federal allocations under the Bipartisan Infrastructure Law, and EPA and FEMA grants, noting that despite some delays in funding, DC Water has experienced no issues drawing on its grant funds. Federal agencies were required to submit detailed information regarding their funding programs by February 10 and that information is now under review by the federal OMB. Mr. Gadis noted that any reduction in previously

approved federal funding would significantly impact the Lead Free DC program and slow progress on small diameter water main replacements.

Finally, Mr. Gadis discussed ongoing cybersecurity threats to utilities nationwide, noting that in late February, the government offices of Maryland's Anne Arundel County were struck by a ransomware attack. A week later, some services were still disrupted. The attack may have resulted from a phishing scheme. Mr. Gadis noted that the Authority continues to provide ongoing phishing awareness training, and that the Authority's layered defenses provide additional protection from any mistakes employees may make.

Mr. Giancola noted that the administrative metrics report used to include fleet metrics for the availability of priority vehicles and asked whether this information could be returned to the report.

Board member Christopher Herrington requested an update on Resolution #25-02 concerning the Washington Aqueduct. Mr. Gadis confirmed that the Aqueduct received notification from the White House indicating that its employees would not be included in the early retirement offer. He further explained that the situation is evolving daily, with the Department of Defense suggesting that its proposed budget cuts of 5 to 8 percent would include the Aqueduct. The Aqueduct is actively working to be excluded from these cuts. Mr. Gadis noted that, while he does not believe the Aqueduct is currently at risk, it is under a hiring freeze. Mr. Herrington highlighted that 100% of the Aqueduct's funding is sourced from the principals and not from the federal government. In response, Mr. Gadis noted that there would be no request to extend Resolution #25-02.

Mr. Herrington asked for an update on the continuity of operations plan for DC Water. Mr. Gadis noted that there were no updates but at a meeting of the principals, it was agreed that the continuity plan is needed. Mr. Herrington stated that it is important for the Authority to continue discussing its own continuity of operations plan should there be an interruption in the service of the Washington Aqueduct.

Mr. Herrington asked for an update on the requested written position statements from the Washington Aqueduct, the Fairfax Water Authority, and Arlington County. Mr. Gadis stated that the statements had been forwarded to the Chair. Dr. Morris-Hughes confirmed receipt of the statements and agreed to review Mr. Herrington's request that the statements be shared with the Board.

V. CONSENT ITEMS (JOINT USE)

1. 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)
2. 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)
3. 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)
5. 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)
6. 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)
7. 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)
8. 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)

Upon a motion duly made the Board of Directors voted to approve Non-Joint Use Resolutions No. 25-06 to 25-13 as presented.

VI. CONSENT ITEMS (NON-JOINT USE)

1. 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)

Upon a motion duly made the Board of Directors voted to approve Non-Joint Use Resolution No. 25-14 as presented.

VII. ADJOURN

There being no further business to come before the Board, the meeting adjourned at 10:20 a.m.

Michelle Rhodd
Secretary to the Board of Directors



**MINUTES OF THE MEETING
HUMAN RESOURCES AND LABOR RELATIONS COMMITTEE
MARCH 12, 2025
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Jed Ross, Principal, District of Columbia
2. Christopher Herrington, Principal, Fairfax County
3. Jeffrey Seltzer, Alternate, Montgomery County

DC WATER STAFF

1. David L. 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. Kirsten Williams, Chief Administration Officer and EVP
5. Michelle Rhodd, Secretary to the Board

The Human Resources and Labor Relations Committee meeting was called to order by Chairperson Jed Ross at 9:32 AM. Board Secretary Michelle Rhodd called the roll.

I. HR UPDATE

Amber Jackson, Chief People Officer and EVP, provided the HR update.

The employee pulse survey was delivered to employees Authority-wide in February. It was reopened the week of March 10, 2025, to gather more responses and allow employees to enter feedback in their own words. A consultant will distill the information from the survey and provide a presentation to the CEO and HR staff.

In recognition of Employee Appreciation Day on March 7, breakfasts are being held across the Authority at multiple sites to provide employee engagement opportunities.

Committee member Christopher Herrington noted the importance of making sure employees feel safe and heard, and asked whether there was a paper survey option for employees such as those who work in the field who do not have access to a computer at work. Ms. Jackson stated that HR is working through access issues and acknowledged that not all employees check their email every day. It was not possible to provide computer

stations in the field this year as the survey is designed to only allow each IP to take the survey just once. Other options are being discussed with union presidents to find options to gather feedback from all employees.

Mercer's compensation study for non-union employees is ongoing, but the December completion date has been revised to at least the end of March as Mercer noted that the scope of the task requires more time. In tandem with the study, HR is updating job descriptions for both union and non-union personnel. Of the total 462 union and non-union job descriptions used by the Authority, 226 have been updated so far. Ms. Jackson noted there may be some duplication in job descriptions in Mercer's documents due to the updates and the potential to have counted some positions more than once, and a review is underway to ensure coordination of the job description lists. After the job description update, which is scheduled for completion by September 30, 2025, there may be fewer than 462 descriptions.

Mr. Herrington sought to clarify that the benchmark positions used in the compensation study for market comparison may result in adjustments for non-union positions in cases where the Authority is found to be below market for a type of position – and if this is the case, then all related positions, including labor positions, would be adjusted. Ms. Jackson confirmed that if one position is adjusted, then all related positions must be reviewed globally and appropriately adjusted as well.

In January and February, a total of 21 positions were filled to bring the total active employee headcount to 1,226 as of 28 February 2025. There are 56 vacant positions not being actively recruited while 62 are actively being recruited, for a total of 135 vacant positions. The total budgeted headcount for the year is 1,282. Ms. Jackson noted that HR was continually reviewing the open positions to identify any that should be recommended for elimination.

The Authority has implemented succession planning to plan for the future and help employees visualize their career trajectories.

The Tuition Assistance/Reimbursement program provides up to \$5,000 per year for full-time employees seeking to upgrade their non-mandatory training. Ms. Jackson noted some encouraging success stories from employees who have taken advantage of this option, including a current FOIA officer at the Authority.

The Supervisory Control and Data Acquisition (SCADA) Department has been transferred from the COO Division to the CIO Division and comprises 10 employees, while the Meter Operations Department has been transferred from the CAO Division to Water Operations under the COO Division. Additional reorganization will occur under the COO cluster to accommodate these changes.

Since October 2024, the vacancy rate has decreased from 9.8% to 7.3% due to both hiring activities and the elimination of some positions that were no longer needed.

II. ADJOURNMENT

Chairperson Ross adjourned the meeting at 9:56 AM.



**MINUTES OF THE MEETING
DC RETAIL WATER AND SEWER RATES COMMITTEE
MARCH 25, 2025
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Howard Gibbs, Vice-Chairperson
2. Anthony Giancola, Principal
3. Unique Morris-Hughes, Principal
4. Richard Jackson, Principal

DC WATER STAFF

1. David L. Gadis, Chief Executive Officer and General Manager
2. Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance
3. Kristin Williams, Chief Administration Officer and EVP
4. Jeffrey Thompson, Chief Operating Officer and EVP
5. Gregory Hope, Vice President, Deputy General Counsel, Legal and Government Affairs
6. Michelle Rhodd, Secretary to the Board

The DC Retail Water and Sewer Rates Committee meeting was called to order by Howard Gibbs, Vice Chairperson, at 9:30 AM. Board Secretary Michelle Rhodd called the roll.

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

Matthew Brown, CFO and EVP presented the monthly report for the period ending February 28, 2025, noting that the Authority's revenue was favorable to the revised budget approved in March 2025 by approximately 2.4 percent. Revenue in the Residential, Commercial, and Multi-Family categories was higher than budgeted, driven by CRIAC. The Water System Replacement Fee was ahead of budget by approximately \$1 million. The All Other category was ahead of budget primarily due to a Blue Drop payment. Mr. Brown noted that the Authority will discuss how to allocate the District of Columbia's share of the Blue Drop contribution.

Delinquent accounts slightly decreased in dollar value but slightly increased in number of accounts. The Multifamily category accounted for 54 percent of the balance owing.

Mr. Brown reviewed the Developer Deposits report, noting continued progress toward clearing the backlog of deposits with 27 accounts processed a total of approximately \$342,000 in refunds during the month.

Mr. Brown also emphasized that the payment incentive plan to help delinquent residential customers get back on track is ongoing. Under this program, if customers make three consecutive payments on time, the Authority will match 40% of the amount paid as a credit to the past due amount. Vice Chairperson Howard Gibbs asked for a comprehensive report on the number of people who use the payment incentive program, and how many continue to use the program to complete repayment. Mr. Brown will provide the report.

Committee member Anthony Giancola asked for an update on the federal funding allocated to the Authority. Mr. Brown stated that the Senate had passed a bill to restore the Authority's FY2025 funding levels, amounting to approximately \$51 million, but that legislation had not yet passed the U.S. House of Representatives. Reimbursements for grant awards will continue to be paid through federal grant funds, and a notice of available funds has been received for some of DC Water's grants while others are pending.

II. DC WATER CARES LEAK ASSESSMENT AND REPAIR PROGRAM UPDATE

Meisha Thomas, Director of Customer Care, provided an update on the FY25 Residential Leak Assessment Assistance Program (RLAAP) and the Residential Leak Repair Assistance Program (RLRAP), which were developed to identify customers in need of leak repairs and provide cost-free repairs to eligible infrastructure.

From FY20 to FY24, an average of 1,000 customers enrolled in an eligible Customer Assistance Program, experienced leaks. However, it was noted that some customers were not making the necessary repairs and appeared on the list over multiple years. As of February 28, 2024, 231 accounts were eligible for support to identify and address leaks on their properties.

Funding for the program, eligible for CAP+, CAP and CAP2 customer accounts, is provided by two sources. For RLAAP, \$500,000 is provided by DC Water to perform assessments that are triggered by high usage alerts on CAP customer accounts. For RLRAP, \$125,000 is provided by the DC government to fund repairs of leaks identified by completed assessments.

Mr. Gibbs asked whether \$125,000 was sufficient to cover the costs of needed repairs. Ms. Thomas explained that the only leaks eligible for the program were those within

homes, and most of these repairs were to toilets leaks and faucets. She noted that many were under \$1,000 and the highest cost to date was \$2,150. She also noted that this is a new program and as customer feedback is collected, there may be an opportunity for increased funding.

Mr. Giancola referred to the chart tracking the number of CAP accounts with leak notifications by year and noted that the FY25 numbers appeared to be tracking much lower than in prior years. He asked whether this was because the program was identifying and correcting many of the leaks, leaving fewer to be addressed in the current year. Ms. Thomas agreed that this was a factor and provided an overview of some additional factors affecting the number of identified leaks. In some cases, customers may opt to set their alert level higher to avoid receiving alerts while in others, customers may have ongoing leaks for such a long period that their usage becomes normalized and no longer triggers an unusual usage alert.

In response to a further question from Mr. Giancola, Ms. Thomas confirmed that the program only applied to CAP customers but there are customers outside of the CAP programs that also have leaks in need of repair. She agreed to look into the number of non-CAP customers who may have unaddressed leaks.

Ms. Thomas clarified that the program only provides funding to repair items causing leaks; it does not cover non-leak repairs, such as basic toilet repairs. She reviewed the process flow of identifying and confirming the need for repairs under the program, and the responsibility of contractors in completing the repairs.

In response to a question from Mr. Gibbs, Ms. Thomas stated that only eligible repairs would be covered under the program. She reviewed the list of eligible and ineligible repairs.

Mr. Giancola expressed appreciation for the list of allowable repairs and the average and maximum cost estimates, noting that it would be very helpful for customers to understand the cost of these repairs. Ms. Thomas clarified that the costs are shared with vendors and but not with customers; however, providing them to customers could be considered for the future.

A key program finding to date is that some customers have undetected leaks due to high alert thresholds or persistent leaks that are no longer detected as unusual. Assessment plumbers have been advised document leaks with photos, including make, model, and size. E-mail subject lines were adjusted to reduce scam concerns, and repair list was updated for cost-effective solutions. To balance work distribution, vendors were encouraged to improve responsiveness in order.

As of the current date [March 25, 2025], 289 repairs were deemed eligible, with 87 customers participating and 23 declining. Customer Service is investigating possible reasons for declines. The assessment program completed 59 assessments at a cost of

\$444,250, while the repair program completed 17 repairs for \$14,600. The average repair cost is approximately \$859 per location, with a maximum of \$2,150.

Vendors highlighted the program's benefits for customers and small businesses, noting positive homeowner experiences and DC Water's responsiveness.

Customer feedback praised the program's prompt response, organization, and the professionalism of repair plumbers. One customer appreciated discovering and fixing unknown leaks. Ms. Thomas confirmed to Mr. Giancola that no negative feedback had been received.

Next steps for the program are to continue to encourage eligible customers to take advantage of the program, utilize the usage data as a marketing audience, continue to monitor the program and track the return on investment relative to usage decline after a repair, evaluate program adjustments based on data from FY25, and seeking additional funding to continue the program in FY26 and the future.

Mr. Gibbs stated that he would like to see whether the program impacts the ability of delinquent customers to catch up on their payments. Ms. Thomas noted that Customer Service was circling back to customers with high bills and offering them a payment plan.

III. DC RETAIL WATER AND SEWER RATES COMMITTEE WORKPLAN

Mr. Brown reviewed the Committee workplan.

Work on the Potomac Interceptor Cost of Service Study is ongoing. The draft report from the consultant is under review by engineering and finance.

The Cost of Service Study to Establish Miscellaneous Fees and Charges was drafted by the consultant and comments were provided by the Authority. It is on track for presentation to this Committee on April 22, 2025.

Work is beginning on the Cost of Service Study for the rate proposal in January 2026.

Mr. Giancola requested an update on the Soldiers Home Negotiations project, noting that it has been ongoing for several years. Mr. Hope will provide an update at the next meeting.

IV. AGENDA FOR APRIL 22, 2025, COMMITTEE MEETING

The April 22, 2025 meeting will include the monthly update, committee work plan, and any other items the committee wishes to discuss.

V. ADJOURNMENT

The meeting adjourned at 10:01 AM.

Follow-up Actions:

1. Ms. Thomas will provide a comprehensive report on the number of people who use the payment incentive program, and how many continue to use the program to complete repayment, at the next meeting.
2. Ms. Thomas will update the Committee on the number of non-CAP customers who may have unaddressed leaks.
3. Mr. Hope will provide an update on the Soldiers Home Negotiations at the next meeting.



**MINUTES OF THE MEETING
FINANCE AND BUDGET COMMITTEE
MARCH 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

BOARD MEMBERS PRESENT

1. Dr. Unique Morris-Hughes, Board Chair

DC WATER STAFF

1. David Gadis, Chief Executive Officer, and General Manager
2. Matthew T. Brown, Chief Financial Officer & EVP
3. Kirsten B. Williams, Chief Administration Officer & EVP
4. Jeffrey Thompson, Chief Operating Officer & EVP
5. Gregory Hope, VP & Deputy General Counsel
6. Michelle Rhodd, Board Secretary

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

I. MONTHLY REPORT TO THE FINANCE AND BUDGET COMMITTEE

Matthew T. Brown, Chief Financial Officer & EVP, presented the monthly financial report for the period ending February 28, 2025.

At the end of February 2025, with approximately 42 percent of the fiscal year completed, total operating revenues were \$425.4 million, or 44.7 percent of the revised budget; operating expenditures were \$285.7 million, or 36.2 percent of the revised budget; and capital disbursements were \$219.6 million, or 30.6 percent of the revised budget.

Mr. Brown provided a status update on the FY 2024 year-end closeout, noting that the Annual Comprehensive Financial Report and Green Bond Report are complete and available online, the IMA Operating and Maintenance Settlement has been completed

and provided to the IMA partners, and the Office of Management and Budget (OMB) Uniform Guidance Audit is expected for completion in March 2025.

Jonathan Butler requested clarification about the presentation of favorable and unfavorable variances in the report, and the very large year-to-date variance for capital disbursements. Mr. Brown explained that the information shows both the amount and percentage variances and that future reports will be updated. He stated that a large variance in capital disbursements is not unusual as tracking of this metric is quite uneven on a month-by-month basis, while a quarterly or annual view is more informative. Chairperson Giancola concurred and added that expenditures may be uneven month-to-month due to timing of invoices from contractors and the current phase of each project. Chairperson Giancola suggested adding a footnote to the table to provide additional detail.

Mr. Brown reviewed operating revenues, which are approximately 2.4 percent ahead of the revised budget with a favorable variance of 1.4 percent in the Residential / Commercial / Multi-Family category, largely due to CRIAC. The 12.6 percent favorable variance in the All Other revenue category is primarily due to the District's \$4.9 million share of the Blue Drop rebate. Mr. Brown noted that a proposal would be provided to the District members of the Board to help determine how the Blue Drop revenue will be used.

Total operating expenses were \$285.7 million, with a year-to-date favorable variance of \$10.9 million or 3.7 percent of the budget. Mr. Brown noted the favorable variance in personnel services is mainly due to the filling of staff positions, and a 5 percent favorable variance in contractual services is in line with budget. There is a 5.5 percent favorable variance in debt service due to the refinancing and the timing of the new money issuance this year as previously reported. He also noted that the Authority is taking a conservative approach to expenditures in the current budget consistent with the federal actions as communicated to the Board. Mr. Brown noted that there may be additional underspending in personnel and contractual services as management continues to prioritize spending for core operations and capital projects.

Capital disbursements totaled \$219.6 million, or 21.6 percent of budget, and a detailed project performance will be provided by Engineering in May 2025. Cash investments, including the Rate Stabilization Fund balance of \$35.6 million and other reserves, totaled \$372.6 million.

Mr. Brown stated that as part of its debt issuance, the Authority is required to spend bond proceeds within three years. The operating cash balance will increase by \$100 million in the next month as previous capital expenditures are reimbursed, but the cash balance will decrease as more capital costs are incurred over the next several months. By the end

of the fiscal year, DC Water anticipates being closer to the target of 267 days of cash. The year-to-date operating interest income was about \$6 million through February and ahead of the budget.

Retail account delinquencies fell slightly in February in dollar value and increased somewhat by the number of delinquent accounts, which was \$35.2 million for 11,839 accounts. Multi-family customers continue to account for the largest portion of delinquencies at 54 percent. Developer deposit accounts continue to be processed, with 27 rebates issued in February for approximately \$342,000, which was an increase over the prior month in which 17 accounts were completed.

Chairperson Giancola asked if DC Water was scheduled to attend a budget hearing in 2026. Mr. Brown noted that the Authority will hold rate hearings next year as part of the rate-setting process. DC Water did brief the Wholesale Customers and the Office of People's Counsel on the FY2026 Budget.

II. Agenda for the April 2025 Committee Meeting

The April 24, 2025 agenda includes the March 2025 Financial Report.

III. EXECUTIVE SESSION

An executive session was not held.

IV. ADJOURNMENT

Chairperson Anthony Giancola adjourned the meeting at 9:50 AM.



CEO's Report

APRIL
2025



ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING

Inside

- 1 Highlights
- 5 Divisions
- 6 Finance, Procurement, and Compliance
- 11 Administration
- 12 Customer Care
- 14 Information Technology
- 15 Operations & Engineering
- 19 People and Talent
- 23 Government and Legal Affairs
- 24 Internal Audit



dc Highlights

Chair Morris-Hughes, and members of the Board, it is my pleasure to present you with the CEO's Monthly Report for April 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.



Sustainable

DC Water Leadership Updates

In March, I made several changes to our leadership team to strengthen our organizational structure and to optimally position the Authority for the road ahead. These adjustments are designed to ensure that we continue to provide the highest level of service to our customers, colleagues, and community, while fostering growth opportunities for our high-performing staff:



Wayne Griffith has been appointed Chief of Staff and EVP, Strategy and Performance. As a key leader, Wayne has played a crucial role in shaping the Authority's strategic plan, Blueprint 2.0, and advancing our industry leadership, including producing the first-ever Environmental, Social, and Governance (ESG) report for a water authority. His new role will help strengthen the alignment between our employees and strategic vision, furthering our water resilience initiatives.



Kirsten Williams transitioned into the role of Chief Administrative Officer and EVP, overseeing the Administration cluster, which includes Customer Service, Emergency Management, Facilities, Fleet, Marketing and Communications, Safety, and Security. Under her leadership, her team has achieved national recognition in the J.D. Power rankings for utility communications and within the highly regarded Voice of the Customer survey, reflecting the exceptional service and communication her team provides.



Amber Jackson has been promoted to Chief People Officer and EVP, following her outstanding performance as Acting Chief People Officer and Vice President of Labor Relations. Her leadership skills and legal background are an excellent match for this role.



Shawn Brown has stepped into the role of Vice President, Labor Relations. Shawn has earned a reputation as a thoughtful and trusted leader, strengthening relationships with union leadership and contributing to our organizational success.

These transitions reflect DC Water's commitment to internal talent development and operational excellence, and they took effect on Wednesday, March 5.


Sustainable continued

'Coffee and Conversation' with the Greater Washington Board of Trade

On Wednesday, February 26, it was my pleasure to lead a discussion for members of the Greater Washington Board of Trade. The focus of the presentation was to raise awareness of the challenges the Authority faces, particularly with respect to establishing a second source of drinking water for the region.

I described how, in the event of a supply disruption, the District could have as little as 6 -12 hours of drinking water. Board members may recall on July 3, 2024, the Washington Aqueduct closed the drinking water intakes on the Potomac River due to algal blooms. Had it not been for the outstanding work of our system operators, who shifted water across our system to maintain pressure, this incident could have been disastrous.

During the session, I also described the various methods that DC Water and the Metropolitan Washington Council of Governments are evaluating to address the need for a second source. These include the creation of new reservoirs, Aquifer Storage and Recovery wells, desalinization, and water reuse. I also highlighted that creating additional reservoirs at locations such as the Travilah Quarry could take as long as 20 to 30 years to complete.

I also used the opportunity to ask the Board of Trade members for their support, underscoring what is at stake for the region and our national security. Expanding on this, I asked prompting questions to engage the audience in discussion around these challenges to build an understanding of the risks and consequences of a city-wide water outage.

Attendees were highly complimentary of the information and context provided, which generated excellent questions from the audience. This event built upon the growing partnership between the Board of Trade and the Authority in calling attention to the urgent need for a second source of drinking water and helping us share information with local businesses on the impact of a potential disruption to the region's drinking water.



dc Highlights

Resilient

Authority Features Prominently at the 2025 Mid-Atlantic Utility Conference

From March 10-12, DC Water subject matter experts were featured prominently at the 2025 Mid-Atlantic Utility Conference sponsored jointly by the Chesapeake American Water Works Association (AWWA) and the Chesapeake Water Environment Association (CWEA), and held in Hanover, Maryland.

Alan Salas (Program Manager, Sewer CIP / Operations and Engineering) served as a featured panelist on the Young Professionals Panel.

Mandy LeBlanc (Senior Manager, Pumping Operations / Operations and Engineering) was a panelist during a session titled 'Coordinating Collection Systems Operations and Maintenance.'

Salil Kharkar (Vice President and Senior Technical Advisor / Operations and Engineering) also served as panelist on the 'Megatrends,' that impact business, both broadly and within the water sector.

Team Blue was represented twice in the 'Applying Artificial Intelligence through Utility Service' discussion.

Gian Cossa (Senior Management Analyst / Operations and Engineering) served as a moderator, while **Dr. Robert Bornhofen** (Director, Innovation / Strategy and Performance) contributed as a subject matter expert.

Finally, **Dr. Matt Ries** (Vice President, Strategy and Performance / Strategy and Performance) participated as a featured panelist in a session entitled 'Utility Sustainability Initiatives'.

I would like to thank Mr. Cossa for organizing the Authority's participation in the conference and contributing to the structure and presentation of the event.

Reliable

Suitland Parkway SE Emergency Repairs

In March, a 54-inch stormwater main failed on Suitland Parkway creating a significant sinkhole and forcing the temporary closure of one outbound lane between Firth Sterling Ave and Stanton Rd SE. Our teams and contractors worked tirelessly to stabilize the road and reopen the lane to mitigate the impact to traffic. Work addressing the emergency repairs extended for several days, and required additional excavation to remove, replace and reline a large section of the 54-inch line.

Due to the location of the failure on a major commuter route, DC Water conducted extensive outreach to notify customers and motorists of the impacts with information and updates posted to social media on X (@DCWater) and on dcwater.com. A traffic advisory was also disseminated to our list of more than 100 media contacts and traffic reporters to provide the widest reach and information provided to our 24/7 Command Center to answer customer questions.




Healthy, Safe and Well
Environmental Working Group releases updated Tap Water Database

In early March, the Environmental Working Group (EWG) released its 2025 Tap Water Database, highlighting concerns about contaminants in Washington, D.C.'s drinking water. According to the environmental activist group's analysis, 37 contaminants were detected in the city's water supply, with 13 exceeding their health-based guidelines. Notable contaminants include nitrate, hexavalent chromium (chromium-6), radium, and lead. Additionally, nine of these 13 contaminants are byproducts of water disinfection processes.

In contrast, the tap water we distribute in the District continues to exceed all EPA science-based regulations under the Safe Drinking Water Act. We share extensive information with customers about their drinking water through our website, newsletters, and the annual Consumer Confidence Report (CCR). For example, our 2024 Drinking Water Quality Report indicates that for over 11 consecutive years, our water has complied with every federal water standard, with more than 40,000 tests conducted annually to ensure the delivery of clean and reliable water to residents.

It is important to note the discrepancy between EWG's findings and DC Water's reports stems from differing assessment methodologies. While DC Water adheres to federal regulations set by the Environmental Protection Agency (EPA), EWG employs its own health-based standards. This means that even if a contaminant is within legal limits, it might still exceed EWG's guidelines. Importantly, the EPA does not concur with the findings of EWG's report.

Biosolids Reuse Regulations and Legislative Impacts

In recent weeks, the Maryland State Senate and House held hearings on two parallel bills that would impose strict Polyfluoroalkyl Substances (PFAS) limits on biosolids applied to farmland. These bills would cap perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA) concentrations in land-applied biosolids at 1 part per billion (ppb), a level no biosolids in the state – including Bloom – can meet. As a result, the legislation would effectively ban biosolids recycling.

Currently, no large-scale technology exists to destroy PFAS in biosolids. While incineration is an alternative disposal method, it does not eliminate PFAS, which instead enters the atmosphere and returns via precipitation. A statewide ban would force all biosolids producers to compete for limited landfill space, significantly increasing disposal costs. Staff estimates that under current market conditions, DC Water's disposal costs would rise to \$33 million per year—a fivefold increase.

Staff provided testimony at the hearings opposing these extreme limits, highlighting that PFAS compounds are widespread in household products at concentrations thousands of times higher than those found in Bloom. Consequently, municipal biosolids contain small background levels of PFOS and PFOA from everyday consumer product use. The average household dust contains 10 times the PFAS found in Bloom, which currently measures 15 ppb PFOS and 3 ppb PFOA – levels comparable to the average American's blood serum. Additionally, Maryland farm fields receive as much PFOS from annual rainfall as they would from applying Bloom as fertilizer.

In August, the Maryland Department of the Environment (MDE) established guidelines for biosolids reuse, prohibiting the use of industrially impacted biosolids – those containing elevated levels of contaminants from industrial sources – while allowing municipal agencies to continue recycling biosolids with low concentrations of PFOS and PFOA, two classes of PFAS biosolids.

Bloom meets MDE's recommended limits for unrestricted use. Additionally, MDE requires municipalities to monitor and limit industrial discharges within their service areas. However, pending legislation could override these newly established MDE limits, potentially impacting current biosolids recycling practices, and significantly increasing operational costs.



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.



Finance, Procurement, and Compliance

Financial Metrics

Metric	Target	Nov-24	Dec-24	Jan-25	Feb-25
Operating Cash Balance (millions \$)	\$309.6	\$328.6	\$320.8	\$344.9	\$335.9
Delinquent Account Receivables (%)†	3.30%	4.66%	4.72%	4.63%	4.56%
On-time Vendor Payments (%)††	97%	98%	97%	97%	97%
Investment Earnings Data (Thousands \$)	\$9.5	\$2.4	\$3.4	\$4.9	\$5.9
Core Investment Yield Data (%) - Merrill Lynch 1-3 Year Treasury Index *		4.2%	4.3%	4.2%	4.0%
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 *		4.4%	4.3%	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**	339	333	333	321***

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.

***321 days of cash is made up of 31 days in the Rate Stabilization Fund and 290 days in the operating cash balance.

Metrics Explanations:

† Delinquent account receivables as a percentage of 12-month rolling average retail 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

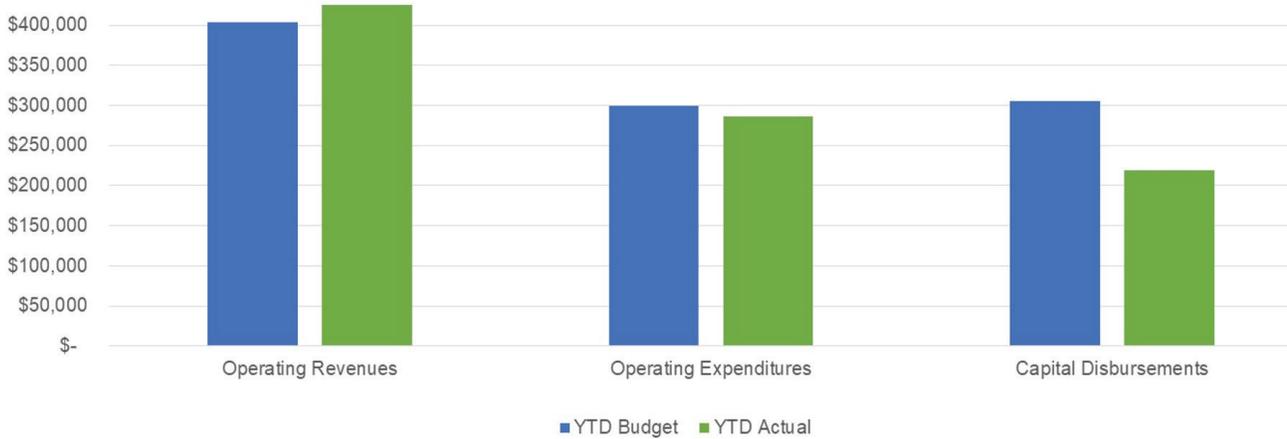
With 42 percent of the fiscal year completed, DC Water is on track with its budget. As of the end of February 2025, total operating revenues are \$425.4 million or 44.7 percent of the budget. The year-to-date operating revenues were 2.4 percent or \$10.2 million above the year-to-date budget with higher receipts mainly from Residential, Commercial and Multi-Family customers partly due to higher CRIAC than anticipated in the budget. In addition, the receipts also include the contribution from Blue Drop (i.e., RECs, Bloom, etc.) for the District (\$4.9 million).

Total operating expenditure was \$285.7 million or 36.2 percent and capital disbursements were \$219.6 million or 30.6 percent of the respective budgets.



Finance, Procurement, and Compliance

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



FY 2026 Budget

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 voted on and adopted the budgets on March 6, 2025. 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.

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 can be found at dcwater.com/ratemaking-process.

Procurement and Compliance

In February, one procurement action was approved by the Board. The value of the eligible procurement actions for this period totaled \$23.28 million. Of this total, the planned certified firm participation is \$23.28 million (in prime and subcontracting opportunities).

Highlights

- Two Certified Business Enterprises were awarded work on DC Water projects.
- One certified firm is a prime contractor with DC Water.



Finance, Procurement, and Compliance

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 Metropolitan Washington Council of Governments, "Chief Procurement Officer's" Business Workshop on February 26th.

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
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 Contractor	\$14M - \$16M	DBE/WBE
Apr-25	Ft. Reno Solar	RFP	Solicitation for Pre-Qualified Vendors	\$8M	
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

– continued



Finance, Procurement, and Compliance

Procurement / Capital Projects – continued

Planned Solicitation	Project Title / Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Inclusion Program
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
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
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 Type	Contract Term	Estimated Total Contract Value	Inclusion Program
March 2025	Cafeteria Services	Provide a cafeteria service at our Blue Plains location.	Request For Proposal	Master Service Agreement	1 Year Base + 2 Option Years	< \$1M	LSBE
March 2025	Repair of Electrical Control Equipment	Instrumentation and Repair of Electrical Control Equipment	Request For Proposal	Master Service Agreement	2-year Base + Option years	>\$1M	DBE/WBE
March 2025	Uniforms	Uniforms for lease / purchase throughout the Authority.	Request For Proposal	Master Service Agreement	5 years	>\$1M	DBE/WBE
March 2025	Emergency Preparedness Planning & Related Services	Emergency Preparedness Planning & Related Services	Request For Proposal	Master Service Agreement	1 Year Base + Option Years	<\$1M	LSBE
March 2025	Low Voltage Maintenance	Annual maintenance on low voltage equipment	Request For Proposal	Master Service Agreement	1 Year Base + Option Years	>\$1M	DBE/WBE
March 025	Valve and Fire Hydrant Assessment and Maintenance and Unidirectional Flushing Services	Locating, assessing, documenting, re-conditioning and repair of select water and wastewater infrastructure which includes over 40,000 isolation valves, 6,000 control valves and 9,800 fire hydrants.	Request For Proposal	Master Service Agreement	5+ years	\$1-\$5M	DBE/WBE
March 025	HQ Audio-Visual equipment upgrade	Turnkey solution to upgrade AV systems in the DC Water's HQ and ongoing technical support	Request For Proposal	Master Service Agreement	2-year Base + Option years	< \$1M	LSBE
March 2025	Data Colocation RFQ	Colocation racks space and power distribution for our backup datacenter	Request For Quote	Master Service Agreement	5+ years	< \$1M	LSBE
March 2025	ROCIP VI and OCIP Insurance Premiums	Insurance Broker that provides coverage for capital construction contractors and subcontractors	Request For Proposal	Master Service Agreement	3 Years Base + Option Years	>\$1M	DBE/WBE
April 2025	Emergency Sewer Bypass for Potomac Interceptor	Emergency Sewer Bypass for Potomac Interceptor	Request For Proposal	Master Service Agreement	5 years	\$1-\$5M	
April 2025	Benefits Consulting Services	Consulting Services in the areas of health, welfare and retirement	Request For Proposal	Master Service Agreement	1 Year Base + Option Years	<\$1M	LSBE
April 2025	Cisco Smartnet Maintenance and support	Cisco Smartnet Maintenance and Support Services	Request For Quote	Agreement	3 years	< \$1M	LSBE



As of this report, DC Water Contractors have filled 27 new positions in FY 25. Seventeen of those positions, or 78 percent, have been filled by local residents. The table highlights the total new hires for FY 2025.

Location	# of New Hires
District of Columbia	8
Prince George's County	7
Montgomery County	1
Fairfax County	1
Loudoun County	0
Outside the User Jurisdiction	4

- 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.

Fleet, Facilities, Safety, Security and Emergency Management

Administration Metrics

Metric	Target	Jan-25	Feb-25
SECURITY: Security Camera operational uptime	90%	96%	97%
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%	89%	94%
FACILITIES: Service Request Completion Rate	90%	95%	95%
FLEET: Priority One Vehicles In-Service	90%	64%	87%
FLEET: Technician Time on Priority One Vehicle maintenance	81%	76%	59%
FLEET: Technician Productivity	50-90%	64%	80%
SAFETY: DC Water Employee Recordable Incident Rate (RIR) (FY)	< 5.4	2.68	2.38
SAFETY: DC Water Employee Lost Time Incident (LTI) (FY)	< 2.1	1.95	1.79
SAFETY: Contractor/ROCIIP Recordable Incident Rate (RIR) (FY)	< 2.4	1.8	1.6
SAFETY: Contractor/ROCIIP Lost Time Incident (LTI) (FY)	< 1.0	0.6	0.5

Fleet Justification:

Metric 1:

Priority One Unit Availability measures the percentage of units available to meet the organization's operational mission. The target is 90 percent. In this time period 87 percent of Priority One vehicles were on the ground. 13 percent of Priority One Fleet vehicles had active work orders indicating in shops, at vendors, or in-fleeting, which is the process of registering a new asset to be brought into operation.

Metric 2:

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 59 percent of the technician hours were allocated to Priority 1 vehicles, (Prior month 64 percent). The target range is range is between 50 percent and 90 percent to support the 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 2 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 locked 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 range, upper and lower, and the goal is not met.

Metric 3:

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 80 percent of the technician hours were classed as productive, (Prior month 76 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 81percent ensuring the balance of productive work vs necessary breaks etc.

While focusing on seasonal transition, 65 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 59 roadside assistance calls and 39 fuel requests. Additionally, 11 units were sent to an auction, generating \$41,400 in revenue.

Customer Assistance Programs (CAP)

Program	FY2024 Enrolled	FY2024 Dollars	Feb. Enrolled	Feb. Dollars	# FY25 Enrolled	FY2025 Dollars	FY2025 Budget
CAP +	0	\$0	266	\$112,856	1,316	\$306,720	\$1,700,000
CAP I	4,411	\$2,586,698	237	\$82,714	1,173	\$339,035	\$3,000,000
CAP II	360	\$160,586	23	\$6,838	134	\$26,296	\$300,000
CAP III	29	\$4,714	0	\$-	31	\$1,003	\$10,000
Non Profit CRIAC Relief	185	\$997,487	11	\$53,647	100	\$224,242	\$861,679

We are thrilled to see increased participation in the Customer Assistance Program Plus (CAP+), highlighting the need for additional support within our community. DC Water’s SPLASH program can help customers in need. In FY 25, our goal is to raise \$100,000 in donations for the SPLASH program.

Serving People, Lending A Supporting Hand (SPLASH) is an internal assistance initiative that, in partnership with the Greater Washington Urban League, provides a one-time donation of \$350 to help customers avoid disconnection. This vital program is funded by employees, customers, and Board Members.



To make donating easier and to expand our opportunities, we’ve introduced an online donation option, allowing contributions from any source. We are also planning campaigns to garner support from vendors, friends, family, and other generous organizations.

SPLASH donations can make a significant difference in someone’s life. Join us in supporting our community by contributing and sharing the opportunity to contribute to SPLASH today!

Residential Leak Assessment and Repair Programs (RLAAP and RLRAP)

The Residential Leak Assessment and Repair Programs have generated considerable interest, and we have successfully used it to highlight the advantages of applying for utility assistance through DOEE. As of February 28, 2025, we have 85 participants in the program, with assessment costs totaling approximately \$64K. Although we have completed some repairs, the repair phase is progressing more slowly than the assessment phase because customers need to select and contact a repair vendor.

However, as we continue to send emails to encourage eligible customers to take advantage of the program, we are seeing an increase in repair requests. So far, the actual repair costs for four completed repairs amount to \$3,975, with most leak repairs involving the replacement of toilet tank parts, bathroom faucets and hose bibs. The estimated cost of repairs for customers who have completed the assessment and are eligible for repairs is approximately \$52K.

A key element of this program is the continual feedback we receive from both plumbing vendors and customers. We anticipate that as we move forward, we will be able to streamline some of the manual processes, making the program even more efficient.



Residential Leak Assessment and Repair Programs continued

Program	Eligible Customers	Participants	Decline	% Participating	% Decline	Assessment Cost*	Estimated Repair Cost**	Estimated Total Per Program
CAP+	118	40	5	34%	4%	\$30,000	\$18,500	\$48,500
CAP	103	41	9	40%	9%	\$30,750	\$33,250	\$64,000
CAP2	10	4	4	40%	40%	\$3,000	\$ 0	\$3,000
Total	231	85	18	37%	8%	\$63,750	\$51,750	\$115,500

* As of 2/28/25 - Paid assessment costs total \$37,500 (50 participants)

** Estimated based on approved cost agreement and completed assessment. As of 2/28/25 - Paid repair costs total \$3,975 (4 completed repairs)

Key Performance Indicators

Metric	Target/Service Level	Dec 24	Jan 25	Feb 25
% of bills issued on time (w/in 5 days)	97%	98%	97.2%	97.8%
% unbilled	< 2%	1.4%	1.7%	2.5%
Estimated bills as a percent of meters read	< 4.5%	4.6%	5.5%	4.6%
# of bill investigations (Disputes)	trend only	205	229	284
(NEW) % Bill Investigations/Dispute Resolution <= 30 Days	80%	84%	47%	52%
% of calls answered in 40 Seconds (Call Center)	85%	72%	79%	84%
Monthly call volume served (Call Center)	trend only	10,965	11,436	10,483
Average Wait Time (minutes)	<0:30	:58	:38	:31
Abandon rate	3%	4%	2%	2%
Emergency dispatch <= 10 Min (ECC)	> 92%	100%	100%	100%

Despite facing challenges such as inclement weather, holidays, leave, and vacancies, the department made impressive efforts to meet its metric targets:

- Estimated Bills as a Percentage of Meters Read: Missed by 0.09 percent, achieving 4.59 percent.
- Percent Unbilled: Missed by 0.5 percent (The last bill cycle of the month ran on 2/28/25 and the team could not review the fallout until 3/3/25.)
- Percent of Investigations/Disputes Resolved in 30 days or less: Missed by 28 percent. Previous months' holiday absences created a backlog that the team is currently working to clear.
- Percent of Calls Answered in 40 Seconds: Missed by 1 percent, which also impacted Average Wait Time.

The Payment Plan Incentive Program participant and payment distribution:

Payment Plan Incentive Program		
Adjustment Year	No. Accounts that Received Credits*	Adjustments
FY 2024	470	\$122,307
FY 2025	962	\$270,822

FY 2025 Payment Plan Incentive Program		
Adjustment Month	No. Accounts that Received Credits	Adjustments
January 2025	141	\$36,606
February 2025	247	\$72,556
March 2025	142	\$39,228
FY25 Distribution	962	\$270,822

IT Monthly Report

Metric	Target	Dec 24	Jan 25	Feb 25
Number of tickets submitted	Trend only	817	926	1050
Number of open tickets	Trend only	45	50	33
Helpdesk SLA	96%	99.20%	96.70%	96.70%
Number of active projects	Trend only	8	7	7
Number of completed projects	Trend only	1	0	2
On schedule performance	90%	94.44%	100%	100%
On budget performance	90%	100%	100%	100%
% AMI transmission	95%	91.00%	90.99%	91.08%
Cyber Awareness Training Completion	100%		92%	97%

Cyber Security Risk Profile

February Highlights:

Cyber Exposure Level: The current exposure level is 37.91, 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 known exploits have been identified but have not caused significant impact

Cyber Risk Level: This indicates that 100 percent of the assessed systems were classified as having a Medium Risk. This level of risk suggests that while there is some potential for harm or negative impact, it is minimal. Although risks are present, they are not severe and can typically be managed with standard precautions and controls.

- Low – 0 – 20
- Guarded – 21 – 40
- Elevated – 41 – 55
- High – 56 – 69
- Severe – 70+




Operations and Engineering

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

Key Performance Indicators

Metric	Target/Service Level	Nov-24	Dec-24	Jan-25	Feb-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%	24%	22%	19%	19%
Reactive Maintenance , percent of total maintenance hours	<20%	28%	34%	32%	30%
Critical Asset Availability , percent of total critical assets at the Blue Plains AWTP	>95%	96%	97%	96%	96%
Sewer Operations					
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	435	930	1,456	2522
* Inspection of catch basins in the CSO Anacostia tributary area at least twice per year (Jan 1- Dec 31)	11,400	10,302	11,517	17	54
* NPDES Permit to Clean and Inspect 85% of 10,700 CSS Area C/B (Jan 1- Dec 31)	9,095	9,329	10,249	48	103
Miles per month Sewer Cleaning and Inspection to meet 1,400 Miles of Small Diameter (<12 inches) in 10Yr Cycle	>12	4.1	12.2	5.4	12.5
Sewer Backup (Investigation to Resolution) Within 24 Hours Excluding Line Breaks	>95%	98%	96%	100%	96%
Number of SSO's	Report	4	1	5	1
SSO's to Body of Water	Report	2	0	1	0
SSO's per 100 miles of pipe (YTD) (AWWA 2021 Utility Benchmarking Report)	2	0.46	0.53	0.91	0.91
SSO's per 100 miles of pipe (Water Body) (YTD)	Information Only	0.23	0.23	0.3	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	Nov-24	Dec-24	Jan-24	Feb-25
Pumping Operations					
Firm Pumping Capacity Maintained	100%	100%	100%	100%	100%
Reactive Maintenance	<20%	23%	23%	17%	17%
Critical Asset Availability	>95%	98%	98%	98%	98%
Water Operations					
Safe Drinking Water Compliance	100%	100%	100%	100%	100%
Total Fire Hydrants Replaced	>21/Month	6	7	2	23
Approved Hydrant Flow Tests (Non-Winter Months)	>180	94	78	49	65
Fire Hydrant Operational Rate	99%	99.83%	99.82%	99.82%	99.84%
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%	95%	97%	100%	92%
Water Main Breaks	<28/Month	33	111	243	39
Water Main Break Rate /100 Miles (National Average is 25)	25	37.72	42.26	49.72	49.49
% of Hydrant Leaks in inventory that are not leaking	>90%	99%	99%	99%	99%
Permit Operations					
Overall On-time completion of Permit Reviews	90%	91%	92%	93%	95%

* 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 February, the hydrant flow test crew conducted 112 hydrant flow tests. Out of these, 65 tests received approval, while 47 tests were retests due to the need for further investigation and other related activities. Flow testing in the winter months is at a minimal due to cold temperatures.

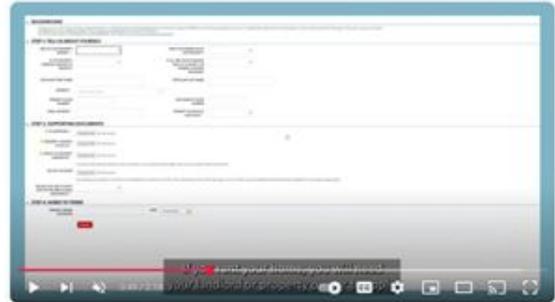


DC Water Capital Improvement Program

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



- The LFDC Customer Service team received over 1,300 calls in February and responded within an average time of 1.2 hours, well below the target of 4 hours.
- Production rates recovered from the weather impacts experienced in January and exceeded replacement goals for February.
- The LPRAP program resumed replacements in February with the use of available federal funding.
- LFDC released two new public facing YouTube videos, "How to Sign Up for a Lead Service Line Replacement" and "What to Expect After Construction".
- LFDC participated in 7 ANC meetings this month.



DC Water Pre-Construction and Signup

DC Water

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DC Water Post-Construction and Restoration

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Current Project Status

Northeast Boundary Tunnel (NEBT): Punchlist work is ongoing. Final inspection of construction staging areas for return to DDOT are being scheduled with DDOT. The operational and demonstration phase for the instrumentation and control systems has commenced with DC Water.

Potomac River Tunnel Contract B – Tunnel System Construction (Div. PRT-B): Mobilization to the CSO-022 site is complete. Installation of micropiles for seawall stabilization has started. Excavation of the Overflow and Mining Shaft (OMS) continues. Installation of secant piles at the Temporary Mining Shaft (TMS) has been completed. Sheet pile installation is ongoing.

Rock Creek Green Infrastructure Project C (RC-C): The construction phase of the project was approved by the Board in February and Notice to Proceed for construction was issued on February 26, 2025.

Piney Branch Tunnel: The Finding of No Significant Impact (FONSI) was approved by the National Park Service (NPS) the first week of March 2025. Clark Construction has been selected as the CMAR through a Best Value process. Preconstruction services are ongoing.

dc DC Water Capital Improvement Program

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

Featured Project of the Month – Potomac Interceptor MH 31-30 Rehab – 78% Complete

Scope of Work:

Complete: Preparation and installation of the MH 30.59 concrete walls, installation of Energy Dissipator Vortex Structure into new MH31 and installation of the first half of the new 78" concrete encased HOBAS pipe between new MH31 and MH31.59.

Underway: Installation of new 78" HOBAS pipe between new MH31 and new MH30.59 and formwork to build new MH30.59.

Pending: Installation of new MH30.59 including roof slab, risers, and interior benches; Installation of new 78" HOBAS pipe between new MH31 and new MH30.59; Flow conversion from existing pipe alignment to new 66" and 78" HOBAS pipes, Resurfacing of River Park Ln private access roadway; and site and landscape restoration.



Installation of new 78" HOBAS pipe between new MH31 and new MH30.59



Installation of concrete walls at new MH30.59



Stone backfill & dewatering corrugated metal sumps to pump sewage identified leak between SOE walls of new MH31 and existing MH31



Flow fill installation to block identified sewage leak between SOE walls of new & existing MH31



Installation of 78" HOBAS pipe & concrete encasement

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.

Metric	Target	Nov-24	Dec-24	Jan-25	Feb-25
Vacancy Rate ¹	6%	8.7%	7.6%	7.3%*	7.0%*
Temporary Alternative Duty Program (TAD) ²	50% of WC claims eligible for TAD program	60%	84%	84%	85%
Self-Identified Veterans (Active) ³		28	29	29	29
Female Workforce (Active) ⁴		22.7%	22.8%	22.9%	22.9%

*Reflects recommended position eliminations in the proposed FY26 Budget

Key Performance Indicators (KPI Benchmark)

KPI Definition	Business Relevance
¹ Vacancy Rate = $1 - (\text{Filled Positions} / \text{Total Headcount})$; 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 workforce Diversity, Equity and Inclusion and 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 workforce Diversity, Equity and Inclusion and growing the percentage of women in the workforce, with a focus on increasing the representation of women in non-traditional roles.

Key Performance Indicators by Cluster

Cluster	Metric	Jan-25		Feb-25	
Compliance	FY25 Injuries by Department FYTD 				
		Employee Health Condition	7	Employee Health Condition	2
		Care for Newborn	3	Care for Newborn	3
		Family Health Condition	1	Family Health Condition	3
		Work Related Illness/Inj-ury	1	All Other Leave Reasons	0
	Total	12	Total	8	
	Voluntary Leave Donations	Number of Recipients	2	Number of Recipients	3
		Number of Donors	7	Number of Donors	10
		Number of Hours donated	276	Number of Hours donated	372

Key Performance Indicators by Cluster – continued

Department/ Function	Metric	Dec-24	Jan-25
Learning & Development	Total cost of tuition assistance/reimbursement	\$58,169.03	\$3,711
	Total # of employees participating in tuition assistance/reimbursement	20	2
	Total # of employees seeking associate's degree	1	0
	Total # of employees seeking a bachelor's degree	7	1
	Total # of employees seeking a master's degree	9	0
	Total # of employees seeking a doctorate degree	0	0
	Total # of employees seeking a certification	2	0
	Total # of employees participating in external training	1	1
Talent Acquisition	Hires	5 (3 external, 2 internal)	16 (7 external, 9 internal)
	Positions Under Recruitment*	70	62
Separations	Separations	7	5
	Term Reasons	• 7 voluntary (1 retirement, 6 resignations)	•5 voluntary (5 resignations)
Benefits – Retirement Plan Participation	457(b) Pre-Tax	871 Employee Participated	880 Employee Participated
	457(b) Roth	124 Employees Participated	120 Employees Participated

* AWWA Turnover Benchmark: 7%

*Reflects recommended position eliminations in the proposed FY26 Budget

Job Description Project							
Compensation	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 As of 02/2025	JDs Completed To Date
	Administration	41	0	5	4	7	57
	Customer Experience	0	0	2	0	0	2
	Engineering	10	2	0	1	3	16
	Finance, Procurement, and Compliance	4	0	2	0	5	11
	Government and Legal Affairs	2	0	0	1	0	3
	Independent Offices	4	0	0	0	0	4
	Marketing and Communications	9	0	0	0	0	9
	Operations	20	9	4	5	6	44
	People and Talent	16	1	46 (Summer Intern JDs)	0	2	65
	Varies	2	2		0	0	4
	In progress					87	87
	Total Completed	81	14	59	11	110	275

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 Affairs Highlights

In February, DC Water remained actively engaged in critical discussions, legislative processes, and strategic collaborations.

RFK Campus Redevelopment & Infrastructure Planning

DC Water engaged in a strategic discussion with the Deputy Mayor's Office for Planning and Economic Development (DMPED) regarding the Robert F. Kennedy (RFK) Memorial Stadium Campus redevelopment. This meeting focused on ensuring that long-term infrastructure planning aligns with future development while safeguarding key DC Water assets across the 118-acre stadium campus.

Federal Oversight & Water Supply Security

DC Water's leadership met with Ms. Beverly Perry, Senior Advisor to Mayor Muriel Bowser, to discuss federal oversight of the Washington Aqueduct, regional water supply security, and infrastructure investment. During this meeting, DC Water emphasized the urgent need for local control over the Washington Aqueduct.

Performance Oversight Hearing & Council Engagement

DC Water participated in a performance oversight hearing, where key operational and financial issues were discussed with Councilmembers.

Legislative Testimonies & Regulatory Engagement in Maryland

DC Water engaged in critical discussions with the Washington Suburban Sanitary Commission (WSSC) and Maryland lawmakers on proposed legislation to regulate per- and polyfluoroalkyl substances (PFAS) concentrations in sewage sludge utilization permits.

Engagement with Assistant City Administrator Rodriguez

DC Water also met with Assistant City Administrator Rodriguez to discuss key financial matters, specifically accounts receivable delinquency in the commercial and multifamily sectors.

Monitoring Federal Developments & Future Strategy

As the federal administration transitions, DC Water is closely monitoring potential policy and funding changes that could impact ongoing projects, appropriations, and regulatory requirements.

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 February 2025 related to reports on customer's properties, DC Water contracts, and a variety of other topics.

FOIA Data

Open Requests	41
Requests Opened this Month	14
Requests Closed this Month	5

Other Legal Matters

Type of Legal Matter	# Reviewed/ Processed
Contracts	4
Agreements	3
Easements	1
Subpoenas	0

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 180 open foreclosure cases and 101 active bankruptcy cases, in addition to the receiverships discussed below. \$421,846.88 was collected from closed bankruptcy cases this quarter.

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.

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

	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			[Progress Bar]											In - Progress
•AI Policy Governance Assessment			[Progress Bar]											In - Progress
•Safety Audit			[Progress Bar]											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 Bar]													Ongoing
•Ongoing Hotline Monitoring	[Ongoing Bar]													Ongoing

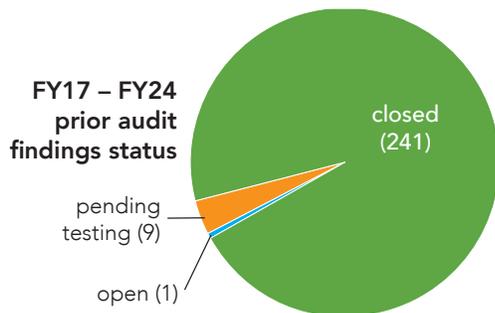
Open Prior Audit Findings

Audit Report / Subject	Issue Date	Open
Entity Level Review	10/26/2017	1
Occupational Safety and Health Audit	4/25/2019	1
Payroll and Timekeeping Audit	7/23/2023	1
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 9

■ At least one original remediation target date has been extended.

Eight Findings Closed this month:

- 1 FY24 Genesys ITGC review finding.
- 4 FY24 Internal/External Network Penetration testing findings.
- 1 FY24 Application Penetration testing finding.
- 2 FY24 DPSO work order management audit findings.



In total, 96 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.

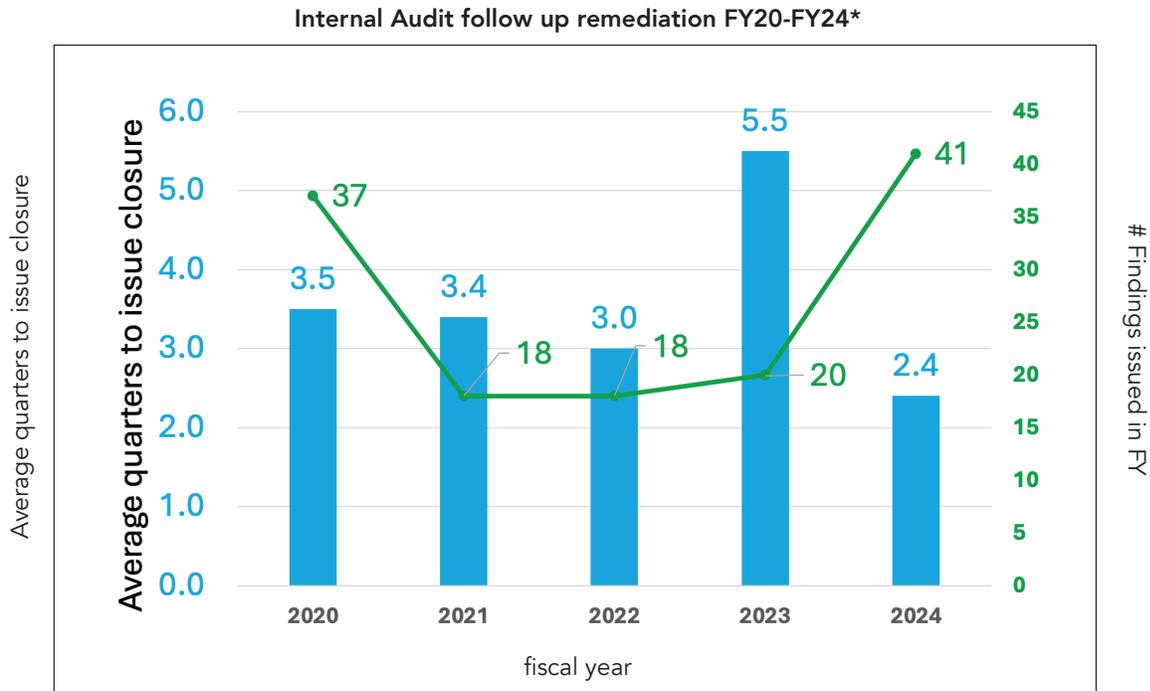
FY23-FY24 Open High Risk Prior Audit Findings*

	Audit FY	Issue Date	Audit Report	High Risk Open Finding	Original Target Date	New Target Date	# Extensions
1	2017	10/26/2017	Entity Level Review	Policies and Procedures <i>Two of Nine policies have been updated in 2024. Seven are currently pending legal review. Estimated completion date is not known at this time.</i>	TBD	Ongoing	>1
2	2019	4/25/2019	Occupational Safety and Health Audit	Comprehensive Safety Plan <i>Legal provided commentary on the Safety policies submitted and as a result the department has requested an extension to allow time to implement edits identified during Legal's review. The one-month extension will allow for time for these changes to be made and Legal to confirm comfort over the updated policies.</i>	1/31/2025	2/26/2025	1
3	2023	10/26/2023	Fleet Management Audit	Lack of current policies and procedures <i>Fleet has drafted a RACI and 15 Authority wide Fleet policies. Legal provided commentary on the Fleet policies submitted and as a result the department has requested an extension to allow time to implement edits identified during Legal's review. The extension will allow time for these changes to be made in collaboration with the Union and for Legal to conduct a final review of the updated policies and standard operating procedures.</i>	9/1/2024	9/30/2025	1

*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.



*Data before FY2023 was provided by RSM.





District of Columbia Water and Sewer Authority Board of Directors

Meeting of the Board Meeting

– Executive Summary April 3, 2025 / 9:30 am

Revised Delegation of Authority to the CEO and General Manager

Introduction

On January 8, 2025, the Governance Committee recommended Board approval of Resolution #25-15 Revised Delegation of Authority to the CEO & General Manager. The delegation of authority will clarify authority vested in the Authority by the Council of the District of Columbia pursuant to Section 203 and 205 of the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, effective April 18, 1996 (D.C. Official Code §§34-2202.03 and 2202.05).

The Board Chairperson further reviewed the proposed revised delegation of authority and requested the General Manager review the fiscal limits recommended by the Governance Committee. Based on the Board Chairperson's and General Manager's proposals, the Board Chairperson recommends the Board approve the Revised Delegation of Authority with revisions to D.C. Official Code §§34-2202.03(5) & (7) and 2203.03(12).

Objectives

The Board, through Resolutions #97-89, #97-91 and #98-44 delegated the CEO & General Manager authority over some of the General Powers of the Authority under Section 203, including D.C Official Code §§34-2202.03(1), (10), (11), (12), (13), (14), (19), (20), (21), (26), and other duties, but the remaining authority has not been delegated. This Resolution seeks to clarify current delegated authority and to approve the delegation to the authorities that have not been delegated to ensure the CEO & General Manager has the documented authority necessary to fulfill his duties.

The Board Chairperson further recommends revising the fiscal limit for the delegation of authority for D.C. Official §§34-2202.03(5) & (7) to increase it from \$1 Million to \$10 Million for the acceptance of loans, gifts, grants of money, materials or property of any kind. This will help maintain the timely acceptance of these funds that will benefit DC Water's operations and minimize any delay in the receipt of the funds.

The CEO & General Manager further recommends revising the fiscal limits for the delegation of authority for D.C. Official Code §34-2202.03(12) to increase it from \$25K to \$50K for refunding overcharges for services, facilities or commodities furnished or supplied by DC Water. This will improve the timely remittance of refunds to our customers who have been overcharged.

Recommendations/Proposed Solutions

The Governance Committee recommended Board approval of the revised delegation of authority to the CEO & General Manager. The Resolution rescinds the authority delegated in Resolutions #97-89 and #97-

91 and delegates authority as proposed for D.C Official Code §§34-2202.03(1), (4)-(8), (10)-(23), (25)-(27), (29), (30), (32), and (33), and D.C. Official Code § 34-2202.05(a)(2)-(4).

The Board Chairperson further recommends the Board approve the amended Revised Delegation of Authority with revisions to D.C. Official Code §34-2202.03(5) & (7) and 2203.03(12).

Conclusion

The Board Chairperson recommends the Board approve Resolution #25-15 as revised.

Presented and Adopted: April 3, 2025

**Subject: Approval of Revised Delegation of Authority to the
CEO & General Manager**

**#25-15
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 April 3, 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 delegations of authority to the CEO & General Manager.

WHEREAS, pursuant to Sections 203 General Powers of the Authority and 205 Duties of the Board of the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, effective April 18, 1996 (“Act”), the Council of the District of Columbia (“Council”) granted powers to the Authority and duties to the Board of Directors to carry out its functions; and

WHEREAS, pursuant to Section 206(a) of the Act, the CEO & General Manager is the “chief administrative officer of the Authority” who serves at the pleasure of the Board and required to “perform duties as determined by the Board;” and

WHEREAS, on September 4, 1997, through Resolution #97-89, the Board delegated contracting authority to the General Manager that had been granted to the Board pursuant to D.C. Official Code § 34-2202.03(10); and

WHEREAS, on September 4, 1997, through Resolution #97-91, the Board delegated certain authority to the General Manager that had been granted to the Board pursuant to D.C Official Code § 34-2202.03(1), (11), (12), (13), (14), (19), (20), (21), (26), and other duties; and

WHEREAS, on July 2, 1998, through Resolution #98-44, the Board delegated authority to the General Manager to accept EPA Grant Assistance Agreement/Amendments; and

WHEREAS, on January 10, 2024 and October 9, 2024, the Governance Committee met in executive session to discuss legal issues concerning the delegations of authority granted to the CEO & General Manager; and

WHEREAS, on January 8, 2025, the Governance Committee met to consider proposed revisions to the delegations of authority granted by Resolutions #97-89 and #97-91 and additional delegations not explicitly prescribed by the Board; and

WHEREAS, on January 8, 2025, upon consideration of the recommendations from the CEO & General Manager, the Governance Committee recommends Board approval of the revised delegation of authority.

WHEREAS, on April 3, 2025, the Board Chairperson and the General Manager presented their proposals to: 1) revise the delegation for Sections 203(5) & (7) for the acceptance of loans, gifts and grants of money from \$1 Million to \$10 Million as recommended by the Board Chairperson and 2) revise the delegation for Section 203(12) to refund overcharges from \$25,000 to \$50,000 to align with the authority delegated for the adjust or abate charges.

WHEREAS, after consideration of the proposed revisions, the Board approved the delegation of authority as revised.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board of Directors rescinds Resolutions #97-89 and #97-91, maintains Resolution #98-44, and approves the revised delegation of authority recommended by the Governance Committee and CEO & General Manager.
2. The Board of Directors delegates the following authority in Sections 203 and 205 of the Act to the CEO & General Manager as herein prescribed:

Section 203(1) Initiate and provide for the defense of lawsuits served on DC Water if the lawsuit demands less than \$1 million, except that the Board's Executive Committee must approve in advance the response to a lawsuit involving the CEO and General Manager or the Chief Legal Officer in their individual capacity for a personnel action or employee relations matter.

Section 203(4) Appoint, or hire officers, employees, or other agents of DC Water assigned or delegated to the CEO and General Manager, including experts and fiscal agents, define their duties, and fix their compensation within the budget established by the Board of Directors. Operate a personnel system necessary to carry out the functions delegated to the CEO and General Manager.

Sections 203(5) & (7) Accept loans, gifts, grants of money, materials, or property of any kind if the value of the gift, loan, or grant is less than \$10 million and the terms and conditions of the loan, gift, or grant to the extent that the terms and conditions are not inconsistent with the limitations and laws of the District and are within the powers of the

Authority.

- Section 203(6) Upon Board adoption and approval of rules and regulations, issue regulations and establish policies for contracting and procurement which are consistent with principles of competitive procurement.
- Section 203(8) Borrow money, not to exceed \$1 million, for any of its corporate purposes and to provide for the payment of the same, as may be permitted under the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 777; § 1-201.01 et seq.), and the laws of the District.
- Section 203(10)
- 1) The CEO and General Manager is hereby appointed the contracting officer of DC Water and is authorized to enter into, modify, and administer contracts necessary to perform the functions of DC Water if the value of the contract is less than \$1 million and any contract modification is less than \$500,000.
 - 2) The CEO and General Manager is delegated the authority to determine amounts to be retained from payments under partially or fully completed construction projects.
 - 3) The CEO and General Manager is authorized to determine the amount of liquidated damages which may be assessed, retained, remitted, or released.
 - 4) The CEO and General Manager is authorized to redelegate any of the authority delegated by this resolution to persons under the CEO and General Manager's supervision and control.
 - 5) The CEO and General Manager shall notify the appropriate board committee of such redelegation.
- Section 203(11) Adjust or abate charges, not to exceed \$50,000, for services, facilities, commodities furnished or supplied by DC Water. Levy and collect charges for services, facilities, or commodities furnished or supplied by DC Water.
- Section 203(12) Refund overcharges, not to exceed ~~\$25,000~~\$50,000, for services, facilities, or commodities furnished or supplied by DC Water.

- Section 203(13) Undertake any public project, acquisition, construction, or any other act necessary to carry out its purposes, not to exceed \$1 Million.
- Section 203(14) Select and hire necessary staff to maintain, repair, operate, extend, enlarge, investigate, design, construct, and improve the water distribution, sewer treatment facilities and disposal systems of the Authority.
- Section 203(15) Engage in activities, programs, and projects on its own behalf or, with the concurrence of the Mayor, jointly with other public bodies or political divisions or subdivisions of the District of Columbia, not to exceed \$1 Million.
- Section 203(16) Provide for the cost of activities, programs, and projects from grants, loans, the proceeds of bonds, or from other revenues available to the Authority for such purposes.
- Section 203(17) Exercise any power usually possessed by public enterprises or private corporations performing similar functions that is not in conflict with the District of Columbia Home Rule Act, or the laws of the District.
- Section 203(18) Upon Board adoption and approval of rules and regulations, implement all rules, regulations, and laws relating to the distribution of water and sewage collection, treatment, and disposal, other than those laws that impose a penalty of imprisonment
- Section 203(19) Shut off water and sewer service, after notice, for good and sufficient cause.
- Sections 203(20) & (21) Purchase and distribute potable water to the inhabitants of the District and other jurisdictions as provided by law.
- Section 203(22) Develop policies related to the proper use and distribution of water to households and public and private institutions during times of normal consumption and during emergency situations.
- Section 203(23) Construct water mains and sewers in any street, avenue, road, or alley in the District under conditions

as the Mayor may prescribe.

- Section 203(25) Enter into contracts, including leases and lease-purchase agreements involving real property and personal property, if the value of the contract, lease, or lease-purchase agreement is less than \$1 million dollars.
- Section 203(26) Indicate in its records the existence and location of sewers and service sewers within DC Water's jurisdiction.
- Section 203(27) Determine whether potable water should be used for mechanical and manufacturing purposes, private fountains, and street and pavement washers;
- Section 203(29) Enter into a financing lease, a service agreement or other arrangement for contracted services; obligations with respect to credit facilities; and interest rate swaps, interest rate caps, interest rate floors and any other interest rate-related hedge agreements entered into by the Authority for the purpose of interest rate risk and asset management that are not in conjunction with the issuance of bonds or notes by the Authority if the value of the lease or agreement is less than \$1 million.
- Section 203(30) Do all things necessary or convenient to carry out the powers expressly delegated to the CEO and General Manager.
- Section 203(32) Collect and receive its revenues and disburse its necessary and reasonable expenses.
- Section 203(33) In collaboration with the Fire and Emergency Medical Services Department, inspect, repair, and maintain all public fire hydrants, and to ensure that each hydrant will provide adequate flow levels to all locations in the District of Columbia.
- Section 205(a)(2) Develop policies for the management, maintenance, and operation of water distribution and sewer collection, treatment, and disposal systems under the control of DC Water.
- Section 205(a)(3) Upon Board adoption and approval of rules and regulations, publish rules and regulations governing the operation of the water distribution and sewer

collection, treatment and disposal systems under the control of DC Water.

Section 205(a)(4)

Upon Board adoption and approval of rules and regulations, develop and establish a personnel system and publish rules and regulations setting forth minimum standards for all employees, including pay, contract terms, leave, retirement, health, and life insurance, and employee disability and death benefits.

3. This resolution shall be effective immediately.

Secretary to the Board of Directors